



**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2005



**Auditor of State
Betty Montgomery**

CITY OF LAKEWOOD
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures	2
Independent Accountant’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountant’s Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.....	5
Schedule of Findings.....	7
Schedule of Prior Audit Findings	9

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CITY OF LAKEWOOD
CUYAHOGA COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through the Western Reserve Area Agency on Aging</i>						
Nutrition Program for the Elderly	N/A	10.570	0	32,433	0	32,433
Total U.S. Department of Agriculture			0	32,433	0	32,433
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
<i>Direct Program</i>						
Community Development Block Grant	N/A	14.218	2,020,141	0	2,358,809	0
Community Development Block Grant	N/A	14.218	1,760,072	0	1,446,091	0
Total Community Development Block Grant			3,780,213	0	3,804,900	0
<i>Direct Program</i>						
Emergency Shelter Grant	N/A	14.231	60,187	0	60,688	0
Emergency Shelter Grant	N/A	14.231	36,247	0	35,746	0
Total Emergency Shelter Grant			96,434	0	96,434	0
<i>Passed Through Cuyahoga County Housing Consortium</i>						
HOME Investment Partnerships Program Grant	CE-0400-354-01	14.239	58,858	0	150,000	0
Total U.S. Department of Housing and Urban Development			3,935,505	0	4,051,334	0
U.S. DEPARTMENT OF JUSTICE						
<i>Direct Program</i>						
Local Law Enforcement Block Grant	N/A	16.592	0	0	22,884	0
Total U.S. Department of Justice			0	0	22,884	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through the Western Reserve Area Agency on Aging</i>						
Title III, Part B - Grants for Supportive Services and Senior Centers	N/A	93.044	120,340	0	120,340	0
Title III, Part C - Nutrition Services	N/A	93.045	59,319	63,992	59,319	63,992
Medical Assistance Program	N/A	93.778	127,790	0	127,790	0
Total U.S. Department of Health and Human Services			307,449	63,992	307,449	63,992
Total			4,242,954	96,425	4,381,667	96,425

The accompanying notes are an integral part of this schedule.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

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

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

NOTE C – MATCHING REQUIREMENTS

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

NOTE D – U.S. Department of Housing and Urban Development and the HOME Program Grants

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

These loans are collateralized by mortgages on the property. At December 31, 2005, the gross amount of loans outstanding under this program was \$2,654,350.



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 Lakewood
Cuyahoga County
12650 Detroit Avenue
Lakewood, Ohio 44107

To the City 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 City of Lakewood, Cuyahoga 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 October 24, 2006 wherein we noted the City restated the General Fund. 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 to express our opinion 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 October 24, 2006, we reported other matters involving 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2005-001. In a separate letter to the City's management dated October 24, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management, City Council, and federal awarding agencies. 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

October 24, 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 Lakewood
Cuyahoga County
12650 Detroit Avenue
Lakewood, Ohio 44107

To the City Council:

Compliance

We have audited the compliance of the City of Lakewood, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program 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 program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Lakewood complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2005. In a separate letter to the City's management dated October 24, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

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.

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**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 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 Lakewood as of and for the year ended December 31, 2005, and have issued our report thereon dated October 24, 2006 wherein we noted the City restated the General Fund. Our audit was performed to form an opinion on the 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 the management, City Council, and federal awarding agencies. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

October 24, 2006

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2005-001

Expenditures Exceeding Appropriations

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure or encumbrance unless it has been properly appropriated. Budgetary expenditures as enacted by the City may not exceed appropriations at the legal level of control for all funds. The following funds had final expenditures plus encumbrances exceeding authorized appropriations at the legal level of budgetary control at year end:

CITY OF LAKEWOOD
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005
(Continued)

FINDING NUMBER 2005-001 (Continued)

	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Variance</u>
Debt Service	0	7,380,660	(7,380,660)
Winterhurst Ice Rink	1,322,596	1,324,822	(2,226)

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 to be budgeted, at the legal level of control, to maintain compliance with the above requirement.

Officials Response: The City of Lakewood Finance Department acknowledges and appreciates this recommendation from the Auditor of State's Office. The Department's leadership has changed since fiscal year 2005, and is currently undergoing a thorough review of policies, procedures and practices to prevent future occurrences.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-1	Contrary to Section 5705.39 Ohio Revised Code, the Community Development Block Grant Fund had original appropriations in excess of original estimated revenue available for expenditures.	No	This finding is no longer considered valid per AOS Bulletin 97-012
2004-2	Ohio Revised Code 5705.10 states that money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The Community Development Block Grant Fund had a negative fund balance in the amount of \$866,982.	Yes	



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City of Lakewood, Ohio
Comprehensive Annual Report
For the year ended
December 31, 2005



ROCKPORT SQUARE



LAKWOOD FAMILY YMCA



LAKWOOD PARK

 **It's
Lakewood's
Time!**

City of Lakewood, Ohio



Comprehensive Annual Financial Report

For the Year Ended December 31, 2005

Issued by:

City of Lakewood
Department of Finance

Jennifer Pae
Director of Finance

John Hribar
Accounting Manager

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City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
Table of Contents

I.	Introductory Section	
	Table of Contents	i
	Letter of Transmittal	v
	GFOA Certificate of Achievement	xiv
	List of Elected Officials	xv
	List of Appointed Officials	xvi
	Organizational Chart.....	xvii
II.	Financial Section	
	Independent Accountants' Report.....	1
	Management's Discussion and Analysis	3
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
	Statement of Net Assets	17
	Statement of Activities	18
	Fund Financial Statements:	
	Balance Sheet-Governmental Funds.....	20
	Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds	24
	Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (Non-GAAP Basis) and Actual:	
	General Fund	27
	Street and Highway Fund	28
	Police and Fire Pension Fund	29
	Community Development Block Grant Fund.....	30
	Office on Aging Fund.....	31
	Lakewood Hospital Fund	32
	Statement of Fund Net Assets-Proprietary Funds.....	33
	Statement of Revenues, Expenses, and Changes in Fund Net Assets- Proprietary Funds	34
	Statement of Cash Flows-Proprietary Funds	35
	Statement of Fiduciary Assets and Liabilities-Agency Funds	37
	Notes to the Basic Financial Statements	38

Combining Statements and Individual Fund Schedules:

Combining Statements-Nonmajor Governmental Funds:

Fund Descriptions	75
Combining Balance Sheet-Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	79
Combining Balance Sheet-Nonmajor Special Revenue Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Special Revenue Funds	84
Combining Balance Sheet-Nonmajor Capital Projects Funds.....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Capital Projects Funds.....	89

Combining Statements-Nonmajor Proprietary Funds:

Fund Descriptions	90
Combining Statement of Fund Net Assets- Nonmajor Enterprise Funds	91
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets-Nonmajor Enterprise Funds	92
Combining Statement of Cash Flows-Nonmajor Enterprise Funds	93
Combining Statement of Fund Net Assets- Internal Service Funds.....	95
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets-Internal Service Funds	96
Combining Statement of Cash Flows-Internal Service Funds.....	97

Statement-Fiduciary Fund:

Fund Description.....	99
Statement of Changes in Assets and Liabilities- Agency Fund	100

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

Major Funds:

General Fund.....	102
Street and Highway Fund.....	112
Police and Fire Pension Fund.....	113
Community Development Block Grant Fund.....	114

Office on Aging Fund	115
Lakewood Hospital Fund	116
Debt Service Fund.....	117
Permanent Capital Improvement Fund.....	118
TIF Capital Improvement Fund.....	119
Water Fund.....	120
Sewer Fund	121
Nonmajor Funds:	
Litter Control Grant Fund	122
Community Festival Fund.....	123
Law and Drug Enforcement Trust Fund.....	124
Bureau of Justice Grant Fund.....	125
Federal Forfeiture Fund.....	126
Indigent Drivers Alcohol Treatment Fund	127
Enforcement and Education Fund	128
Political Subdivision Fund	129
Computer Research and Maintenance Fund.....	130
Court Special Projects Fund.....	131
Court Probation Services Fund	132
Emergency Shelter Grant Fund	133
HOME Investment Program Fund	134
Lead-Based Paint Hazard Control Fund.....	135
Little Links Fund.....	136
Juvenile Accountability Incentive Block Grant Fund	137
Help-to-Others Fund	138
Juvenile Diversion Fund	139
Family Day Care Program Fund	140
Federal Emergency Management Fund.....	141
TIF Bond Retirement Fund	142
Lakehouse Breakwall Fund.....	143
Land Acquisition Fund.....	144
City Park Improvement Fund.....	145
Parking Facilities Fund	146
Winterhurst Ice Rink Fund.....	147
Congregate Living Facility Fund	148
Hospitalization Fund.....	149
Workers' Compensation Fund	150
General Liability Fund	151

III. Statistical Section

Governmental Activities Revenues by Source and Expenses By Function-Last Three Years	S1
General Governmental Revenues by Source and Expenditures By Function-Last Ten Years	S2
Property Tax Levies and Collections-Last Ten Years.....	S4
Assessed Valuation and Estimated Actual Value of Taxable Property- Last Ten Years	S5
Property Tax Rates-Direct and Overlapping Governments-Last Ten Years	S6
Special Assessments Billings and Collections-Last Ten Years	S7

Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt per Capita-Last Ten Years	S8
Computation of Legal Debt Margin.....	S10
Computation of Direct and Overlapping General Obligation Bonded Debt	S11
Ratio of Annual Debt Principal Expenditures for General Debt To Total Governmental Expenditures-Last Ten Years	S12
Principal Real Property Taxpayers.....	S13
Construction, Bank Deposits and Property Value-Last Ten Years	S14
Revenue Bond Coverage-Water System Mortgage Revenue Bonds-Last Ten Years	S15
Insurance Summary	S16
Ten Largest Employers	S18
Miscellaneous Statistics	S19
Demographic Statistics	S20



12650 DETROIT AVENUE • 44107 • 216/529-6092 • FAX 216/529-6806

Jennifer R. Pae
Director of Finance

October 24, 2006

Dear Members of Council, and the Citizens of the City of Lakewood:

We are pleased to submit the Comprehensive Annual Finance Report (CAFR) of the City of Lakewood for the year ended December 31, 2005. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, and fairness of presentation. To the best of our knowledge and belief, the information contained within this report is accurate in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: Introductory, Financial and Statistical.

1. The Introductory Section includes a table of contents, the letter of transmittal, 2004 Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, a list of principal elected and appointed officials and the City's organizational chart.
2. The Financial Section presents the Independent Accountant's Report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Notes that provide an overview of the City's financial position and operating results, and the Combining Statements of nonmajor funds and Schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section includes selected financial, economic, and demographic information, financial trends, and fiscal capacity of the City.

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

The Lakewood Hospital and Lakewood City School District are affiliated organizations of the City of Lakewood; however the City is not financially accountable for these entities nor are they

fiscally dependent on the City. Therefore, these entities have been excluded from the financial reporting entity. Also, the City is associated with one jointly governed organization, the West Shore Council of Governments.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a MD&A. This letter of transmittal is designed to complement the MD&A, and both should be read in conjunction. The City of Lakewood's MD&A can be found immediately following the independent accountants' opinion report.

City of Lakewood's Profile

The City of Lakewood, located in northeast Ohio on the shores of Lake Erie and five miles west of downtown Cleveland, is primarily a residential community covering 5.66 square miles. The City's population according to the 2000 Federal Census was 56,646. Lakewood enjoys close proximity to major cultural, educational and medical facilities in Northeast Ohio, as well as ease of access to many Interstate highways and Cleveland Hopkins International Airport, which makes it a desirable locality for residents and commercial enterprise.

The City was incorporated in 1911. Lakewood operates and is governed by the laws of the State of Ohio, and its own charter that provides for a mayor-council form of government. Lakewood's chief executive and administrative officer is the Mayor, who is elected to a four-year term and serves in a full-time capacity. Legislative authority is vested in a seven member council, which consists of three at-large and four ward representatives. Council members are elected to four-year terms. All members of Council serve in a part-time capacity. The Lakewood Municipal Court provides judicial services for the City of Lakewood.

Established by charter, the municipal government consists of six departments. A director, who is appointed by and reports directly to the Mayor, heads each department. All directors work closely with the Mayor to provide quality services to the citizens of Lakewood.

The **Department of Public Works** is responsible for the administrative control and supervision of eight divisions -- Parks and Public Property, Streets and Forestry, Fleet Management, Water and Wastewater Collection, Wastewater Treatment, Refuse and Recycling, Winterhurst Ice Rink, and Engineering.

The **Department of Public Safety** consists of the Division of Police, the Division of Fire and the Division of Housing and Building. The Mayor serves as the ex-officio Director of Public Safety and appoints the chiefs of the Divisions of Police and Fire, and the Division of Housing and Building project administrator. The chiefs have exclusive control of assignment of duties and stationing of all other officers and employees of their respective divisions.

The **Law Department**, under the direction of the City's Law Director, functions as the attorney for the City of Lakewood and its officials by providing legal advice to the Mayor, City Council and all departments. The Law Department represents the City in all court proceedings and before any administrative body. The Law Department prepares legislation, contracts, and all legal documents to ensure all business of the City is conducted in a proper and legal manner.

The **Finance Department** performs the following administrative functions: financial reporting, general accounting, including accounts receivable and accounts payable, payroll, purchasing, cash management, risk management, tax collection, and computer information services.

The **Department of Planning and Development** coordinates long-range planning, zoning, and economic development for the City as well as administers the federal Community Development Block Grant Funds awarded to Lakewood by the U.S. Department of Housing and Urban Development. The department works directly with the Lakewood Planning Commission, the Board of Zoning Appeals, the Board of Building Standards/Architectural Board of Review and Sign Review Board, the Lakewood Heritage Advisory Board, and the Citizens Advisory Committee.

The **Department of Human Services** provides a continuum of responsive programs and services that enhance and promote the health and well being of individuals, families, and the community. The department is comprised of the following divisions: Aging, Health, Youth, Early Childhood, as well as Animal Control and Shelter.

Economic Conditions and Outlook

The City of Lakewood is witnessing its greatest construction and re-development boom in the past four decades. It is estimated that over \$225.8 million in public and private dollars have been invested in the City during 2005-2006. A significant number of key businesses and institutions have either begun to undergo, or have planned to undergo, major reinvestment projects. The Lakewood City Schools began the first phase of a rebuilding process in 2005 totaling approximately \$56 million, and the Lakewood Public Library broke ground for a \$12 million expansion in early 2006. Furthermore, 2005 building permit data indicates that \$11.8 million in private dollars were directly invested in the maintenance and improvement of residential properties.

In mature first ring suburbs like Lakewood, it is essential that City government plays a major role in development activities and forges important public-private partnerships to encourage and facilitate continued private investment in the community. The City's business philosophy is based upon the concept of "partnership and leveraging" that is: the City should do its best to partner with the business community and all levels of government to leverage the public resources available with the private investment in our community. The City's goal is to maintain a comprehensive and formal program to attract, retain, and expand successful businesses in Lakewood. This can be seen through the following projects:

- **Rockport Square** (on Detroit Avenue between Ridgewood and Newman Avenues)
Under the auspices of Rockport Square LLC, Rysar Properties, on the former Keopke and Fairchild Auto Dealership sites is constructing a Mixed-Use Residential and Commercial project creating 124 new for-sale units (57 attached town homes and 67 live-work units) and approximately 18,800 square feet of retail space in the ground floor in the three live-work buildings.
Total Investment: \$40 million

Rockport Square Medical Office Building

Rysar Properties is constructing a new medical office building on the southeast corner of Newman Avenue and Detroit Avenue. The building will be approximately 5,300 square feet and will house primary medical offices for physicians of Lakewood Hospital.

Total Investment: \$1.25 million

- **The Cliffs (Western portion of Sloane Avenue)**
The Cliffs is the first new waterfront development in over 40 years in Lakewood. The local development team of The Foran Group LLC and M. Montlack Development plan to construct a 46-unit multi-level luxury condominium and boat marina development on a unique 1.6 acre site at the former site of the Krumreig Marina.
Total Investment: \$19 million

- **Advanced Energy Technology (11709 Madison Avenue)**
AET plans to renovate portions of its current location and purchase new machinery and equipment to compete more effectively in the fuel cell and electronic thermal management markets.
Total Investment: \$11 million

- **Lakewood Family YMCA (16915 Detroit Avenue)**
Representing one of the most successful YMCA's in Greater Cleveland, the organization has chosen to demolish its existing structure to construct a new building expanding its facilities.
Total Investment: \$9.5 million

- **Rosewood Place (15725 Detroit Avenue)**
This new development will involve the construction of eleven town homes and approximately 6000 square feet of new retail space on a former car lot.
Total Investment: \$3 million

In addition to the numerous residential and commercial projects, the City underwent, or planned to undergo, the following public improvement investments during 2005-2006:

- **Lakewood City Schools**
Lakewood residents passed the necessary tax increase expenditure to begin the process of rebuilding the Lakewood City School District's physical facilities starting with the construction of two grade schools and two middle schools.
Total Investment: \$56 million

- **Streets, Water and Sewer Improvements**
Over the last three years, the City has greatly increased its expenditures for improvements to roads, sewers and streets. The approved budget for these areas in 2005 and 2006 represents an 887% increase over the 2004 expenditures.
Total Investment: \$36.8 million

- **Lakewood Public Library (15425 Detroit Avenue)**
Lakewood residents passed the necessary tax increase for the complete renovation and expansion of Lakewood Public Library's main branch. Lakewood's Public Library System was recently rated in Hennen's American Public Libraries Report as the top library system in the Country.
Total Investment: \$12 million

- **Renovation of the West 117th Street RTA Transit Station**

Greater Cleveland Regional Transit Authority plans to completely renovate the West 117th Transit Station making it more efficient, convenient and attractive.

Total Investment: \$5 million

- **Lakewood Park**

Improvements included a handicap-accessible ramp with stone walls and brick pavers that extend from the top of the bluff to the lower Lakefront Promenade. The project also improved the Lakefront Promenade with a gorgeous brick walkway where visitors can enjoy a lovely view of the lake as well as a wonderful skyline of downtown Cleveland. The ramp and walkway are part of the larger Lakewood Park Lakefront Development Project, which includes a multi-purpose trail that opened in November of 2005. Future construction phases of the Lakefront Development will include access to a natural beachfront just west of the existing park.

Total Investment: \$2.4 million

Major Initiatives

- **The City leaves the Regional Income Tax Agency (RITA) and begins collecting Municipal Income Tax internally.** During 2005, Lakewood City Council passed a resolution to no longer contract with RITA to collect municipal income taxes on behalf of the City. The Lakewood Municipal Income Tax Division was formed and is charged with the collection, audit, and enforcement of the municipal income tax ordinance. Through proper tax revenue collection, it assists the Department of Finance in maintaining and strengthening the fiscal integrity of the City. The Division consists of six full-time and four part-time employees that strive to provide the taxpayers of Lakewood with high quality, cost effective, professional, and courteous service.

- **Lakewood named as an Official Main Street Community.** Downtown Ohio, Inc. has announced that the City of Lakewood, through its partner Lakewood Community Progress Incorporated (LCPI), is one of the newest communities to join the Ohio Main Street Program. The ceremony was held in the Statehouse Atrium on Thursday, December 8, 2005. LCPI's Main Street Program will join an elite group of communities dedicated to a comprehensive revitalization strategy that is highly successful.

With support from the Lakewood Chamber of Commerce and City of Lakewood, LCPI was selected as an Ohio Main Street Community through a competitive application process. As a result of becoming an official Main Street Community, LCPI will receive intensive training and technical support required to enhance downtown Lakewood. The assistance includes volunteer and program manager training, marketing and promotion, business recruitment, market analysis, design, historic preservation, and fundraising. The Ohio Main Street Program will also conduct on-site visits to help each community develop its work program and plan for success.

- **The City of Lakewood is among six cities nationwide selected for a project to help Municipal leaders support and engage parents of young children.** The National League of Cities (NLC) has selected the City of Lakewood as one of six

cities nationwide to receive technical assistance in developing long-term, strategic action plans that promote initiatives to support parents of young children in their communities.

The City of Lakewood was chosen to participate in cities Supporting Parents of Young Children project because of its involvement in NLC's 2005 City Leadership Academy on Cities Supporting Parents of Young Children and its high level of commitment to dedicating the time and resources necessary to make this project successful.

With support from the Freddie Mac Foundation, Annie E. Casey Foundation, and the David and Lucile Packard Foundation, NLC's Institute for Youth, Education, and Families (YEF Institute) will provide the technical assistance for the project.

- **CitiStat Process Continues.** The CitiStat process, which began in the City of Lakewood in August of 2005, is an ongoing procedure to create a performance management culture within Lakewood city government, with an emphasis on providing quality city services in an efficient and cost effective manner. The City has contracted with a private consulting firm, GovStat, to provide guidance on the coordination and implementation of the CitiStat process. The City has identified four initial departments to begin the process, and intends to implement the program citywide by 2008. The four departments are the Department of Human Services-Division of Aging, Division of Housing and Building, Division of Fleet Management and the Division of Wastewater Treatment.
- **City of Lakewood and Lakewood Hospital work together and expand "Start-a-Heart."** The City of Lakewood and Lakewood Hospital have announced the expansion of the Lakewood Start-A-Heart program, a citywide effort initiated in 2001 to treat sudden cardiac arrest victims and to improve the community response to such emergencies.

"We are grateful to Lakewood Hospital for their generosity in funding the expansion of Start-A-Heart," said Fire Chief Larry Mroz. "Because of their support, we will be able to increase the availability and use of automated external defibrillators within our City." Ten new automated external defibrillators (AEDs) will be purchased and placed at various locations within the City, including police vehicles, which are often first responders to emergency medical situations.

Financial Information

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

The Finance Department is committed to strengthening internal controls to assure the safeguarding of assets and to provide reasonable assurance that all financial transactions are properly recorded. A fixed asset software system allows for detailed reporting and analysis. Individual departments perform an annual physical inventory and work with the Finance Department to assure accuracy and accountability.

Budgetary Controls: The annual budget serves as the foundation for the City of Lakewood's financial planning and control. Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The year of the City begins on the first day of January. On or before the fifteenth day of November in each year, the Mayor, Director of Public Works, and Director of Finance submit an appropriate budget to Council.

The City Council adopts temporary appropriations in December, and is required to hold three public hearings on the proposed budget and to adopt a permanent appropriation measure for the year by April 1. Additionally, the Cuyahoga County Auditor must certify that the City's appropriation measure does not exceed the amounts set forth in the Cuyahoga Budget Commission's Certificate of Estimated Resources.

The City maintains budgetary control on a cash basis by department for salaries, other expenditures, and debt service. Estimated expenditure amounts are encumbered prior to the release of a purchase order to vendors or the finalization of other contracts. Encumbrances that would exceed available appropriation levels are not approved until City Council approves additional appropriations or transfers. Any encumbrances that remain open at the end of the year are reported as a reserve of fund balance. Unencumbered appropriations lapse at year-end and revert back to the fund balance. Budget-to-actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted.

In addition to the budgetary controls noted above, City ordinances require that all contracts in excess of \$7,500 be authorized by Council via contract authority, and approved by the Board of Control, which is comprised of the Mayor, and the Directors of the Law Department, the Finance Department, and the Public Works Department.

The City compiles its annual budget in document form. The budget presents anticipated revenues and expenditures by fund and department in line item detail with additional supporting documentation that explains the budgetary process and individual department accomplishments and goals. The budget is submitted to the Government Finance Officers Association (GFOA) and has received its first Distinguished Budget Presentation Award for 2005.

Accounting System: The City uses automated governmental accounting software developed and licensed by Sungard HTE Selection Version 4.0. This system controls budgetary accounting, payroll, utility billing and capital assets. These systems, coupled with the manual auditing of each voucher prior to payment by the City's Finance Department, increases assurance that the financial information generated is both accurate and reliable.

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

The City maintains records on a budgetary basis for all fund types. After year-end closing, adjusting entries are prepared for the various funds to convert the budgetary basis records to the modified accrual basis of accounting for all government fund types and to the accrual basis for accounting for the proprietary fund types. The fund statements are then converted to entity-wide

financial statements, and classified as either governmental or business-type activities, using the accrual basis of accounting. Modified accrual basis accounting requires that revenues be recognized when both measurable and available. Expenditures are recorded as fund liabilities when incurred, except for interest on long-term debt, which is recorded when due. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the Basic Financial Statements, located in the Financial Section of this report.

Cash Management: The Finance Department has an aggressive cash management program to maximize the City's cash resources. The primary objectives of the City's investment policy is to allow for maximum return on the City's excess cash balances consistent with the safety of the portfolio's principal value and the liquidity desired. The City currently invests in interest bearing checking and money market accounts, certificates of deposit, and U.S agency securities. Cash balances and investment schedules are continually evaluated to ensure both liquidity and maximum yield. In 2005, the City earned \$1,062,552 in interest earnings.

Deposits are either insured by federal depository insurance or surety bonds, or secured by pledged assets consisting of eligible securities with an aggregate market value equal to 105 percent of the excess of all public deposits that are not insured by the Federal Deposit Insurance Corporation. All collateral on deposits are held by the counterparty's trust department or agent in the City of Lakewood's name.

Risk Management: The City insures all risk, with the exception of employee health workers compensation, through private insurance carriers. Property valuations are revised annually to provide insurance companies and the City with an accurate inventory of insurable property and replacement cost values. The City is currently entered into a self-insurance program for employee health care, and in March 2006, enrolled in a self-insurance program for Workers' Compensation. Reinsurance for maximum benefit levels is incorporated as part of the plans. Resources are accumulated in the internal service funds to meet current and future claims. The City expects to assume no additional risks in the near future.

Independent Audit: Included in this report is an unqualified audit opinion regarding the City's financial statements for the year ended December 31, 2005. The Auditor of State of Ohio completed this year's audit.

Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2004. This was the 23rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The Finance Department believes the current CAFR continues to meet the Certificate of Achievement Program's requirements, and is submitting it to the GFOA to determine its eligibility for another certificate.

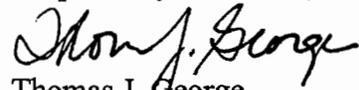
The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to the City of Lakewood for its 2005 Annual Budget. The GFOA's Distinguished Budget Presentation Award Program is the only national awards program in governmental budgeting. This was the second year the City has received this prestigious award.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device. Also, the City was presented with its 28th consecutive Tree City USA award in 2005. Lakewood has received this award more than any other city in Northeastern Ohio.

Acknowledgements: This Comprehensive Annual Financial Report was prepared by the Finance Department with the dedicated services of its entire staff, as well as with support of numerous departments throughout the City. In addition, we would like to thank the Mayor and Members of City Council for their continuing support toward the preparation of this report.

On behalf of the City of Lakewood, we personally thank our State Auditor, Betty Montgomery, and her Local Government Services staff for their involvement and support in putting together the GASB 34 statements. We would also like to thank the State Auditor's Financial Audit staff for their efforts and professional conduct throughout the audit engagement.

Respectfully submitted,


Thomas J. George
Mayor


Jennifer R. Pae
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakewood,
Ohio

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

President

Jeffrey R. Enos

Executive Director

CITY OF LAKEWOOD, OHIO
2005 Elected Officials

MayorThomas J. George
Municipal Court Judge.....Patrick Carroll
City Council At Large..... Denis P. Dunn
City Council At Large.....Michael Dever
City Council At Large.....Edward FitzGerald

City Council by Wards:

Ward 1 Kevin M. Butler
Ward 2 Ryan P. Demro
Ward 3 Robert M. Seelie, Council President
Ward 4 Mary Louise Madigan

CITY OF LAKEWOOD, OHIO
2005 Appointed Officials

Office of Council

Clerk of CouncilMary Hagan

Municipal Court

Clerk of Courts Thomas Wagner
Magistrates Thomas O'Malley and Terease Neff

Department of Law

Director of Law Brian T. Corrigan

Department of Finance

Director of Finance..... Vic J. Nogalo
* Director of Finance..... Jennifer Pae

Department of Public Works

Director of Public WorksAnthony Beno

Department of Public Safety

Chief of Fire Lawrence Mroz
Chief of Police Timothy Malley

Department of Human Services

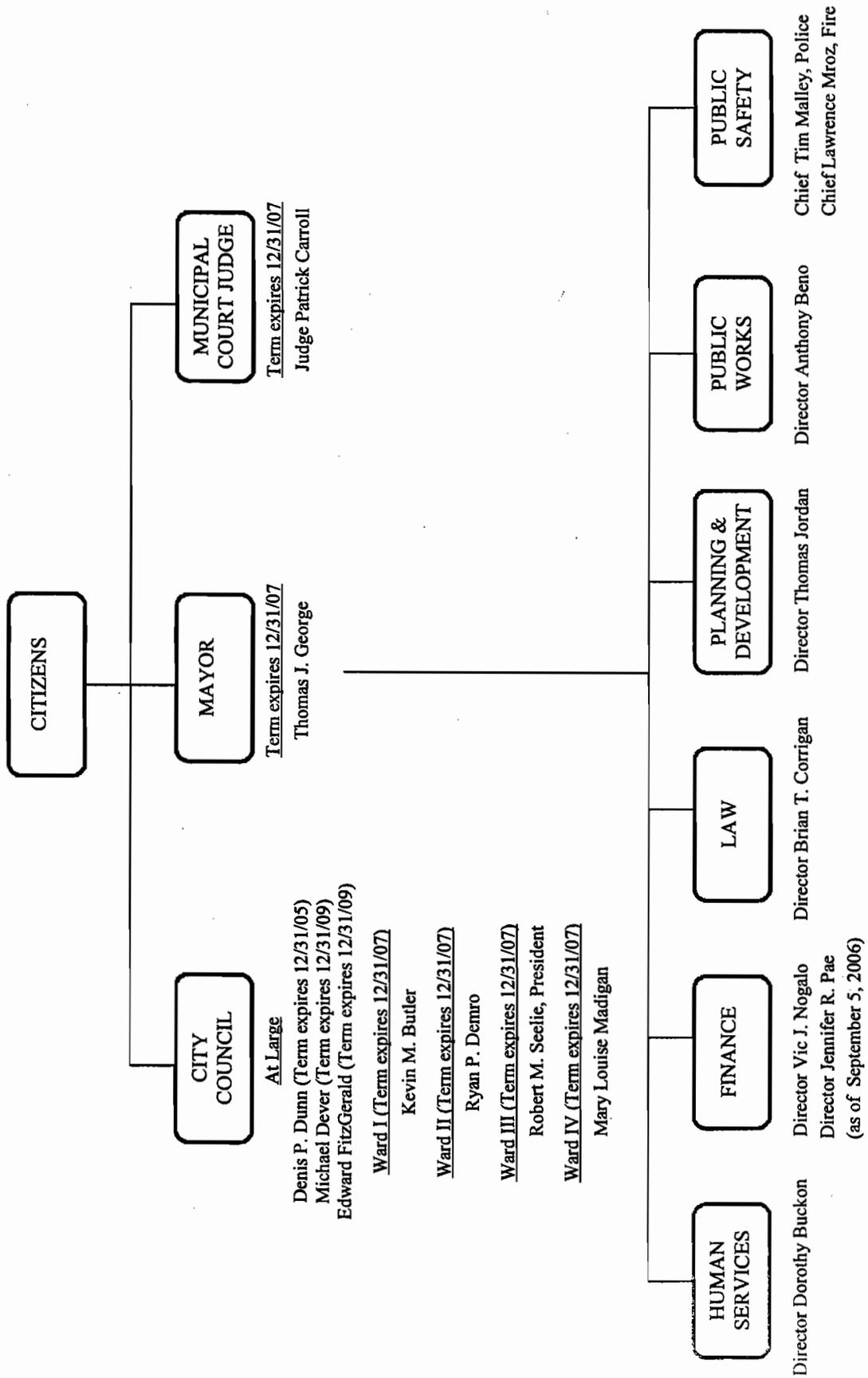
Director of Human ServicesDorothy Buckon

Department of Planning and Community Development

Director of Planning and Development..... Thomas J. Jordan

* Director of Finance as of September 5, 2006.

CITY OF LAKEWOOD, OHIO
Organizational Chart
 as of December 31, 2005



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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Lakewood
Cuyahoga County
12650 Detroit Avenue
Lakewood, Ohio 44107

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga 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 Lakewood, Cuyahoga County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Street and Highway Fund, Police and Fire Pension Fund, Community Development Block Grant Fund, Office on Aging Fund, and Lakewood Hospital Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City restated the fund balance in the General Fund due to municipal court activity being recorded in that fund and Governmental Activities due to capital assets and bond issuance costs.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 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.

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

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables 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.



Betty Montgomery
Auditor of State

October 24, 2006

City of Lakewood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The discussion and analysis of the City of Lakewood's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

- The assets of the City of Lakewood exceeded its liabilities at the close of the most recent year by \$75,070,918 (net assets). Of this amount, \$21,215,027 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total Net Assets increased \$1,585,347, or 2 percent from 2004.
- Total Assets of the City increased \$12,575,357, which represents a 7.5 percent increase from 2004.
- Total Capital Assets increased \$9,203,943, or 8.5 percent over 2004.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,810,022, a decrease of \$759,162 in comparison to the prior year.
- Total outstanding Long-Term liabilities were \$82,811,444. This was a \$10,368,532 increase from the balance at the end of 2004.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses. The statement of net assets and statement of activities provides information about the activities of the whole city, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

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

The City of Lakewood maintains thirty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures - and changes in fund balances - for the General Fund, Streets and Highways Fund, Police and Fire Pensions Fund, Community Development Block Grant Fund, Office on Aging Fund, Lakewood Hospital Fund, Debt Service Fund, Permanent Capital Improvement Fund, and TIF Capital Improvement Fund; all of which are considered to be major funds. Data from the other twenty-five non-major governmental funds are combined into a single fund, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds. The City of Lakewood maintains eight proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Lakewood uses enterprise funds to account for its Water, Sewer (which includes the Wastewater Treatment Plant), Parking Facilities, Congregate Living Facility and Winterhurst Ice Rink. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City of Lakewood's various functions. The City of Lakewood uses internal service funds to account for its hospitalization, workers' compensation, and general liability insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 33-36 of this report.

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

The basic fiduciary fund financial statement can be found on page 37 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-74 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with non-major governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for non-major funds. This information can be found on pages 75-151 of the report.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

The City of Lakewood as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2005 compared to 2004.

Table 1 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current and Other Assets	\$42,178,612	\$44,144,355	\$20,773,023	\$14,588,070	\$62,951,635	\$59,580,221
Capital Assets, Net	55,856,228	51,620,355	61,970,106	57,002,036	117,826,334	108,622,391
Total Assets	98,034,840	95,764,710	82,743,129	71,590,106	180,777,969	168,202,612
Liabilities						
Current Liabilities	19,194,519	18,524,640	3,701,088	2,901,694	22,895,607	21,426,334
Long Term Liabilities						
Due within One Year	3,734,754	3,135,111	1,885,849	1,688,895	5,620,603	4,824,006
Due in More than one Year	42,139,669	41,379,386	35,051,172	26,239,520	77,190,841	67,618,906
Total Liabilities	65,068,942	63,039,137	40,638,109	30,830,109	105,707,051	93,869,246
Net Assets						
Invested in Capital Assets, Net of Related Debt	15,964,667	17,763,254	25,918,138	29,906,268	41,882,805	47,669,522
Restricted for:						
Capital Projects	4,895,203	165,163	561,240	551,038	5,456,443	716,201
Debt Service	1,128,628	1,621,445	0	0	1,128,628	1,621,445
Streets and Highways	905,268	931,279	0	0	905,268	931,279
Police and Fire Pensions	896,471	715,709	0	0	896,471	715,709
Lakewood Hospital	262,343	548,059	0	0	262,343	548,059
Grants	2,571,017	2,389,784	0	0	2,571,017	2,389,784
Other Purposes	752,916	737,872	0	0	752,916	737,872
Unrestricted	5,589,385	7,853,008	15,625,642	10,302,691	21,215,027	18,155,699
Total Net Assets	\$32,965,898	\$32,725,573	\$42,105,020	\$40,759,997	\$75,070,918	\$73,485,570

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Lakewood, assets exceeded liabilities by \$75,070,918 at the close of the most recent fiscal year.

The largest portion of the City's net assets (55 percent) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased by \$12,575,357 from 2004 to 2005, while the City's total liabilities also increased by \$11,837,805. This was caused by the additional investment in capital assets and issuing debt to finance those capital assets. Total net assets increased \$1,585,348 with governmental net assets comprising \$240,325 and business-type activities comprising \$1,345,023 of that amount.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2005 compared to 2004.

Table 2 Changes in Net Assets

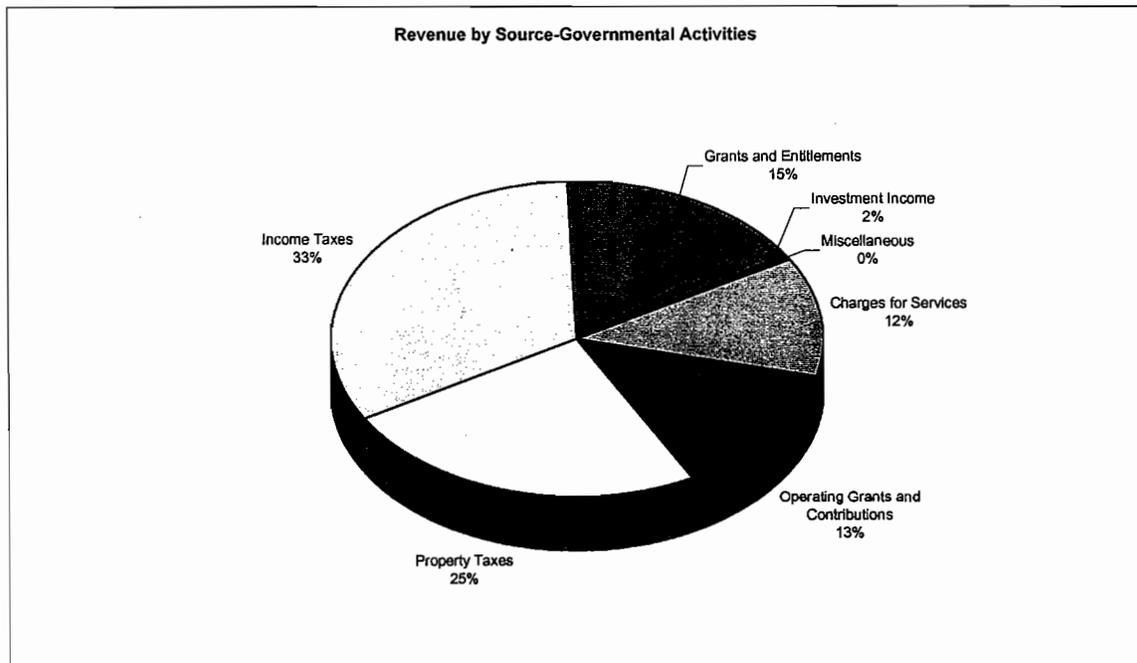
	Governmental	Governmental	Business Type	Business Type	Total	Total
	Activities	Activities	Activities	Activities		
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues:						
Charges for Services	\$6,155,488	\$6,130,666	\$14,000,202	\$13,284,034	\$20,155,690	\$19,414,700
Operating Grants and Contributions	6,702,911	4,997,145	0	0	6,702,911	4,997,145
Capital Grants and Contributions	3,579	0	0	0	3,579	0
Total Program Revenues	12,861,978	11,127,811	14,000,202	13,284,034	26,862,180	24,411,845
General Revenues:						
Property Taxes	12,162,282	12,417,925	1,579,441	1,612,757	13,741,723	14,030,682
Payment in Lien of Taxes	241,480	100,617	0	0	241,480	0
Income Taxes	16,537,268	17,064,294	0	0	16,537,268	17,064,294
Grants and Entitlements	7,713,363	7,085,654	212,063	203,039	7,925,426	7,288,693
Investment Income	830,725	396,491	230,974	92,690	1,061,699	489,181
Miscellaneous	246,757	402,279	182,363	26,407	429,120	428,686
Total General Revenues	37,731,875	37,467,260	2,204,841	1,934,893	39,936,716	39,301,536
Total Revenues	50,593,853	48,595,071	16,205,043	15,218,927	66,798,896	63,713,381
Expenses						
General Government	7,851,426	6,911,274	0	0	7,851,426	6,911,274
Security of Persons and Property						
Police	10,686,045	10,811,935	0	0	10,686,045	10,811,935
Fire	9,949,694	9,374,854	0	0	9,949,694	9,374,854
Public Health Services	4,310,861	4,361,672	0	0	4,310,861	4,361,672
Transportation	2,880,797	2,971,847	0	0	2,880,797	2,971,847
Community Environment	6,417,757	8,478,583	0	0	6,417,757	8,478,583
Basic Utility Services	4,340,798	4,470,994	0	0	4,340,798	4,470,994
Leisure Time Activities	2,097,492	2,158,300	0	0	2,097,492	2,158,300
Interest and Fiscal Charges	1,781,467	1,599,775	0	0	1,781,467	1,599,775
Water	0	0	8,539,662	8,252,561	8,539,662	8,252,561
Sewer	0	0	5,022,961	4,669,597	5,022,961	4,669,597
Parking Facilities	0	0	300,901	325,724	300,901	325,724
Winterhurst Ice Rink	0	0	969,391	969,745	969,391	969,745
Congregate Living	0	0	64,297	4,853	64,297	4,853
Total Expenses	50,316,337	51,139,234	14,897,212	14,222,480	65,213,549	65,361,714
Increase (Decrease) in Net Assets before Transfers	277,516	(2,544,163)	1,307,831	996,447	1,585,347	(1,648,333)
Transfers	(37,191)	(505,000)	37,191	505,000	0	0
Increase(Decrease) in Net Assets	\$240,325	(\$3,049,163)	\$1,345,022	\$1,501,447	\$1,585,347	(\$1,547,716)

Governmental Activities

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2005. Both residents and non-residents who work inside the City are subject to the income tax.

However, residents of the City are granted a .50 percent credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. The income tax revenue for 2005 was \$16,537,268. Of the \$50,593,853 in total revenues, income tax accounts for 33 percent of that total. Property taxes of \$12,162,282 account for 25 percent of total revenues, operating grants, capital grants, contributions, and general revenues from grants and entitlements account for 28 percent of total revenues, and charges for services and other revenue make up the remaining 14 percent.

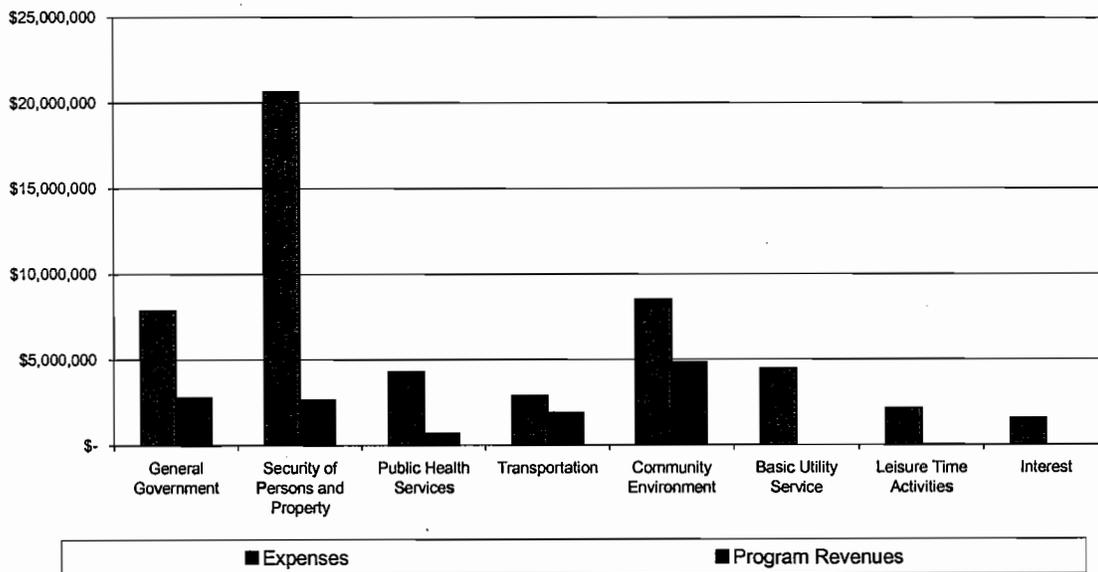
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.



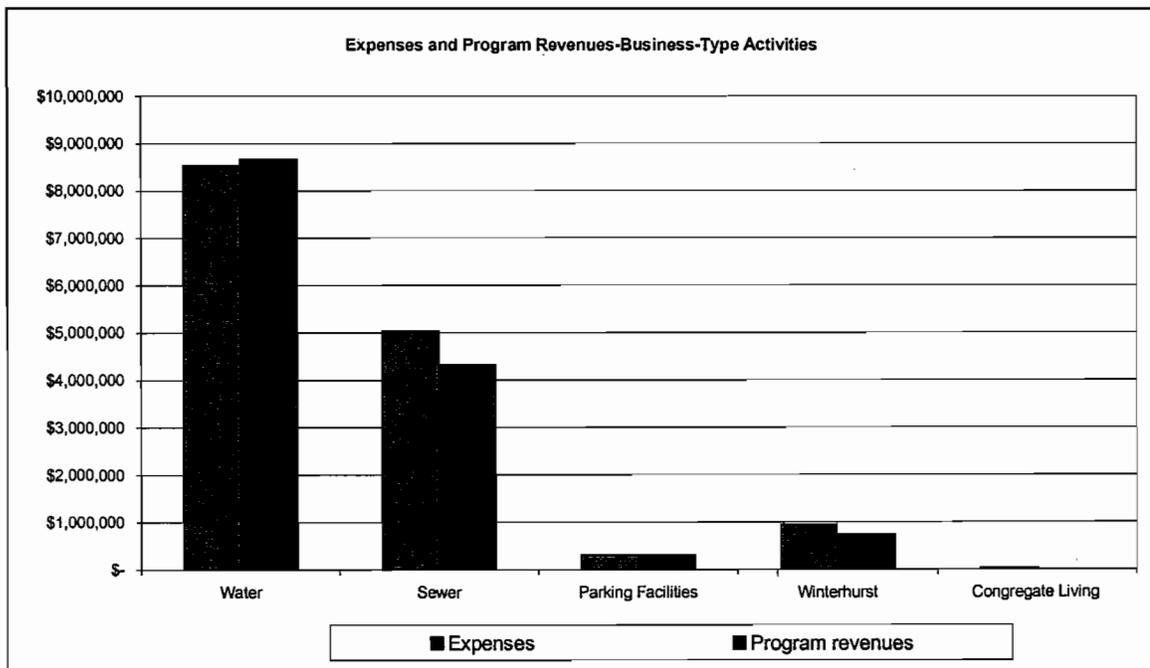
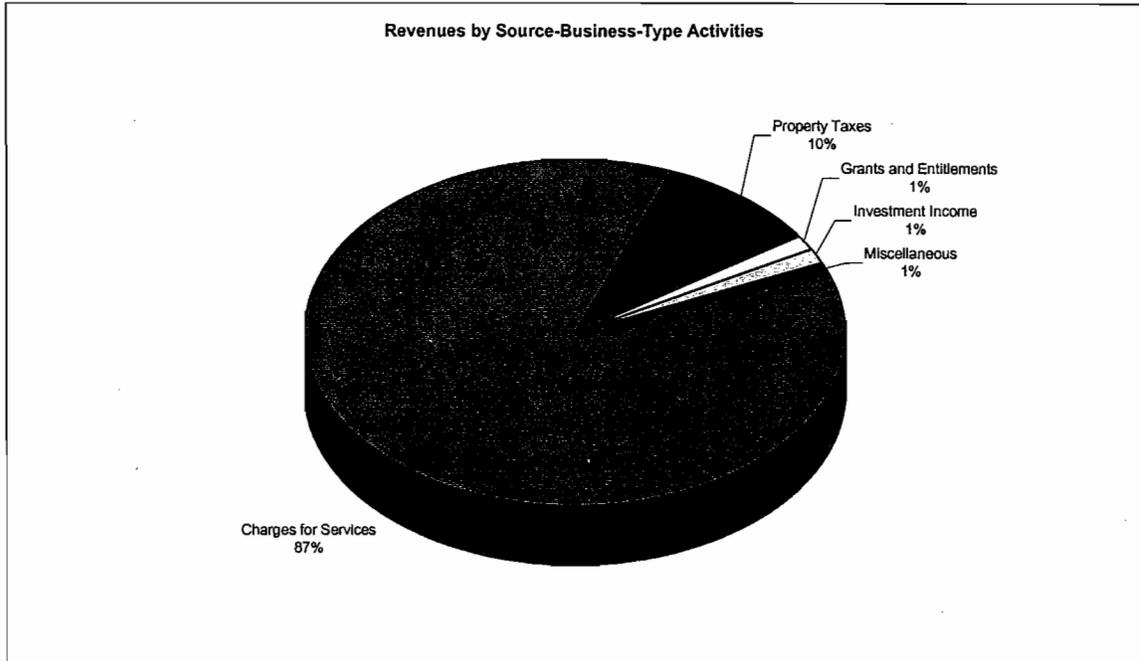
The largest change in revenue was a \$1,705,766 increase in operating grants and contributions over 2004. The increase was due to additional CDBG monies received in 2005.

Total Expenses of governmental activities for 2005 were \$50,316,337. The largest program function for the City relates to security of persons and property, which includes the police and fire departments. Security of Persons and Property accounted for program expenses of \$20,635,739, which is 41 percent of the program expenses for governmental activities. General Governmental is the next largest program expense at 16 percent, followed by Community Environment expenses of 13 percent. The \$2,060,826 decrease in Community expenses is primarily due to a reclassification of capital outlay.

Expenses and Program Revenues-Governmental Activities



Business-Type activities. Business-type activities increased the City of Lakewood's net assets by \$1,345,022. The increase is due primarily to an increase in Charges for Services of \$716,168 or 6 percent from increased sewer and water rates. Total Expenses of business-type activities were \$14,897,212, with the Water Department comprising 57 percent of that amount followed by Sewer Department at 34 percent.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of December 31, 2005, the City's governmental funds reported combined ending fund balances of \$14,810,022. Of that amount, \$10,743,513 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to loans and to liquidate contracts and purchases of the prior period.

The general fund had total revenues of \$35,510,884, and expenditures of \$32,769,030 leaving a change in fund balance after other financing sources/uses of \$182,047.

The general fund is the chief operating fund of the City of Lakewood. At the end of the current year, unreserved fund balance of the general fund was \$3,724,852, while the total fund balance reached \$4,019,773. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 12 percent of total general fund expenditures, while total fund balance represents the same percent of that same amount.

The Debt Service Fund has total revenues of \$3,001,795 and expenditures of \$10,895,652, leaving a deficit after other financing sources (uses) of \$173,948. The Debt Service Fund pays for all the principal and interest payments on the City's long-term debt. The unreserved fund balance was \$1,245,313 to be used for future debt. Unreserved fund balance represents approximately 7 percent of total expenditures.

Proprietary Funds

The City of Lakewood's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water and Sewer Funds at the end of the year amounted to \$15,436,194, and those for the Winterhurst and other funds amounted to \$189,448. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Lakewood's business-type activities.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2005, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of our major activities such as the Police, Fire and Refuse Departments, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original budgeted revenues were \$34,824,281. The final budgeted revenues were \$35,300,887. The City's ending unencumbered cash balance in the General Fund was \$288,604 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

Table 3 Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$6,137,360	\$6,137,360	\$78,150	\$78,160	\$6,215,510	\$6,215,520
Land Improvements	1,735,063	1,038,211	721,935	731,173	2,456,998	1,769,384
Buildings and Improvements	8,613,637	8,789,929	7,408,861	7,800,987	16,022,498	16,590,916
Vehicles	5,520,811	5,128,451	881,086	780,166	6,401,897	5,908,617
Furniture and Equipment	2,055,754	2,031,567	3,263,912	3,395,648	5,319,666	5,427,215
Infrastructure:					0	0
Roadways	22,050,440	21,030,649	0	0	22,050,440	21,030,649
Sidewalks	1,671,979	1,522,095	0	0	1,671,979	1,522,095
Traffic Signals	1,918,262	1,949,191	0	0	1,918,262	1,949,191
Water Mains	0	0	29,467,623	29,589,925	29,467,623	29,589,925
Curbing	1,004,386	1,018,564	0	0	1,004,386	1,018,564
Sanitary Sewers	0	0	9,182,019	8,427,266	9,182,019	8,427,266
Construction in Progress	5,148,536	2,974,338	10,966,520	6,198,711	16,115,056	9,173,049
Total Capital Assets	\$55,856,228	\$51,620,355	\$61,970,106	\$57,002,036	\$117,826,334	\$108,622,391

The City of Lakewood's Investment in Capital Assets for its governmental and business type activities as of December 31, 2005, amounts to \$117,826,334 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, furniture and equipment, roads, sidewalks, traffic signals, water lines, curbing, and sewer lines.

The total increase in the City's investment in capital assets for the current fiscal year was \$9,203,943 (a \$4,235,873 increase for governmental activities and a \$4,968,070 increase

for business-type activities). The most significant increase in capital assets came in the construction of new water lines in the business-type activities.

See Note 9 of the Basic Financial Statements for additional information on the City's capital assets

Debt

As of December 31, 2005, the City had \$82,811,444 in bonds, notes, loans, capital leases, and compensated absences outstanding with \$5,620,603 due within one year.

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

Table 4 Long Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Notes	\$4,228,000	\$7,064,800	\$11,509,000	\$6,148,500	\$15,737,000	\$13,213,300
General Obligation Bonds	36,035,423	31,443,942	13,701,254	9,728,388	49,736,677	41,172,330
Revenue Bonds	0	0	5,612,903	5,482,940	5,612,903	5,482,940
OPWC Loans	483,460	547,482	5,525,048	5,872,765	6,008,508	6,420,347
OWDA Loans	0	0	212,563	236,118	212,563	236,118
Special Assessment Bonds	30,000	60,000	0	0	30,000	60,000
Capital Leases	47,423	113,793	0	0	47,423	113,793
Compensated Absences	5,050,117	5,284,480	376,253	459,604	5,426,370	5,744,084
Total	\$45,874,423	\$44,514,497	\$36,937,021	\$27,928,315	\$82,811,444	\$72,442,912

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

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

The special assessment bonds outstanding consist of two bonds; \$10,000 for Belle Avenue and \$20,000 for Niagara and Narragansett Streets. The principal and interest for these bonds are retired with assessments levied against property owners and/or general levies of the City based on the improvements/benefit to the respective parties. Assessments are collected by the Cuyahoga County Auditor and will be received over periods ranging from five to ten years, with interest equal to the interest on the bonds and notes issued to finance the improvements.

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

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

The City's overall legal debt margin was \$45,813,083 at December 31, 2005.

See Note 11 of the Basic Financial Statements for additional information on the City's debt.

Current Financial Related Activities

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

The City is anticipating over \$83.0 million in investments for major new construction projects that began during 2005-2006. One of the primary projects is The Rockport Square Development (on Detroit Avenue between Ridgewood and Newman Avenues). This is a mixed-use residential and commercial project creating 124 new for-sale units, and approximately 18,800 square feet of retail space in the ground floor in the three live-work buildings, totaling approximately \$40.0 million. In addition, the Rockport Square Medical Office Building will be approximately 5,300 square feet, and will house primary medical offices for physicians of Lakewood Hospital for a total investment of \$1.25 million. The Lakewood Family YMCA is also constructing a new, \$9.5 million facility at 16915 Detroit Avenue.

Lakewood City Schools has recently passed a bond levy to spend an estimated \$93.6 million to rebuild the District's physical facilities. Voters also approved a \$12 million bond issue to renovate and expand the Lakewood Public Library. The library system was recently rated as the top library system in the country in Hennen's American Public Libraries Report.

The City of Lakewood has committed itself to financial excellence and is proven with the bond rating Aa3 by Moody's Investor Service. The City also has a history of proving their commitment to financial excellence by receiving the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 23 years.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information contact the Director of Finance, Jennifer R. Pae, 12650 Detroit Ave., Lakewood, Ohio 44107, telephone (216) 529-6092, e-mail jennifer.pae@lakewoodoh.net, or visit the City's website at www.ci.lakewood.oh.us.

Basic Financial Statements

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

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$12,484,930	\$15,929,784	\$28,414,714
Cash and Cash Equivalents in Segregated Accounts	243,768	0	243,768
Cash and Cash Equivalents with Fiscal Agents	118,216	557,881	676,097
Accrued Interest Receivable	158,664	32,671	191,335
Accounts Receivable	339,709	1,837,887	2,177,596
Allowance for Doubtful Accounts	0	(54,180)	(54,180)
Intergovernmental Receivable	4,100,224	102,136	4,202,360
Materials and Supplies Inventory	294,602	338,195	632,797
Prepaid Items	466,563	9,573	476,136
Income Taxes Receivable	7,622,746	0	7,622,746
Property Taxes Receivable	12,924,157	1,678,546	14,602,703
Loans Receivable	2,654,349	0	2,654,349
Special Assessments Receivable	154,705	0	154,705
Internal Balances	46,624	(46,624)	0
Deferred Charges	569,355	387,154	956,509
Nondepreciable Capital Assets	11,285,896	11,044,670	22,330,566
Depreciable Capital Assets, Net	44,570,332	50,925,436	95,495,768
<i>Total Assets</i>	<u>98,034,840</u>	<u>82,743,129</u>	<u>180,777,969</u>
Liabilities			
Accounts Payable	1,488,026	1,290,213	2,778,239
Retainage Payable	168,912	398,569	567,481
Accrued Wages and Benefits	684,493	61,169	745,662
Intergovernmental Payable	2,260,676	165,858	2,426,534
Deferred Revenue	12,424,206	1,613,617	14,037,823
Accrued Interest Payable	197,857	171,662	369,519
Claims Payable	1,970,349	0	1,970,349
Long-Term Liabilities:			
Due Within One Year	3,734,754	1,885,849	5,620,603
Due in More than One Year	42,139,669	35,051,172	77,190,841
<i>Total Liabilities</i>	<u>65,068,942</u>	<u>40,638,109</u>	<u>105,707,051</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	15,964,667	25,918,138	41,882,805
Restricted for:			
Capital Projects	4,895,203	561,240	5,456,443
Debt Service	1,128,628	0	1,128,628
Streets and Highways	905,268	0	905,268
Police and Fire Pensions	896,471	0	896,471
Emergency Medical Services	262,343	0	262,343
Grants	2,571,017	0	2,571,017
Other Purposes	752,916	0	752,916
Unrestricted	5,589,385	15,625,642	21,215,027
<i>Total Net Assets</i>	<u>\$32,965,898</u>	<u>\$42,105,020</u>	<u>\$75,070,918</u>

See accompanying notes to the basic financial statements

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$7,851,426	\$2,785,961	\$0	\$0
Security of Persons and Property				
Police	10,686,045	126,981	12,542	0
Fire	9,949,694	2,170,604	357,124	0
Public Health Services	4,310,861	3,600	685,267	0
Transportation	2,880,797	0	1,899,723	0
Community Environment	6,417,757	1,068,342	3,748,255	3,579
Basic Utility Services	4,340,798	0	0	0
Leisure Time Activities	2,097,492	0	0	0
Interest and Fiscal Charges	1,781,467	0	0	0
<i>Total Governmental Activities</i>	<u>50,316,337</u>	<u>6,155,488</u>	<u>6,702,911</u>	<u>3,579</u>
Business-Type Activities				
Water	8,539,662	8,661,772	0	0
Sewer	5,022,961	4,318,539	0	0
Parking	300,901	294,385	0	0
Winterhurst	969,391	725,506	0	0
Congregate Living Facility	64,297	0	0	0
<i>Total Business-Type Activities</i>	<u>14,897,212</u>	<u>14,000,202</u>	<u>0</u>	<u>0</u>
Totals	<u>\$65,213,549</u>	<u>\$20,155,690</u>	<u>\$6,702,911</u>	<u>\$3,579</u>

General Revenues

Property and Other Local Taxes Levied for:

 General Purposes

 Police and Fire Pension

 Debt Purposes

Payment in Lieu of Taxes

Municipal Income Taxes Levied for

 General Purposes

Grants and Entitlements not Restricted to
 Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$5,065,465)	\$0	(\$5,065,465)
(10,546,522)	0	(10,546,522)
(7,421,966)	0	(7,421,966)
(3,621,994)	0	(3,621,994)
(981,074)	0	(981,074)
(1,597,581)	0	(1,597,581)
(4,340,798)	0	(4,340,798)
(2,097,492)	0	(2,097,492)
(1,781,467)	0	(1,781,467)
<u>(37,454,359)</u>	<u>0</u>	<u>(37,454,359)</u>
0	122,110	122,110
0	(704,422)	(704,422)
0	(6,516)	(6,516)
0	(243,885)	(243,885)
0	(64,297)	(64,297)
<u>0</u>	<u>(897,010)</u>	<u>(897,010)</u>
<u>(\$37,454,359)</u>	<u>(\$897,010)</u>	<u>(\$38,351,369)</u>
6,982,259	1,579,441	8,561,700
2,589,687	0	2,589,687
2,590,336	0	2,590,336
241,480	0	241,480
16,537,268	0	16,537,268
7,713,363	212,063	7,925,426
830,725	230,974	1,061,699
246,757	2,113	248,870
<u>37,731,875</u>	<u>2,024,591</u>	<u>39,756,466</u>
(37,191)	37,191	0
37,694,684	2,061,782	39,756,466
240,325	1,164,772	1,405,097
<u>32,725,573</u>	<u>40,759,998</u>	<u>73,485,571</u>
<u>\$32,965,898</u>	<u>\$41,924,770</u>	<u>\$74,890,668</u>

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

	<u>General Fund</u>	<u>Street and Highway Fund</u>	<u>Police and Fire Pension Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Office on Aging Fund</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$916,650	\$312,673	\$1,266,155	\$41,209	\$112,628
Cash and Cash Equivalents:					
In Segregated Accounts	193,072	0	0	50,696	0
With Fiscal Agents	0				
Accrued Interest Receivable	134,184	0	0	0	0
Accounts Receivable	214,828	0	0	0	3,691
Intergovernmental Receivable	2,886,297	753,146	167,504	13,207	28,579
Materials and Supplies Inventory	160,051	134,551	0	0	0
Prepaid Items	363,796	0	0	7,052	0
Income Taxes Receivable	7,622,746	0	0	0	0
Property Taxes Receivable	7,419,301	0	2,752,165	0	0
Loans Receivable	0	0	0	2,654,349	0
Special Assessment Receivable	0	0	0	0	0
Interfund Receivable	8,375	0	0	0	0
Total Assets	<u>\$19,919,300</u>	<u>\$1,200,370</u>	<u>\$4,185,824</u>	<u>\$2,766,513</u>	<u>\$144,898</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$374,229	\$71,646	\$0	\$70,266	\$9,432
Retainage Payable	0	0	0	50,696	0
Accrued Wages and Benefits	596,436	20,757	0	8,904	30,723
Intergovernmental Payable	920,342	56,789	643,671	26,907	97,883
Deferred Revenue	13,642,059	433,674	2,919,669	0	0
Interfund Payable	366,461	17,717	0	6,527	31,704
Total Liabilities	<u>15,899,527</u>	<u>600,583</u>	<u>3,563,340</u>	<u>163,300</u>	<u>169,742</u>
Fund Balances					
Reserved for Encumbrances	294,921	34,664	0	0	7
Reserved for Loans	0	0	0	2,393,684	0
Undesignated (Deficit), Reported In:					
General Fund	3,724,852	0	0	0	0
Special Revenue Funds	0	565,123	622,484	209,529	(24,851)
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
Total Fund Balances	<u>4,019,773</u>	<u>599,787</u>	<u>622,484</u>	<u>2,603,213</u>	<u>(24,844)</u>
Total Liabilities and Fund Balances	<u>\$19,919,300</u>	<u>\$1,200,370</u>	<u>\$4,185,824</u>	<u>\$2,766,513</u>	<u>\$144,898</u>

See accompanying notes to the basic financial statements

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$406,330	\$1,227,898	\$4,440,244	\$824,687	\$903,970	\$10,452,444
0	0	0	0	0	243,768
		88,431	29,785	0	118,216
0	17,415	0	6,454	0	158,053
105,325	0	0	0	15,865	339,709
0	177,206	0	0	74,285	4,100,224
0	0	0	0	0	294,602
17,731	0	0	0	0	388,579
0	0	0	0	0	7,622,746
0	2,752,691	0	0	0	12,924,157
0	0	0	0	0	2,654,349
0	154,705	0	0	0	154,705
0	0	0	0	0	8,375
<u>\$529,386</u>	<u>\$4,329,915</u>	<u>\$4,528,675</u>	<u>\$860,926</u>	<u>\$994,120</u>	<u>\$39,459,927</u>
\$11,274	\$0	\$880,623	\$0	\$26,380	\$1,443,850
0	0	88,431	29,785	0	168,912
27,673	0	0	0	0	684,493
76,688	0	0	0	0	1,822,280
0	3,084,602	0	0	0	20,080,004
19,582	0	0	0	8,375	450,366
<u>135,217</u>	<u>3,084,602</u>	<u>969,054</u>	<u>29,785</u>	<u>34,755</u>	<u>24,649,905</u>
19,768	0	833,703	442,175	47,587	1,672,825
0	0	0	0	0	2,393,684
0	0	0	0	0	3,724,852
374,401	0	0	0	742,928	2,489,614
0	1,245,313	0	0	0	1,245,313
0	0	2,725,918	388,966	168,850	3,283,734
<u>394,169</u>	<u>1,245,313</u>	<u>3,559,621</u>	<u>831,141</u>	<u>959,365</u>	<u>14,810,022</u>
<u>\$529,386</u>	<u>\$4,329,915</u>	<u>\$4,528,675</u>	<u>\$860,926</u>	<u>\$994,120</u>	<u>\$39,459,927</u>

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

Total Governmental Fund Balances		\$14,810,022
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		55,856,228
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	499,951	
Municipal Income Taxes	4,322,015	
Intergovernmental	2,679,127	
Special Assessments	154,705	
Total	7,655,798	7,655,798
Three internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		146,775
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(197,857)
Bond Issuance costs will be amortized over the life of the bonds on the statement of activities.		569,355
Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and therefore not reported in the funds.		
Notes Payable	(4,228,000)	
General Obligation Bonds	(35,672,033)	
Bond Premium	(363,390)	
Special Assessment Bonds	(30,000)	
OPWC Loans	(483,460)	
Capital Lease Payable	(47,423)	
Compensated Absences Payable	(5,050,117)	
Total	(45,874,423)	(45,874,423)
<i>Net Assets of Governmental Activities</i>		\$32,965,898

See accompanying notes to the basic financial statements

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

	General Fund	Street and Highway Fund	Police and Fire Pension Fund	Community Development Block Grant Fund	Office on Aging Fund
Revenues					
Property and Other Local Taxes	\$7,118,565	\$0	\$2,637,882	\$0	\$0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	17,785,152	0	0	0	0
Charges for Services	1,396,625	0	0	0	3,600
Licenses, Permits and Fees	1,052,603	0	0	0	0
Fines and Forfeitures	1,261,162	0	0	0	0
Intergovernmental	6,102,404	1,874,124	344,747	3,287,120	364,707
Contributions and Donations	0	0	0	0	259,593
Special Assessments	0	2,397	0	0	0
Interest	634,219	0	0	59,182	0
Miscellaneous	160,154	188	0	0	97
Total Revenues	35,510,884	1,876,709	2,982,629	3,346,302	627,997
Expenditures					
Current:					
General Government	7,044,908	0	0	0	0
Security of Persons and Property:					
Police	9,445,347	0	1,061,741	0	0
Fire	6,690,699	0	1,278,110	0	0
Public Health Services	1,106,572	0	0	0	2,179,152
Transportation	0	2,057,427	0	0	0
Community Environment	2,396,878	0	0	3,449,527	0
Basic Utility Services	4,094,876	0	0	0	0
Leisure Time Activities	1,912,849	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	76,507	0	0	0	0
Interest and Fiscal Charges	394	0	0	0	0
Bond Issuance Costs	0	0	0	0	0
Total Expenditures	32,769,030	2,057,427	2,339,851	3,449,527	2,179,152
Excess of Revenues Over (Under) Expenditures	2,741,854	(180,718)	642,778	(103,225)	(1,551,155)
Other Financing Sources (Uses)					
Bonds Issued	0	0	0	0	0
Notes Issued	0	0	0	0	0
Premium on Bonds	0	0	0	0	0
Sale of Assets	0	0	0	0	0
Inception of Capital Lease	10,137	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Transfers In	344	120,000	0	162,809	1,505,000
Transfers Out	(2,570,288)	0	(426,198)	0	0
Total Other Financing Sources (Uses)	(2,559,807)	120,000	(426,198)	162,809	1,505,000
Net Change in Fund Balances	182,047	(60,718)	216,580	59,584	(46,155)
Fund Balances Beginning of Year - Restated (See Note 3)	3,837,726	660,505	405,904	2,543,629	21,311
Fund Balances (Deficit) End of Year	\$4,019,773	\$599,787	\$622,484	\$2,603,213	(\$24,844)

See accompanying notes to the basic financial statements

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$0	\$2,631,789	\$0	\$0	\$0	\$12,388,236
0	0	0	0	241,480	241,480
0	0	0	0	0	17,785,152
2,056,910	0	0	0	22,847	3,479,982
107,363	0	0	0	0	1,159,966
0	0	0	0	124,584	1,385,746
60,967	203,635	1,278,691	0	473,387	13,989,782
0	0	0	0	3,579	263,172
6,331	79,024	3,976	0	108	91,836
0	83,078	23,463	30,783	0	830,725
13,340	4,269	0	125	68,874	247,047
<u>2,244,911</u>	<u>3,001,795</u>	<u>1,306,130</u>	<u>30,908</u>	<u>934,859</u>	<u>51,863,124</u>
0	12,412	0	0	157,807	7,215,127
0	0	0	0	91,594	10,598,682
1,604,641	0	0	0	0	9,573,450
955,869	0	0	0	17,280	4,258,873
0	0	0	0	0	2,057,427
0	0	0	0	513,341	6,359,746
0	0	0	0	0	4,094,876
0	0	0	0	0	1,912,849
0	0	5,379,776	752,271	0	6,132,047
0	9,277,040	0	0	0	9,353,547
0	1,387,514	0	0	350,349	1,738,257
0	218,686	0	6,717	0	225,403
<u>2,560,510</u>	<u>10,895,652</u>	<u>5,379,776</u>	<u>758,988</u>	<u>1,130,371</u>	<u>63,520,284</u>
<u>(315,599)</u>	<u>(7,893,857)</u>	<u>(4,073,646)</u>	<u>(728,080)</u>	<u>(195,512)</u>	<u>(11,657,160)</u>
0	13,430,637	0	400,000	0	13,830,637
0	0	4,228,000	0	0	4,228,000
0	240,834	0	741	0	241,575
0	0	0	0	5,500	5,500
0	0	0	0	0	10,137
0	(7,380,660)	0	0	0	(7,380,660)
0	1,429,098	716,421	0	37,119	3,970,791
0	0	(1,002,900)	(8,252)	(344)	(4,007,982)
0	7,719,909	3,941,521	392,489	42,275	10,897,998
(315,599)	(173,948)	(132,125)	(335,591)	(153,237)	(759,162)
709,768	1,419,261	3,691,746	1,166,732	1,112,602	15,569,184
<u>\$394,169</u>	<u>\$1,245,313</u>	<u>\$3,559,621</u>	<u>\$831,141</u>	<u>\$959,365</u>	<u>\$14,810,022</u>

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

Net Change in Fund Balances - Total Government Funds (\$759,162)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions	6,038,319	
Current Year Depreciation	<u>(1,700,379)</u>	
Total		4,337,940

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

(102,067)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:

Property Taxes	(225,954)	
Municipal Income Taxes	(1,247,884)	
Special Assessments	37,958	
Intergovernmental	<u>166,609</u>	
Total		(1,269,271)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bond and Note Principal	9,277,040	
Payment to Refunding Bond Escrow Agent	<u>7,380,660</u>	
Total		16,657,700

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

Accrued Interest	4,092	
Amortization of Bond Premium	19,516	
Amortization of Bond Issuance Costs	(29,155)	
Amortization of Loss on Refunding	<u>(37,663)</u>	
Total		(43,210)

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures.

234,363

Bond Issuance Costs will be amortized over the life of the bonds on the statement of net assets.

225,403

Repayment of Capital Lease. Principal is an expenditure in the statement of net assets.

76,507

Other financing sources in governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in statement of activities.

Bonds Issued	(13,830,637)	
Notes Issued	(4,228,000)	
Bond Premium	(241,575)	
Inception of Capital Lease	<u>(10,137)</u>	
Total		(18,310,349)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(807,529)

Change in Net Assets of Governmental Activities

\$240,325

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$7,076,056	\$7,117,915	\$7,117,915	\$0
Municipal Income Taxes	16,918,000	17,139,353	17,139,353	0
Charges for Services	1,449,929	1,396,091	1,396,091	0
Licenses, Permits and Fees	1,633,477	1,052,603	1,052,603	0
Fines and Forfeitures	1,312,000	1,268,076	1,268,076	0
Intergovernmental	5,939,819	6,562,705	6,562,705	0
Interest	400,000	628,228	628,228	0
Miscellaneous	95,000	135,916	136,031	115
<i>Total Revenues</i>	<u>34,824,281</u>	<u>35,300,887</u>	<u>35,301,002</u>	<u>115</u>
Expenditures				
Current:				
General Government	7,925,906	8,072,262	7,947,075	125,187
Security of Persons and Property	14,982,962	14,986,457	15,216,761	(230,304)
Public Health Services	1,580,960	1,580,960	1,481,428	99,532
Community Environment	2,627,454	2,616,103	2,439,425	176,678
Basic Utility Services	4,197,349	4,197,349	4,131,018	66,331
Leisure Time Activities	2,050,044	2,051,544	1,897,104	154,440
<i>Total Expenditures</i>	<u>33,364,675</u>	<u>33,504,675</u>	<u>33,112,811</u>	<u>391,864</u>
Excess of Revenues Over Expenditures	<u>1,459,606</u>	<u>1,796,212</u>	<u>2,188,191</u>	<u>391,979</u>
Other Financing Sources (Uses)				
Transfers In	130,000	344	344	0
Transfers Out	(2,465,288)	(2,475,288)	(2,570,288)	(95,000)
Advances In	99,195	99,195	99,195	0
Advances Out	0	0	(8,375)	(8,375)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,236,093)</u>	<u>(2,375,749)</u>	<u>(2,479,124)</u>	<u>(103,375)</u>
<i>Net Change in Fund Balance</i>	(776,487)	(579,537)	(290,933)	288,604
<i>Fund Balance Beginning of Year</i>	901,359	901,359	901,359	0
Prior Year Encumbrances Appropriated	5,291	5,291	5,291	0
<i>Fund Balance End of Year</i>	<u>\$130,163</u>	<u>\$327,113</u>	<u>\$615,717</u>	<u>\$288,604</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street and Highway Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,912,344	\$1,824,730	\$1,824,730	\$0
Special Assessments	3,000	2,397	2,397	0
Miscellaneous	2,000	188	188	0
<i>Total Revenues</i>	1,917,344	1,827,315	1,827,315	0
Expenditures				
Current:				
Transportation	2,024,744	2,024,744	1,918,419	106,325
Excess of Revenues Under Expenditures	(107,400)	(197,429)	(91,104)	106,325
Other Financing Sources				
Transfers In	120,000	120,000	120,000	0
<i>Net Change in Fund Balance</i>	12,600	(77,429)	28,896	106,325
<i>Fund Balance Beginning of Year</i>	188,940	188,940	188,940	0
Prior Year Encumbrances Appropriated	10,399	10,399	10,399	0
<i>Fund Balance End of Year</i>	<u>\$211,939</u>	<u>\$121,910</u>	<u>\$228,235</u>	<u>\$106,325</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$2,611,030	\$2,637,882	\$2,637,882	\$0
Intergovernmental	327,051	344,747	344,747	0
<i>Total Revenues</i>	<u>2,938,081</u>	<u>2,982,629</u>	<u>2,982,629</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>2,372,165</u>	<u>2,372,165</u>	<u>2,299,755</u>	<u>72,410</u>
Excess of Revenues Over Expenditures	565,916	610,464	682,874	72,410
Other Financing Uses				
Transfers Out	<u>(426,198)</u>	<u>(426,198)</u>	<u>(426,198)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	139,718	184,266	256,676	72,410
<i>Fund Balance Beginning of Year</i>	<u>407,091</u>	<u>407,091</u>	<u>407,091</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$546,809</u></u>	<u><u>\$591,357</u></u>	<u><u>\$663,767</u></u>	<u><u>\$72,410</u></u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$4,101,444	\$3,780,214	\$3,780,214	\$0
Expenditures				
Current:				
Community Environment	4,101,444	4,538,432	3,336,191	1,202,241
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(758,218)</u>	<u>444,023</u>	<u>1,202,241</u>
Other Financing Sources (Uses)				
Transfers In	165,110	162,809	162,809	0
Advances Out	(99,195)	(96,959)	(96,959)	0
<i>Total Other Financing Sources (Uses)</i>	<u>65,915</u>	<u>65,850</u>	<u>65,850</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	65,915	(692,368)	509,873	1,202,241
<i>Fund Balance (Deficit) Beginning of Year</i>	(866,982)	(866,982)	(866,982)	0
Prior Year Encumbrances Appropriated	398,266	398,266	398,266	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$402,801)</u>	<u>(\$1,161,084)</u>	<u>\$41,157</u>	<u>\$1,202,241</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$406,971	\$380,861	\$380,862	\$1
Contributions and Donations	244,383	263,910	263,911	1
<i>Total Revenues</i>	<u>651,354</u>	<u>644,771</u>	<u>644,773</u>	<u>2</u>
Expenditures				
Current:				
Public Health Services	2,072,047	2,222,047	2,165,490	56,557
Excess of Revenues Under Expenditures	(1,420,693)	(1,577,276)	(1,520,717)	56,559
Other Financing Sources				
Transfers In	1,385,000	1,505,000	1,505,000	0
<i>Net Change in Fund Balance</i>	<u>(35,693)</u>	<u>(72,276)</u>	<u>(15,717)</u>	<u>56,559</u>
<i>Fund Balance Beginning of Year</i>	<u>128,247</u>	<u>128,247</u>	<u>128,247</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$92,554</u>	<u>\$55,971</u>	<u>\$112,530</u>	<u>\$56,559</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,080,280	\$2,091,421	\$2,091,421	\$0
Licenses, Permits and Fees	93,200	107,363	107,363	0
Intergovernmental	59,905	60,967	60,967	0
Miscellaneous	200	12,920	12,921	1
<i>Total Revenues</i>	<u>2,233,585</u>	<u>2,272,671</u>	<u>2,272,672</u>	<u>1</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire	1,596,946	1,596,947	1,601,691	(4,744)
Public Health Services	1,079,560	1,079,559	944,077	135,482
<i>Total Expenditures</i>	<u>2,676,506</u>	<u>2,676,506</u>	<u>2,545,768</u>	<u>130,738</u>
<i>Net Change in Fund Balance</i>	(442,921)	(403,835)	(273,096)	130,739
<i>Fund Balance Beginning of Year</i>	639,655	639,655	639,655	0
Prior Year Encumbrances Appropriated	12,102	12,102	12,102	0
<i>Fund Balance End of Year</i>	<u>\$208,836</u>	<u>\$247,922</u>	<u>\$378,661</u>	<u>\$130,739</u>

See accompanying notes to the basic financial statements

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

	Business Type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Non Major Funds	Total	Activities - Internal Service Fund
Assets					
Current Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$6,218,829	\$8,951,212	\$198,503	\$15,368,544	\$2,032,486
Cash and Cash Equivalents with Fiscal Agents	120,875	437,006	0	557,881	0
Accrued Interest Receivable	32,671	0	0	32,671	611
Accounts Receivable	1,180,903	617,686	39,298	1,837,887	0
Less: Allowance for Doubtful Accounts	(39,124)	(15,056)	0	(54,180)	0
Interfund Receivable	0	0	0	0	488,615
Intergovernmental Receivable	0	102,136	0	102,136	0
Materials and Supplies Inventory	77,821	154,060	106,314	338,195	0
Prepaid Items	5,347	3,864	362	9,573	77,984
Property Tax Receivable	0	1,678,546	0	1,678,546	0
Total Current Assets	7,597,322	11,929,454	344,477	19,871,253	2,599,696
Noncurrent Assets					
Restricted Assets:					
Cash Equivalents Held with Trustee	561,240	0	0	561,240	0
Deferred Bond Issuance Costs	143,348	229,856	13,950	387,154	0
Nondepreciable Capital Assets	2,474,545	8,364,370	205,755	11,044,670	0
Depreciable Capital Assets, Net	30,838,053	18,334,977	1,752,406	50,925,436	0
Total Noncurrent Assets	34,017,186	26,929,203	1,972,111	62,918,500	0
Total Assets	41,614,508	38,858,657	2,316,588	82,789,753	2,599,696
Liabilities					
Current Liabilities:					
Accounts Payable	796,930	428,811	64,472	1,290,213	44,176
Retainage Payable	120,875	277,694	0	398,569	0
Accrued Wages and Benefits	15,714	36,024	9,431	61,169	0
Intergovernmental Payable	47,234	92,635	25,989	165,858	438,396
Interfund Payable	16,784	26,109	3,731	46,624	0
Deferred Revenue	0	1,613,617	0	1,613,617	0
Claims Payable	0	0	0	0	1,970,349
Accrued Interest Payable	20,827	144,103	6,732	171,662	0
Compensated Absence Payable	25,663	54,005	11,608	91,276	0
Bonds Payable	550,998	841,080	30,199	1,422,277	0
OPWC Loans Payable	313,230	34,487	0	347,717	0
OWDA Loans Payable	0	24,579	0	24,579	0
Total Current Liabilities	1,908,255	3,573,144	152,162	5,633,561	2,452,921
Long-Term Liabilities					
Notes Payable	4,925,000	6,524,000	60,000	11,509,000	0
Compensated Absence Payable	87,902	164,193	32,882	284,977	0
Bonds Payable	5,061,905	11,437,714	1,392,261	17,891,880	0
OPWC Loans Payable	4,668,592	508,739	0	5,177,331	0
OWDA Loans Payable	0	187,984	0	187,984	0
Total Long Term Liabilities	14,743,399	18,822,630	1,485,143	35,051,172	0
Total Liabilities	16,651,654	22,395,774	1,637,305	40,684,733	2,452,921
Net Assets					
Invested in Capital Assets, Net of Related Debt	17,936,775	7,491,528	489,835	25,918,138	0
Restricted for Replacement and Improvement	561,240	0	0	561,240	0
Unrestricted	6,464,839	8,971,355	189,448	15,625,642	146,775
Total Net Assets	\$24,962,854	\$16,462,883	\$679,283	\$42,105,020	\$146,775

See accompanying notes to the basic financial statements

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

	Business Type Activities - Enterprise Funds			Total	Governmental
	Water Fund	Sewer Fund	Non Major Funds		Activities - Internal Service Fund
Operating Revenues					
Charges for Services	\$7,893,854	\$4,317,996	\$1,019,891	\$13,231,741	\$4,297,708
Water Charges Pledged as Security for Revenue Bonds	761,585	0	0	761,585	0
Miscellaneous	1,448	0	665	2,113	256,928
<i>Total Operating Revenues</i>	<u>8,656,887</u>	<u>4,317,996</u>	<u>1,020,556</u>	<u>13,995,439</u>	<u>4,554,636</u>
Operating Expenses					
Personal Services	1,112,909	2,196,467	542,558	3,851,934	0
Contractual Services	468,657	239,051	155,965	863,673	174,707
Materials and Supplies	5,931,306	794,061	246,138	6,971,505	0
Utilities	257,817	384,286	216,059	858,162	0
Depreciation	454,637	780,076	59,405	1,294,118	0
Workers' Compensation Premium	0	0	0	0	360,217
Claims	0	0	0	0	4,828,094
<i>Total Operating Expenses</i>	<u>8,225,326</u>	<u>4,393,941</u>	<u>1,220,125</u>	<u>13,839,392</u>	<u>5,363,018</u>
<i>Operating Income (Loss)</i>	<u>431,561</u>	<u>(75,945)</u>	<u>(199,569)</u>	<u>156,047</u>	<u>(808,382)</u>
Non Operating Revenue (Expenses)					
Interest	194,477	35,628	869	230,974	853
Sale of Capital Assets	0	0	180,250	180,250	0
Interest and Fiscal Charges	(314,336)	(629,020)	(71,604)	(1,014,960)	0
Loss on Disposal of Capital Assets	0	0	(42,860)	(42,860)	0
Special Assessments	6,333	543	0	6,876	0
Property Taxes	0	1,579,441	0	1,579,441	0
Intergovernmental	0	212,063	0	212,063	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>(113,526)</u>	<u>1,198,655</u>	<u>66,655</u>	<u>1,151,784</u>	<u>853</u>
<i>Net Income (Loss) before transfers</i>	<u>318,035</u>	<u>1,122,710</u>	<u>(132,914)</u>	<u>1,307,831</u>	<u>(807,529)</u>
Transfers In	0	0	200,000	200,000	0
Transfers Out	0	0	(162,809)	(162,809)	0
<i>Change in Net Assets</i>	<u>318,035</u>	<u>1,122,710</u>	<u>(95,723)</u>	<u>1,345,022</u>	<u>(807,529)</u>
<i>Net Assets Beginning of Year</i>	<u>24,644,819</u>	<u>15,340,173</u>	<u>775,006</u>	<u>40,759,998</u>	<u>954,304</u>
<i>Net Assets End of Year</i>	<u>\$24,962,854</u>	<u>\$16,462,883</u>	<u>\$679,283</u>	<u>\$42,105,020</u>	<u>\$146,775</u>

See accompanying notes to the basic financial statements

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

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Non Major Funds	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$8,620,473	\$4,298,796	\$1,026,275	\$13,945,544	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	4,195,780
Cash Received from Other Operating Sources	1,448	0	665	2,113	256,928
Cash Payments to Suppliers for Goods and Services	(6,377,276)	(1,655,465)	(643,185)	(8,675,926)	(76,398)
Cash Payments for Claims	0	0	0	0	(4,663,794)
Cash Payments for Premium	0	0	0	0	(360,217)
Cash Payments for Employee Services and Benefits	(1,152,618)	(2,213,293)	(560,086)	(3,925,997)	0
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>1,092,027</u>	<u>430,038</u>	<u>(176,331)</u>	<u>1,345,734</u>	<u>(647,701)</u>
Cash Flows from Noncapital Financing Activities					
Intergovernmental Revenue	0	210,212	0	210,212	0
Property Taxes	0	1,608,861	0	1,608,861	0
Special Assessments	6,333	543	0	6,876	0
Transfer In	0	0	200,000	200,000	0
Transfer Out	0	0	(162,809)	(162,809)	0
<i>Net Cash Provided by Non- Capital Financing Activities</i>	<u>6,333</u>	<u>1,819,616</u>	<u>37,191</u>	<u>1,863,140</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(1,927,704)	(4,277,861)	(99,483)	(6,305,048)	0
Sale of Capital Assets	0	0	180,250	180,250	0
Notes Issued	4,925,000	6,524,000	60,000	11,509,000	0
Bonds Issued	609,829	6,566,258	203,276	7,379,363	0
Bond Premium	571	55,701	190	56,462	0
Payment to Refunded Bond Escrow Agent	0	(2,159,605)	0	(2,159,605)	0
Principal paid on Bonds	(510,000)	(698,582)	(23,200)	(1,231,782)	0
Principal paid on Notes	(995,000)	(4,938,500)	(215,000)	(6,148,500)	0
Principal paid on Loans	(313,230)	(58,042)	0	(371,272)	0
Bond Issuance Costs	(10,244)	(109,037)	(3,415)	(122,696)	0
Interest paid on Bonds	(251,585)	(401,911)	(66,254)	(719,750)	0
Interest paid on Notes	(22,387)	(116,866)	(4,838)	(144,091)	0
Interest paid on Loans	0	(9,903)	0	(9,903)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>1,505,250</u>	<u>375,652</u>	<u>31,526</u>	<u>1,912,428</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest	177,382	35,628	869	213,879	6,339
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>2,780,992</u>	<u>2,660,934</u>	<u>(106,745)</u>	<u>5,335,181</u>	<u>(641,362)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,999,077</u>	<u>6,290,278</u>	<u>305,248</u>	<u>10,594,603</u>	<u>2,673,848</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$6,780,069</u>	<u>\$8,951,212</u>	<u>\$198,503</u>	<u>\$15,929,784</u>	<u>\$2,032,486</u>

continued

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
 For the Year Ended December 31, 2005

	Business Type Activities - Enterprise Funds			Total	Governmental
	Water Fund	Sewer Fund	Non Major Funds		Activities - Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
<i>Operating Income (Loss)</i>	\$431,561	(\$75,945)	(\$199,569)	\$156,047	(\$808,382)
Adjustments:					
Depreciation	454,637	780,076	59,405	1,294,118	0
Increase (Decrease) in Allowance for Doubtful Accounts	11,162	0	0	11,162	0
(Increase) Decrease in Assets:					
Accounts Receivable	(46,128)	(19,200)	6,383	(58,945)	0
Interfund Receivable	0	0	0	0	(101,928)
Materials and Supplies Inventory	(13,811)	(107,450)	(14,215)	(135,476)	0
Prepaid Items	(5,347)	(3,864)	(362)	(9,573)	15,999
Increase (Decrease) in Liabilities:					
Accounts Payable	314,827	32,559	(29,237)	318,149	(51,361)
Accrued Wages	(2,502)	(1,562)	578	(3,486)	0
Compensated Absences	(58,218)	(21,051)	(4,082)	(83,351)	0
Retainage Payable	0	(159,302)	0	(159,302)	0
Interfund Payable	3,328	(803)	1,607	4,132	0
Intergovernmental Payable	2,518	6,580	3,161	12,259	133,671
Claims Payable	0	0	0	0	164,300
Net Cash Provided by (Used for) Operating Activities	<u>\$1,092,027</u>	<u>\$430,038</u>	<u>(\$176,331)</u>	<u>\$1,345,734</u>	<u>(\$647,701)</u>

See accompanying notes to the basic financial statements

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

Assets

Equity in Pooled Cash and Cash
Equivalents

\$1,188,219

Liabilities

Deposits Held and Due to Others

\$1,188,219

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or levying of taxes, or determining the budget. The City has no component units.

The City is associated with the West Shore Council of Governments, a jointly governed organization. Additional information is included in Note 17.

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

B. Fund Accounting

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

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

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Debt Service Fund: The Debt Service Fund accounts for the accumulation of resources for, and payment of, principal and interest on general long-term obligations.

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

Tax Increment Financing (TIF) Capital Improvement Fund: The Tax Increment Financing Capital Improvement Fund accounts for the bond proceeds and all payments made to the developers of Rockport Plaza development and Vedda Printing.

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

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

Enterprise Funds: Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has two major Enterprise Funds.

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

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

Internal Service Funds: Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's three internal service funds account for funds reserved to finance potential losses on property and liability cases, workers' compensation costs, and a self insurance program for employee hospitalization benefits.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

Fiduciary Funds: Fiduciary Fund reporting focuses on net assets and changes in net assets. For the City, the Fiduciary Funds are comprised of only the Agency Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's Agency Fund accounts for deposits.

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, shared revenues and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7). Revenue from grants, entitlements and donations is recognized in the year that all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

are required to be used or the year when use is first permitted, matching requirements in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, where the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but were levied to finance year 2006 operations, have been recorded as deferred revenue. Special assessments not received within the available period, and grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

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

F. Cash and Cash Equivalents

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

The City utilizes a fiscal agent to hold monies set aside for replacement and improvement under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net assets as, "restricted assets-cash equivalents held with trustee."

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

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

During 2005, investments were limited to overnight repurchase agreements, Federal Home Loan Mortgage Bank (FHLMB) Notes, Federal Home Loan Mortgage Corporation (FHLMC) Notes, Federal National Mortgage Association (FNMA) Notes, Federal Farmers Credit Bureau (FFCB) Repurchase Agreements, Mutual Funds, and State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasurer's Office, which allow governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, debt service fund, water fund, and general liabilities self-insurance funds. Interest revenue credited to the general fund during 2005 amounted to \$634,219, which includes \$593,919 assigned to other City funds.

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

G. Restricted Assets

Amounts held in trust by the City and trustees that are legally restricted for amounts held for replacement and improvement per the applicable bond covenants are reported as restricted assets.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

H. Inventory

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

I. Capital Assets

General capital assets are capital assets that are associated with, and primarily arise from governmental activities, generally resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not.

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

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

The City's infrastructure consists of roads, traffic lights, sidewalks, curbing, storm sewers and water lines, and includes infrastructure acquired prior to December 31, 1980. In addition, the City has recorded construction in progress for City road projects initiated in 2005.

J. Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund balance amounts are eliminated in the Statement of Net Assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance Reserves

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

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services such as water, wastewater treatment, parking, ice rink, living facility and self insurance programs. Operating expenses are necessary costs incurred to provide the service for the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

O. Interfund Activity

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes of which both restricted and unrestricted net assets are available. Net assets restricted for other purposes include the City's miniature golf course and special fees and fines from the court. The government-wide statement of net assets reports \$11,973,086 of restricted net assets of which \$2,246,208 is restricted by enabling legislation.

Q. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expensed when incurred.

R. Bond Premium

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued.

S. Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred in 2005.

U. Estimates

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

A. Changes in Accounting Principles

For 2005, the City has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” and GASB Statement No. 42 “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.”

GASB Statement No. 40 establishes new disclosure requirements for risk associated with deposits and investments.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets, and clarifies and establishes accounting requirements for insurance recoveries. The implementation of GASB Statement No. 42 did not affect the presentation of the financial statements of the City.

B. Restatement of Fund Balance

During 2005, it was determined that the municipal court activity should be recorded in the general fund. This adjustment increased the fund balance for the general fund by \$213,371; from \$3,624,355 to \$3,837,726 as of December 31, 2004.

During 2005, it was determined that capital assets and bond issuance costs for governmental activities were overstated. These adjustments, along with the adjustment for the court activity had the following effect on governmental net assets at December 31, 2004:

	Governmental Activities
Net Assets, December 31, 2004 as previously recorded	\$33,394,678
Fund Reclassification	213,371
Capital Assets	(847,796)
Bond Issuance costs	(34,680)
Restated Net Assets, December 31, 2004	\$32,725,573

Note 4 - Legal Compliance and Accountability

A. Legal Compliance

Contrary to Section 5705.41(B) Ohio Revised Code, expenditures plus encumbrances exceeded final appropriations in the Debt Service and Winterhurst Funds in the amounts of \$7,490,392 and \$2,322, respectively.

Contrary to Section 5705.39 Ohio Revised Code, original appropriations exceeded original estimated revenue available for expenditures in the Community Development Block Grant Special Revenue Fund in the amount of \$402,801.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 4 - Legal Compliance and Accountability (Continued)

Contrary to Section 5705.39 Ohio Revised Code, final appropriations exceeded final estimated revenue available for expenditures in the Community Development Block Grant, Emergency Shelter and Lead Based Paint Hazard Control Special Revenue funds in the amounts of \$1,161,084, \$76,194, and \$115,369, respectively.

Management has indicated that appropriations will be closely monitored to ensure no future violations occur.

B. Accountability

The fund balances at December 31, 2005 included the following individual fund deficits:

Special Revenue Funds	
Office on Aging	\$24,844
Emergency Shelter Grant	7,162
Internal Service Fund	
Workers' Compensation	694,250

The deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, rather than when accruals occur. The internal service fund did not charge the departments enough to cover the deficits for 2005. This will be corrected in 2006.

Note 5 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General and major Special Revenue Funds, is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments are reported at fair value (GAAP) rather than cost (budget).
5. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 5 - Budgetary Basis of Accounting (Continued)

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

	<u>General</u>	<u>Streets and Highways</u>	<u>Police and Fire Pensions</u>
GAAP Basis	\$182,047	(\$60,718)	\$216,580
Net Adjustment for Revenue Accruals	(165,789)	(49,394)	0
Beginning Change in Fair Value of Investments	49,492	0	0
Ending Change in Fair Value of Investments	(103,722)	0	0
Advances In	99,195	0	0
Net Adjustment for Expenditure Accruals	60,874	223,446	40,096
Advances Out	(8,375)	0	0
Adjustments for Encumbrances	(404,655)	(84,438)	0
Budget Basis	<u>(\$290,933)</u>	<u>\$28,896</u>	<u>\$256,676</u>
	<u>Community Development Block Grant</u>	<u>Office on Aging</u>	<u>Lakewood Hospital</u>
GAAP Basis	\$59,584	(\$46,155)	(\$315,599)
Net Adjustment for Revenue Accruals	433,912	16,776	27,761
Beginning Change in Fair Value of Investments	0	0	0
Ending Change in Fair Value of Investments	0	0	0
Advances In	0	0	0
Net Adjustment for Expenditure Accruals	113,388	13,760	42,411
Advances Out	(96,959)	0	0
Adjustments for Encumbrances	(52)	(98)	(27,669)
Budget Basis	<u>\$509,873</u>	<u>(\$15,717)</u>	<u>(\$273,096)</u>

Note 6 - Deposits and Investments

Monies held by the City are classified by State statute into three categories.

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 6 - Deposits and Investments (Continued)

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

Interim monies held by the City may be deposited or invested in the following securities:

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

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

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

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 6 - Deposits and Investments (Continued)

Deposits

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$10,838,383 of the City's bank balance of \$11,295,883 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of December 31, 2005, the City had the following investments:

	<u>Fair Value</u>	<u>Average Maturity</u>
Federal Home Loan Mortgage Bank Notes	\$5,951,469	2/23/06 - 12/09/10
Federal Home Loan Mortgage Corporation Notes	2,073,321	6/15/06 - 4/30/07
Federal National Mortgage Association Notes	2,951,030	8/17/06 - 11/18/09
Federal Farmers Credit Bureau Repurchase Agreement	501,625	5/10/06
STAROhio	4,497	30 Days
	<u> </u>	
Total	<u>\$11,481,942</u>	

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than five years.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Corporation Association Notes and Federal Farmers Credit Bureau Repurchase Agreement are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 6 - Deposits and Investments (Continued)

Credit Risk: The Federal Home Loan Bank Bonds and the Federal Home Loan Mortgage Corporation Bonds carry a rating of AAA by Standard & Poor's or STAROhio also carries a rating of AAA by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2005:

	<u>Percentage of Investments</u>	
Federal Home Loan Mortgage Bank Notes	51.83	%
Federal Home Loan Mortgage Corporation Notes	18.06	
Federal National Mortgage Association Notes	25.70	
Federal Farmers Credit Bureau Repurchase Agreement	4.37	
STAROhio	0.04	

Note 7 - Receivables

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest, interfunds, advances, loans (Community Development Block Grant monies loaned to local businesses), and accounts (billings for user charged services).

Allowance for doubtful accounts has been recorded at \$39,124 in the Water Fund and \$15,056 in the Sewer Fund.

Loans expected to be collected in more than one year amount to \$2,393,684 in the Community Development Block Grant Special Revenue Fund.

Special assessments expected to be collected in more than one year amount to \$124,705 in the debt service fund. The amount of delinquent special assessments outstanding at December 31, 2005 was \$17,289.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 7 – Receivables (Continued)

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 23 percent of true value for capital assets and 23 percent for inventories.

The full tax rate for all City operations for the year ended December 31, 2005, was \$17.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax collections were based, are as follows:

	<u>Assessed Value</u>
Real Estate	\$862,157,090
Public Utility Property	16,512,290
Tangible Personal	<u>23,673,865</u>
Total Assessed Value	<u><u>\$902,343,245</u></u>

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

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

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2005, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2005 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue is deferred.

B. Income Tax

The City levies a municipal income tax at a rate of 1.50 percent. The City's income tax is levied upon the net income of corporations and other business entities and on wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted a .50 percent credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and other self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits tax collected for the City each month, less a fee for their service. Collection fees for 2005 were \$809,859.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 7 – Receivables (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government	\$2,189,448
Gasoline Tax	596,777
Permissive Motor Vehicle License Tax	24,620
Grants	116,071
Motor Vehicle License Registration	131,749
Homestead and Rollback	786,448
Estate Tax	<u>255,111</u>
<i>Total Governmental Activities</i>	4,100,224
Business-Type Activities	
Homestead and Rollback	<u>102,136</u>
<i>Total</i>	<u><u>\$4,202,360</u></u>

Note 8 - Contingencies

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2005.

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2005.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 9 - Capital Assets

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

	<u>12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/05</u>
Governmental Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$6,137,360	\$0	\$0	\$6,137,360
Construction in Progress	2,974,338	4,614,152	(2,439,954)	5,148,536
<i>Total Capital Assets, not being Depreciated</i>	<u>9,111,698</u>	<u>4,614,152</u>	<u>(2,439,954)</u>	<u>11,285,896</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	2,569,269	769,462	0	3,338,731
Buildings and Improvements	12,988,820	0	0	12,988,820
Equipment, Machinery and Furniture	3,503,123	228,647	(10,000)	3,721,770
Vehicles	10,181,733	1,058,111	(504,994)	10,734,850
Infrastructure				
Roads	27,686,603	1,573,950	0	29,260,553
Traffic Lights	3,629,878	59,997	0	3,689,875
Sidewalks	2,408,564	173,954	0	2,582,518
Curbing	1,425,964	0	0	1,425,964
<i>Total Capital Assets, being Depreciated</i>	<u>64,393,954</u>	<u>3,864,121</u>	<u>(514,994)</u>	<u>67,743,081</u>
Less Accumulated Depreciation:				
Land Improvements	(1,531,058)	(72,610)	0	(1,603,668)
Buildings and Improvements	(4,198,891)	(176,292)	0	(4,375,183)
Equipment, Machinery and Furniture	(1,471,556)	(202,812)	8,352	(1,666,016)
Vehicles	(5,053,282)	(565,332)	404,575	(5,214,039)
Infrastructure				
Roads	(6,655,954)	(554,159)	0	(7,210,113)
Traffic Lights	(1,680,687)	(90,926)	0	(1,771,613)
Sidewalks	(886,469)	(24,070)	0	(910,539)
Curbing	(407,400)	(14,178)	0	(421,578)
Total Accumulation Depreciation	<u>(21,885,297)</u>	<u>(1,700,379)</u>	<u>412,927</u>	<u>(23,172,749)</u>
Total Capital Assets being Depreciated, Net	<u>42,508,657</u>	<u>2,163,742</u>	<u>(102,067)</u>	<u>44,570,332</u>
Governmental Activities Capital Assets, Net	<u>\$51,620,355</u>	<u>\$6,777,894</u>	<u>(\$2,542,021)</u>	<u>\$55,856,228</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 9 - Capital Assets (Continued)

	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$78,160	\$0	(\$10)	\$78,150
Construction in Progress	6,198,711	5,839,473	(1,071,664)	10,966,520
Total Capital Assets, not being Depreciated	6,276,871	5,839,473	(1,071,674)	11,044,670
Capital Assets, being Depreciated:				
Land Improvements	1,104,630	0	0	1,104,630
Building and Improvements	12,079,070	85,208	(62,800)	12,101,478
Furniture and Equipment	7,148,225	72,872	0	7,221,097
Vehicles	1,561,087	208,118	0	1,769,205
Infrastructure:				
Water Lines	40,269,938	279,139	0	40,549,077
Sewer Lines	13,753,401	891,902	0	14,645,303
Total Capital Assets, being Depreciated	75,916,351	1,537,239	(62,800)	77,390,790
Less Accumulated Depreciation:				
Land Improvements	(373,457)	(9,238)	0	(382,695)
Buildings and Improvements	(4,278,083)	(434,484)	19,950	(4,692,617)
Furniture and Equipment	(3,752,577)	(204,608)	0	(3,957,185)
Vehicles	(780,921)	(107,198)	0	(888,119)
Infrastructure				
Water Lines	(10,680,013)	(401,441)	0	(11,081,454)
Sewer Lines	(5,326,135)	(137,149)	0	(5,463,284)
Total Accumulation Depreciation	(25,191,186)	(1,294,118)	19,950	(26,465,354)
Total Capital Assets, being Depreciated	50,725,165	243,121	(42,850)	50,925,436
Business - Type Activities Assets	\$57,002,036	\$6,082,594	(\$1,114,524)	\$61,970,106

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 9 - Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

General Government	\$174,013
Security of Persons and Property-Police	116,442
Security of Persons and Property-Fire	170,170
Transportation	804,381
Community Environment	10,765
Basic Utility Services	179,731
Public Health Services	41,147
Leisure Time Activities	<u>203,730</u>
Total Depreciation Expense	<u><u>\$1,700,379</u></u>

Depreciation Expense was charged to nonmajor Enterprise Funds as follows:

Parking Facilities Fund	\$11,676
Winterhurst Ice Rink Fund	47,663
Congregate Living Facility Fund	<u>66</u>
Total Depreciation Expense	<u><u>\$59,405</u></u>

Note 10 – Conduit Debt Obligations

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

In 1983 and 1989 the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay the cost of Lakewood Hospital Facility improvements. In 1989, the City also issued Hospital Improvement Refunding Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On November 13, 2003, the City issued \$27,570,000 Hospital Revenue Bonds, Series 2003 to advance refund the 1989 Series. As of December 31, 2005, the aggregate principal amount of conduit debt obligation outstanding for Lakewood Hospital was \$25,630,000. On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. As of December 31, 2005, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$10,620,000. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11- Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities</i>				
Notes				
Capital Projects	2004	2.25%	\$7,064,800	June 2, 2005
Capital Projects	2005	3.50%	4,228,000	June 1, 2006
General Obligation Bonds				
Various Purpose	1995	4.40-6.60%	8,665,000	December 1, 2015
Various Purpose	1998	3.60-5.125%	3,596,700	December 1, 2017
1992 Various Purpose Refunding	1998	3.60-5.125%	7,625,000	December 1, 2012
Various Purpose	2001	3.45-5.875%	8,085,000	December 1, 2021
Various Purpose	2003	3.55-5.000%	5,219,000	December 1, 2023
1995 Various Purpose Refunding	2005	3.00-5.00%	7,335,000	December 1, 2025
Various Purpose	2005	3.00-5.00%	6,095,637	December 1, 2025
Tax Increment Financing				
Rockport Square Development	2004	4.40-5.95%	4,265,000	July 1, 2024
Vedda Printing	2005	3.00-5.00%	400,000	December 1, 2025
Special Assessment Bonds				
Belle Avenue	2001	3.45-4.05%	40,000	December 1, 2006
Niagra and Narragansett Streets	2001	3.45-4.05%	100,000	December 1, 2006
OPWC Loans				
Forest and Clifton Road	1999	0.00%	616,000	December 1, 2019
Lakewood Heights Boulevard	2002	0.00%	232,560	July 1, 2008
BUSINESS-TYPE ACTIVITIES				
Notes				
<i>Winterhurst</i>				
Various Purpose	2004	2.25%	215,000	June 2, 2005
Various Purpose	2005	2.25%	60,000	June 2, 2006
<i>Water</i>				
Watermain Improvements	2005	2.25%	4,925,000	June 2, 2006
<i>Sewer and Wastewater</i>				
Various Purpose	2004	2.25%	55,000	June 2, 2005
Various Purpose	2004	2.25%	53,500	June 2, 2005
Storm Sewer Replacement	2004	2.25%	2,638,500	June 2, 2005
Storm Sewer Replacement	2004	2.50%	2,300,000	June 2, 2005
Storm Sewer Replacement	2005	3.00-5.00%	6,524,000	June 2, 2006

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11- Long-Term Obligations (Continued)

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
Revenue Bonds				
<i>Water</i>				
Watermain Improvements	1995	4.40-6.60%	2,850,000	December 1, 2020
Water System Refunding	2002	2.00-3.65%	4,025,000	December 1, 2011
Watermain Improvements	2005	3.00-5.00%	609,829	December 1, 2025
General Obligation Bonds				
<i>Sewer Fund</i>				
Sewer Construction	1995	4.40-6.60%	\$2,520,000	December 1, 2015
Sewer Construction Refunding	1998	3.60-5.125%	4,680,000	December 1, 2011
Sewer Construction	2003	3.55-5.00%	3,481,000	December 1, 2023
Sewer Construction	2005	3.00-5.00%	3,811,430	December 1, 2025
Sewer Construction Refunding	2005	3.00-5.00%	1,945,000	December 1, 2025
<i>Winterhurst Fund</i>				
Recreational Facility	1998	3.60-5.125%	1,292,200	December 1, 2017
Recreational Facility	2005	3.00-5.00%	203,276	December 1, 2025
OPWC Loans				
<i>Water Fund</i>				
Water Main Replacements	1999	0.00%	1,248,464	December 1, 2019
Water Main Replacements	2001	0.00%	1,944,012	December 1, 2021
Water Main Replacements	2003	0.00%	994,614	July 1, 2023
Water Main Replacements	2003	0.00%	1,592,840	July 1, 2023
Belle Avenue Improvements	2003	0.00%	484,637	December 1, 2023
<i>Sewer Fund</i>				
West Clifton Storm Sewer Rehabilitation	2000	0.00%	85,461	December 1, 2020

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11 - Long-Term Obligations (Continued)

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005	Amount Due in One Year
<i>Governmental Activities</i>					
Notes Payable					
Capital Projects	\$7,064,800	\$0	\$7,064,800	\$0	\$0
Capital Projects	0	4,228,000	0	4,228,000	0
<i>Total Notes Payable</i>	<u>7,064,800</u>	<u>4,228,000</u>	<u>7,064,800</u>	<u>4,228,000</u>	<u>0</u>
General Obligation Bonds					
Various Purpose	6,735,000	0	6,735,000	0	0
Various Purpose	2,817,900	0	206,800	2,611,100	215,000
1992 Various Purpose Refunding	5,310,000	0	600,000	4,710,000	625,000
Various Purpose	7,150,000	0	330,000	6,820,000	350,000
Various Purpose	5,024,711	0	201,418	4,823,293	211,154
1995 Various Purpose Refunding	0	7,335,000	780,000	6,555,000	580,000
Unamortized Premium	0	168,334	9,819	158,515	0
Deferred Amount on Refunding	0	(645,660)	(37,663)	(607,997)	0
Various Purpose	0	6,095,637	0	6,095,637	534,769
Unamortized Premium	0	72,500	2,115	70,385	0
Rockport Square Development TIF	4,265,000	0	0	4,265,000	0
Unamortized Premium	141,331	0	7,560	133,771	0
Vedda Printing	0	400,000	0	400,000	15,000
Unamortized Premium	0	741	22	719	0
<i>Total General Obligation Bonds</i>	<u>31,443,942</u>	<u>13,426,552</u>	<u>8,835,071</u>	<u>36,035,423</u>	<u>2,530,923</u>
Special Assessment Bonds with Governmental Commitment					
Belle Avenue	20,000	0	10,000	10,000	10,000
Niagra and Narragansett Streets	40,000	0	20,000	20,000	20,000
<i>Total Special Assessment Bonds</i>	<u>60,000</u>	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
OPWC Loans					
Forest and Clifton Road	431,200	0	30,800	400,400	30,800
Lakewood Heights Boulevard	116,282	0	33,222	83,060	33,222
<i>Total OPWC Loans</i>	<u>547,482</u>	<u>0</u>	<u>64,022</u>	<u>483,460</u>	<u>64,022</u>
Compensated Absences Payable	5,284,480	1,890,127	2,124,490	5,050,117	1,084,529
Capital Leases Payable	113,793	10,137	76,507	47,423	25,280
<i>Total Governmental Activities</i>	<u>\$44,514,497</u>	<u>\$19,554,816</u>	<u>\$18,194,890</u>	<u>\$45,874,423</u>	<u>\$3,734,754</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11 - Long-Term Obligations (Continued)

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005	Amount Due in One Year
<i>Business-Type Activities</i>					
Notes					
<i>Water</i>					
Water Main Improvements	\$995,000	\$0	\$995,000	\$0	\$0
Water Main Improvements	0	4,925,000	0	4,925,000	0
<i>Sewer</i>					
Various Purpose	55,000	0	55,000	0	0
Various Purpose	53,500	0	53,500	0	0
Storm Sewer Replacement	2,530,000	0	2,530,000	0	0
Storm Sewer Replacement	2,300,000	0	2,300,000	0	0
Storm Sewer Replacement	0	6,524,000	0	6,524,000	0
<i>Winterhurst</i>					
Various Purpose	215,000	0	215,000	0	0
Various Purpose	0	60,000	0	60,000	0
Total Notes Payable	6,148,500	11,509,000	6,148,500	11,509,000	0
Revenue Bonds					
<i>Water</i>					
Water Main Improvements	2,505,000	0	100,000	2,405,000	105,000
Water System Refunding	3,185,000	0	410,000	2,775,000	425,000
Deferred Amount of Refunding	(207,060)	0	(29,580)	(177,480)	0
Water Main Improvements	0	609,829	0	609,829	20,998
Unamortized Premium	0	571	17	554	0
Total Revenue Bonds	5,482,940	610,400	480,437	5,612,903	550,998
General Obligation Bonds					
<i>Sewer</i>					
Sewer Construction	2,040,000	0	2,040,000	0	0
Sewer Construction Refunding	3,220,000	0	400,000	2,820,000	420,000
Deferred Amount of Refunding	(231,373)	0	(28,922)	(202,451)	0
Sewer Construction	3,385,289	0	98,582	3,286,707	103,846
Unamortized Premium	72,272	0	3,936	68,336	0
Sewer Construction	0	4,421,258	0	4,421,258	152,234
Unamortized Premium	0	4,137	121	4,016	0
Sewer Construction Refunding	0	2,145,000	200,000	1,945,000	165,000
Deferred Amount of Refunding	0	(119,605)	(6,977)	(112,628)	0
Unamortized Premium	0	51,564	3,008	48,556	0
<i>Winterhurst</i>					
Recreational Facility	1,242,200	0	23,200	1,219,000	23,200
Recreational Facility	0	203,276	0	203,276	6,999
Unamortized Premium	0	190	6	184	0
Total General Obligation Bonds	\$9,728,388	\$6,705,820	\$2,732,954	\$13,701,254	\$871,279

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11 - Long-Term Obligations (Continued)

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005	Amount Due in One Year
OPWC Loans					
<i>Water</i>					
Water Main Replacements	\$873,922	\$0	\$62,424	\$811,498	\$62,424
Water Main Replacements	1,555,211	0	97,201	1,458,010	97,201
Water Main Replacements	920,019	0	49,731	870,288	49,731
Water Main Replacements	1,473,378	0	79,642	1,393,736	79,642
Belle Avenue Improvements	472,522	0	24,232	448,290	24,232
<i>Sewer</i>					
West Clifton Storm Sewer Rehab	64,093	0	4,274	59,819	4,274
Edgewater Drive Sewer Separation	513,620	0	30,213	483,407	30,213
Total OPWC Loans	5,872,765	0	347,717	5,525,048	347,717
OWDA Loan					
<i>Sewer</i>					
Lakewood Avenue	236,118	0	23,555	212,563	24,579
Compensated Absences Payable	459,604	130,459	213,810	376,253	91,276
Total Business-Type Activities	\$27,928,315	\$18,955,679	\$9,946,973	\$36,937,021	\$1,885,849

General Obligation Bonds will be retired from the General Obligation and TIF Bond Retirement Debt Service Funds using general property tax and payments in lieu of taxes revenue. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The OPWC loans will be paid from general property tax revenue. Compensated absences will be paid from the General Fund, Streets and Highway, Community Development Block Grant, Office on Aging, and Lakewood Hospital Special Revenue Funds, and the Water, Sewer, Parking Facilities, and Winterhurst Ice Rink Enterprise Funds. The revenue bonds, general obligation bonds, OPWC loans and the OWDA loans reported in the Enterprise Funds will be paid from revenues derived by the City from water, sewer and ice rink user charges.

On March 1, 1998, the City issued \$9,060,000 in general obligation bonds to advance refund \$8,170,000 of outstanding 1992 various purpose general obligation bonds. The net proceeds of \$8,960,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in to an irrevocable trust with an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the 1992 bonds. As a result, the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of December 31, 2005, \$4,710,000 of the defeased debt remained outstanding.

On August 1, 2004 the City issued \$4,265,000 in general obligation bonds for the Rockport Square development project. These bonds will be paid through tax increment financing where the payments in lieu of taxes (PILOTS) generated will pay the debt service payments.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11- Long-Term Obligations (Continued)

On March 1, 1998, the City issued \$5,695,000 in general obligation bonds to advance refund \$5,195,000 of outstanding 1992 Sanitary Sewer System general obligation bonds. The net proceeds of \$5,631,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earning from the securities are sufficient to provide for all future debt service payment on the 1992 bonds. As a result these bonds are considered to be defeased, and the liability for those bonds has been removed from the Sewer and Wastewater Fund. As of December 31, 2005, \$2,820,000 of the defeased debt remained outstanding.

The 1998 advance refunding of the 1992 Sanitary Sewer System general obligation bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The refunded debt was called on December 1, 2001 and has been paid off. The unamortized balance of the deferral totaled \$177,480 at December 31, 2005. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the straight-line method.

In 1995, the City issued \$2,850,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.40 percent to 6.60 percent. Proceeds were used to improve the City's water mains. The revenue bonds included serial bonds. Restricted assets relating to the water main improvement revenue bonds at December 31, 2005, were as follows:

Restricted Assets Held by City:
Replacement and Improvements \$381,747

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

The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the series 1991 water revenue bonds and respective portion of the series 2002 bond anticipation notes. As a result, the 1991 water revenue bonds and the respective portion of the series 2002 bond anticipation notes are considered to be defeased. As of December 31, 2005, \$2,775,000 of the defeased debt remained outstanding. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statement as a deduction from due in more than one year, is being charged to operations through the year 2011, using the straight-line method. The unamortized balance of the deferral totaled \$177,480 at December 31, 2005. The bonds maturing on or after July 1, 2001 are subject to redemption, at the sole option of the City, either in whole on any date, or in part on any interest payment date, on or after July 1, 2001, in multiples of \$5,000, at 100 percent of the redemption price plus accrued interest as of July 1, 2004 and thereafter. Restricted assets relating to the refunding water revenue bonds at December 31, 2005 were as follows:

Restricted Assets Held by City:
Replacement and Improvements \$179,493

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11 - Long-Term Obligations (Continued)

On May 26 2005, the City issued \$11,330,000 in general obligation bonds at interest rates varying from 3.00 percent to 5.00 percent for various purposes.

On May 26, 2005, the City issued \$9,480,000 in general obligation refunding bonds at interest rates varying from 3.00 percent to 5.00 percent. Proceeds were used to refund \$8,775,000 of the outstanding 1995 various purpose general obligation bonds.

The bonds were sold at a premium of \$219,898. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1993 and 1994 water and sewer construction bonds. As a result, \$8,775,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the basic financial statements.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$765,265. This difference, being reported as a deferral in the accompanying financial statements, is being charged to operations through the year 2015 using the straight-line method.

On May 26, 2005 the City issued \$400,000 in General Obligation Bonds for the Vedda Printing Development project. These bonds will be paid through tax increment financing where the payments in lieu of taxes (PILOTS) generated will pay the debt service payments.

The City's overall debt margin was \$45,813,083 at December 31, 2005.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2005, are as follows:

	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2006	\$2,530,923	\$1,640,413	\$30,000	\$2,415
2007	2,603,104	1,546,936	0	0
2008	2,624,805	1,445,039	0	0
2009	2,928,271	1,332,517	0	0
2010	3,021,738	1,211,694	0	0
2011-2015	12,204,772	4,262,657	0	0
2016-2020	6,790,606	1,896,488	0	0
2021-2025	3,575,811	373,777	0	0
Total	\$36,280,030	\$13,709,521	\$30,000	\$2,415
	OPWC Loans		Total	
	Principal	Interest	Principal	Interest
2006	\$64,022	\$0	\$2,624,945	\$1,642,828
2007	64,023	0	2,667,127	1,546,936
2008	47,415	0	2,672,220	1,445,039
2009	30,800	0	2,959,071	1,332,517
2010	30,800	0	3,052,538	1,211,694
2011-2015	154,000	0	12,358,772	4,262,657
2016-2020	92,400	0	6,883,006	1,896,488
2021-2025	0	0	3,575,811	373,777
Total	\$483,460	\$0	\$36,793,490	\$13,711,936

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 11 - Long-Term Obligations (Continued)

	Business-Tye Activities			
	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2006	\$550,998	\$249,873	\$871,279	\$494,525
2007	566,891	233,588	901,805	463,688
2008	587,338	190,488	1,002,858	429,217
2009	608,232	194,177	1,048,497	388,621
2010	644,125	157,700	1,099,138	348,106
2011-2015	1,417,688	561,941	3,942,538	1,207,935
2016-2020	1,213,515	255,517	2,635,980	602,285
2021-2025	201,042	26,798	2,393,146	171,123
Total	\$5,789,829	\$1,870,082	\$13,895,241	\$4,105,500

	OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest
	2006	\$347,717	\$0	\$24,579
2007	347,715	0	25,647	7,811
2008	347,715	0	26,761	6,696
2009	347,715	0	27,924	5,533
2010	347,715	0	29,138	4,319
2011-2015	1,738,575	0	78,514	5,130
2016-2020	1,609,443	0	0	0
2021-2025	438,453	0	0	0
Total	\$5,525,048	\$0	\$212,563	\$38,368

	Total	
	Principal	Interest
2006	\$1,794,573	\$753,277
2007	1,842,058	705,087
2008	1,964,672	626,401
2009	2,032,368	588,331
2010	2,120,116	510,125
2011-2015	7,177,315	1,775,006
2016-2020	5,458,938	857,802
2021-2025	3,032,641	197,921
Total	\$25,422,681	\$6,013,950

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 12 – Leases

A. Capital Leases

In 2005, the City leased police vehicles and copier equipment through capital leasing arrangements. The assets of such agreements are recorded in the Government-Wide Statement of Net Assets. The lease contracts contain annual one-year renewal options that can be exercised by the City if sufficient funds are appropriated by City Council. The vehicles and equipment have been capitalized in the amounts of \$551,601 and \$102,793, respectively. The book values are \$385,800 and \$30,247 as of December 31, 2005. The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2005:

	Totals
2006	\$25,280
2007	18,525
2008	3,864
Total minimum lease payments	47,669
Less: amount representing interest	(246)
Total	\$47,423

B. Operating Leases

In 1997, the City renegotiated its lease agreement with the Lakewood Hospital Association (LHA) for its use of real and personal property owned by the City for the purpose of operating a hospital. The cost of leased assets and accumulated depreciation totaled \$158,612,000 and \$107,332,000, respectively, as of December 31, 2005. Under the terms of the lease, the City will receive amounts ranging from \$1 million to \$1.225 million commencing in 1997 and continuing through 2026. Upon expiration of the lease term or the termination of this lease, LHA will surrender the leased property to the City.

Note 13 - Risk Management

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

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, and no aggregate with a \$5,000 deductible. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$250 deductible for comprehensive, \$2,000 deductible for collision.

The boiler and machinery is covered at \$50,000,000 with a \$10,000 deductible for deep well pumps and \$5,000 deductible for all other property.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 13 - Risk Management (Continued)

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$99,232,205 with a \$1,000 deductible. Inland marine coverage for all City property that moves has a coverage of \$7,285,246 with a \$1,000 deductible and EDP equipment is covered at \$2,571,887 with a \$1,000 deductible.

Medical Professional coverage is \$1,000,000 per occurrence and \$3,000,000 aggregate with \$2,500 deductible per occurrence.

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

Canine Coverage is \$20,000 per occurrence.

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

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

At December 31, 2005, \$488,615 has been accrued for hospitalization claims representing an estimate of the amount to be paid for claims that have been incurred but not reported based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	2005	2004
Estimated claims payable January 1	\$386,687	\$455,428
Plus: Current year claims	4,460,997	4,173,484
Less: Claim payments	(4,359,069)	(4,242,225)
Estimated claims payable December 31	\$488,615	\$386,687

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 13 - Risk Management (Continued)

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

At December 31, 2005, \$1,458,734 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims calculated using trends in actual claims experience based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	2005	2004
Estimated claims payable January 1	\$1,396,362	\$1,513,360
Plus: Current year claims	367,097	190,389
Less: Claim payments	(304,725)	(307,387)
Estimated claims payable December 31	\$1,458,734	\$1,396,362

In accordance with GASB Statement No. 10, claims liabilities, arising from uninsured risks, are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities included an amount for claims incurred but not reported. Changes to the estimated claims payable recorded in the General Liability Fund and during the years ended December 31, 2005 and 2004 were as follows:

	2005	2004
Estimated claims payable January 1	\$23,000	\$23,000
Plus: Current year claims	10,647	13,041
Less: Claim payments	(10,647)	(13,041)
Estimated claims payable December 31	\$23,000	\$23,000

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 14 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$2,449,752, \$2,447,440 and \$2,499,328 respectively; 72 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$17,323 made by the City and \$10,867 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 14 - Defined Benefit Pension Plans (Continued)

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2005, 2004 and 2003 were \$2,341,465, 2,264,064 and \$2,226,927, respectively. The full amount has been contributed for 2004 and 2003. 73 percent has been contributed for 2005.

Note 15 – Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plan is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums are presumed to increase between 1 and 6 percent annually for the next eight years and 4 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$1,026,074. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 15 – Postemployment Benefits (Continued)

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$709,544 for police and \$603,643 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

Note 16 - Other Employee Benefits

A. Compensated Absences

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

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

Fire Department personnel required to work a holiday are granted, at a later time, an eight or twenty-four hour off-duty period. Members hired before January 1, 1989 may accumulate up to fourteen 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 16 - Other Employee Benefits (Continued)

the option of receiving a payment of up to 144 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

B. Health and Life Insurance

Medical Mutual and Kaiser Permanente provide health insurance to City employees. The insurance premiums are paid by the City and partly by the employees. Kansas City Life provides life insurance and accidental death and dismemberment insurance to the City's employees.

Note 17 - Jointly Governed Organization

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2005, the City contributed \$99,715.

Note 18 - Interfund Transfers and Balances

A. Transfers

The General Fund transfers to the major and nonmajor Governmental Funds, and Winterhurst Ice Rink Enterprise Fund were made to provide additional resources for current operations. The transfers from Police and Fire Pension Special Revenue Fund, Permanent Capital Improvement Fund, and the TIF Capital Fund were to cover debt payments. The transfer from the Political Subdivision Special Revenue to the General Fund was for a portion of court costs to be transferred back to the General Fund, where court costs are originally paid. The transfer from Congregate Living Facility Fund were proceeds of selling a home, in which original monies for purchasing, came from Community Development Block Grant Fund.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 18 - Interfund Transfers and Balances (Continued)

Transfer To	Transfers From			
	General	Police and Fire Pension	Permanent Capital Improvement	TIF Capital Improvement
Governmental Activities				
General	\$0	\$0	\$0	\$0
Street and Highway	120,000	0	0	0
Community Development				
Block Grant	0	0	0	0
Office on Aging	1,505,000	0	0	0
Debt Service	0	426,198	1,002,900	0
Permanent Capital Improvement	716,421	0	0	0
Nonmajor Funds	28,867	0	0	8,252
<i>Total Governmental Activities</i>	2,370,288	426,198	1,002,900	8,252
Business-Type Activities				
Winterhurst Ice Rink	200,000	0	0	0
<i>Total</i>	<u>\$2,570,288</u>	<u>\$426,198</u>	<u>\$1,002,900</u>	<u>\$8,252</u>

Transfer To	Transfers From			
	Nonmajor Funds	Total Governmental Activities	Business-Type Activities Nonmajor Funds	Total
General	\$344	\$344	\$0	\$344
Street and Highway	0	120,000	0	120,000
Community Development				
Block Grant	0	0	162,809	162,809
Office on Aging	0	1,505,000	0	1,505,000
Debt Service	0	1,429,098	0	1,429,098
Permanent Capital Improvement	0	716,421	0	716,421
Nonmajor Funds	0	37,119	0	37,119
<i>Total Governmental Activities</i>	<u>\$344</u>	<u>\$3,807,982</u>	<u>\$162,809</u>	<u>\$3,970,791</u>
Business-Type Activities				
Winterhurst Ice Rink	0	200,000	0	200,000
<i>Total</i>	<u>\$344</u>	<u>\$4,007,982</u>	<u>\$162,809</u>	<u>\$4,170,791</u>

B. Balances

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds. It is also to cover those funds that owe the Hospitalization Fund for claims incurred. All interfund balances will be repaid within one year. Interfund balances at December 31, 2005, consist of the following:

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 18 - Interfund Transfers and Balances (Continued)

Interfund Payable	Interfund Receivable		
	General	Hospitalization	Total
Governmental Activities			
Major Funds			
General	\$0	\$366,461	\$366,461
Streets and Highways	0	17,717	17,717
Community Development Block Grant	0	6,527	6,527
Office on Aging	0	31,704	31,704
Lakewood Hospital	0	19,582	19,582
Nonmajor Funds			
Lead-Based Paint	8,375	0	8,375
Juvenile Accountability Incentive Block Grant	0	0	0
Total Governmental Activities	8,375	441,991	450,366
Business-Type Activities			
Major Funds			
Water	0	16,784	16,784
Sewer	0	26,109	26,109
Nonmajor Funds			
Parking Facilities	0	2,797	2,797
Winterhurst Ice Rink	0	934	934
Total Business-Type Activities	0	46,624	46,624
Total	\$8,375	\$488,615	\$496,990

Note 19 - Subsequent Event

On June 14, 2006, the City issued \$18,353,000 in bond anticipation notes. \$15,737,000 of the notes are to pay off the outstanding 2005 notes and \$2,616,000 are for capital improvements. These notes were issued at an interest rate of 4.5% and mature on June 14, 2007. On August 30, 2006, the City issued \$24,605,000 in sewer and water revenue bonds. These revenue bonds were issued at an interest rate of 4.5%.

Note 20 - Contractual Commitments

The following were contractual commitments outstanding at December 31, 2005:

Project	Amount Remaining
Sloane Avenue Sewer Improvement	\$79,413
Edgewater Drive Street Reconstruction	568,867
Manor Park Avenue Watermain Improvement	144,447
Wyandotte Avenue Sanitary Sewer Improvement	102,345
Total	\$895,072

Combining Statements-Nonmajor Governmental Funds

Fund Descriptions

Nonmajor Special Revenue Funds

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

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

Court Probation Services Fund	To account for fines imposed by the Courts which are used for the operations of the Probation Department of the Lakewood Municipal Court.
Emergency Shelter Grant Fund	To account for grants issued to the City by the United States Department of Housing and Urban Development (HUD) to fund the renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
HOME Investment Program Fund	To account for the revenues used to help first-time homebuyers with low and moderate income to purchase a new home.
Lead-Based Paint Hazard Control Fund	To account for grant funds used to assist families with low to moderate income and who have children under the age of six who are at risk for lead paint poisoning.
Little Links Fund	To account for the operation and maintenance of the City's miniature golf course.
Juvenile Accountability Incentive Block Grant Fund	To account for grant proceeds from the State used to decrease the number of juveniles entering the court system.
Help-to-Others Fund	To account for camp registrations and donations used to fund a youth program that promotes volunteerism.
Juvenile Diversion Fund	To account for monies received from Cuyahoga County used to establish or expand community policing programs.
Family Day Care Program Fund	To account for grant proceeds received from the State of Ohio USDA to provide reimbursements to home daycare providers for food and snacks served to eligible children in their care.
Federal Emergency Management Fund	To account for Federal and State monies used for the restoration of areas hit by natural disasters.

NonMajor Debt Service Fund

Debt Service funds are established to account for the accumulation of resources for, and the payment of general long-term principal, interest and related costs.

Tax Increment Financing (TIF) Bond Retirement Fund	To account for the principal and interest payments on tax increment financing general obligation bonds.
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NonMajor Capital Projects Funds

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

Lakehouse Breakwall Fund	To account for the construction of a permanent breakwall to protect the property of the citizens of the City.
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Land Acquisition Fund	To account for the acquisition of properties to be developed for recreation, economic or other purposes as deemed appropriate by City Council and the Mayor.
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City Park Improvement Fund	To account for resources for the improvement of the City Park.
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City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$735,120	\$168,850	\$903,970
Accounts Receivable	15,865	0	15,865
Intergovernmental Receivable	74,285	0	74,285
Total Assets	\$825,270	\$168,850	\$994,120
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$26,380	\$0	\$26,380
Interfund Payable	8,375	0	8,375
Total Liabilities	34,755	0	34,755
Fund Balances			
Reserved for Encumbrances	47,587	0	47,587
Unreserved, Undesignated Reported In:			
Special Revenue Funds	742,928	0	742,928
Capital Projects Funds	0	168,850	168,850
Total Fund Balances	790,515	168,850	959,365
Total Liabilities and Fund Balances	\$825,270	\$168,850	\$994,120

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Payment in Lieu of Taxes	\$0	\$241,480	\$0	\$241,480
Charges for Services	22,847	0	0	22,847
Fines and Forfeitures	124,584	0	0	124,584
Intergovernmental	473,387	0	0	473,387
Contributions and Donations	0	0	3,579	3,579
Special Assessments	0	0	108	108
Miscellaneous	68,874	0	0	68,874
<i>Total Revenues</i>	<u>689,692</u>	<u>241,480</u>	<u>3,687</u>	<u>934,859</u>
Expenditures				
Current:				
General Government	157,807	0	0	157,807
Security of Persons and Property				
Police	91,594	0	0	91,594
Public Health Services	17,280	0	0	17,280
Community Environment	513,341	0	0	513,341
Debt Service:				
Interest and Fiscal Charges	0	350,349	0	350,349
<i>Total Expenditures</i>	<u>780,022</u>	<u>350,349</u>	<u>0</u>	<u>1,130,371</u>
Excess of Revenues Over (Under) Expenditures	<u>(90,330)</u>	<u>(108,869)</u>	<u>3,687</u>	<u>(195,512)</u>
Other Financing Sources (Uses)				
Sale of Assets	5,500	0	0	5,500
Transfers In	28,867	8,252	0	37,119
Transfers Out	(344)	0	0	(344)
<i>Total Other Financing Sources</i>	<u>34,023</u>	<u>8,252</u>	<u>0</u>	<u>42,275</u>
<i>Net Change in Fund Balances</i>	<u>(56,307)</u>	<u>(100,617)</u>	<u>3,687</u>	<u>(153,237)</u>
<i>Fund Balances Beginning of Year</i>	<u>846,822</u>	<u>100,617</u>	<u>165,163</u>	<u>1,112,602</u>
<i>Fund Balances End of Year</i>	<u>\$790,515</u>	<u>\$0</u>	<u>\$168,850</u>	<u>\$959,365</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	<u>Litter Control Grant Fund</u>	<u>Community Festival Fund</u>	<u>Law and Drug Enforcement Trust Fund</u>	<u>Federal Forfeiture Fund</u>	<u>Indigent Drivers Alcohol Treatment Fund</u>
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$11,756	\$7,903	\$260,611	\$21,396	\$125,514
Receivables:					
Accounts	0	0	1,429	0	4,191
Intergovernmental	332	0	0	0	0
<i>Total Assets</i>	<u>\$12,088</u>	<u>\$7,903</u>	<u>\$262,040</u>	<u>\$21,396</u>	<u>\$129,705</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$0	\$0	\$2,550	\$0	\$0
Interfund Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>2,550</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	28,604	0	0
Unreserved, Undesignated (Deficit)	12,088	7,903	230,886	21,396	129,705
<i>Total Fund Balances (Deficit)</i>	<u>12,088</u>	<u>7,903</u>	<u>259,490</u>	<u>21,396</u>	<u>129,705</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,088</u>	<u>\$7,903</u>	<u>\$262,040</u>	<u>\$21,396</u>	<u>\$129,705</u>

<u>Enforcement and Education Fund</u>	<u>Political Subdivision Fund</u>	<u>Computer Research and Maintenance Fund</u>	<u>Court Special Projects Fund</u>	<u>Court Probation Services Fund</u>	<u>Emergency Shelter Grant Fund</u>
\$141,207	\$2,115	\$18,369	\$99,883	\$0	\$2,432
295	145	2,253	5,964	1,588	0
0	0	0	0	0	0
<u>\$141,502</u>	<u>\$2,260</u>	<u>\$20,622</u>	<u>\$105,847</u>	<u>\$1,588</u>	<u>\$2,432</u>
\$2,318	\$0	\$11,918	\$0	\$0	\$9,594
0	0	0	0	0	0
<u>2,318</u>	<u>0</u>	<u>11,918</u>	<u>0</u>	<u>0</u>	<u>9,594</u>
18,983	0	0	0	0	0
120,201	2,260	8,704	105,847	1,588	(7,162)
<u>139,184</u>	<u>2,260</u>	<u>8,704</u>	<u>105,847</u>	<u>1,588</u>	<u>(7,162)</u>
<u>\$141,502</u>	<u>\$2,260</u>	<u>\$20,622</u>	<u>\$105,847</u>	<u>\$1,588</u>	<u>\$2,432</u>

(continued)

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
 December 31, 2005

	HOME Investment Program Fund	Lead-Based Paint Hazard Control Fund	Little Links Fund	Help-to-Others Fund
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$33,858	\$0	\$6,323	\$1,516
Receivables:				
Accounts	0	0	0	0
Intergovernmental	35,142	8,375	0	0
<i>Total Assets</i>	<u>\$69,000</u>	<u>\$8,375</u>	<u>\$6,323</u>	<u>\$1,516</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Interfund Payable	0	8,375	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>8,375</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	69,000	0	6,323	1,516
<i>Total Fund Balances (Deficit)</i>	<u>69,000</u>	<u>0</u>	<u>6,323</u>	<u>1,516</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$69,000</u>	<u>\$8,375</u>	<u>\$6,323</u>	<u>\$1,516</u>

Juvenile Diversion Fund	Family Day Care Program Fund	Federal Emergency Management Fund	Total Nonmajor Special Revenue Funds
\$820	\$608	\$809	\$735,120
0	0	0	15,865
0	30,436	0	74,285
<u>\$820</u>	<u>\$31,044</u>	<u>\$809</u>	<u>\$825,270</u>
\$0	\$0	\$0	\$26,380
0	0	0	8,375
0	0	0	34,755
0	0	0	47,587
820	31,044	809	742,928
820	31,044	809	790,515
<u>\$820</u>	<u>\$31,044</u>	<u>\$809</u>	<u>\$825,270</u>

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

	Litter Control Grant Fund	Community Festival Fund	Law and Drug Enforcement Trust Fund	Bureau of Justice Grant Fund
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	11,785	0
Intergovernmental	44,715	0	0	0
Miscellaneous	0	4,000	40,692	0
<i>Total Revenues</i>	<u>44,715</u>	<u>4,000</u>	<u>52,477</u>	<u>0</u>
Expenditures				
Current:				
General Government	0	4,993	0	0
Security of Persons and Property				
Police	0	0	58,662	0
Public Health Services	0	0	0	0
Community Environment	58,286	0	0	0
<i>Total Expenditures</i>	<u>58,286</u>	<u>4,993</u>	<u>58,662</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,571)</u>	<u>(993)</u>	<u>(6,185)</u>	<u>0</u>
Other Financing Sources (Uses)				
Sale of Assets	0	0	5,500	0
Transfers In	13,867	5,000	0	0
Transfers Out	0	0	0	(3)
<i>Total Other Financing Sources (Uses)</i>	<u>13,867</u>	<u>5,000</u>	<u>5,500</u>	<u>(3)</u>
<i>Net Change in Fund Balances</i>	296	4,007	(685)	(3)
<i>Fund Balances Beginning of Year</i>	<u>11,792</u>	<u>3,896</u>	<u>260,175</u>	<u>3</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$12,088</u>	<u>\$7,903</u>	<u>\$259,490</u>	<u>\$0</u>

Federal Forfeiture Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Political Subdivision Fund	Computer Research and Maintenance Fund	Court Special Projects Fund
\$0	\$0	\$0	\$0	\$0	\$0
3,365	5,172	4,373	1,912	22,516	46,726
0	12,542	0	0	0	0
0	0	2,800	0	0	0
3,365	17,714	7,173	1,912	22,516	46,726
0	16,755	0	0	65,042	0
21,059	0	11,873	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
21,059	16,755	11,873	0	65,042	0
(17,694)	959	(4,700)	1,912	(42,526)	46,726
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(17,694)	959	(4,700)	1,912	(42,526)	46,726
39,090	128,746	143,884	348	51,230	59,121
\$21,396	\$129,705	\$139,184	\$2,260	\$8,704	\$105,847

(continued)

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2005

	Court Probation Services Fund	Emergency Shelter Grant Fund	HOME Investment Program Fund	Lead-Based Paint Hazard Control Fund
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	28,735	0	0	0
Intergovernmental	0	96,434	101,500	18,095
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>28,735</u>	<u>96,434</u>	<u>101,500</u>	<u>18,095</u>
Expenditures				
Current:				
General Government	71,017	0	0	0
Security of Persons and Property				
Police	0	0	0	0
Public Health Services	0	0	0	0
Community Environment	0	106,083	105,000	18,095
<i>Total Expenditures</i>	<u>71,017</u>	<u>106,083</u>	<u>105,000</u>	<u>18,095</u>
Excess of Revenues Over (Under) Expenditures	<u>(42,282)</u>	<u>(9,649)</u>	<u>(3,500)</u>	<u>0</u>
Other Financing Sources (Uses)				
Sale of Assets	0	0	0	0
Transfers In	0	0	10,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(42,282)	(9,649)	6,500	0
<i>Fund Balances Beginning of Year</i>	<u>43,870</u>	<u>2,487</u>	<u>62,500</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,588</u></u>	<u><u>(\$7,162)</u></u>	<u><u>\$69,000</u></u>	<u><u>\$0</u></u>

Little Links Fund	Juvenile Accountability Incentive Block Grant Fund	Help-to-Others Fund	Juvenile Diversion Fund	Family Day Care Program Fund	Federal Emergency Management Fund	Total Nonmajor Special Revenue Funds
\$14,967	\$0	\$7,880	\$0	\$0	\$0	\$22,847
0	0	0	0	0	0	124,584
0	0	0	18,000	182,101	0	473,387
290	0	21,092	0	0	0	68,874
<u>15,257</u>	<u>0</u>	<u>28,972</u>	<u>18,000</u>	<u>182,101</u>	<u>0</u>	<u>689,692</u>
0	0	0	0	0	0	157,807
0	0	0	0	0	0	91,594
0	0	0	17,280	0	0	17,280
<u>15,634</u>	<u>116</u>	<u>28,901</u>	<u>0</u>	<u>181,226</u>	<u>0</u>	<u>513,341</u>
<u>15,634</u>	<u>116</u>	<u>28,901</u>	<u>17,280</u>	<u>181,226</u>	<u>0</u>	<u>780,022</u>
<u>(377)</u>	<u>(116)</u>	<u>71</u>	<u>720</u>	<u>875</u>	<u>0</u>	<u>(90,330)</u>
0	0	0	0	0	0	5,500
0	0	0	0	0	0	28,867
0	(341)	0	0	0	0	(344)
<u>0</u>	<u>(341)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,023</u>
<u>(377)</u>	<u>(457)</u>	<u>71</u>	<u>720</u>	<u>875</u>	<u>0</u>	<u>(56,307)</u>
<u>6,700</u>	<u>457</u>	<u>1,445</u>	<u>100</u>	<u>30,169</u>	<u>809</u>	<u>846,822</u>
<u>\$6,323</u>	<u>\$0</u>	<u>\$1,516</u>	<u>\$820</u>	<u>\$31,044</u>	<u>\$809</u>	<u>\$790,515</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005

	<u>Lakehouse Breakwall Fund</u>	<u>Land Acquisition Fund</u>	<u>City Park Improvement Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$15,261</u>	<u>\$150,000</u>	<u>\$3,589</u>	<u>\$168,850</u>
Liabilities and Fund Balance				
Liabilities				
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances				
Reserved for Encumbrances				
Unreserved, Undesignated	<u>15,261</u>	<u>150,000</u>	<u>3,589</u>	<u>168,850</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$15,261</u>	<u>\$150,000</u>	<u>\$3,589</u>	<u>\$168,850</u>

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

	Lakehouse Breakwall Fund	Land Acquisition Fund	City Park Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues				
Contributions and Donations	\$0	\$0	\$3,579	\$3,579
Special Assessments	108	0	0	108
<i>Total Revenues</i>	108	0	3,579	3,687
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	108	0	3,579	3,687
<i>Fund Balances Beginning of Year</i>	15,153	150,000	10	165,163
<i>Fund Balances End of Year</i>	\$15,261	\$150,000	\$3,589	\$168,850

Combining Statements-Nonmajor Proprietary Funds

Fund Descriptions

Nonmajor Enterprise Funds

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

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

Internal Service Funds

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

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

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2005

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets			
Equity in Pooled Cash and Cash			
Equivalents	\$89,482	\$109,021	\$198,503
Accounts Receivable	0	39,298	39,298
Materials and Supplies Inventory	54,439	51,875	106,314
Prepays	362	0	362
Total Current Assets	144,283	200,194	344,477
Noncurrent Assets			
Deferred Bond Issuance Costs	0	13,950	13,950
Nondepreciable Assets	77,130	128,625	205,755
Depreciable Assets, Net	136,865	1,615,541	1,752,406
Total Noncurrent Assets	213,995	1,758,116	1,972,111
<i>Total Assets</i>	<i>358,278</i>	<i>1,958,310</i>	<i>2,316,588</i>
Liabilities			
Current Liabilities			
Accounts Payable	64,472	0	64,472
Accrued Wages and Benefits	2,666	6,765	9,431
Intergovernmental Payable	7,933	18,056	25,989
Interfund Payable	2,797	934	3,731
Accrued Interest Payable	0	6,732	6,732
Compensated Absence Payable	10,286	1,322	11,608
Bonds Payable	0	30,199	30,199
Total Current Liabilities	88,154	64,008	152,162
Long Term Liabilities:			
Notes Payable	0	60,000	60,000
Compensated Absence Payable	7,328	25,554	32,882
Bonds Payable	0	1,392,261	1,392,261
Total Long Term Liabilities	7,328	1,477,815	1,485,143
<i>Total Liabilities</i>	<i>95,482</i>	<i>1,541,823</i>	<i>1,637,305</i>
Net Assets			
Invested in Capital Assets, Net of Related Debt	213,995	275,840	489,835
Unrestricted	48,801	140,647	189,448
Total Net Assets	\$262,796	\$416,487	\$679,283

City of Lakewood, Ohio
Combining Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2005

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for Services	\$294,385	\$725,506	\$0	\$1,019,891
Miscellaneous	600	65	0	665
<i>Total Operating Revenues</i>	<u>294,985</u>	<u>725,571</u>	<u>0</u>	<u>1,020,556</u>
Operating Expenses				
Personal Services	170,641	371,917	0	542,558
Contractual Services	112,725	24,448	18,792	155,965
Materials and Supplies	5,859	238,126	2,153	246,138
Utilities	0	215,633	426	216,059
Depreciation	11,676	47,663	66	59,405
<i>Total Operating Expenses</i>	<u>300,901</u>	<u>897,787</u>	<u>21,437</u>	<u>1,220,125</u>
Operating Income (loss)	<u>(5,916)</u>	<u>(172,216)</u>	<u>(21,437)</u>	<u>(199,569)</u>
Non Operating Revenues (Expenses)				
Interest	0	869	0	869
Sale of Capital Assets	0	0	180,250	180,250
Interest and Fiscal Charges	0	(71,604)	0	(71,604)
Loss on Disposal of Capital Assets	0	0	(42,860)	(42,860)
<i>Total Nonoperating Revenues (Expenses)</i>	<u>0</u>	<u>(70,735)</u>	<u>137,390</u>	<u>66,655</u>
Net Income (Loss) Before Transfers	<u>(5,916)</u>	<u>(242,951)</u>	<u>115,953</u>	<u>(132,914)</u>
Transfers In	0	200,000	0	200,000
Transfers Out	0	0	(162,809)	(162,809)
<i>Change in Net Assets</i>	<u>(5,916)</u>	<u>(42,951)</u>	<u>(46,856)</u>	<u>(95,723)</u>
<i>Net Assets Beginning of Year</i>	<u>268,712</u>	<u>459,438</u>	<u>46,856</u>	<u>775,006</u>
<i>Net Assets End of Year</i>	<u><u>\$262,796</u></u>	<u><u>\$416,487</u></u>	<u><u>\$0</u></u>	<u><u>\$679,283</u></u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2005

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$294,385	\$731,890	\$0	\$1,026,275
Cash Received from Other Operating Sources	600	65	0	665
Cash Payments to Suppliers for Goods and Services	(115,245)	(524,616)	(3,324)	(643,185)
Cash Payments for Employee Services and Benefits	(169,166)	(372,128)	(18,792)	(560,086)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>10,574</u>	<u>(164,789)</u>	<u>(22,116)</u>	<u>(176,331)</u>
Cash Flows from Noncapital Financing Activities				
Transfer In	0	200,000	0	200,000
Transfer Out	0	0	(162,809)	(162,809)
<i>Net Cash Provided by (Used for) Non-capital Financing Activities</i>	<u>0</u>	<u>200,000</u>	<u>(162,809)</u>	<u>37,191</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	0	(99,483)	0	(99,483)
Sale of Capital Assets	0	0	180,250	180,250
Notes Issued	0	60,000	0	60,000
Bonds Issued	0	203,276	0	203,276
Bonds Premium	0	190	0	190
Principal Paid on Bonds	0	(23,200)	0	(23,200)
Principal Paid on Notes	0	(215,000)	0	(215,000)
Bond Issuance Costs	0	(3,415)	0	(3,415)
Interest Paid on Bonds	0	(66,254)	0	(66,254)
Interest Paid on Notes	0	(4,838)	0	(4,838)
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>0</u>	<u>(148,724)</u>	<u>180,250</u>	<u>31,526</u>
Cash Flows from Investing Activities				
Interest	0	869	0	869
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	10,574	(112,644)	(4,675)	(106,745)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>78,908</u>	<u>221,665</u>	<u>4,675</u>	<u>305,248</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$89,482</u>	<u>\$109,021</u>	<u>\$0</u>	<u>\$198,503</u>

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2005

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss)				
to Net Cash Provided by (Used for) Operating				
Activities				
<i>Operating Income (Loss)</i>	(\$5,916)	(\$172,216)	(\$21,437)	(\$199,569)
Adjustments:				
Depreciation	11,676	47,663	66	59,405
(Increase) Decrease in Assets:				
Accounts Receivable	0	6,383	0	6,383
Materials and Supplies Inventory	(5,490)	(8,725)	0	(14,215)
Prepaid Items	(362)	0	0	(362)
Increase (Decrease) in Liabilities:				
Accounts Payable	9,191	(37,683)	(745)	(29,237)
Accrued Wages	(372)	950	0	578
Compensated Absences	(406)	(3,676)	0	(4,082)
Interfund Payable	1,381	226	0	1,607
Intergovernmental Payable	872	2,289	0	3,161
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$10,574</u>	<u>(\$164,789)</u>	<u>(\$22,116)</u>	<u>(\$176,331)</u>

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

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$719,595	\$1,202,880	\$110,011	\$2,032,486
Accrued Interest Receivable	0	0	611	611
Prepaid Items	77,984	0	0	77,984
Interfund Receivable	488,615	0	0	488,615
<i>Total Assets</i>	<u>1,286,194</u>	<u>1,202,880</u>	<u>110,622</u>	<u>2,599,696</u>
Liabilities				
Accounts Payable	39,176	0	5,000	44,176
Intergovernmental Payable	0	438,396	0	438,396
Claims Payable	488,615	1,458,734	23,000	1,970,349
<i>Total Liabilities</i>	<u>527,791</u>	<u>1,897,130</u>	<u>28,000</u>	<u>2,452,921</u>
Net Assets				
Unrestricted (Deficit)	<u>\$758,403</u>	<u>(\$694,250)</u>	<u>\$82,622</u>	<u>\$146,775</u>

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

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$4,297,708	\$0	\$0	\$4,297,708
Miscellaneous	255,603	0	1,325	256,928
<i>Total Operating Revenues</i>	<u>4,553,311</u>	<u>0</u>	<u>1,325</u>	<u>4,554,636</u>
Operating Expenses				
Contractual Services	12,014	157,046	5,647	174,707
Workers' Compensation Premium	0	360,217	0	360,217
Claims	4,460,997	367,097	0	4,828,094
<i>Total Operating Expenses</i>	<u>4,473,011</u>	<u>884,360</u>	<u>5,647</u>	<u>5,363,018</u>
<i>Operating Income (Loss)</i>	80,300	(884,360)	(4,322)	(808,382)
Non Operating Revenue				
Interest	0	0	853	853
<i>Change in Net Assets</i>	80,300	(884,360)	(3,469)	(807,529)
<i>Net Assets Beginning of Year</i>	<u>678,103</u>	<u>190,110</u>	<u>86,091</u>	<u>954,304</u>
<i>Net Assets (Deficit) at End of Year</i>	<u><u>\$758,403</u></u>	<u><u>(\$694,250)</u></u>	<u><u>\$82,622</u></u>	<u><u>\$146,775</u></u>

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

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Transactions with Other Funds	\$4,195,780	\$0	\$0	\$4,195,780
Cash Received from Other Operating Sources	255,603	0	1,325	256,928
Cash Payments to Suppliers for Goods and Services	(42,376)	(23,375)	(10,647)	(76,398)
Cash Payments for Claims	(4,359,069)	(304,725)	0	(4,663,794)
Cash Payments for Workers' Compensation Premium	0	(360,217)	0	(360,217)
<i>Net Cash Provided by (Used for) Operating Activities</i>	49,938	(688,317)	(9,322)	(647,701)
Cash Flows from Investing Activities				
Interest	0	0	6,339	6,339
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	49,938	(688,317)	(2,983)	(641,362)
<i>Cash and Cash Equivalents Beginning of Year</i>	669,657	1,891,197	112,994	2,673,848
<i>Cash and Cash Equivalents End of Year</i>	\$719,595	\$1,202,880	\$110,011	\$2,032,486

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended December 31, 2005

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	\$80,300	(\$884,360)	(\$4,322)	(\$808,382)
Adjustments:				
(Increase) Decrease in Assets:				
Interfund Receivable	(101,928)	0	0	(101,928)
Prepaid Items	15,999	0	0	15,999
Increase (Decrease) in Liabilities:				
Accounts Payable	(46,361)	0	(5,000)	(51,361)
Intergovernmental Payable	0	133,671	0	133,671
Claims Payable	101,928	62,372	0	164,300
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$49,938</u>	<u>(\$688,317)</u>	<u>(\$9,322)</u>	<u>(\$647,701)</u>

Statement-Fiduciary Fund

Fund Description

Agency Fund

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

Deposits

To hold funds received from a contractor, developer, or individual to ensure compliance with the ordinances of the City of Lakewood.

City of Lakewood, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2005

	<u>Balance</u> <u>12/31/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2005</u>
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,072,382</u>	<u>\$262,758</u>	<u>\$146,921</u>	<u>\$1,188,219</u>
Liabilities				
Deposits Held and Due to Others	<u>\$1,072,382</u>	<u>\$262,758</u>	<u>\$146,921</u>	<u>\$1,188,219</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN
FUND BALANCE/EQUITY – BUDGET (NON-GAAP
BASIS) AND ACTUAL**

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$7,076,056	\$7,117,915	\$7,117,915	\$0
Municipal Income Taxes	16,918,000	17,139,353	17,139,353	0
Charges for Services	1,449,929	1,396,091	1,396,091	0
Licenses, Permits and Fees	1,633,477	1,052,603	1,052,603	0
Fines and Forfeitures	1,312,000	1,268,076	1,268,076	0
Intergovernmental	5,939,819	6,562,705	6,562,705	0
Interest	400,000	628,228	628,228	0
Miscellaneous	95,000	135,916	136,031	115
<i>Total Revenues</i>	<u>34,824,281</u>	<u>35,300,887</u>	<u>35,301,002</u>	<u>115</u>
Expenditures				
Current:				
General Government:				
Council				
Salaries	134,923	134,923	135,401	(478)
Fringe Benefits	62,927	62,927	62,939	(12)
Travel and Transportation	1,400	1,400	15	1,385
Professional Services	15,865	14,591	3,044	11,547
Communications	3,520	3,220	1,318	1,902
Materials and Supplies	3,080	3,080	1,498	1,582
Capital Outlay	0	0	924	(924)
Other	9,822	11,396	7,379	4,017
Total Council	<u>231,537</u>	<u>231,537</u>	<u>212,518</u>	<u>19,019</u>
Municipal Court				
Salaries	872,208	872,208	843,410	28,798
Fringe Benefits	246,870	246,870	286,547	(39,677)
Travel and Transportation	5,650	5,650	1,638	4,012
Professional Services	40,500	40,500	30,163	10,337
Communications	54,150	54,150	41,524	12,626
Materials and Supplies	26,400	26,400	15,316	11,084
Other	17,450	17,450	11,080	6,370
Total Municipal Court	<u>1,263,228</u>	<u>1,263,228</u>	<u>1,229,678</u>	<u>33,550</u>
Civil Service				
Salaries	57,491	57,491	57,650	(159)
Fringe Benefits	18,262	18,262	17,214	1,048
Professional Services	45,895	45,895	36,363	9,532
Communications	950	950	578	372
Materials and Supplies	1,360	1,210	225	985
Capital Outlay	0	150	296	(146)
Other	1,170	1,170	588	582
Total Civil Service	<u>\$125,128</u>	<u>\$125,128</u>	<u>\$112,914</u>	<u>\$12,214</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Mayor's Office				
Salaries	\$187,805	\$187,806	\$151,587	\$36,219
Fringe Benefits	42,694	42,693	37,170	5,523
Travel and Transportation	5,000	5,400	4,582	818
Professional Services	9,500	9,050	8,442	608
Communications	3,475	2,675	1,933	742
Materials and Supplies	3,200	4,155	3,388	767
Capital Outlay	0	200	1,471	(1,271)
Other	2,337	2,032	1,878	154
Total Mayor's Office	254,011	254,011	210,451	43,560
Human Resources				
Salaries	176,675	176,675	185,193	(8,518)
Fringe Benefits	50,996	50,996	51,551	(555)
Travel and Transportation	1,000	1,000	18	982
Professional Services	26,180	26,680	24,525	2,155
Communications	3,504	3,004	1,880	1,124
Materials and Supplies	5,834	5,834	3,858	1,976
Capital Outlay	0	0	1,156	(1,156)
Other	18,559	18,559	12,503	6,056
Total Human Resources	282,748	282,748	280,684	2,064
Community Relations				
Salaries	74,932	74,932	49,312	25,620
Fringe Benefits	15,600	15,600	12,976	2,624
Travel and Transportation	8,044	8,044	4,890	3,154
Professional Services	10,300	8,800	1,432	7,368
Communications	5,000	5,000	5,000	0
Materials and Supplies	3,750	6,150	4,689	1,461
Capital Outlay	0	0	693	(693)
Other	30,970	28,570	16,298	12,272
Total Community Relations	148,596	147,096	95,290	51,806
Public Works Administration				
Salaries	158,885	158,884	164,102	(5,218)
Fringe Benefits	51,563	51,564	52,274	(710)
Professional Services	60	60	32	28
Communications	3,140	3,380	2,167	1,213
Materials and Supplies	1,900	1,720	1,321	399
Capital Outlay	800	287	924	(637)
Other	2,645	3,098	2,083	1,015
Total Public Works Administration	\$218,993	\$218,993	\$222,903	(\$3,910)

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Buildings and Facilities				
Salaries	\$247,130	\$247,130	\$234,337	\$12,793
Fringe Benefits	73,860	73,860	72,123	1,737
Professional Services	665	665	628	37
Communications	9,075	9,075	6,738	2,337
Contractual Services	14,000	14,000	11,026	2,974
Materials and Supplies	24,100	24,100	15,619	8,481
Capital Outlay	0	0	462	(462)
Other	201,583	201,583	237,460	(35,877)
Total Buildings and Facilities	<u>570,413</u>	<u>570,413</u>	<u>578,393</u>	<u>(7,980)</u>
Fleet Management				
Salaries	584,932	584,931	619,658	(34,727)
Fringe Benefits	185,667	185,668	184,182	1,486
Professional Services	2,615	2,615	69	2,546
Communications	3,780	3,780	3,039	741
Contractual Services	13,600	10,105	8,238	1,867
Materials and Supplies	35,988	35,988	22,921	13,067
Capital Outlay	0	0	2,080	(2,080)
Other	48,393	48,393	32,000	16,393
Total Fleet Management	<u>874,975</u>	<u>871,480</u>	<u>872,187</u>	<u>(707)</u>
Engineering				
Salaries	323,605	319,405	275,668	43,737
Fringe Benefits	93,242	93,242	84,218	9,024
Travel and Transportation	300	3,950	3,111	839
Professional Services	2,000	2,500	2,142	358
Communications	5,300	5,250	3,374	1,876
Contractual Services	100	100	0	100
Materials and Supplies	3,800	5,300	3,829	1,471
Capital Outlay	0	0	1,849	(1,849)
Other	16,517	15,117	6,295	8,822
Total Engineering	<u>444,864</u>	<u>444,864</u>	<u>380,486</u>	<u>64,378</u>
Finance				
Salaries	532,260	532,260	518,119	14,141
Fringe Benefits	166,748	166,748	163,633	3,115
Travel and Transportation	1,450	1,450	671	779
Professional Services	90,300	90,430	85,256	5,174
Communications	17,100	17,100	11,847	5,253
Materials and Supplies	7,821	7,441	6,840	601
Capital Outlay	2,500	2,750	4,883	(2,133)
Other	681,873	677,873	824,229	(146,356)
Total Finance	<u>\$1,500,052</u>	<u>\$1,496,052</u>	<u>\$1,615,478</u>	<u>(\$119,426)</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income Tax				
Salaries	\$0	\$15,612	\$8,282	\$7,330
Fringe Benefits	0	2,343	1,242	1,101
Professional Services	0	9,600	8,565	1,035
Communications	0	6,600	6,000	600
Materials and Supplies	0	6,154	2,692	3,462
Capital Outlay	0	69,448	59,664	9,784
Other	0	39,243	36,349	2,894
Total Income Tax	0	149,000	122,794	26,206
Information Systems				
Salaries	314,205	314,205	330,848	(16,643)
Fringe Benefits	80,854	80,854	83,116	(2,262)
Travel and Transportation	2,010	2,010	39	1,971
Professional Services	8,300	11,850	11,200	650
Communications	4,588	4,588	3,386	1,202
Materials and Supplies	6,475	5,475	2,818	2,657
Capital Outlay	0	0	3,235	(3,235)
Other	234,725	233,675	222,753	10,922
Total Information Systems	651,157	652,657	657,395	(4,738)
General Administration				
Fringe Benefits	0	0	3,815	(3,815)
Professional Services	35,500	35,500	64,312	(28,812)
Communications	0	0	(1,776)	1,776
Contractual Services	45,000	45,000	45,000	0
Materials and Supplies	12,000	12,000	8,525	3,475
Capital Outlay	0	0	6,471	(6,471)
Other	666,500	660,000	634,488	25,512
Total General Administration	759,000	752,500	760,835	(8,335)
Law				
Salaries	347,392	328,392	323,268	5,124
Fringe Benefits	99,886	99,886	96,006	3,880
Travel and Transportation	350	350	5	345
Professional Services	133,186	163,587	159,125	4,462
Communications	6,025	6,025	3,285	2,740
Contractual Services	250	250	0	250
Materials and Supplies	11,470	11,270	10,237	1,033
Capital Outlay	0	150	1,914	(1,764)
Other	2,645	2,645	1,229	1,416
Total Law	601,204	612,555	595,069	17,486
Total General Government	\$7,925,906	\$8,072,262	\$7,947,075	\$125,187

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Security of Persons and Property:				
Police				
Salaries	\$5,657,797	\$5,657,797	\$5,655,352	\$2,445
Fringe Benefits	861,538	861,538	870,812	(9,274)
Travel and Transportation	3,500	3,900	352	3,548
Professional Services	34,000	28,400	13,165	15,235
Communications	44,550	44,950	41,743	3,207
Contractual Services	86,383	90,028	89,853	175
Materials and Supplies	119,100	127,850	150,333	(22,483)
Capital Outlay	22,875	21,075	26,381	(5,306)
Other	220,069	217,769	201,468	16,301
Total Police	<u>7,049,812</u>	<u>7,053,307</u>	<u>7,049,459</u>	<u>3,848</u>
Safety Administration				
Salaries	75,694	75,694	74,740	954
Fringe Benefits	10,343	10,343	10,351	(8)
Professional Services	160	160	150	10
Materials and Supplies	1,250	1,250	204	1,046
Other	1,350	1,350	0	1,350
Total Safety Administration	<u>88,797</u>	<u>88,797</u>	<u>85,445</u>	<u>3,352</u>
Police Communications				
Salaries	450,681	450,681	421,457	29,224
Fringe Benefits	127,297	127,297	122,723	4,574
Professional Services	1,500	1,500	896	604
Materials and Supplies	1,825	1,525	909	616
Capital Outlay	1,000	1,000	812	188
Other	67,550	67,850	46,247	21,603
Total Police Communications	<u>649,853</u>	<u>649,853</u>	<u>593,044</u>	<u>56,809</u>
School Guards				
Salaries	220,000	220,000	211,088	8,912
Fringe Benefits	33,000	33,000	31,447	1,553
Other	3,400	3,400	2,618	782
Total School Guards	<u>\$256,400</u>	<u>\$256,400</u>	<u>\$245,153</u>	<u>\$11,247</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Fire				
Salaries	\$5,116,008	\$5,116,008	\$5,402,961	(\$286,953)
Fringe Benefits	808,680	808,680	815,948	(7,268)
Travel and Transportation	5,000	5,557	1,009	4,548
Professional Services	6,000	4,175	3,364	811
Communications	12,250	12,250	12,896	(646)
Contractual Services	15,132	16,332	15,325	1,007
Materials and Supplies	57,300	45,168	38,064	7,104
Capital Outlay	5,500	7,810	13,187	(5,377)
Other	218,089	227,575	229,583	(2,008)
Total Fire	<u>6,243,959</u>	<u>6,243,555</u>	<u>6,532,337</u>	<u>(288,782)</u>
Fire Communications				
Communications	0	0	300	(300)
Materials and Supplies	6,000	6,404	4,834	1,570
Capital Outlay	0	0	67,197	(67,197)
Total Fire Communications	<u>6,000</u>	<u>6,404</u>	<u>72,331</u>	<u>(65,927)</u>
Street Lighting				
Other	504,000	504,000	448,363	55,637
Animal Control				
Salaries	113,672	113,672	124,483	(10,811)
Fringe Benefits	42,008	42,008	43,612	(1,604)
Professional Services	2,010	2,160	1,658	502
Communications	2,300	1,950	1,411	539
Contractual Services	450	550	505	45
Materials and Supplies	4,100	4,630	4,592	38
Capital Outlay	2,000	350	462	(112)
Other	17,601	18,821	13,906	4,915
Total Animal Control	<u>184,141</u>	<u>184,141</u>	<u>190,629</u>	<u>(6,488)</u>
Total Security of Persons and Property	<u>14,982,962</u>	<u>14,986,457</u>	<u>15,216,761</u>	<u>(230,304)</u>
Public Health Services:				
Support of Prisoners				
Salaries	440,525	440,525	441,449	(924)
Fringe Benefits	94,134	94,134	95,494	(1,360)
Professional Services	75,200	78,000	54,198	23,802
Contractual Services	260,000	249,500	164,584	84,916
Materials and Supplies	61,100	68,800	63,450	5,350
Capital Outlay	2,000	2,000	419	1,581
Other	9,450	9,450	1,200	8,250
Total Support of Prisoners	<u>\$942,409</u>	<u>\$942,409</u>	<u>\$820,794</u>	<u>\$121,615</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Traffic Signs and Signals				
Salaries	\$218,467	\$218,467	\$230,518	(\$12,051)
Fringe Benefits	62,707	62,707	64,277	(1,570)
Travel and Transportation	100	100	0	100
Professional Services	750	2,375	2,509	(134)
Communications	2,920	2,920	1,192	1,728
Contractual Services	300	300	0	300
Materials and Supplies	24,660	24,440	18,326	6,114
Capital Outlay	0	0	1,387	(1,387)
Other	16,090	14,685	12,954	1,731
Total Traffic Signs and Signals	325,994	325,994	331,163	(5,169)
Human Services Administration				
Salaries	126,774	126,774	131,405	(4,631)
Fringe Benefits	38,154	38,154	38,794	(640)
Travel and Transportation	0	31	19	12
Professional Services	100	118	118	0
Communications	1,700	1,525	943	582
Materials and Supplies	700	988	807	181
Capital Outlay	0	0	578	(578)
Other	2,590	2,428	2,386	42
Total Human Services Administration	170,018	170,018	175,050	(5,032)
Communications				
Salaries	102,324	102,324	111,361	(9,037)
Fringe Benefits	35,645	35,645	37,228	(1,583)
Professional Services	525	525	128	397
Communications	835	835	713	122
Materials and Supplies	975	1,625	939	686
Capital Outlay	0	0	1,156	(1,156)
Other	2,235	1,585	2,896	(1,311)
Total Communications	142,539	142,539	154,421	(11,882)
Total Public Health Services	1,580,960	1,580,960	1,481,428	99,532
Community Environment:				
Housing and Building				
Salaries	831,607	831,608	799,638	31,970
Fringe Benefits	287,852	287,852	289,089	(1,237)
Travel and Transportation	1,075	1,075	16	1,059
Professional Services	29,652	27,952	14,037	13,915
Communications	14,115	14,115	8,543	5,572
Materials and Supplies	7,500	9,900	6,716	3,184
Capital Outlay	0	0	5,662	(5,662)
Other	27,246	26,546	23,176	3,370
Total Housing and Building	\$1,199,047	\$1,199,048	\$1,146,877	\$52,171

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Forestry				
Salaries	\$286,564	\$286,564	\$277,116	\$9,448
Fringe Benefits	92,275	92,274	90,036	2,238
Professional Services	950	950	647	303
Communications	630	630	333	297
Contractual Services	13,250	6,850	6,180	670
Materials and Supplies	17,715	17,715	13,830	3,885
Capital Outlay	0	0	116	(116)
Other	10,145	16,545	4,283	12,262
Total Forestry	<u>421,529</u>	<u>421,528</u>	<u>392,541</u>	<u>28,987</u>
Child Care				
Salaries	66,617	66,617	69,109	(2,492)
Fringe Benefits	20,342	20,342	20,631	(289)
Professional Services	0	0	18	(18)
Communications	2,300	2,193	962	1,231
Contractual Services	3,023	3,120	3,120	0
Capital Outlay	0	0	693	(693)
Other	2,065	2,075	2,089	(14)
Total Child Care	<u>94,347</u>	<u>94,347</u>	<u>96,622</u>	<u>(2,275)</u>
Youth				
Salaries	374,164	374,164	366,630	7,534
Fringe Benefits	110,110	110,110	109,551	559
Travel and Transportation	0	30	10	20
Professional Services	0	50	68	(18)
Communications	7,316	7,316	3,746	3,570
Contractual Services	3,180	3,225	3,225	0
Materials and Supplies	2,550	2,465	1,938	527
Capital Outlay	0	0	3,004	(3,004)
Other	50,899	50,859	49,819	1,040
Total Youth	<u>548,219</u>	<u>548,219</u>	<u>537,991</u>	<u>10,228</u>
Planning and Development				
Salaries	155,698	156,333	152,759	3,574
Fringe Benefits	38,013	39,759	38,475	1,284
Travel and Transportation	2,145	2,302	1,017	1,285
Professional Services	88,300	73,204	25,935	47,269
Communications	4,700	6,621	5,821	800
Contractual Services	45,000	45,000	23,503	21,497
Materials and Supplies	15,850	13,879	5,311	8,568
Capital Outlay	0	1,173	4,473	(3,300)
Other	14,606	14,690	8,100	6,590
Total Planning and Development	<u>364,312</u>	<u>352,961</u>	<u>265,394</u>	<u>87,567</u>
Total Community Environment	<u>\$2,627,454</u>	<u>\$2,616,103</u>	<u>\$2,439,425</u>	<u>\$176,678</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Basic Utility Services:				
Refuse and Recycling				
Salaries	\$2,244,552	\$2,174,962	\$2,148,805	\$26,157
Fringe Benefits	702,193	702,193	693,065	9,128
Professional Services	860	900	894	6
Communications	6,720	6,280	5,212	1,068
Contractual Services	886,662	874,762	870,026	4,736
Materials and Supplies	159,950	192,650	178,432	14,218
Capital Outlay	0	0	809	(809)
Other	196,412	245,602	233,775	11,827
<i>Total Basic Utility Services</i>	<u>4,197,349</u>	<u>4,197,349</u>	<u>4,131,018</u>	<u>66,331</u>
Leisure Time Activities:				
Security				
Salaries	61,112	61,112	57,768	3,344
Fringe Benefits	9,167	9,167	8,665	502
<i>Total Security</i>	<u>70,279</u>	<u>70,279</u>	<u>66,433</u>	<u>3,846</u>
Parks				
Salaries	715,633	717,375	688,348	29,027
Fringe Benefits	209,244	209,244	204,358	4,886
Travel and Transportation	8	8	0	8
Professional Services	1,192	1,539	939	600
Communications	8,100	8,100	4,424	3,676
Contractual Services	17,750	17,750	10,816	6,934
Materials and Supplies	71,726	71,026	55,879	15,147
Capital Outlay	0	700	2,412	(1,712)
Other	144,598	144,251	123,943	20,308
<i>Total Parks</i>	<u>1,168,251</u>	<u>1,169,993</u>	<u>1,091,119</u>	<u>78,874</u>
Construction				
Salaries	415,507	418,992	356,814	62,178
Fringe Benefits	119,651	119,651	108,462	11,189
<i>Total Construction</i>	<u>535,158</u>	<u>538,643</u>	<u>465,276</u>	<u>73,367</u>
Swimming Pools				
Communications	500	500	0	500
Materials and Supplies	28,495	28,495	24,226	4,269
Capital Outlay	1,000	1,000	0	1,000
Other	116,005	116,005	137,589	(21,584)
<i>Total Swimming Pools</i>	<u>\$146,000</u>	<u>\$146,000</u>	<u>\$161,815</u>	<u>(\$15,815)</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Band Concerts				
Salaries	\$13,000	\$7,773	\$7,773	\$0
Fringe Benefits	1,950	1,950	1,130	820
Professional Services	15,475	16,975	16,567	408
Materials and Supplies	1,715	3,900	2,726	1,174
Other	4,500	4,500	4,657	(157)
Total Band Concerts	<u>36,640</u>	<u>35,098</u>	<u>32,853</u>	<u>2,245</u>
Museums				
Contractual Services	4,352	4,852	4,765	87
Materials and Supplies	3,000	2,500	0	2,500
Other	7,200	7,200	6,011	1,189
Total Museums	<u>14,552</u>	<u>14,552</u>	<u>10,776</u>	<u>3,776</u>
July 4th Festival				
Salaries	11,000	11,000	11,466	(466)
Fringe Benefits	1,650	1,650	1,639	11
Contractual Services	34,670	34,670	34,225	445
Materials and Supplies	2,186	2,186	580	1,606
Other	308	308	0	308
Total July 4th Festival	<u>49,814</u>	<u>49,814</u>	<u>47,910</u>	<u>1,904</u>
Tennis Courts				
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	3,750	3,750	2,948	802
Other	24,600	22,415	17,974	4,441
Total Tennis Courts	<u>29,350</u>	<u>27,165</u>	<u>20,922</u>	<u>6,243</u>
Total Leisure Time Activities	<u>2,050,044</u>	<u>2,051,544</u>	<u>1,897,104</u>	<u>154,440</u>
Total Expenditures	<u>33,364,675</u>	<u>33,504,675</u>	<u>33,112,811</u>	<u>391,864</u>
Excess of Revenues Over Expenditures	<u>1,459,606</u>	<u>1,796,212</u>	<u>2,188,191</u>	<u>391,979</u>
Other Financing Sources (Uses)				
Transfers In	130,000	344	344	0
Transfers Out	(2,465,288)	(2,475,288)	(2,570,288)	(95,000)
Advances In	99,195	99,195	99,195	0
Advances Out	0	0	(8,375)	(8,375)
Total Other Sources (Uses)	<u>(2,236,093)</u>	<u>(2,375,749)</u>	<u>(2,479,124)</u>	<u>(103,375)</u>
Net Change in Fund Balance	<u>(776,487)</u>	<u>(579,537)</u>	<u>(290,933)</u>	<u>288,604</u>
Fund Balance Beginning of Year	<u>901,359</u>	<u>901,359</u>	<u>901,359</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>5,291</u>	<u>5,291</u>	<u>5,291</u>	<u>0</u>
Fund Balance End of Year	<u>\$130,163</u>	<u>\$327,113</u>	<u>\$615,717</u>	<u>\$288,604</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street and Highway Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,912,344	\$1,824,730	\$1,824,730	\$0
Special Assessments	3,000	2,397	2,397	0
Miscellaneous	2,000	188	188	0
<i>Total Revenues</i>	<u>1,917,344</u>	<u>1,827,315</u>	<u>1,827,315</u>	<u>0</u>
Expenditures				
Current:				
Transportation:				
Salaries	1,008,795	1,008,795	955,014	53,781
Fringe Benefits	319,186	319,186	306,006	13,180
Professional Services	1,100	1,100	597	503
Communications	6,110	6,110	2,861	3,249
Contractual Services	101,400	104,100	102,836	1,264
Materials and Supplies	253,943	255,928	275,508	(19,580)
Capital Outlay	0	4,100	7,420	(3,320)
Other	334,210	325,425	268,177	57,248
<i>Total Expenditures</i>	<u>2,024,744</u>	<u>2,024,744</u>	<u>1,918,419</u>	<u>106,325</u>
<i>Excess of Revenues Under Expenditures</i>	(107,400)	(197,429)	(91,104)	106,325
Other Financing Sources				
Transfers In	120,000	120,000	120,000	0
<i>Net Change in Fund Balance</i>	12,600	(77,429)	28,896	106,325
<i>Fund Balance Beginning of Year</i>	188,940	188,940	188,940	0
<i>Prior Year Encumbrances Appropriated</i>	10,399	10,399	10,399	0
<i>Fund Balance End of Year</i>	<u>\$211,939</u>	<u>\$121,910</u>	<u>228,235</u>	<u>106,325</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$2,611,030	\$2,637,882	\$2,637,882	\$0
Intergovernmental	327,051	344,747	344,747	0
<i>Total Revenues</i>	<u>2,938,081</u>	<u>2,982,629</u>	<u>2,982,629</u>	<u>0</u>
Expenditures				
Current				
Security of Persons and Property:				
Fringe Benefits	2,372,165	2,372,165	2,299,755	72,410
<i>Excess of Revenues Over Expenditures</i>	565,916	610,464	682,874	72,410
Other Financing Uses				
Transfers Out	(426,198)	(426,198)	(426,198)	0
<i>Net Change in Fund Balance</i>	139,718	184,266	256,676	72,410
<i>Fund Balance Beginning of Year</i>	407,091	407,091	407,091	0
<i>Fund Balance End of Year</i>	<u>\$546,809</u>	<u>\$591,357</u>	<u>\$663,767</u>	<u>\$72,410</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,101,444	\$3,780,214	\$3,780,214	\$0
Expenditures				
Current				
Community Environment:				
Salaries	761,221	828,601	760,962	67,639
Fringe Benefits	184,418	185,923	183,237	2,686
Travel and Transportation	2,453	2,907	1,645	1,262
Professional Services	98,050	97,846	38,408	59,438
Communications	14,039	14,152	5,948	8,204
Contractual Services	1,493,167	1,872,238	1,105,884	766,354
Materials and Supplies	10,565	12,127	9,613	2,514
Capital Outlay	1,368,086	1,357,823	1,112,290	245,533
Other	169,445	166,815	118,204	48,611
<i>Total Expenditures</i>	<u>4,101,444</u>	<u>4,538,432</u>	<u>3,336,191</u>	<u>1,202,241</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(758,218)</u>	<u>444,023</u>	<u>1,202,241</u>
Other Financing Sources (Uses)				
Transfers In	165,110	162,809	162,809	0
Advances Out	(99,195)	(96,959)	(96,959)	0
<i>Total Other Financing Sources (Uses)</i>	<u>65,915</u>	<u>65,850</u>	<u>65,850</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	65,915	(692,368)	509,873	1,202,241
<i>Fund Balance (Deficit) Beginning of Year</i>	(866,982)	(866,982)	(866,982)	0
<i>Prior Year Encumbrances Appropriated</i>	398,266	398,266	398,266	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$402,801)</u>	<u>(\$1,161,084)</u>	<u>\$41,157</u>	<u>\$1,202,241</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$406,971	\$380,861	\$380,862	\$1
Contributions and Donations	244,383	263,910	263,911	1
<i>Total Revenues</i>	<u>651,354</u>	<u>644,771</u>	<u>644,773</u>	<u>2</u>
Expenditures				
Current				
Public Health Services:				
Salaries	1,381,469	1,514,469	1,478,701	35,768
Fringe Benefits	482,180	494,180	491,830	2,350
Travel and Transportation	100	100	27	73
Professional Services	29,644	29,144	8,876	20,268
Communications	18,646	18,146	14,862	3,284
Contractual Services	1,370	3,400	2,897	503
Materials and Supplies	62,125	64,600	66,453	(1,853)
Capital Outlay	0	0	6,818	(6,818)
Other	96,513	98,008	95,026	2,982
<i>Total Expenditures</i>	<u>2,072,047</u>	<u>2,222,047</u>	<u>2,165,490</u>	<u>56,557</u>
<i>Excess of Revenues Under Expenditures</i>	(1,420,693)	(1,577,276)	(1,520,717)	56,559
Other Financing Sources				
Transfers In	1,385,000	1,505,000	1,505,000	0
<i>Net Change in Fund Balance</i>	(35,693)	(72,276)	(15,717)	56,559
<i>Fund Balance Beginning of Year</i>	<u>128,247</u>	<u>128,247</u>	<u>128,247</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$92,554</u>	<u>\$55,971</u>	<u>\$112,530</u>	<u>\$56,559</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$2,080,280	\$2,091,421	\$2,091,421	\$0
Licenses, Permits and Fees	93,200	107,363	107,363	0
Intergovernmental	59,905	60,967	60,967	0
Miscellaneous	200	12,920	12,921	1
<i>Total Revenues</i>	<u>2,233,585</u>	<u>2,272,671</u>	<u>2,272,672</u>	<u>1</u>
Expenditures				
Current				
Security of Persons and Property:				
Fire				
Salaries	1,091,909	1,091,910	1,130,195	(38,285)
Fringe Benefits	242,492	242,492	244,553	(2,061)
Travel and Transportation	3,000	725	0	725
Professional Services	88,900	88,900	80,996	7,904
Communications	2,200	2,200	1,748	452
Materials and Supplies	43,825	47,375	44,942	2,433
Capital Outlay	79,870	79,870	69,378	10,492
Other	44,750	43,475	29,879	13,596
<i>Total Security of Persons and Property</i>	<u>1,596,946</u>	<u>1,596,947</u>	<u>1,601,691</u>	<u>(4,744)</u>
Public Health Services:				
Health				
Salaries	711,597	711,596	621,039	90,557
Fringe Benefits	178,327	178,327	163,950	14,377
Travel and Transportation	1,940	3,420	3,443	(23)
Professional Services	3,286	4,271	4,224	47
Communications	9,320	7,950	7,081	869
Contractual Services	19,000	10,900	2,927	7,973
Materials and Supplies	41,170	44,924	33,632	11,292
Capital Outlay	17,409	21,384	13,517	7,867
Other	97,511	96,787	94,264	2,523
<i>Total Public Health Services</i>	<u>1,079,560</u>	<u>1,079,559</u>	<u>944,077</u>	<u>135,482</u>
<i>Total Expenditures</i>	<u>2,676,506</u>	<u>2,676,506</u>	<u>2,545,768</u>	<u>130,738</u>
<i>Net Change in Fund Balance</i>	(442,921)	(403,835)	(273,096)	130,739
<i>Fund Balance Beginning of Year</i>	639,655	639,655	639,655	0
<i>Prior Year Encumbrances Appropriated</i>	12,102	12,102	12,102	0
<i>Fund Balance End of Year</i>	<u>\$208,836</u>	<u>\$247,922</u>	<u>\$378,661</u>	<u>\$130,739</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$2,559,322	\$2,631,789	\$2,631,789	\$0
Intergovernmental	369,802	343,696	343,696	0
Special Assessments	43,548	79,024	79,024	0
Interest	20,000	81,728	81,728	0
Miscellaneous	0	0	4,269	4,269
<i>Total Revenues</i>	<u>2,992,672</u>	<u>3,136,237</u>	<u>3,140,506</u>	<u>4,269</u>
Expenditures				
Current				
General Government				
Professional Services	50,000	50,000	12,412	37,588
Debt Service				
Principal Retirement	9,037,040	9,137,040	9,277,040	(140,000)
Interest and Fiscal Charges	1,538,877	1,538,877	1,387,511	151,366
Bond Issuance Costs	60,000	60,000	218,686	(158,686)
<i>Total Debt Service</i>	<u>10,635,917</u>	<u>10,735,917</u>	<u>10,883,237</u>	<u>(147,320)</u>
<i>Total Expenditures</i>	<u>10,685,917</u>	<u>10,785,917</u>	<u>10,895,649</u>	<u>(109,732)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(7,693,245)</u>	<u>(7,649,680)</u>	<u>(7,755,143)</u>	<u>(105,463)</u>
Other Financing Sources (Uses)				
Bonds Issued	6,061,900	6,095,637	13,430,637	7,335,000
Premium on Bonds	0	76,415	240,834	164,419
Payment to Refunded Bond Escrow Agent	0	0	(7,380,660)	(7,380,660)
Transfers In	1,429,098	1,429,098	1,429,098	0
<i>Total Other Financing Sources</i>	<u>7,490,998</u>	<u>7,601,150</u>	<u>7,719,909</u>	<u>118,759</u>
<i>Net Change in Fund Balance</i>	<u>(202,247)</u>	<u>(48,530)</u>	<u>(35,234)</u>	<u>13,296</u>
<i>Fund Balance Beginning of Year</i>	<u>1,276,317</u>	<u>1,276,317</u>	<u>1,276,317</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,074,070</u>	<u>\$1,227,787</u>	<u>\$1,241,083</u>	<u>\$13,296</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Permanent Capital Improvement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,182,523	\$1,138,630	\$1,138,630	\$0
Special Assessment	0	3,975	3,976	1
Interest	0	23,463	23,463	0
<i>Total Revenues</i>	<u>1,182,523</u>	<u>1,166,068</u>	<u>1,166,069</u>	<u>1</u>
Expenditures				
Current				
General Government				
Capital Outlay	811,123	811,123	466,310	344,813
Security of Persons and Property				
Capital Outlay	460,508	460,508	355,970	104,538
Public Health				
Capital Outlay	443,350	513,730	364,655	149,075
Transportation				
Capital Outlay	3,337,565	2,787,565	2,252,471	535,094
Community Environment				
Capital Outlay	117,000	114,000	91,884	22,116
Basic Utility Services				
Capital Outlay	533,767	506,767	477,885	28,882
Leisure Time Activities				
Capital Outlay	1,629,485	1,629,485	741,328	888,157
<i>Total Expenditures</i>	<u>7,332,798</u>	<u>6,823,178</u>	<u>4,750,503</u>	<u>2,072,675</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,150,275)</u>	<u>(5,657,110)</u>	<u>(3,584,434)</u>	<u>2,072,676</u>
Other Financing Sources (Uses)				
Notes Issued	4,228,510	4,228,000	4,228,000	0
Transfers In	716,421	716,421	716,421	0
Transfers Out	(1,002,900)	(1,002,900)	(1,002,900)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,942,031</u>	<u>3,941,521</u>	<u>3,941,521</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(2,208,244)</u>	<u>(1,715,589)</u>	<u>357,087</u>	<u>2,072,676</u>
<i>Fund Balance Beginning of Year</i>	<u>2,252,750</u>	<u>2,252,750</u>	<u>2,252,750</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>116,085</u>	<u>116,085</u>	<u>116,085</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$160,591</u>	<u>\$653,246</u>	<u>\$2,725,922</u>	<u>\$2,072,676</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TIF Capital Improvement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$30,269	\$30,269	\$0
Miscellaneous	0	0	125	125
<i>Total Revenues</i>	<u>0</u>	<u>30,269</u>	<u>30,394</u>	<u>125</u>
Expenditures				
Current				
General Government:				
General Administration				
Professional Services	0	38,024	38,630	(606)
Capital Outlay	1,126,743	1,180,467	975,560	204,907
Debt Service:				
Bond Issuance Costs	0	0	6,717	(6,717)
<i>Total Expenditures</i>	<u>1,126,743</u>	<u>1,218,491</u>	<u>1,020,907</u>	<u>197,584</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,126,743)</u>	<u>(1,188,222)</u>	<u>(990,513)</u>	<u>(197,459)</u>
Other Financing Sources (Uses)				
Bonds Issued	300,000	400,000	400,000	0
Premium on Bonds	0	741	741	0
Transfers Out	0	(8,252)	(8,252)	0
<i>Total Other Financing Sources</i>	<u>300,000</u>	<u>392,489</u>	<u>392,489</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(826,743)</u>	<u>(795,733)</u>	<u>(598,024)</u>	<u>197,709</u>
<i>Fund Balance Beginning of Year</i>	826,742	826,742	826,742	0
<i>Prior Year Encumbrances Appropriated</i>	<u>158,680</u>	<u>158,680</u>	<u>158,680</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$158,679</u>	<u>\$189,689</u>	<u>\$387,398</u>	<u>\$197,709</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$9,150,576	\$8,620,473	\$8,620,473	\$0
Interest	55,280	191,999	191,999	0
Special Assessments	2,500	6,333	6,333	0
Bonds Issued	0	609,829	609,829	0
Notes Issued	4,925,000	4,925,000	4,925,000	0
Premium on Bonds	0	571	571	0
Miscellaneous	3,000	5,918	6,172	254
<i>Total Revenues</i>	14,136,356	14,360,123	14,360,377	254
Expenses				
Salaries	932,142	930,443	894,551	35,892
Fringe Benefits	272,662	272,662	254,833	17,829
Travel and Transportation	50	382	288	94
Professional Services	62,303	67,134	64,704	2,430
Communications	51,725	51,675	47,038	4,637
Contractual Services	6,156,228	6,133,017	5,943,204	189,813
Materials and Supplies	47,303	48,602	35,440	13,162
Capital Outlay	5,258,920	5,264,420	2,294,469	2,969,951
Other	468,963	469,392	232,912	236,480
Debt Service:				
Principal Retirement	1,818,229	1,818,229	1,818,230	(1)
Interest and Fiscal Charges	261,515	274,084	273,972	112
Bond Issuance Costs	0	0	10,244	(10,244)
<i>Total Expenses</i>	15,330,040	15,330,040	11,869,885	3,460,155
<i>Net Change in Fund Equity</i>	(1,193,684)	(969,917)	2,490,492	3,460,409
<i>Fund Equity Beginning of Year</i>	3,836,647	3,836,647	3,836,647	0
<i>Prior Year Encumbrances Appropriated</i>	26,348	26,348	26,348	0
<i>Fund Equity End of Year</i>	\$2,669,311	\$2,893,078	\$6,353,487	\$3,460,409

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$1,578,372	\$1,608,861	\$1,608,861	\$0
Intergovernmental	213,142	210,212	210,212	0
Charges for Services	4,586,411	4,298,796	4,298,796	0
Special Assessments	1,000	543	543	0
Bonds Issued	2,090,000	4,421,258	6,566,258	2,145,000
Notes Issued	8,824,000	6,524,000	6,524,000	0
Premium on Bonds	0	6,329	55,701	49,372
Interest	0	35,628	35,628	0
<i>Total Revenues</i>	<u>17,292,925</u>	<u>17,105,627</u>	<u>19,299,999</u>	<u>2,194,372</u>
Expenses				
Salaries	1,858,988	1,858,988	1,672,612	186,376
Fringe Benefits	570,452	570,452	537,794	32,658
Travel and Transportation	3,400	5,390	2,888	2,502
Professional Services	59,448	59,673	51,687	7,986
Communications	7,210	7,535	6,151	1,384
Contractual Services	311,200	262,919	129,332	133,587
Materials and Supplies	197,050	195,250	176,521	18,729
Capital Outlay	9,030,410	9,402,132	3,452,450	5,949,682
Other	952,147	951,507	818,820	132,687
Debt Service:				
Principal Retirement	5,673,123	5,705,123	5,695,124	9,999
Interest and Fiscal Charges	455,118	529,639	528,680	959
Bond Issuance Costs	0	0	109,037	(109,037)
Payment to Refunded Bond Escrow Agent	0	0	2,159,605	(2,159,605)
<i>Total Expenses</i>	<u>19,118,546</u>	<u>19,548,608</u>	<u>15,340,701</u>	<u>4,207,907</u>
<i>Net Change in Fund Equity</i>	(1,825,621)	(2,442,981)	3,959,298	6,402,279
<i>Fund Equity Beginning of Year</i>	3,954,199	3,954,199	3,954,199	0
<i>Prior Year Encumbrances Appropriated</i>	37,420	37,420	37,420	0
<i>Fund Equity End of Year</i>	<u>\$2,165,998</u>	<u>\$1,548,638</u>	<u>\$7,950,917</u>	<u>\$6,402,279</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Litter Control Grant Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$55,479	\$54,209	\$54,209	\$0
Expenditures				
Current				
Community Environment:				
Refuse				
Salaries	22,800	22,800	22,128	672
Fringe Benefits	3,420	3,420	3,319	101
Travel and Transportation	3,800	3,400	1,216	2,184
Professional Services	2,375	2,375	1,811	564
Communications	0	0	8	(8)
Materials and Supplies	10,059	10,059	6,222	3,837
Capital Outlay	11,662	11,662	11,046	616
Other	15,230	15,630	12,223	3,407
<i>Total Expenditures</i>	<u>69,346</u>	<u>69,346</u>	<u>57,973</u>	<u>11,373</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(13,867)	(15,137)	(3,764)	11,373
Other Financing Sources				
Transfers In	13,867	13,867	13,867	0
<i>Net Change in Fund Balance</i>	0	(1,270)	10,103	11,373
<i>Fund Balance Beginning of Year</i>	1,654	1,654	1,654	0
<i>Fund Balance End of Year</i>	<u>\$1,654</u>	<u>\$384</u>	<u>\$11,757</u>	<u>\$11,373</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Festival Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$3,000	\$4,000	\$4,000	\$0
Expenditures				
Current				
General Government:				
Mayor's Office				
Salaries	7,536	7,536	4,359	3,177
Fringe Benefits	1,130	1,130	634	496
<i>Total Expenditures</i>	<u>8,666</u>	<u>8,666</u>	<u>4,993</u>	<u>3,673</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(5,666)	(4,666)	(993)	3,673
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(666)	334	4,007	3,673
<i>Fund Balance Beginning of Year</i>	3,896	3,896	3,896	0
<i>Fund Balance End of Year</i>	<u>\$3,230</u>	<u>\$4,230</u>	<u>\$7,903</u>	<u>\$3,673</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law and Drug Enforcement Trust Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$11,052	\$11,052	\$0
Miscellaneous	20,000	40,692	40,692	0
<i>Total Revenues</i>	<u>25,000</u>	<u>51,744</u>	<u>51,744</u>	<u>0</u>
Expenditures				
Current				
Security of Persons and Property:				
Police				
Salaries	10,000	10,000	0	10,000
Travel and Transportation	16,000	16,000	9,151	6,849
Professional Services	38,000	38,000	26,216	11,784
Communications	4,000	4,000	694	3,306
Materials and Supplies	38,170	38,170	12,234	25,936
Capital Outlay	55,000	125,000	27,439	97,561
Other	25,000	25,000	12,848	12,152
<i>Total Expenditures</i>	<u>186,170</u>	<u>256,170</u>	<u>88,582</u>	<u>167,588</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(161,170)	(204,426)	(36,838)	167,588
Other Financing Sources				
Sale of Assets	250	5,500	5,500	0
<i>Net Change in Fund Balance</i>	(160,920)	(198,926)	(31,338)	167,588
<i>Fund Balance Beginning of Year</i>	260,710	260,710	260,710	0
<i>Unexpended Prior Year Encumbrances</i>	85	85	85	0
<i>Fund Balance End of Year</i>	<u>\$99,875</u>	<u>\$61,869</u>	<u>\$229,457</u>	<u>\$167,588</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Bureau of Justice Grant Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	<u>0</u>	<u>(3)</u>	<u>(3)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(3)	(3)	0
<i>Fund Balance Beginning of Year</i>	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$7,500	\$9,798	\$9,798	\$0
Expenditures				
Current				
Security of Persons and Property:				
Police				
Materials and Supplies	6,200	7,400	7,244	156
Capital Outlay	33,956	32,756	13,815	18,941
<i>Total Expenditures</i>	40,156	40,156	21,059	19,097
<i>Net Change in Fund Balance</i>	(32,656)	(30,358)	(11,261)	19,097
<i>Fund Balance Beginning of Year</i>	32,656	32,656	32,656	0
<i>Fund Balance End of Year</i>	\$0	\$2,298	\$21,395	\$19,097

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$0	\$8,596	\$8,596	\$0
Intergovernmental	13,500	5,352	5,351	(1)
<i>Total Revenues</i>	13,500	13,948	13,947	(1)
Expenditures				
Current				
General Government:				
Municipal Court:				
Contractual Services	141,821	141,821	16,755	125,066
<i>Net Change in Fund Balance</i>	(128,321)	(127,873)	(2,808)	(125,067)
<i>Fund Balance Beginning of Year</i>	128,321	128,321	128,321	0
<i>Fund Balance End of Year</i>	\$0	\$448	\$125,513	(\$125,067)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$7,000	\$5,509	\$5,509	\$0
Miscellaneous	0	2,800	2,800	0
<i>Total Revenues</i>	<u>7,000</u>	<u>8,309</u>	<u>8,309</u>	<u>0</u>
Expenditures				
Current				
Security of Persons and Property:				
Police:				
Contractual Services	0	1,000	300	700
Materials and Supplies	50,000	49,000	11,572	37,428
Capital Outlay	99,453	99,453	18,983	80,470
<i>Total Expenditures</i>	<u>149,453</u>	<u>149,453</u>	<u>30,855</u>	<u>118,598</u>
<i>Net Change in Fund Balance</i>	(142,453)	(141,144)	(22,546)	118,598
<i>Fund Balance Beginning of Year</i>	<u>142,453</u>	<u>142,453</u>	<u>142,453</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1,309</u>	<u>\$119,907</u>	<u>\$118,598</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Political Subdivision Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$1,832	\$1,832	\$0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	5,000	1,832	1,832	0
Other Financing Uses				
Transfers Out	<u>(5,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	1,832	1,832	0
<i>Fund Balance Beginning of Year</i>	<u>283</u>	<u>283</u>	<u>283</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$283</u></u>	<u><u>\$2,115</u></u>	<u><u>\$2,115</u></u>	<u><u>\$0</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Computer Research and Maintenance Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$23,000	\$21,669	\$21,668	(\$1)
Expenditures				
Current				
General Government:				
Municipal Court				
Contractual Services	52,015	52,015	51,306	709
Materials and Supplies	0	3,845	3,845	0
Capital Outlay	23,000	17,155	163	16,992
<i>Total Expenditures</i>	75,015	73,015	55,314	17,701
<i>Net Change in Fund Balance</i>	(52,015)	(51,346)	(33,646)	17,700
<i>Fund Balance Beginning of Year</i>	52,015	52,015	52,015	0
<i>Fund Balance End of Year</i>	\$0	\$669	\$18,369	\$17,700

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$40,000	\$43,235	\$43,235	\$0
Expenditures				
Current				
General Government:				
Municipal Court				
Salaries	1,200	1,200	0	1,200
Fringe Benefits	180	180	0	180
Professional Services	500	500	0	500
Contractual Services	38,120	38,120	0	38,120
Capital Outlay	56,647	56,647	0	56,647
<i>Total Expenditures</i>	96,647	96,647	0	96,647
<i>Net Change in Fund Balance</i>	(56,647)	(53,412)	43,235	96,647
<i>Fund Balance Beginning of Year</i>	56,647	56,647	56,647	0
<i>Fund Balance End of Year</i>	\$0	\$3,235	\$99,882	\$96,647

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Probation Services Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$30,000	\$30,104	\$30,103	(\$1)
Expenditures				
Current				
General Government:				
Municipal Court				
Salaries	30,000	56,104	54,941	1,163
Fringe Benefits	4,500	4,500	8,511	(4,011)
Travel and Transportation	200	0	0	0
Professional Services	800	7,630	6,118	1,512
Materials and Supplies	0	1,450	1,447	3
Capital Outlay	35,413	1,333	0	1,333
<i>Total Expenditures</i>	<u>70,913</u>	<u>71,017</u>	<u>71,017</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(40,913)	(40,913)	(40,914)	(1)
<i>Fund Balance Beginning of Year</i>	40,914	40,914	40,914	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$0</u>	<u>(\$1)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Emergency Shelter Grant Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$175,113	\$96,434	\$96,434	\$0
Expenditures				
Current				
Community Environment:				
Planning and Development				
Salaries	33,643	33,643	32,285	1,358
Fringe Benefits	5,046	5,046	4,725	321
Contractual Services	136,424	136,424	59,424	77,000
<i>Total Expenditures</i>	<u>175,113</u>	<u>175,113</u>	<u>96,434</u>	<u>78,679</u>
<i>Net Change in Fund Balance</i>	0	(78,679)	0	78,679
<i>Fund Balance Beginning of Year</i>	<u>2,485</u>	<u>2,485</u>	<u>2,485</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$2,485</u>	<u>(\$76,194)</u>	<u>\$2,485</u>	<u>\$78,679</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
HOME Investment Program Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,284,332	\$98,858	\$98,858	\$0
Expenditures				
Current				
Community Environment:				
Planning and Development				
Other	1,301,832	128,858	105,000	23,858
<i>Excess of Revenues Under Expenditures</i>	(17,500)	(30,000)	(6,142)	(23,858)
Other Financing Uses				
Transfers In	10,000	10,000	10,000	0
<i>Net Change in Fund Balance</i>	(7,500)	(20,000)	3,858	(23,858)
<i>Fund Balance Beginning of Year</i>	30,000	30,000	30,000	0
<i>Fund Balance End of Year</i>	<u>\$22,500</u>	<u>\$10,000</u>	<u>\$33,858</u>	<u>(\$23,858)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lead-Based Paint Hazard Control Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$133,464	\$9,720	\$9,720	\$0
Expenditures				
Current				
Community Environment:				
Planning and Development:				
Other	133,464	133,464	18,095	115,369
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(123,744)	(8,375)	115,369
Other Financing Uses				
Advances In	0	8,375	8,375	0
<i>Net Change in Fund Balance</i>	0	(115,369)	0	115,369
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$115,369)	\$0	\$115,369

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Little Links Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$16,920	\$14,967	\$14,967	\$0
Miscellaneous	1,000	290	290	0
<i>Total Revenues</i>	17,920	15,257	15,257	0
Expenditures				
Current				
Community Environment:				
Youth				
Salaries	11,000	11,000	10,127	873
Fringe Benefits	1,650	1,650	1,519	131
Materials and Supplies	1,520	1,520	974	546
Other	3,750	3,750	3,014	736
<i>Total Expenditures</i>	17,920	17,920	15,634	2,286
<i>Net Change in Fund Balance</i>	0	(2,663)	(377)	2,286
<i>Fund Balance Beginning of Year</i>	6,698	6,698	6,698	0
<i>Fund Balance End of Year</i>	\$6,698	\$4,035	\$6,321	\$2,286

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Juvenile Accountability Incentive Block Grant Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$2,236	\$2,693	\$2,693	\$0
Expenditures				
Current				
Community Environment:				
Youth				
Salaries	0	101	101	0
Fringe Benefits	0	15	15	0
<i>Total Expenditures</i>	0	116	116	0
<i>Excess of Revenues Over Expenditures</i>	2,236	2,577	2,577	0
Other Financing Uses				
Transfers Out	0	(341)	(341)	0
Advances Out	(2,236)	(2,236)	(2,236)	0
<i>Total Other Financing Uses</i>	(2,236)	(2,577)	(2,577)	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Help-to-Others Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$7,650	\$7,880	\$7,880	\$0
Miscellaneous	31,775	21,092	21,092	0
<i>Total Revenues</i>	<u>39,425</u>	<u>28,972</u>	<u>28,972</u>	<u>0</u>
Expenditures				
Current				
Community Environment:				
Youth				
Salaries	27,590	21,415	21,281	134
Fringe Benefits	4,139	3,339	3,192	147
Professional Services	550	0	0	0
Communications	520	170	158	12
Materials and Supplies	3,850	2,051	1,948	103
Other	1,025	575	582	(7)
Capital Outlay	1,750	1,750	1,740	10
<i>Total Expenditures</i>	<u>39,424</u>	<u>29,300</u>	<u>28,901</u>	<u>399</u>
<i>Net Change in Fund Balance</i>	1	(328)	71	399
<i>Fund Balance Beginning of Year</i>	<u>1,445</u>	<u>1,445</u>	<u>1,445</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,446</u>	<u>\$1,117</u>	<u>\$1,516</u>	<u>\$399</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$18,000	\$18,000	\$18,000	\$0
Expenditures				
Current				
Public Health Services:				
Youth				
Salaries	15,652	15,652	15,022	630
Fringe Benefits	2,348	2,348	2,253	95
Other	0	0	5	(5)
<i>Total Expenditures</i>	<u>18,000</u>	<u>18,000</u>	<u>17,280</u>	<u>720</u>
<i>Net Change in Fund Balance</i>	0	0	720	(720)
<i>Fund Balance Beginning of Year</i>	<u>100</u>	<u>100</u>	<u>100</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$100</u>	<u>\$100</u>	<u>\$820</u>	<u>(\$720)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Family Day Care Program Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$196,128	\$180,920	\$180,919	(\$1)
Expenditures				
Current				
Community Environment:				
Youth				
Salaries	31,570	26,678	26,476	202
Fringe Benefits	5,531	4,256	3,992	264
Travel and Transportation	0	442	418	24
Professional Services	195	116	116	0
Communications	750	448	447	1
Contractual Services	156,000	148,150	148,133	17
Materials and Supplies	1,150	863	846	17
Other	800	876	798	78
<i>Total Expenditures</i>	<u>195,996</u>	<u>181,829</u>	<u>181,226</u>	<u>603</u>
<i>Net Change in Fund Balance</i>	132	(909)	(307)	602
<i>Fund Balance Beginning of Year</i>	914	914	914	0
<i>Fund Balance End of Year</i>	<u>\$1,046</u>	<u>\$5</u>	<u>\$607</u>	<u>\$602</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	810	810	810	0
<i>Fund Balance End of Year</i>	<u>\$810</u>	<u>\$810</u>	<u>\$810</u>	<u>\$0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TIF Bond Retirement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Payment in Lieu of Taxes	\$241,480	\$241,480	\$241,480	\$0
Expenditures				
Debt Service:				
Interest and Fiscal Charges	342,097	350,349	350,349	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(100,617)	(108,869)	(108,869)	0
Other Financing Sources				
Transfers In	0	8,252	8,252	0
<i>Net Change in Fund Balance</i>	(100,617)	(100,617)	(100,617)	0
<i>Fund Balance Beginning of Year</i>	100,617	100,617	100,617	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakehouse Breakwall Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	\$0	\$108	\$108	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	108	108	0
<i>Fund Balance Beginning of Year</i>	15,154	15,154	15,154	0
<i>Fund Balance End of Year</i>	<u>\$15,154</u>	<u>\$15,262</u>	<u>\$15,262</u>	<u>\$0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	(125,000)	(125,000)	0	125,000
<i>Net Change in Fund Balance</i>	(125,000)	(125,000)	0	125,000
<i>Fund Balance Beginning of Year</i>	150,000	150,000	150,000	0
<i>Fund Balance End of Year</i>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$150,000</u>	<u>\$125,000</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
City Park Improvement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$0	\$3,589	\$3,579	(\$10)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	3,589	3,579	(10)
<i>Fund Balance Beginning of Year</i>	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$10</u>	<u>\$3,599</u>	<u>\$3,589</u>	<u>(\$10)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Parking Facilities Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$283,345	\$294,385	\$294,385	\$0
Miscellaneous	0	600	600	0
<i>Total Revenues</i>	283,345	294,985	294,985	0
Expenses				
Personal Services	191,466	191,466	166,873	24,593
Contractual Services	134,301	134,301	116,898	17,403
Materials and Supplies	6,150	6,150	3,866	2,284
<i>Total Expenses</i>	331,917	331,917	287,637	44,280
<i>Net Change in Fund Equity</i>	(48,572)	(36,932)	7,348	44,280
<i>Fund Equity Beginning of Year</i>	78,904	78,904	78,904	0
<i>Fund Equity End of Year</i>	\$30,332	\$41,972	\$86,252	\$44,280

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Winterhurst Ice Rink Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$841,300	\$731,890	\$731,890	\$0
Bonds Issued	213,500	203,276	203,276	0
Notes Issued	60,000	60,000	60,000	0
Premium on Bonds	0	190	190	0
Interest	0	869	869	0
Miscellaneous	0	0	65	65
<i>Total Revenues</i>	<u>1,114,800</u>	<u>996,225</u>	<u>996,290</u>	<u>0</u>
Expenses				
Personal Services	389,525	371,775	371,672	103
Contractual Services	330,978	333,375	327,812	5,563
Materials and Supplies	11,250	10,483	9,192	1,291
Capital Outlay	166,465	56,984	45,999	10,985
Utilities	275,000	232,280	244,940	(12,660)
Debt Service:				
Principal Retirement	238,200	238,200	238,200	0
Interest and Fiscal Charges	66,903	66,903	71,092	(4,189)
Bond Issuance Costs	0	0	3,415	(3,415)
<i>Total Expenses</i>	<u>1,478,321</u>	<u>1,310,000</u>	<u>1,312,322</u>	<u>(2,322)</u>
<i>Excess of Revenues</i>				
<i>Under Expenses</i>	(363,521)	(313,775)	(316,032)	(2,257)
Transfers In	225,000	200,000	200,000	0
<i>Net Change in Fund Equity</i>	(138,521)	(113,775)	(116,032)	(2,257)
<i>Fund Equity Beginning of Year</i>	209,069	209,069	209,069	0
<i>Prior Year Encumbrances Appropriated</i>	31	31	31	0
<i>Fund Equity End of Year</i>	<u>\$70,579</u>	<u>\$95,325</u>	<u>\$93,068</u>	<u>(\$2,257)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Congregate Living Facility Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$0	\$0	\$0	\$0
Expenses				
Contractual Services	0	19,470	19,470	0
Materials and Supplies	0	2,153	2,153	0
Utilities	3,777	492	492	0
<i>Total Expenses</i>	<u>3,777</u>	<u>22,115</u>	<u>22,115</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenses</i>	<u>(3,777)</u>	<u>(22,115)</u>	<u>(22,115)</u>	<u>0</u>
Sale of Capital Assets	180,250	180,250	180,250	0
Transfers Out	(165,110)	(162,809)	(162,809)	0
<i>Total Other Financing Sources (Uses)</i>	<u>15,140</u>	<u>17,441</u>	<u>17,441</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	11,363	(4,674)	(4,674)	0
<i>Fund Equity Beginning of Year</i>	<u>4,675</u>	<u>4,675</u>	<u>4,675</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$16,038</u></u>	<u><u>\$1</u></u>	<u><u>\$1</u></u>	<u><u>\$0</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$4,195,780	\$4,195,780	\$4,195,780	\$0
Miscellaneous	257,235	255,603	255,603	0
<i>Total Revenues</i>	<u>4,453,015</u>	<u>4,451,383</u>	<u>4,451,383</u>	<u>0</u>
Expenses				
Contractual Services	39,200	39,200	10,500	28,700
Claims	4,795,780	4,460,780	4,452,278	8,502
<i>Total Expenses</i>	<u>4,834,980</u>	<u>4,499,980</u>	<u>4,462,778</u>	<u>37,202</u>
<i>Net Change in Fund Equity</i>	(381,965)	(48,597)	(11,395)	(37,202)
<i>Fund Equity Beginning of Year</i>	632,306	632,306	632,306	0
<i>Unexpended Prior Year Encumbrances</i>	1,037	1,037	1,037	0
<i>Fund Equity End of Year</i>	<u>\$251,378</u>	<u>\$584,746</u>	<u>\$621,948</u>	<u>(\$37,202)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses				
Contractual Services	25,000	25,000	23,375	1,625
Claims	373,206	373,206	301,735	71,471
Workers' Compensation Premiums	365,000	365,000	363,207	1,793
<i>Total Expenses</i>	<u>763,206</u>	<u>763,206</u>	<u>688,317</u>	<u>74,889</u>
<i>Net Change in Fund Equity</i>	(763,206)	(763,206)	(688,317)	(74,889)
<i>Fund Equity Beginning of Year</i>	<u>1,891,198</u>	<u>1,891,198</u>	<u>1,891,198</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$1,127,992</u>	<u>\$1,127,992</u>	<u>\$1,202,881</u>	<u>(\$74,889)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
General Liability Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$0	\$2,841	\$2,841	\$0
Miscellaneous	0	1,324	1,325	1
<i>Total Revenues</i>	0	4,165	4,166	1
Expenses				
Claims	25,000	25,000	10,647	14,353
<i>Net Change in Fund Equity</i>	(25,000)	(20,835)	(6,481)	14,354
<i>Fund Equity Beginning of Year</i>	116,955	116,955	116,955	0
<i>Fund Equity End of Year</i>	<u>\$91,955</u>	<u>\$96,120</u>	<u>\$110,474</u>	<u>\$14,354</u>

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City of Lakewood, Ohio
Governmental Activities Revenues by Source
and Expenses by Function (1)
Last Three Years

	2005	2004	2003
Program Revenues			
Charges for Services			
General Government	\$2,785,961	\$2,778,441	\$3,024,746
Security of Persons and Property	2,297,585	2,242,705	2,459,973
Public Health Services	3,600	2,003	55,906
Community Environment	1,068,342	860,495	646,650
Basic Utility Services	0	13,181	20,127
Leisure Time Activities	0	20,470	6,663
Operating Grants and Contributions	6,702,911	4,997,145	5,165,405
Capital Grants and Contributions	3,579	0	243,000
Total Governmental Activities Program Revenues	12,861,978	10,914,440	11,622,470
Expenses			
General Government	7,851,426	7,759,070	8,577,222
Security of Persons and Property	20,635,739	20,186,789	20,045,477
Public Health Services	4,310,861	4,361,672	3,633,714
Transportation	2,880,797	2,971,847	2,774,812
Community Environment	6,417,757	8,478,583	5,879,833
Basic Utility Services	4,340,798	4,470,994	4,594,240
Leisure Time Activities	2,097,492	2,158,300	2,123,967
Interest and Fiscal Charges	1,781,467	1,565,095	1,573,622
Total Governmental Activities Expenses	50,316,337	51,952,350	49,202,887
Net (Expense) Revenue	(37,454,359)	(41,037,910)	(37,580,417)
General Revenues			
Property and Other Local Taxes Levied for:			
General Purposes	6,982,259	6,984,616	5,863,577
Other Purposes	2,589,687	2,644,603	2,247,896
Debt Purposes	2,590,336	2,788,706	2,379,067
Payment in Lieu of Taxes	241,480	100,617	0
Municipal Income Taxes Levied for:			
General Purposes	16,537,268	17,064,294	15,412,865
Grant and Entitlements not Restricted to			
Specific Programs	7,713,363	7,085,654	6,769,468
Investment Earnings	830,725	396,491	483,266
Miscellaneous	246,757	402,279	408,462
Transfers	(37,191)	(505,000)	(200,000)
Total Governmental Activities General Revenues and Transfers	37,694,684	36,962,260	33,364,601
Change in Net Assets	\$240,325	(\$4,075,650)	(\$4,215,816)

Source: City Financial Records
(1) Full Accrual Basis

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

	2005	2004	2003	2002
Revenues				
Taxes	\$30,173,388	\$29,231,014	\$26,959,567	\$27,936,619
Payment in Lieu of Taxes	241,480	100,617	0	0
Charges for Services	3,479,982	3,432,921	3,776,654	2,684,835
Licenses, Permits and Fees	1,159,966	939,434	718,147	698,661
Fines and Forfeitures	1,385,746	1,691,762	1,594,776	1,235,195
Intergovernmental	13,989,782	12,359,013	12,180,349	12,821,281
Special Assessments	91,836	84,302	196,560	167,359
Interest	830,725	396,491	483,266	839,181
Miscellaneous	510,219	402,279	408,462	1,137,725
Total	\$51,863,124	\$48,637,833	\$46,317,781	\$47,520,856
Expenditures				
Current:				
General Government	\$7,215,127	\$7,601,675	\$8,335,408	\$7,132,996
Security of Persons and Property	0	0	0	17,408,734
Police	10,598,682	10,662,735	10,118,491	NA
Fire	9,573,450	9,304,473	9,394,378	NA
Public Health Services	4,258,873	4,286,363	3,532,193	3,137,717
Transportation	2,057,427	2,175,057	2,337,498	1,912,861
Community Environment	6,359,746	5,656,644	6,060,535	6,420,753
Basic Utility Services	4,094,876	4,328,373	4,340,840	4,172,822
Leisure Time Activities	1,912,849	1,962,346	1,930,211	1,904,606
Capital Outlay	6,132,047	4,574,810	2,848,800	3,510,525
Debt Service	11,317,207	7,499,335	3,714,992	3,371,003
Total	\$63,520,284	\$58,051,811	\$52,613,346	\$48,972,017

Source: City Financial Records

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

NA-Information is not available. Prior to 2003 the City did not split security of Persons and Property.

2001	2000	1999	1998	1997	1996
\$29,200,745	\$26,402,731	\$26,034,232	\$25,490,469	\$23,902,222	\$23,567,526
0	0	0	0	0	0
2,584,971	2,415,852	1,648,298	1,507,362	1,586,422	435,942
765,485	632,935	631,768	676,407	630,359	524,842
1,163,004	1,180,221	1,237,830	1,366,319	1,335,419	1,258,374
11,344,560	10,538,724	11,658,560	11,115,956	8,893,521	9,139,319
115,561	96,663	100,171	75,125	97,745	118,089
1,166,804	1,808,779	1,096,232	1,114,273	784,784	665,181
325,033	1,228,711	1,315,096	1,396,790	1,441,451	1,666,400
<u>\$46,666,163</u>	<u>\$44,304,616</u>	<u>\$43,722,187</u>	<u>\$42,742,701</u>	<u>\$38,671,923</u>	<u>\$37,375,673</u>
\$6,137,933	\$6,231,767	\$6,133,239	\$5,674,800	\$5,678,394	\$5,348,489
21,757,271	16,041,238	14,915,340	14,065,155	13,766,277	13,926,743
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
3,074,905	3,667,836	3,475,385	3,515,540	3,363,386	3,335,468
2,252,170	2,018,050	1,892,215	1,783,005	1,887,794	2,437,848
5,519,228	4,356,872	5,663,246	5,535,532	4,745,928	4,560,362
3,840,908	4,000,709	4,004,465	3,478,201	3,478,512	3,404,363
1,869,277	1,801,349	1,628,933	1,599,116	1,676,056	2,281,561
3,810,178	3,087,475	3,021,957	2,783,019	755,171	877,016
5,724,977	2,699,299	2,451,751	6,238,617	5,471,169	4,864,305
<u>\$53,986,847</u>	<u>\$43,904,595</u>	<u>\$43,186,531</u>	<u>\$44,672,985</u>	<u>\$40,822,687</u>	<u>\$41,036,155</u>

City of Lakewood, Ohio
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year	Total Tax Levy (2)	Current Tax Collections (2)	Ratio of Current Taxes Collected to Total Tax Levy	Outstanding Delinquent Taxes (3)	Ratio of Delinquent to Total Tax Levy
2005	\$16,053,584	\$14,740,584	91.82 %	\$564,880	3.52 %
2004	16,101,736	14,778,062	91.78	820,139	5.09
2003	14,158,214	13,011,236	91.90	786,456	5.55
2002	14,093,147	12,965,025	92.00	608,167	4.32
2001	14,025,782	13,088,922	93.32	585,260	4.17
2000	12,007,848	11,715,488	97.57	420,589	3.50
1999	12,587,879	11,630,669	92.40	436,824	3.47
1998	12,473,945	11,784,898	94.48	457,346	3.67
1997	11,594,830	10,903,108	94.03	378,054	3.26
1996	11,566,075	11,157,257	96.47	382,558	3.31

Source: Cuyahoga County, Ohio; County Auditor

- (1) Information for Real and Public Utility Only
- (2) State Reimbursements of Rollback and Homestead Exemptions are included
- (3) Penalties and interest are included, since by Ohio law they become part of tax obligation as assessment occurs

City of Lakewood, Ohio
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Assessed Valuations			Totals	
	Real Property	Public Utility Property	Tangible Personal Property	Assessed Value	Estimated Actual Value
2005	\$862,157,090	\$16,512,290	\$23,673,865	\$902,343,245	\$2,578,123,557
2004	863,693,900	16,823,630	26,670,819	907,188,349	2,591,966,711
2003	760,550,790	16,001,560	28,345,579	804,897,929	2,299,708,369
2002	762,148,140	16,758,320	31,518,033	810,424,493	2,315,498,551
2001	762,193,100	21,740,390	30,919,012	814,852,502	2,328,150,006
2000	672,238,960	22,218,700	29,495,988	723,953,648	2,068,438,994
1999	674,308,020	24,235,630	30,270,945	728,814,595	2,082,327,414
1998	674,651,070	24,653,550	28,969,777	728,274,397	2,080,783,991
1997	621,449,470	25,640,400	26,693,104	673,782,974	1,933,665,640
1996	619,624,830	26,532,660	28,143,010	674,300,500	1,926,572,857

Source: Cuyahoga County, Ohio; County Auditor

Estimated actual value is calculated by dividing the assessed value by the assessment percentage. The percentages for 2005 were 35 percent for real property, 88 percent for public utility tangible property and 25 percent of actual value for capital assets and 23 percent for inventory for tangible personal property.

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

<u>Year</u>	<u>City</u>	<u>Cuyahoga County (1)</u>	<u>Lakewood City School District</u>	<u>Special Taxing Districts (2)</u>	<u>Total Direct and Overlapping Governments</u>
2005	\$17.40	\$13.52	\$110.90	\$4.78	\$146.60
2004	17.40	13.52	107.40	8.28	146.60
2003	17.40	13.52	101.60	7.98	140.50
2002	17.30	14.65	93.45	3.80	129.20
2001	17.30	14.65	93.45	3.80	129.20
2000	17.30	11.72	95.80	4.48	129.30
1999	17.30	10.82	96.20	4.48	128.80
1998	17.30	10.82	91.40	4.48	124.00
1997	17.30	12.12	91.40	4.48	125.30
1996	17.30	12.12	91.60	4.48	125.50

Source: Cuyahoga County, Ohio; County Auditor

- (1) Includes Cuyahoga Community College and Cleveland-Cuyahoga County Port Authority
- (2) Includes Lakewood Public Library and Cleveland Metropolitan Park District

City of Lakewood, Ohio
Special Assessment
Billings and Collections
Last Ten Years

Collection Year	Total Billed	Amount Collected (1)	Percent Collected
2005	\$81,937	\$79,024	96.44 %
2004	75,342	80,826	107.28
2003	157,611	146,678	93.06
2002	80,874	83,561	103.32
2001	93,531	96,100	102.75
2000	67,378	64,553	95.81
1999	55,867	53,027	94.92
1998	74,820	76,185	101.82
1997	95,303	97,402	102.20
1996	125,426	124,671	99.40

Source: Cuyahoga County, Ohio; County Auditor

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

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

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Debt Service Monies Available
2005	56,646	\$902,343,245	\$55,965,100	\$1,245,313
2004	56,646	907,188,349	46,880,100	1,419,261
2003	56,646	804,897,929	45,560,100	1,162,940
2002	56,646	810,424,493	39,610,000	868,636
2001	56,646	814,852,502	40,880,000	784,864
2000	56,646	723,953,648	34,680,000	2,023,608
1999	59,718	728,814,595	36,810,000	1,978,231
1998	59,718	728,274,397	38,805,000	1,099,474
1997	59,718	673,782,974	34,120,000	1,465,329
1996	59,718	674,300,500	36,055,000	1,255,410

Sources: (1) U.S. Census Bureau
 (2) Cuyahoga County, Ohio; County Auditor

Bonded Debt Payable from Enterprise Revenues	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
\$19,685,070	\$35,034,717	3.88 %	\$618.49
15,577,489	29,883,351	3.29	527.55
16,701,400	27,695,760	3.44	488.93
14,268,600	24,472,764	3.02	432.03
13,865,400	26,229,736	3.22	463.05
14,612,200	18,044,192	2.49	318.54
15,445,000	19,386,769	2.66	324.64
16,242,800	21,462,726	2.95	359.40
15,398,000	17,256,671	2.56	288.97
16,299,000	18,500,590	2.74	309.80

City of Lakewood, Ohio
Computation of Legal Debt Margin
December 31, 2005

Assessed Valuation of the City	<u><u>\$902,343,245</u></u>
General Bonded Debt Outstanding:	
General Obligation Bonds	\$36,280,030
General Obligation Bonds - Enterprise Funds	13,895,241
Special Assessment Bonds	30,000
Revenue Bonds	5,789,829
Bond Anticipation Notes	15,737,000
OPWC Loans	6,008,508
OWDA Loans	<u>212,563</u>
Total Gross Indebtedness	77,953,171
Less:	
General Obligation Police and Fire Pension	(4,545,000)
General Obligation TIF Bonds	(4,665,000)
Revenue Bonds	(5,789,829)
Special Assessment Bonds	(30,000)
Notes	(6,524,000)
OPWC Loans	(6,008,508)
OWDA Loans	(212,563)
General Obligation Bond Retirement Fund Balance	<u>(1,245,313)</u>
Total Net Debt Applicable to Debt Limit	<u>48,932,958</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>94,746,041</u>
Legal Debt Margin Within 10 ½ % Limitations	<u><u>\$45,813,083</u></u>
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	\$49,628,878
Net Debt Within 5 ½ % Limitations	<u>(47,687,645)</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u><u>\$1,941,233</u></u>

Sources: City Financial Records
Cuyahoga County, Ohio; County Auditor

City of Lakewood, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2005

	General Bonded Debt Outstanding	Overlapping Percentage Applicable to Lakewood (1)	Amount Applicable to Lakewood
Direct:			
City of Lakewood	<u>\$55,965,100</u>	100%	<u>\$55,965,100</u>
Overlapping:			
Lakewood City School District	96,669,975	100%	96,669,975
Cuyahoga County	231,365,971	2.94	6,802,160
Regional Transit Authority	<u>139,790,000</u>	2.94	<u>4,109,826</u>
Total Overlapping	<u>467,825,946</u>		<u>107,581,961</u>
Total	<u><u>\$523,791,046</u></u>		<u><u>\$163,547,061</u></u>

Source: Cuyahoga County, Ohio; County Auditor

(1) Overlapping percentages were calculated by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

City of Lakewood, Ohio
*Ratio of Annual Debt Principal Expenditures for
 General Debt to Total Governmental Expenditures
 Last Ten Years*

<u>Year</u>	<u>Debt Principal Expenditures</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2005	\$2,212,240	\$63,520,284	3.48 %
2004	1,915,111	58,051,811	3.30
2003	1,675,822	52,613,346	3.19
2002	1,577,200	48,972,017	3.22
2001	1,208,000	53,986,847	2.24
2000	1,232,800	43,904,595	2.81
1999	1,134,400	43,186,531	2.63
1998	1,314,800	44,672,985	2.94
1997	1,004,000	40,822,687	2.46
1996	879,000	41,036,155	2.14

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood, Ohio
Principal Real Property Taxpayers
 December 31, 2005

Taxpayer	2005 Assessed Valuation for Collection in 2005	Percentage of Assessed Valuation
1. Cleveland Electric Illuminating Company	\$6,921,261	0.77 %
2. Ohio Bell Telephone Company	4,146,223	0.46
3. Lakewood Operating Associates	2,309,125	0.26
4. Lakewood Senior Citizens, Incorporated	2,231,005	0.25
5. Marine Towers	2,096,990	0.23
6. Castlewood Association	1,994,744	0.22
7. Fame-Midamco Company	1,720,985	0.19
8. Lakewood Health Care	1,690,850	0.19
9. Lakewood Association	1,641,200	0.18
10. Lakeshore Associates	1,596,350	0.18
Total	\$26,348,733	2.92 %
Total Assessed Valuation	\$902,343,245	

Source: Cuyahoga County, Ohio; County Auditor

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

Year	Residential Construction Value (1)	Commercial Construction Value (1)	Bank Deposits in the County (2) (In Thousands)	Deposits of Financial Institutions Headquartered in the City (3)
2005	\$11,808,548	\$32,515,962	\$109,087,107	\$975,664
2004	10,847,664	10,811,082	101,838,959	978,653
2003	10,184,576	9,524,390	97,238,973	948,764
2002	10,852,908	8,293,988	95,761,917	940,277
2001	10,814,661	13,680,618	63,893,769	882,031
2000	8,492,331	7,501,961	61,942,764	833,343
1999	6,613,136	5,928,044	57,816,942	796,092
1998	8,167,951	5,911,359	58,904,596	757,514
1997	6,921,499	3,427,818	53,941,971	722,417
1996	7,587,079	4,361,563	27,068,211	675,661

Source: (1) Cuyahoga County, Ohio; County Auditor
(2) Federal Reserve Bank of Cleveland
(3) First Federal Savings and Loan Association of Lakewood

City of Lakewood, Ohio
Revenue Bond Coverage - Water System Mortgage Revenue Bonds
Last Ten Years

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirements (3)	Coverage
2005	\$8,857,697	\$7,770,689	\$1,087,008	\$761,585	1.43
2004	8,584,588	7,481,671	1,102,917	741,785	1.49
2003	8,520,217	7,085,228	1,434,989	776,383	1.85
2002	8,803,266	8,156,070	647,196	244,957	2.64
2001	8,651,628	7,084,088	1,567,540	645,442	2.43
2000	8,563,531	6,523,005	2,040,526	645,893	3.16
1999	8,780,617	6,994,242	1,786,375	650,788	2.74
1998	8,466,107	6,966,612	1,499,495	649,175	2.31
1997	7,857,587	6,250,920	1,606,667	635,645	2.53
1996	7,451,692	6,095,646	1,356,046	657,896	2.06

Source: City Financial Records

- (1) Gross revenues include operating revenues, intergovernmental revenues, interest income and special assessments.
- (2) Direct operating expenses include operating expenses less depreciation expense.
- (3) Annual debt service requirements include principal and interest on revenue bonds issued in 1995 and 2002.

City of Lakewood, Ohio
Insurance Summary
December 31, 2005

Type of Coverage	Carrier	Liability Limits	
General Liability	Arch	\$1,000,000	Per Occurrence
		3,000,000	Aggregate
Automobile	Arch	1,000,000	Liability Comprehensive Collision
Law Enforcement	Arch	1,000,000	Liability
Public Officials	Arch	1,000,000	Liability/Officers/Canines
Employee Bonds	Hartford Fire	100,000	Director of Finance
	Brooks Stafford	25,000	Court Employees
	Brooks Stafford	50,000	Clerk of Courts
	Arch	100,000	Employee Dishonesty
Blanket Building and Contents	Arch	99,232,205	
Inland Marine	Arch	7,285,246	
Boiler and Machinery	Federal Insurance Company	50,000,000	
Deep Well Pumps	Federal Insurance Company		
Umbrella	Arch	10,000,000	Per Occurrence
Medical Malpractice	Admiral Insurance Company	1,000,000	Per Occurrence
		3,000,000	Aggregate
Pollution	Hudson Specialty	1,000,000	
Earthquake and Flood	Arch	5,000,000	

Source: City Financial Records

<u>Deductible</u>	<u>Effective Date</u>	
\$0	10/01/05	09/30/06
0	10/01/05	09/30/06
0	10/01/05	09/30/06
250	10/01/05	09/30/06
1,000	10/01/05	09/30/06
5,000	10/01/05	09/30/06
5,000	10/01/05	09/30/06
0	01/03/06	01/03/07
0	08/02/05	09/01/08
0	06/01/05	06/01/06
250	10/01/05	09/30/06
1,000	10/01/05	09/30/06
1,000	10/01/05	09/30/06
5,000	10/01/05	09/30/06
10,000	10/01/05	09/30/06
2,500	10/01/05	09/30/06
2,500	10/01/05	09/30/06
0	10/01/05	09/30/06
2,500	10/01/05	09/30/06
50,000	10/01/05	09/30/06

City of Lakewood, Ohio

Ten Largest Employers

December 31, 2005

	<u>Number of Employees (1)</u>
Lakewood Hospital	1,378
Lakewood Board of Education	881
City of Lakewood	689
New York Life Insurance Company	232
Aristocrat Lakewood	168
American Telephone and Telegraph	166
First Federal Savings and Loan Association of Lakewood	147
Galaxy Balloons	137
Advanced Energy Tech, Incorporated	123
United States Post Office	106

Source: Ohio Bureau of Employment Services

(1) Includes part-time/seasonal employees.

City of Lakewood, Ohio

Miscellaneous Statistics

December 31, 2005

Date of Incorporation	1911
Form of Government	Mayor-Council
Area	5.66 Square Miles
Miles of Street	93
Number of Street Lights	3,554
<u>Fire Protection</u>	
Number of Fire Stations	3
Number of Firemen and Officers	87
<u>Police Protection</u>	
Number of Police Stations	1
Number of Policemen and Officers	84
<u>Lakewood Hospital</u>	
Number of Beds	400
<u>Education (K-5 Only)</u>	
Number of Teachers	140
Number of Students	2,584
<u>Education (6-8 Only)</u>	
Number of Teachers	96
Number of Students	1,449
<u>Education (9-12 Only)</u>	
Number of Teachers	121
Number of Students	2,196
<u>Municipal Water Department</u>	
Number of Water Accounts	14,659
Average Daily Consumption (Cubic Feet)	606,732
Miles of Water Mains	112
<u>Sewers</u>	
Miles of Sanitary Sewers	74.53
Miles of Storm Sewers	65.91
Miles of Combined Sewers	25.28
Total Miles of Sewers	<u>165.72</u>
Building Permits Issued	3,011
Number of Full-Time Employees	527
Number of Part-Time Employees	162

City of Lakewood, Ohio

Demographic Statistics

December 31, 2005

Population

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

Age Distribution (Per 2000 Census)

	<u>Number</u>	<u>Percentage</u>
Under 5 Years	3,340	5.90 %
5-9 Years	3,202	5.65
10-14 Years	3,408	6.02
15-19 Years	3,327	5.87
20-24 Years	4,023	7.10
25-34 Years	11,728	20.70
35-44 Years	9,364	16.53
45-54 Years	7,378	13.02
55-59 Years	2,245	3.96
60-64 Years	1,743	3.08
65-74 Years	3,207	5.66
75-84 Years	2,584	4.56
85 Years and Older	1,097	1.94
Total	56,646	100.00 %

Median Age = 34.2 Years

Population by Gender

Males	27,275
Females	29,371
Total	56,646



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

CITY OF LAKEWOOD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 21, 2006**