

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2011**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Lakewood, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 7, 2012

**This page intentionally left blank.**

**CITY OF LAKEWOOD, OHIO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

---

---

TABLE OF CONTENTS

|   | <u>PAGE</u> |
|---|-------------|
| Report on Internal Control Over Financial Reporting and on Compliance<br>Other Matters Based on an Audit of Financial Statements Performed<br>in Accordance with <i>Government Auditing Standards</i> | 1-2         |
| Report on Compliance With Requirements That Could Have A Direct and<br>Material Effect on Each Major Program and on Internal Control Over<br>Compliance in Accordance with OMB Circular A-133         | 3-5         |
| Schedule of Expenditures of Federal Awards  | 6           |
| Notes to Schedule of Expenditures of Federal Awards   | 7-8         |
| Schedule of Findings and Questioned Costs   | 9           |
| Status of Prior Findings and Recommendations  | 10          |

**This page intentionally left blank.**

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Members of City Council and  
Members of the Audit Committee  
City of Lakewood, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of Lakewood, Ohio's basic financial statements and have issued our report thereon dated July 12, 2012, wherein we noted the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of GASB Statement No. 54 and the recognition of assets held for resale resulted in the restatement of the December 31, 2010 fund balances of the governmental funds. In addition, the December 31, 2010 net assets of the governmental activities, business-type activities, and the Sewer Fund were restated as a result of adjustments to accounting loss on refundings, payments in lieu of property taxes, and assets held for resale. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the City of Lakewood, Ohio is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Lakewood, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lakewood, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Lakewood, Ohio's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Lakewood, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Lakewood, Ohio, in a separate letter dated July 12, 2012.

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

  
James G. Zupka, CPA, Inc.  
Certified Public Accountant

July 12, 2012

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Members of City Council and  
Members of the Audit Committee  
City of Lakewood, Ohio

**Compliance**

We have audited the City of Lakewood, Cuyahoga County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Lakewood, Ohio's major federal programs for the year ended December 31, 2011. The City of Lakewood, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Lakewood, Ohio's management. Our responsibility is to express an opinion on the City of Lakewood, Ohio's compliance based on our audit.

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

In our opinion, the City of Lakewood, Ohio, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

### **Internal Control Over Compliance**

The management of the City of Lakewood, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Lakewood, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lakewood, Ohio's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Ohio, as of and for the year ended December 31, 2011, and have issued our report thereon dated July 12, 2012, which contained unqualified opinions on those financial statements, wherein we noted the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of GASB Statement No. 54 and the recognition of assets held for resale resulted in the restatement of the December 31, 2010 fund balances of the governmental funds. In addition, the December 31, 2010 net assets of the governmental activities, business-type activities, and the Sewer Fund were restated as a result of adjustments to accounting loss on refundings, payments in lieu of property taxes, and assets held for resale. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

July 12, 2012

**CITY OF LAKEWOOD, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

| <b>Federal Grantor/<br/>Pass-Through Grantor/<br/>Program Title</b> | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass-Through<br/>Entity Number</b> | <b>Expenditures</b> |
|---|------------------------------------|---------------------------------------|---------------------|
| <b><u>U.S. Department of Housing and Urban Development</u></b>      |                                    |                                       |                     |
| <i>Direct Programs</i>  |                                    |                                       |                     |
| <u>Community Development Block Grant Cluster</u>                    |                                    |                                       |                     |
| Community Development Block Grant                                   | 14.218                             | B-10-MC-39-0007                       | * \$ 2,091,009      |
| ARRA - Community Development Block Grant-R                          | 14.253                             | B-09-MY-39-0007                       | 34,402              |
| Total Community Development Block Grant Cluster                     |                                    |                                       | <u>2,125,411</u>    |
| Emergency Shelter Grant   | 14.231                             | S-10-MC-39-0007                       | <u>77,257</u>       |
| ARRA - Homelessness Prevention and Rapid Re-Housing Program Grant   | 14.257                             | S-10-MY-39-0007                       | <u>295,317</u>      |
| <i>Total Direct Programs</i>  |                                    |                                       | <u>2,497,985</u>    |
| <u>Passed Through Cuyahoga County Housing Consortium</u>            |                                    |                                       |                     |
| HOME Investment Partnerships Program Grant                          | 14.239                             | CE-0400-354-01                        | <u>196,459</u>      |
| <u>Passed Through Ohio Department of Development</u>                |                                    |                                       |                     |
| Neighborhood Stabilization Program Grant                            | 14.228                             | A-Z-08-282-1                          | * <u>46,717</u>     |
| <i>Total Passed Through Programs</i>                                |                                    |                                       | <u>243,176</u>      |
| <b>Total U.S. Department of Housing and Urban Development</b>       |                                    |                                       | <u>2,741,161</u>    |
| <b><u>U.S. Department of Justice</u></b>                            |                                    |                                       |                     |
| <i>Direct Program</i>   |                                    |                                       |                     |
| ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program | 16.804                             | 2010-JG-A02-T12428                    | <u>44,594</u>       |
| <b>Total U. S. Department of Justice</b>                            |                                    |                                       | <u>44,594</u>       |
| <b><u>U.S. Department of Energy</u></b>                             |                                    |                                       |                     |
| <i>Direct Program</i>   |                                    |                                       |                     |
| ARRA - Energy Efficiency Block Grant                                | 81.128                             | DE-SC000-2669                         | <u>192,208</u>      |
| <b>Total U.S. Department of Energy</b>                              |                                    |                                       | <u>192,208</u>      |
| <b><u>U.S. Department of Health and Human Services</u></b>          |                                    |                                       |                     |
| <u>Passed Through Western Reserve Area Agency on Aging</u>          |                                    |                                       |                     |
| Special Programs for the Aging - Title III                          | 93.044                             | n/a                                   | <u>97,470</u>       |
| Medical Assistance Program (Passport Services)                      | 93.778                             | n/a                                   | <u>34,824</u>       |
| <b>Total U.S. Department of Health and Human Services</b>           |                                    |                                       | <u>132,294</u>      |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                         |                                    |                                       | <u>\$ 3,110,257</u> |

\* Includes program income.

See notes to the Schedule of Expenditures of Federal Awards

**CITY OF LAKEWOOD, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

---

---

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 2: SUBRECIPIENTS**

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

The subrecipient agencies have certain compliance responsibilities related to administering these federal programs. Under OMB 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 3: MATCHING REQUIREMENTS**

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

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

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The U.S. Department of Housing and Urban Development (HUD) grants monies for these loans directly to the City. The initial loan of these monies 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, 2011, the gross amount of loans outstanding under this program is \$1,831,512. The Emergency Shelter Grant and the Homelessness Prevention and Rapid Re-Housing Program Grant are directly received by the City. HUD's HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

**CITY OF LAKEWOOD, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

---

---

**NOTE 5: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES AND SPECIAL PROGRAMS FOR THE AGING**

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

**NOTE 6: FOOD DISTRIBUTION**

Meals received from the Western Reserve Agency on Aging are reported in the Schedule at the value of \$3.54 per meal served. Of the value of an individual meal served, the U.S. Department of Health and Human Services allocates \$3.54 per meal. For the year ended December 31, 2011, the City served 20,660 and 23,156 meals through the City's Office on Aging Congregate Meal Program and Home Delivered Meal Program, respectively.

**CITY OF LAKEWOOD, OHIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**OMB CIRCULAR A-133 & .505**  
**DECEMBER 31, 2011**

---

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

|            |   |   |
|------------|---|---|
| 2011(i)    | Type of Financial Statement Opinion   | Unqualified                             |
| 2011(ii)   | Were there any material control weaknesses reported at the financial statement level (GAGAS)?   | No                                      |
| 2011(ii)   | Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?                        | No                                      |
| 2011(iii)  | Was there any reported material noncompliance at the financial statement level (GAGAS)?   | No                                      |
| 2011(iv)   | Were there any material internal control weaknesses reported for major federal programs?  | No                                      |
| 2011(iv)   | Were there any other significant deficiencies in internal control reported for major federal programs?                                      | No                                      |
| 2011(v)    | Type of Major Programs' Compliance Opinions   | Unqualified                             |
| 2011(vi)   | Are there any reportable findings under .510?   | No                                      |
| 2011(vii)  | Major Programs (list):<br><br>Community Development Block Grant - CFDA #14.218<br>ARRA - Community Development Block Grant-R - CFDA #14.253 |   |
| 2011(viii) | Dollar Threshold: A/B Programs  | Type A: \$300,000<br>Type B: All Others |
| 2011(ix)   | Low Risk Auditee?   | No                                      |

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CITY OF LAKEWOOD, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

---

---

The prior audit report, as of December 31, 2010, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

# **CITY OF LAKEWOOD, OHIO**

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2011



*VISIT OUR WEBSITE [WWW.ONELAKEWOOD.COM](http://WWW.ONELAKEWOOD.COM)*



# City of Lakewood, Ohio



## Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

Issued by:

City of Lakewood  
Department of Finance

Jennifer R. Pae, Finance Director  
Keith D. Schuster, CPA, Assistant Finance Director  
John Hribar, Accounting Manager

# **INTRODUCTION SECTION**

**This Page is Intentionally Left Blank**

**City of Lakewood, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2011*  
*Table of Contents*

I. Introductory Section

|                                      |      |
|--------------------------------------|------|
| Table of Contents .....              | i    |
| Letter of Transmittal.....           | v    |
| GFOA Certificate of Achievement..... | xi   |
| List of Elected Officials.....       | xii  |
| List of Appointed Officials.....     | xiii |
| Organizational Chart .....           | xiv  |

II. Financial Section

|                                    |   |
|------------------------------------|---|
| Independent Auditor’s 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 |
|---------------------------------------|----|

|   |    |
|---|----|
| Reconciliation of Total Governmental Fund Balances to<br>Net Assets of Governmental Activities..... | 21 |
|---|----|

|   |    |
|---|----|
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance-Governmental Funds ..... | 22 |
|---|----|

|   |    |
|---|----|
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund<br>Balances of Governmental Funds to the Statement of Activities..... | 23 |
|---|----|

        Statement of Revenues, Expenditures, and Changes in  
        Fund Balance-Budget (Non-GAAP Basis) and Actual:

|                    |    |
|--------------------|----|
| General Fund ..... | 24 |
|--------------------|----|

|                                    |    |
|------------------------------------|----|
| Police and Fire Pension Fund ..... | 25 |
|------------------------------------|----|

|  |    |
|--|----|
| Community Development Block Grant Fund ..... | 26 |
|--|----|

|  |    |
|--|----|
| Statement of Fund Net Assets-Proprietary Funds ..... | 27 |
|--|----|

|   |    |
|---|----|
| Statement of Revenues, Expenses and Changes in Fund Net Assets-<br>Proprietary Funds..... | 28 |
|---|----|

|  |    |
|--|----|
| Statement of Cash Flows-Proprietary Funds..... | 29 |
|--|----|

|  |    |
|--|----|
| Statement of Fiduciary Assets and Liabilities-Agency Fund..... | 31 |
|--|----|

|   |     |
|---|-----|
| Notes to the Basic Financial Statements .....   | 32  |
| Combining Statements and Individual Fund Schedules:   |     |
| Combining Statements-Nonmajor Governmental Funds:   |     |
| Fund Descriptions.....  | 73  |
| Combining Balance Sheet-Nonmajor Governmental Funds.....  | 76  |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances-Nonmajor Governmental Funds .....     | 77  |
| Combining Balance Sheet-Nonmajor Special Revenue Funds.....   | 78  |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances-Nonmajor Special Revenue Funds.....   | 84  |
| Combining Balance Sheet-Nonmajor Capital Projects Funds .....   | 90  |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances-Nonmajor Capital Projects Funds ..... | 91  |
| Combining Statements-Nonmajor Proprietary Funds:  |     |
| Fund Descriptions.....  | 92  |
| Combining Statement of Fund Net Assets-<br>Nonmajor Enterprise Funds.....   | 93  |
| Combining Statement of Revenues, Expenses and Changes in Fund<br>Net Assets-Nonmajor Enterprise Funds .....         | 94  |
| Combining Statement of Cash Flows-Nonmajor Enterprise Funds.....  | 95  |
| Combining Statement of Fund Net Assets-<br>Internal Service Funds.....  | 97  |
| Combining Statement of Revenues, Expenses and Changes in Fund<br>Net Assets-Internal Service Funds .....            | 98  |
| Combining Statement of Cash Flows-Internal Service Funds .....  | 99  |
| Statement-Fiduciary Fund:   |     |
| Fund Description .....  | 101 |
| Statement of Changes in Assets and Liabilities-<br>Agency Fund .....  | 102 |

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

Major Funds:

|   |     |
|---|-----|
| General Fund .....                          | 104 |
| Police and Fire Pension Fund .....          | 114 |
| Community Development Block Grant Fund..... | 115 |
| Debt Service Fund .....                     | 116 |
| Water Fund.....                             | 117 |
| Sewer Fund.....                             | 118 |

Nonmajor Funds:

|  |     |
|--|-----|
| Street and Highway Fund .....  | 119 |
| Office on Aging Fund.....  | 120 |
| Lakewood Hospital Fund .....   | 121 |
| Energy Efficiency Block Grant Fund .....                             | 122 |
| Homeless Prevention Fund.....  | 123 |
| Neighborhood Stabilization Fund.....                                 | 124 |
| Byrne Memorial Grant Fund .....                                      | 125 |
| Litter Control Grant Fund.....                                       | 126 |
| Law and Drug Enforcement Trust Fund.....                             | 127 |
| Federal Forfeiture Fund .....  | 128 |
| Indigent Drivers Alcohol Treatment Fund .....                        | 129 |
| Enforcement and Education Fund .....                                 | 130 |
| Political Subdivision Fund .....                                     | 131 |
| Computer Research and Maintenance Fund.....                          | 132 |
| Court Special Projects Fund .....                                    | 133 |
| Court Probation Services Fund.....                                   | 134 |
| Indigent Drivers Interlock and Alcohol Monitoring Fund (IDIAM) ..... | 135 |
| Emergency Shelter Grant Fund .....                                   | 136 |
| HOME Investment Program Fund.....                                    | 137 |
| Help-to-Others Fund.....   | 138 |
| Juvenile Diversion Fund.....   | 139 |
| Family to Family Fund .....  | 140 |
| Community Festival Fund .....  | 141 |
| TIF Bond Retirement Fund.....  | 142 |
| Permanent Capital Improvement Fund.....                              | 143 |
| TIF Capital Improvement Fund.....                                    | 144 |
| Land Acquisition Fund .....  | 145 |
| City Park Improvement Fund .....                                     | 146 |
| Parking Facilities Fund.....   | 147 |
| Winterhurst Ice Rink Fund .....                                      | 148 |
| Hospitalization Fund .....   | 149 |
| Workers' Compensation Fund.....                                      | 150 |

Statistical Section

|  |    |
|--|----|
| Statistical Section -Table of Contents .....                       | S1 |
| Net Assets by Component -Last Eight Years .....                    | S2 |
| Changes in Net Assets -Last Eight Years.....                       | S3 |
| Fund Balances, Governmental Funds -Last Ten Years .....            | S6 |
| Changes in Fund Balances, Governmental Funds -Last Ten Years ..... | S8 |

|   |     |
|---|-----|
| Assessed Valuation and Estimated Actual Values of Taxable Property -Last Ten Years .....                      | S10 |
| Property Tax Rates -Direct and Overlapping Governments – Last Ten Years.....                                  | S12 |
| Property Taxes Levies and Collections -Last Ten Years .....   | S14 |
| Principal Real Property Taxpayers – Current Year and Nine Years Ago .....                                     | S15 |
| Income Tax Revenue Base and Collections -Last Ten Years.....  | S16 |
| Ratios of Outstanding Debt by Type -Last Ten Years .....  | S17 |
| Legal Debt Margin -Last Ten Years.....  | S18 |
| Computation of Direct and Overlapping Debt Attributable to Governmental Activities<br>December 31, 2011 ..... | S20 |
| Pledged Revenue Coverage-Water -Last Ten Years .....  | S22 |
| Pledged Revenue Coverage-Sewer -Last Nine Years .....   | S24 |
| Demographic and Economic Statistics -Last Ten Years .....   | S26 |
| Principal Employers –Current Year and Nine Years Ago.....   | S28 |
| Full-Time City Government Employees by Function/Program -Last Eight Years .....                               | S29 |
| Operating Indicators by Function/Program -Last Ten Years .....  | S30 |
| Capital Assets Statistics by Function/Program -Last Ten Years.....  | S34 |



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

**Jennifer R. Pae**  
**Director of Finance**

July 12, 2012

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood (the "City") for the year ended December 31, 2011.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file unaudited General Purpose External Financial Statements with the Auditor of State within 150 days of year end.

The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, and reliability of presentation based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent public accounting firm of James G. Zupka, C.P.A., Inc., has issued an unqualified ("clean") opinion on the City of Lakewood's financial statements for the year ended December 31, 2011. The Independent Auditor's Report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report, and provides a narrative introduction, overview, and analysis of the Basic Financial Statements. The MD&A complements this letter of transmittal, which should be read in conjunction with it.

### **City of Lakewood's Profile**

The City, 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 2010 Federal Census was 52,131. The City 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 location for residents and commercial enterprise.

The City was incorporated in 1911. The City 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. The City's chief executive and administrative officer is the Mayor, who is elected to a four-year term and serves in a full-time capacity. 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.

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 the City.

**The Law Department**, under the direction of the City's Law Director, functions as the attorney for the City 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, debt issuance, cash management, risk management, income tax collection, utility billing, vital statistics, and computer information services.

**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, Engineering and Winterhurst Ice Rink.

**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. The chiefs have exclusive control of assignment of duties and stationing of all other officers and employees of their respective divisions. The Division of Building and Housing is under the Department of Public Safety, but is overseen by the Director of Planning and Development.

**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 the City 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 Aging, Youth, and Early Childhood divisions.

### **Local Economy**

The City has fared well compared to its peer cities despite a challenging national and regional economy. The City's population density, cost of living and access to regional resources buttress the local economy.

### **Employment**

The City's 2011 unemployment rate was 7.0 percent, while neighboring Cleveland's unemployment rate was around 8.2 percent. Throughout the year, all Cuyahoga County communities experienced unemployment trends that decreased from the previous year. Trends continue to suggest that unemployment rates will hold steady or slightly decrease in 2012. The City benefitted from new retail and office assets that yielded job retention and expansion in 2011 that will carry forward into 2012. The City's largest employers held steady or had significant job growth. Since most of the City's homeowners work outside the City, the regional economy has the largest impact on household income.

## **Retail**

The City's retail occupancy increased in 2011 for the fourth year in a row, in stark contrast to regional and national trends with Detroit Avenue having single digit vacancy for the first time in more than ten years. The City's population density and lower rents provided a value option for retail growth in addition to the readily available service retail workforce. The City expects that retail occupancy will continue to trend upward in 2012 with the expansion of existing retailers.

The City continues to invest strategically in small business via storefront renovation grants and in 2011 revamped the sign regulations to improve the ease of access for business to good physical advertising.

## **Commercial Office**

The City's commercial office sector experienced major renovations and new construction that began in 2009 and 2010 were completed in 2011. The INA and Bailey buildings continue to fill office space by retaining Lakewood office tenants and attracting new tenants to the City. Lakewood Center North, the City's largest office building, saw significant vacancy in 2011 and is working to resolve ownership status and reposition itself to attract new tenants.

## **Industrial**

The former Lake Erie Screw site, renamed the Templar Automotive Industrial Complex, continues to be a small industrial business attractor, surpassing 80 percent occupancy. It is the site for new manufacturing uses and has added business such as University Tees to its compliment of tenants. Additionally, Omni, owners of the building, have been creative in developing flexible artist space and are filling the building by becoming Lakewood's ad hoc artist colony.

## **Residential**

The City has been able to enhance its residential rehabilitation programs and be assertive in demolishing long standing nuisance properties in 2011, thanks to ongoing federal dollars through the Neighborhood Stabilization Program (NSP). The City emphasized aggressive enforcement of building standards and incentives to acquire and rehabilitate vacant or foreclosed homes. In 2011, the City began the process to acquire and rehabilitate single family homes on Cranford, Marlowe, Gladys and Lakewood Avenues and will have these properties on the Market by the end of 2012. Additionally, the City partnered with Habitat for Humanity to construct two new single family homes on sites that were formerly occupied by blighted structures. Construction will commence in 2012.

Foreclosures and distressed properties remained a nationwide problem in 2011, but the City completed a City wide exterior conditions survey of all 13,000 one and two family properties. The result of the survey clarified that more than 85 percent of the community's housing stock was in good physical condition and financially stable. The remaining 14 percent are being systematically addressed through a proactive code enforcement and rehabilitation strategy called Housing Forward. The strategy will be fully implemented in 2012 and grew out of partnerships with agencies like the Landbank, the Cuyahoga County Department of Development and Cleveland Housing Network and LakewoodAlive. Investment properties represent two-thirds of foreclosure activity in Lakewood, giving promise to the relative stability of owner-occupied doubles and single family homes. Encouraged by federal and local incentives, first time homebuyers have seen a flurry of activity throughout 2011.

## **Major Initiatives**

In late 2011, the City of Lakewood Administration developed the following Government Objectives that will be used as the guideline for initiatives and improvements within City Hall and throughout the community:

1. Continue to provide core services that meet the needs of all our citizens.
  - a. Support and improve Police, Fire, EMS, Refuse, Streets and other Public Works.
  - b. Use technology to create focus and alignment of City resources, such as SharePoint and GIS.
  - c. Continued accountability and stewardship of City assets.
2. Right-size our local government in response to severe revenue reductions imposed by the State of Ohio.
  - a. Reengage CitiStat using a Lean / Kaizen focus.
  - b. Leverage normal attrition to reshape our organization.
  - c. Prepare for the 2013 collective bargaining discussions.
  - d. Continue to explore shared service and collaboration opportunities with neighboring communities and other services providers.
  - e. Pursue aggressive collection of accounts receivable.
3. Improve ease and speed of customer access to information, answers, concerns and opportunities.
  - a. Improve skills with existing technologies.
  - b. Identify, review and train employees to address citizens' needs.
  - c. Use emerging media to more effectively communicate both externally and internally.
  - d. Develop document management strategies.
4. Strengthen our housing stock.
  - a. Escalate proactive code enforcement.
  - b. Utilize housing survey results to create focus and compliance.
  - c. Improve performance of interdepartmental housing intervention team.
  - d. Continue implementation of landlord performance initiatives.
  - e. Provide more resources to the property investment initiative to expedite appropriate action.
5. Strengthen our commercial corridors with products and services that support Lakewood citizens.
  - a. Attract appropriate investment.
  - b. Support current investments.
  - c. Support the Main Street strategies of Lakewood Alive.
6. Aggressively protect our citizens and their property.
  - a. Maintain appropriate public safety manpower levels.
  - b. Focus on criminal and property nuisance behaviors.
  - c. Leverage technology to improve effectiveness.
    - i. Video surveillance in public spaces.
    - ii. Enhance vehicle communication technology and training to support our first responders.
  - d. Identify more creative solutions to automobile speeding behaviors.
7. Engage our citizens as active participants in opportunities and threats.
  - a. Create an effective coordination of volunteers of citizens in need to support basic needs such as shelter, food, and day-to-day support.
  - b. Promote and develop healthier and more sustainable community initiatives.

8. Address regulatory compliance deadlines imposed by Federal Agencies.
  - a. EPA: Storm water runoff compliance.
  - b. FCC: Public safety narrow band radio compliance.
9. Vigorously work with our citizens and partners to address major changes in healthcare law and marketplace forces.
  - a. Create appropriate forums to explain, discuss and create consensus regarding Lakewood Hospital.

### **Long-Term Financial Planning**

According to Article VIII, Section 3 of the City of Lakewood Second Amended Charter, the Director of Finance shall annually prepare and submit to the Mayor and Council a recommended five-year financial plan for the City's operating and capital needs. The Director's recommended financial plan shall be prepared after consultation with the Mayor and heads of other City departments affected thereby. Such recommended financial plan shall be advisory only and need not be followed in the adoption of the City's tax budget, annual, temporary or supplemental appropriation measures or ordinances, resolutions or other actions concerning capital programs or permanent improvements.

The City also utilizes long-term planning for the future of capital projects. A five-year capital plan is updated annually, which lists all capital projects by year, as well as expected funding sources. The funding sources are reconciled to estimated balances and revenues to ensure that proper resources will be available for the project when a contract is signed.

### **Recognition, Awards and Acknowledgements**

***Recognition:*** In Scene Magazine's March 30, 2011 issue Lakewood was named the Best Suburb in their Best of Cleveland 2011 article. "Nowhere in Northeast Ohio do so many cultures mesh so harmoniously as they do in Lakewood. It's the perfect gathering place thanks in no small part to its wonderful restaurants, its rollicking bars and clubs, and its quirky small businesses that line every major street. And it's the perfect home thanks to its bountiful and hardy old houses and apartments, for its overachieving schools, its bucolic parks and its pervasive sense of neighborhood pride and unity," states Scene Magazine.

Lakewood also received the Best Playground for Kids and the Best Skate Park designations. "Expansive Lakewood Park, perched on a bluff overlooking Lake Erie in the center of town, is a wonderland of kid enticements, from the wooden playground with the pirate ship, to the region's best Skate Park, to the regular family friendly parties, concerts, and movies that take place during summer weekends and evenings," states Scene.

***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, 2010. This was the 29<sup>th</sup> consecutive year 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 for determination of eligibility for another certificate.

*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 members of City Council for their continuing support toward the preparation of this report.

On behalf of the City, we want to personally thank our auditors from the firm of James G. Zupka, CPA, Inc., and the Auditor of State, David Yost and his Local Government Services staff for their involvement and support in putting together the GASB 34 statements. We would also like to thank the auditor's staff for their efforts and professional conduct throughout the audit engagement.

Respectfully submitted,



Michael P. Summers  
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, 2010

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.



*Linda C. Davison*

President

*Jeffrey R. Green*

Executive Director

CITY OF LAKEWOOD, OHIO  
2011 Elected Officials

Mayor..... Michael Summers  
Municipal Court Judge.....Patrick Carroll  
City Council At Large.....Ryan Nowlin  
City Council At Large.....Brian Powers  
City Council At Large..... Monique Smith

City Council by Wards:

Ward 1..... David Anderson  
Ward 2..... Thomas Bullock  
Ward 3..... Shawn Juris  
Ward 4..... Mary Louise Madigan, Council President

CITY OF LAKEWOOD, OHIO  
2011 Appointed Officials

**Office of Council**

Clerk of Council..... Mary Hagan

**Municipal Court**

Clerk of Court ..... Terri O’Neill  
Magistrates..... Thomas Wagner and Ralph Skonce

**Department of Law**

Director of Law ..... Kevin Butler

**Department of Finance**

Director of Finance ..... Jennifer R. Pae

**Department of Public Works**

Director of Public Works ..... Joseph Beno

**Department of Public Safety**

Chief of Fire ..... Scott Gilman  
Chief of Police ..... Timothy Malley

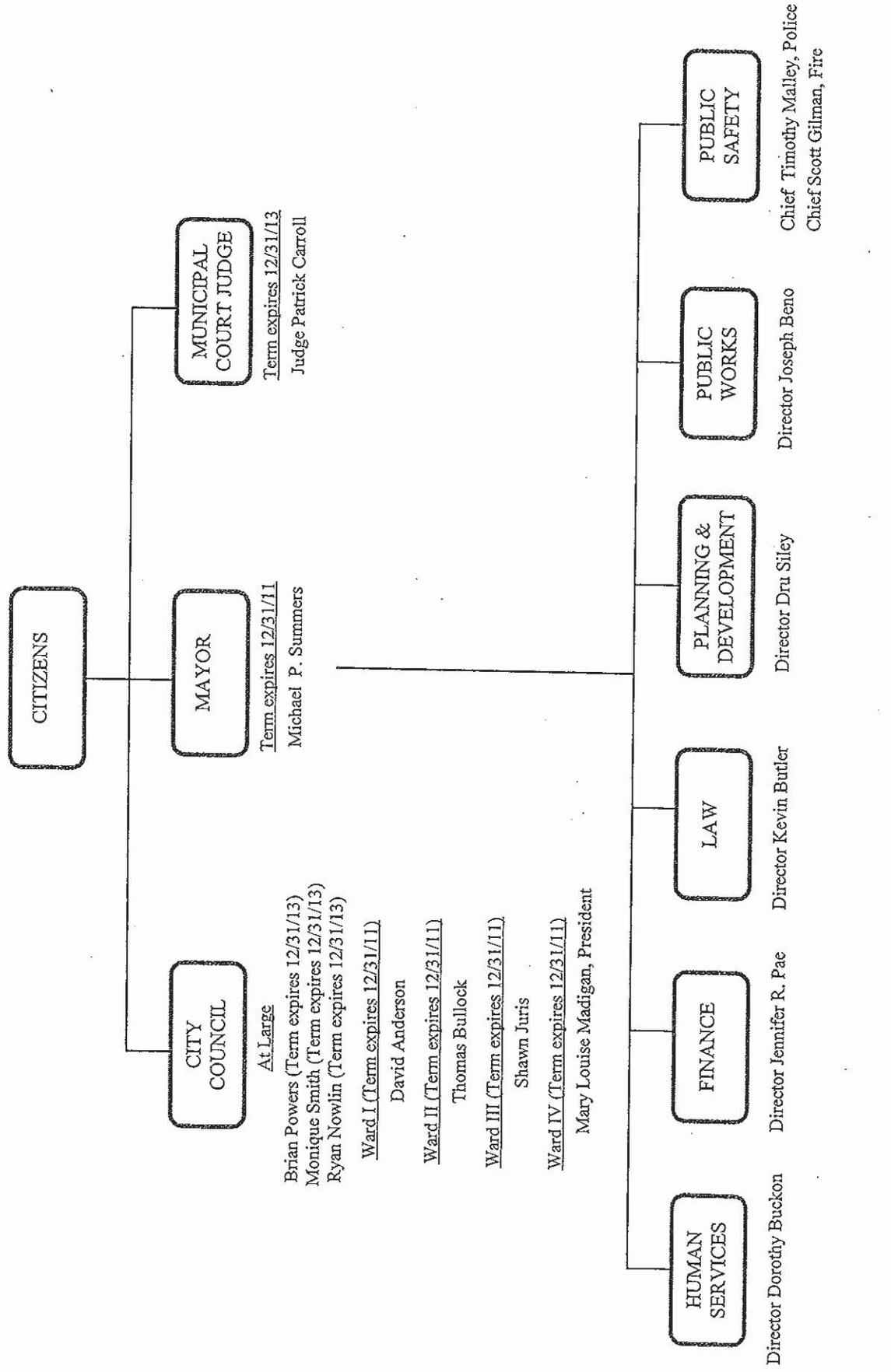
**Department of Human Services**

Director of Human Services..... Dorothy Buckon

**Department of Planning and Community Development**

Director of Planning and Development .....Dru Siley

CITY OF LAKEWOOD, OHIO  
 Organizational Chart  
 as of December 31, 2011



# **FINANCIAL SECTION**

**This Page is Intentionally Left Blank**

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council and  
Members of the Audit Committee  
City of Lakewood, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Lakewood, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Ohio, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Police and Fire Pension, and Community Development Block Grant funds 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 implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of GASB Statement No. 54 and the recognition of assets held for resale resulted in the restatement of the December 31, 2010 fund balances of the governmental funds. In addition, the December 31, 2010 net assets of the governmental activities, business-type activities, and the Sewer Fund were restated as a result of adjustments to accounting loss on refundings, payments in lieu of property taxes, and assets held for resale.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2012, on our consideration of the City of Lakewood, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

July 12, 2012

**City of Lakewood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*

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, 2011. 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 2011 are as follows:

- Overall, governmental activities revenues of \$52,367,672 exceeded the expenses which came in at \$46,915,611 resulting in an increase in net assets by \$6,493,815 for the year 2011. The total net assets were \$108,982,640 compared to \$99,869,840 in the previous year.
- The City issued \$1,948,000 in notes to facilitate roadway improvements to nine streets and traffic signalization upgrades on Detroit Avenue.
- During 2011 the City issued \$12,320,000 in general obligation bonds, of which \$7,770,000 were from previous note issuances and \$4,550,000 to refund various purpose and sewer bonds.
- The City is committed to providing the Citizens of Lakewood with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

**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 provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds represented 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 serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City'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, Parking Facilities, and Winterhurst Ice Rink. The City also has hospitalization and workers' compensation 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds 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 is useful in evaluating a government's near-term financing requirements.

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

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

The City of Lakewood maintains thirty-two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Police and Fire Pension Fund, Community Development Block Grant Fund and Debt Service Fund; all of which are considered to be major funds. Data from the other twenty-eight 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 schedule (non-GAAP basis) has been provided for each major and non-major fund to demonstrate budgetary compliance.

**Proprietary Funds.** The City maintains six proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer (which includes the Wastewater Treatment Plant), Parking Facilities and Winterhurst Ice Rink. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its hospitalization and workers' compensation. 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. Data from the other two non-major enterprise 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 27-30 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'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 31 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 32-71 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 72-150 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 2011?" 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 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 2011 compared to 2010.

*Table 1 Net Assets*

|  | Governmental<br>Activities |                     | Business-Type<br>Activities |                     | Total                |                     |
|--|----------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|
|  | 2011                       | 2010 Restated       | 2011                        | 2010 Restated       | 2011                 | 2010 Restated       |
| <b>Assets</b>                                      |                            |                     |                             |                     |                      |                     |
| Current and Other Assets                           | \$46,239,493               | \$42,565,030        | \$16,018,876                | \$14,503,800        | \$62,258,369         | \$57,068,830        |
| Capital Assets, Net                                | 68,643,190                 | 65,858,943          | 81,715,024                  | 81,983,649          | 150,358,214          | 147,842,592         |
| <i>Total Assets</i>                                | <u>114,882,683</u>         | <u>108,423,973</u>  | <u>97,733,900</u>           | <u>96,487,449</u>   | <u>212,616,583</u>   | <u>204,911,422</u>  |
| <b>Liabilities</b>                                 |                            |                     |                             |                     |                      |                     |
| Current Liabilities                                | 15,227,224                 | 14,982,326          | 3,016,971                   | 3,377,896           | 18,244,195           | 18,360,222          |
| Long Term Liabilities                              |                            |                     |                             |                     |                      |                     |
| Due within One Year                                | 6,404,596                  | 6,357,575           | 2,714,609                   | 3,177,642           | 9,119,205            | 9,535,217           |
| Due in More than one Year                          | 40,689,442                 | 41,016,466          | 35,581,101                  | 36,129,677          | 76,270,543           | 77,146,143          |
| <i>Total Liabilities</i>                           | <u>62,321,262</u>          | <u>62,356,367</u>   | <u>41,312,681</u>           | <u>42,685,215</u>   | <u>103,633,943</u>   | <u>105,041,582</u>  |
| <b>Net Assets</b>                                  |                            |                     |                             |                     |                      |                     |
| Invested in Capital Assets,<br>Net of Related Debt | 32,219,436                 | 29,616,097          | 43,819,639                  | 43,114,193          | 76,039,075           | 72,730,290          |
| Restricted for:                                    |                            |                     |                             |                     |                      |                     |
| Capital Projects                                   | 737,334                    | 948,539             | 0                           | 0                   | 737,334              | 948,539             |
| Debt Service                                       | 879,576                    | 1,015,271           | 1,090,028                   | 1,328,713           | 1,969,604            | 2,343,984           |
| Replacement and Improvement                        | 0                          | 0                   | 195,493                     | 195,474             | 195,493              | 195,474             |
| Other Purposes                                     | 5,130,754                  | 5,985,448           | 0                           | 0                   | 5,130,754            | 5,985,448           |
| Unrestricted                                       | 13,594,321                 | 8,502,251           | 11,316,059                  | 9,163,854           | 24,910,380           | 17,666,105          |
| <i>Total Net Assets</i>                            | <u>\$52,561,421</u>        | <u>\$46,067,606</u> | <u>\$56,421,219</u>         | <u>\$53,802,234</u> | <u>\$108,982,640</u> | <u>\$99,869,840</u> |

As noted earlier, net assets serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$108,982,640 at the close of 2011.

The largest portion of the City's net assets (70 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 \$7,705,161 from 2010 to 2011, while the City's total liabilities decreased by \$1,407,639. Total net assets increased \$9,112,800 with governmental net assets comprising \$6,493,815 and business-type activities comprising \$2,618,985 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 2011 compared to 2010.

*Table 2 Changes in Net Assets*

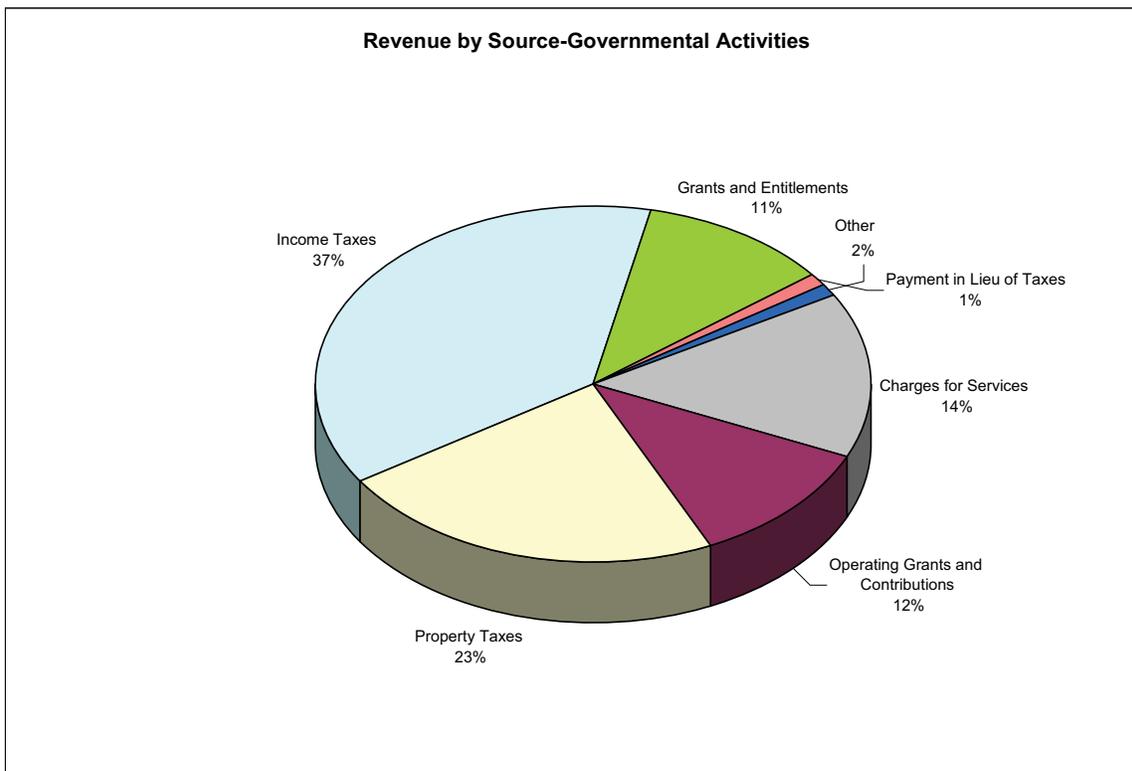
|   | Governmental<br>Activities |                     | Business-Type<br>Activities |                     | Total                |                     |
|---|----------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|
|   | 2011                       | 2010                | 2011                        | 2010                | 2011                 | 2010                |
| <b>Revenues</b>                         |                            |                     |                             |                     |                      |                     |
| Program Revenues:                       |                            |                     |                             |                     |                      |                     |
| Charges for Services                    | \$7,486,105                | \$7,200,114         | \$18,057,084                | \$17,915,429        | \$25,543,189         | \$25,115,543        |
| Operating Grants and Contributions      | 6,331,323                  | 8,042,302           | 246,194                     | 283,595             | 6,577,517            | 8,325,897           |
| Capital Grants and Contributions        | 0                          | 0                   | 106,096                     | 0                   | 106,096              | 0                   |
| Total Program Revenues                  | <u>13,817,428</u>          | <u>15,242,416</u>   | <u>18,409,374</u>           | <u>18,199,024</u>   | <u>32,226,802</u>    | <u>33,441,440</u>   |
| General Revenues:                       |                            |                     |                             |                     |                      |                     |
| Property Taxes                          | 11,974,497                 | 12,250,984          | 1,556,497                   | 1,590,695           | 13,530,994           | 13,841,679          |
| Payment in Lieu of Taxes                | 355,641                    | 341,399             | 0                           | 0                   | 355,641              | 341,399             |
| Income Taxes                            | 19,474,728                 | 19,686,732          | 0                           | 0                   | 19,474,728           | 19,686,732          |
| Grants and Entitlements                 | 5,997,696                  | 6,727,090           | 0                           | 0                   | 5,997,696            | 6,727,090           |
| Investment Income                       | 8,792                      | 68,060              | 2,474                       | 16,338              | 11,266               | 84,398              |
| Proceeds from Sale of Capital Assets    | 25,308                     | 0                   | 0                           | 0                   | 25,308               | 0                   |
| Miscellaneous                           | 713,582                    | 436,670             | 162,210                     | 78,032              | 875,792              | 514,702             |
| Total General Revenues                  | <u>38,550,244</u>          | <u>39,510,935</u>   | <u>1,721,181</u>            | <u>1,685,065</u>    | <u>40,271,425</u>    | <u>41,196,000</u>   |
| Total Revenues                          | <u>52,367,672</u>          | <u>54,753,351</u>   | <u>20,130,555</u>           | <u>19,884,089</u>   | <u>72,498,227</u>    | <u>74,637,440</u>   |
| <b>Expenses</b>                         |                            |                     |                             |                     |                      |                     |
| General Government                      | 7,529,571                  | 8,423,969           | 0                           | 0                   | 7,529,571            | 8,423,969           |
| Security of Persons and Property        |                            |                     |                             |                     |                      |                     |
| Police                                  | 11,617,633                 | 12,272,317          | 0                           | 0                   | 11,617,633           | 12,272,317          |
| Fire                                    | 9,426,271                  | 9,526,516           | 0                           | 0                   | 9,426,271            | 9,526,516           |
| Public Health Services                  | 2,136,807                  | 2,383,427           | 0                           | 0                   | 2,136,807            | 2,383,427           |
| Transportation                          | 1,948,825                  | 3,092,325           | 0                           | 0                   | 1,948,825            | 3,092,325           |
| Community Environment                   | 5,804,830                  | 6,819,791           | 0                           | 0                   | 5,804,830            | 6,819,791           |
| Basic Utility Services                  | 3,393,665                  | 3,472,641           | 0                           | 0                   | 3,393,665            | 3,472,641           |
| Leisure Time Activities                 | 3,222,378                  | 1,831,789           | 0                           | 0                   | 3,222,378            | 1,831,789           |
| Interest and Fiscal Charges             | 1,835,631                  | 1,788,103           | 0                           | 0                   | 1,835,631            | 1,788,103           |
| Water                                   | 0                          | 0                   | 9,652,083                   | 9,665,155           | 9,652,083            | 9,665,155           |
| Sewer                                   | 0                          | 0                   | 5,896,702                   | 6,012,674           | 5,896,702            | 6,012,674           |
| Parking Facilities                      | 0                          | 0                   | 349,501                     | 386,946             | 349,501              | 386,946             |
| Winterhurst Ice Rink                    | 0                          | 0                   | 571,530                     | 736,397             | 571,530              | 736,397             |
| Total Expenses                          | <u>46,915,611</u>          | <u>49,610,878</u>   | <u>16,469,816</u>           | <u>16,801,172</u>   | <u>63,385,427</u>    | <u>66,412,050</u>   |
| Increase in Net Assets before Transfers | 5,452,061                  | 5,142,473           | 3,660,739                   | 3,082,917           | 9,112,800            | 8,225,390           |
| Transfers                               | 1,041,754                  | 1,073,981           | (1,041,754)                 | (1,073,981)         | 0                    | 0                   |
| Restatement                             | 0                          | 125,961             | 0                           | (52,500)            | 0                    | 73,461              |
| Increase in Net Assets                  | <u>6,493,815</u>           | <u>6,342,415</u>    | <u>2,618,985</u>            | <u>1,956,436</u>    | <u>9,112,800</u>     | <u>8,298,851</u>    |
| Net Assets Beginning of Year            | <u>46,067,606</u>          | <u>39,725,191</u>   | <u>53,802,234</u>           | <u>51,845,798</u>   | <u>99,869,840</u>    | <u>91,570,989</u>   |
| Net Assets End of Year                  | <u>\$52,561,421</u>        | <u>\$46,067,606</u> | <u>\$56,421,219</u>         | <u>\$53,802,234</u> | <u>\$108,982,640</u> | <u>\$99,869,840</u> |

## Governmental Activities

Several types of revenues fund the City's governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent in 2011. Both residents and non-residents who work inside the City are subject to the income tax.

However, residents of the City are granted a 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 2011 was \$19,474,728. Of the \$52,367,672 in total governmental revenues, income tax accounts for 37 percent of that total. Property taxes and payment in lieu of taxes of \$12,330,138 account for 24 percent of total revenues. Operating grants and contributions, and general revenues from grants and entitlements account for 23 percent of total revenues, and charges for services, investment income and other revenue make up the remaining 16 percent.

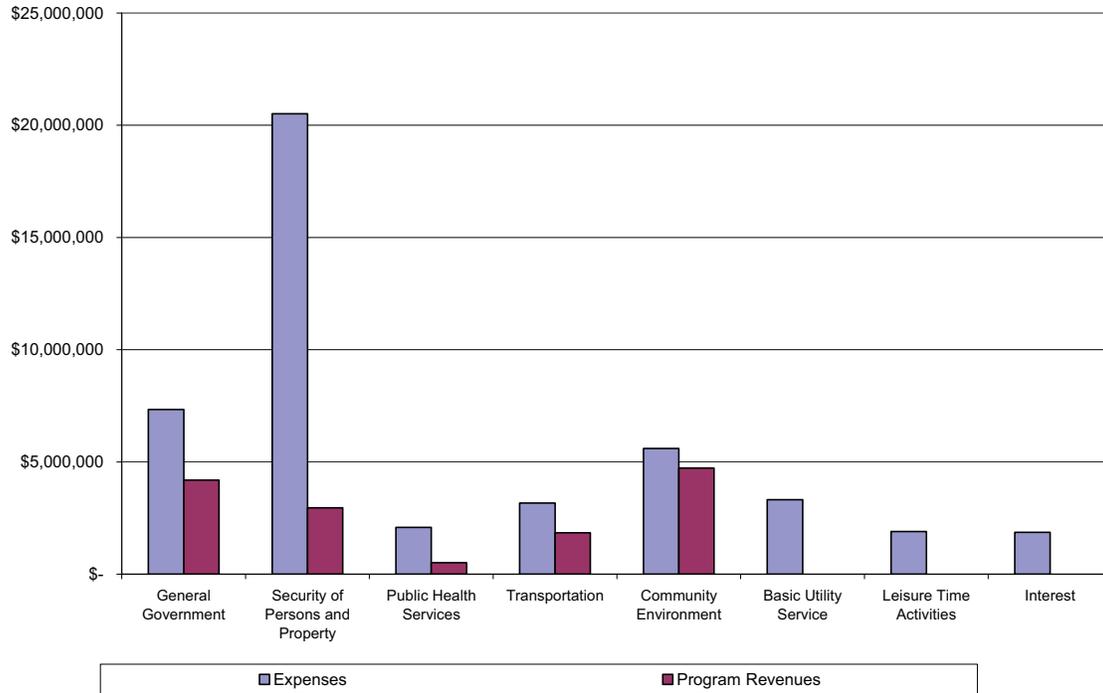
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.



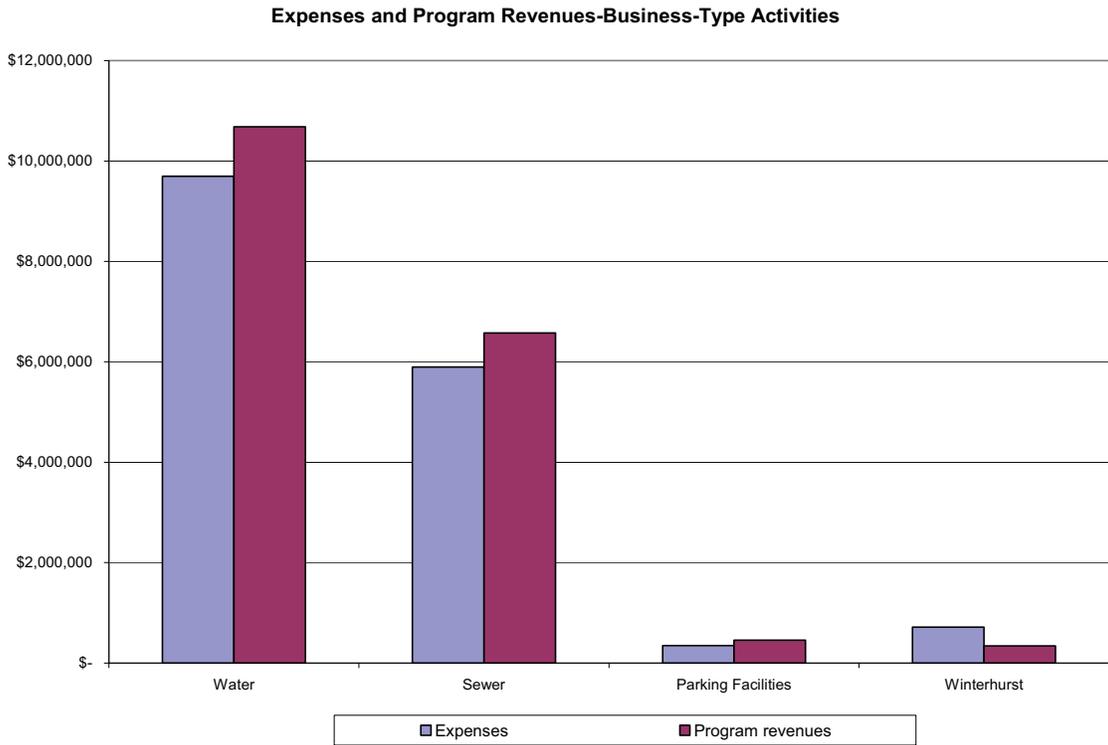
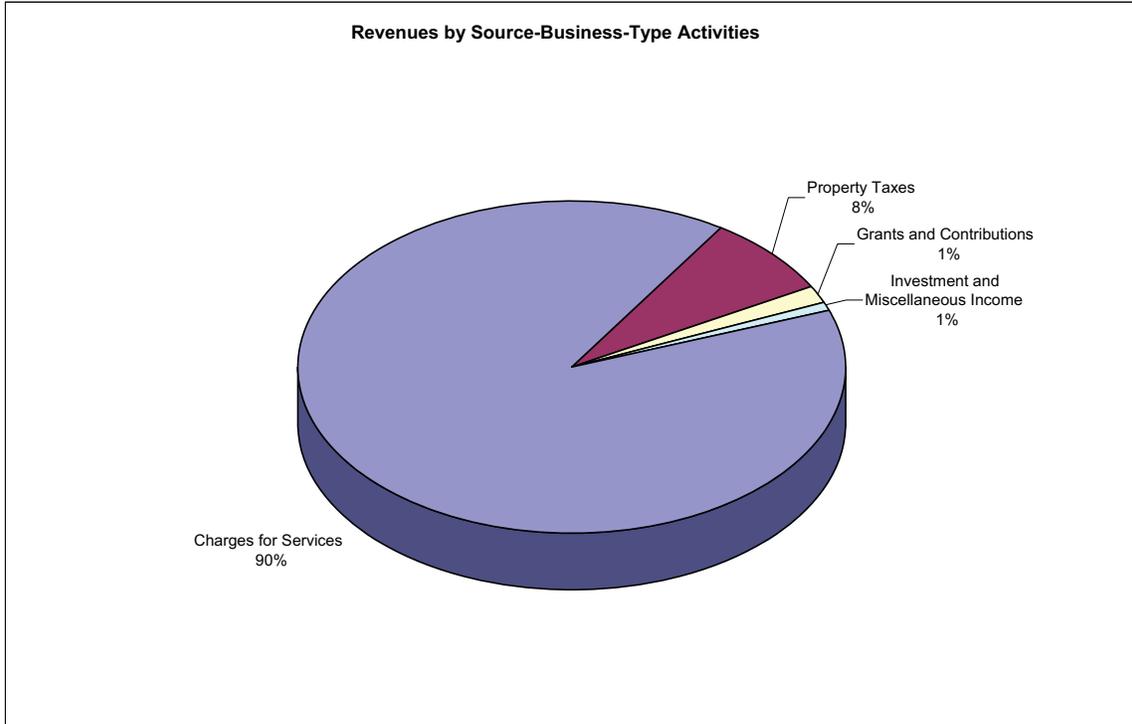
During the year the City realized a change in several revenue sources. Investment income decreased due to lower interest rates available for investment purposes. Governmental operating grants and contributions decreased \$1,710,979 due to decreased collections of grants and entitlements, which was due to monies received from the American Recovery and Reinvestment Act (ARRA) that were not received during 2011. Property taxes decreased \$276,487 due to the revaluation of property values by the County Fiscal Officer.

Total expenses of governmental activities for 2011 were \$46,915,611. 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 \$21,043,904, which is 45 percent of the program expenses for governmental activities. General Government is the next largest program expense at 16 percent, followed by Community Environment expenses of 12 percent.

**Expenses and Program Revenues-Governmental Activities**



**Business-Type activities.** Business-type activities increased the City’s net assets by \$2,618,985. The increase is due primarily to increased charges for services from an increase in water and sewer rates, and an increase in capital grants and contributions. Total expenses of business-type activities were \$16,469,816, with the Water Department comprising 59 percent of that amount followed by the Sewer Department at 36 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, unassigned fund balance serves 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, 2011, the City's governmental funds reported combined ending fund balances of \$15,760,879 a \$1,460,726 increase from 2010. Of that amount, \$7,136,959 constitutes unassigned fund balances, which are available for spending at the government's discretion. The remainder of fund balance is classified as nonspendable, restricted, committed or assigned to indicate that it is not available for new spending and will be used for loans and to liquidate contracts and purchases of the prior period.

The General Fund had total revenues of \$36,182,580 and expenditures of \$34,478,177 leaving an increase in fund balance after other financing sources and uses of \$2,338,162. This increase is primarily due to lower expenditures as the result of cost cutting measures implemented.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$7,168,275, while the total fund balance reached \$8,902,970. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 21 percent of total General Fund expenditures, while total fund balance represents 26 percent of that same amount.

The Police and Fire Pension Fund had total revenues of \$2,972,005 and expenditures of \$2,739,800 with a net change in fund balance after other financing sources and uses of (\$198,795). The decrease is due to a reduction in property tax collections and an increase in expenditures.

The Community Development Block Grant Fund had total revenues of \$1,991,010 and expenditures of \$2,162,706 with a net change in fund balance of (\$171,696). The decrease was due to a reduction in allocations from Housing and Urban Development.

The Debt Service Fund had total revenues of \$3,207,686, expenditures of \$11,919,014, and a positive fund balance after other financing sources and uses of \$593,434. The fund balance decreased due to a reduction in property tax and homestead and rollback collections. The Debt Service Fund pays for the principal and interest payments on the City's general long-term debt.

## Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of all enterprise funds at the end of the year amounted to \$11,316,059. Other factors concerning the finances of these funds have already been addressed in the discussion of the City'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 2011, 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 legal level of budgetary control is at the object level (i.e. personnel costs). Adjustments to the budget can only be made within a department and then within each category. 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 and final budgeted revenues were \$35,986,325. Actual revenues were \$36,389,448. The main differences between budgeted and actual revenues are property taxes, income tax revenues, and intergovernmental revenue. Due to economic factors during the year, property taxes, income taxes, charges for services and fines and forfeitures increased in 2011. Original General Fund budgeted expenditures were \$35,849,462 and the final amended budget was \$34,829,621. Actual General Fund expenditures were \$33,960,294 or \$869,327 less than budgeted due to operating expenditures less than originally estimated in all programs of the General Fund. The City's ending unencumbered cash balance in the General Fund of \$4,325,078 was \$1,126,046 above the final budgeted amount of \$3,199,032.

## Capital Assets and Debt Administration

Table 3 Capital Assets (net of depreciation)

|                            | Governmental<br>Activities |                     | Business-Type<br>Activities |                     | Total                |                      |
|----------------------------|----------------------------|---------------------|-----------------------------|---------------------|----------------------|----------------------|
|                            | 2011                       | 2010                | 2011                        | 2010                | 2011                 | 2010                 |
| Land                       | \$6,139,702                | \$6,139,702         | \$78,150                    | \$78,150            | \$6,217,852          | \$6,217,852          |
| Construction in Progress   | 3,019,337                  | 2,278,670           | 1,487,342                   | 1,544,762           | 4,506,679            | 3,823,432            |
| Land Improvements          | 2,442,122                  | 2,520,246           | 1,407,961                   | 1,468,204           | 3,850,083            | 3,988,450            |
| Buildings and Improvements | 10,645,439                 | 9,578,399           | 11,820,827                  | 12,082,626          | 22,466,266           | 21,661,025           |
| Furniture and Equipment    | 1,872,598                  | 1,900,931           | 3,876,925                   | 3,508,268           | 5,749,523            | 5,409,199            |
| Vehicles                   | 6,683,089                  | 6,757,180           | 1,232,722                   | 1,097,960           | 7,915,811            | 7,855,140            |
| Infrastructure:            |                            |                     |                             |                     |                      |                      |
| Roads                      | 33,139,948                 | 31,947,511          | 0                           | 0                   | 33,139,948           | 31,947,511           |
| Traffic Signals            | 1,657,419                  | 1,757,694           | 0                           | 0                   | 1,657,419            | 1,757,694            |
| Sidewalks                  | 2,112,223                  | 2,034,339           | 0                           | 0                   | 2,112,223            | 2,034,339            |
| Curbing                    | 931,313                    | 944,271             | 0                           | 0                   | 931,313              | 944,271              |
| Water Lines                | 0                          | 0                   | 38,324,049                  | 38,302,949          | 38,324,049           | 38,302,949           |
| Sewer Lines                | 0                          | 0                   | 23,487,048                  | 23,900,730          | 23,487,048           | 23,900,730           |
| Total Capital Assets       | <u>\$68,643,190</u>        | <u>\$65,858,943</u> | <u>\$81,715,024</u>         | <u>\$81,983,649</u> | <u>\$150,358,214</u> | <u>\$147,842,592</u> |

## Capital Assets

The City of Lakewood's Investment in Capital Assets for its governmental and business type activities as of December 31, 2011, amounts to \$150,358,214 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, roads, traffic signals, sidewalks, curbing, water lines, and sewer lines. The total increase in the City's capital assets for the current fiscal year was \$2,515,622, a \$2,784,247 increase for governmental activities and a (\$268,625) decrease for business-type activities. The most significant increase in capital assets came in the construction in progress of roadways in the governmental activities.

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

## Long Term Obligations

As of December 31, 2011, the City had \$85,389,748 in bonds, notes, loans, capital leases, claims payable and compensated absences outstanding. Of this amount, \$9,119,205 is 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<br>Activities |              | Business-Type<br>Activities |              | Total        |              |
|--------------------------|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
|                          | 2011                       | 2010         | 2011                        | 2010         | 2011         | 2010         |
| General Obligation Notes | \$1,948,000                | \$7,771,000  | \$0                         | \$0          | \$1,948,000  | \$7,771,000  |
| General Obligation Bonds | 32,266,849                 | 27,304,917   | 8,224,427                   | 9,222,488    | 40,491,276   | 36,527,405   |
| Revenue Bonds            | 0                          | 0            | 23,304,460                  | 24,610,322   | 23,304,460   | 24,610,322   |
| OPWC Loans               | 215,600                    | 246,400      | 3,438,754                   | 3,786,469    | 3,654,354    | 4,032,869    |
| OWDA Loans               | 0                          | 0            | 48,108                      | 78,513       | 48,108       | 78,513       |
| Capital Leases           | 6,122,214                  | 5,574,518    | 2,879,636                   | 1,224,164    | 9,001,850    | 6,798,682    |
| Claims Payable           | 778,258                    | 861,927      | 0                           | 0            | 778,258      | 861,927      |
| Compensated Absences     | 5,763,117                  | 5,615,278    | 400,325                     | 385,360      | 6,163,442    | 6,000,638    |
| Total                    | \$47,094,038               | \$47,374,040 | \$38,295,710                | \$39,307,316 | \$85,389,748 | \$86,681,356 |

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

Revenue Bonds outstanding are payable from the revenues derived from the Water and Sewer funds.

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 Sewer Fund.

The City's overall legal debt margin was \$61,734,085 at December 31, 2011.

See Note 12 of the Basic Financial Statements for additional information on the City's debt.

### **Current Financial Related Activities**

The City's elected and appointed officials have made it a priority to submit and pass a "structurally" balanced General Fund budget since 2008. This reverses the decades-long trend of using the year-end fund balance to make up the projected expenditures versus revenue gap. This has been done by reducing expenditures namely through the reduction of nearly 200 full and part-time positions throughout all City divisions beginning in 2008, as well as through scaling back benefits and salary increases for non-union employees and as negotiated with all of the City's seven collective bargaining units.

In 2011, the City updated its Financial Policies and Guidelines document. These financial policies guide the City through everyday fiscal matters, and in short and long-term budgetary planning. They provide guidelines for evaluating both current activities and proposals for future programs. The document was developed by the City administration and the Audit Committee, and then reviewed and approved by City Council on November 8, 2010.

The City has committed itself to financial excellence, which is proven with the Aa2 bond rating by Moody's Investor Service, as well as being a recipient of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the past 29 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](mailto:jennifer.pae@lakewoodoh.net), or visit the City's website at [www.onelakewood.com](http://www.onelakewood.com).

# **Basic Financial Statements**

**City of Lakewood, Ohio**

*Statement of Net Assets*

December 31, 2011

|  | Governmental<br>Activities | Business - Type<br>Activities | Total                |
|--|----------------------------|-------------------------------|----------------------|
| <b>Assets</b>                                    |                            |                               |                      |
| Equity in Pooled Cash and Cash Equivalents       | \$13,005,084               | \$7,306,930                   | \$20,312,014         |
| Cash and Cash Equivalents in Segregated Accounts | 528,468                    | 25,654                        | 554,122              |
| Cash and Cash Equivalents with Fiscal Agents     | 778,594                    | 1,682,763                     | 2,461,357            |
| Cash and Cash Equivalents Held by Trustee        | 0                          | 1,170,164                     | 1,170,164            |
| Accounts Receivable                              | 811,054                    | 3,351,901                     | 4,162,955            |
| Allowance for Doubtful Accounts                  | 0                          | (70,600)                      | (70,600)             |
| Intergovernmental Receivable                     | 3,935,113                  | 104,644                       | 4,039,757            |
| Materials and Supplies Inventory                 | 568,467                    | 437,850                       | 1,006,317            |
| Prepaid Items                                    | 233,740                    | 0                             | 233,740              |
| Income Taxes Receivable                          | 10,897,017                 | 0                             | 10,897,017           |
| Property Taxes Receivable                        | 12,044,939                 | 1,565,030                     | 13,609,969           |
| Assets Held for Resale                           | 166,029                    | 0                             | 166,029              |
| Loans Receivable                                 | 1,831,512                  | 0                             | 1,831,512            |
| Special Assessments Receivable                   | 170,845                    | 0                             | 170,845              |
| Payments in Lieu of Taxes Receivable             | 428,409                    | 0                             | 428,409              |
| Internal Balances                                | 154,855                    | (154,855)                     | 0                    |
| Deferred Charges                                 | 685,367                    | 599,395                       | 1,284,762            |
| Nondepreciable Capital Assets                    | 9,159,039                  | 1,565,492                     | 10,724,531           |
| Depreciable Capital Assets, Net                  | 59,484,151                 | 80,149,532                    | 139,633,683          |
| <i>Total Assets</i>                              | <u>114,882,683</u>         | <u>97,733,900</u>             | <u>212,616,583</u>   |
| <b>Liabilities</b>                               |                            |                               |                      |
| Accounts Payable                                 | 658,012                    | 978,440                       | 1,636,452            |
| Retainage Payable                                | 42,113                     | 25,654                        | 67,767               |
| Accrued Wages and Benefits                       | 1,055,046                  | 103,714                       | 1,158,760            |
| Intergovernmental Payable                        | 1,146,868                  | 48,469                        | 1,195,337            |
| Matured Compensated Absences Payable             | 69,952                     | 1,167                         | 71,119               |
| Deferred Revenue                                 | 12,093,632                 | 1,724,170                     | 13,817,802           |
| Accrued Interest Payable                         | 161,601                    | 135,357                       | 296,958              |
| Long-Term Liabilities:                           |                            |                               |                      |
| Due Within One Year                              | 6,404,596                  | 2,714,609                     | 9,119,205            |
| Due in More than One Year                        | 40,689,442                 | 35,581,101                    | 76,270,543           |
| <i>Total Liabilities</i>                         | <u>62,321,262</u>          | <u>41,312,681</u>             | <u>103,633,943</u>   |
| <b>Net Assets</b>                                |                            |                               |                      |
| Invested in Capital Assets, Net of Related Debt  | 32,219,436                 | 43,819,639                    | 76,039,075           |
| Restricted for:                                  |                            |                               |                      |
| Capital Projects                                 | 737,334                    | 0                             | 737,334              |
| Debt Service                                     | 879,576                    | 1,090,028                     | 1,969,604            |
| Replacement and Improvement                      | 0                          | 195,493                       | 195,493              |
| Street and Highway                               | 775,551                    | 0                             | 775,551              |
| Community Development                            | 1,625,289                  | 0                             | 1,625,289            |
| Indigent Drivers Alcohol Treatment               | 144,883                    | 0                             | 144,883              |
| Other Purposes                                   | 2,585,031                  | 0                             | 2,585,031            |
| Unrestricted                                     | 13,594,321                 | 11,316,059                    | 24,910,380           |
| <i>Total Net Assets</i>                          | <u>\$52,561,421</u>        | <u>\$56,421,219</u>           | <u>\$108,982,640</u> |

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2011

|                                       | Expenses            | Program Revenues  |  |  |
|---------------------------------------|---------------------|---|--|--|
|                                       |                     | Charges<br>For Services<br>and Operating<br>Assessments | Operating<br>Grants and<br>Contributions | Capital Grants,<br>Contributions,<br>and Assessments |
| <b>Governmental Activities</b>        |                     |   |  |  |
| General Government                    | \$7,529,571         | \$3,024,201   | \$765,886                                | \$0  |
| Security of Persons and Property      |                     |   |  |  |
| Police                                | 11,617,633          | 257,705   | 432,224                                  | 0  |
| Fire                                  | 9,426,271           | 2,263,974   | 900                                      | 0  |
| Public Health Services                | 2,136,807           | 293,641   | 217,458                                  | 0  |
| Transportation                        | 1,948,825           | 4,360   | 1,833,219                                | 0  |
| Community Environment                 | 5,804,830           | 1,642,224   | 3,081,636                                | 0  |
| Basic Utility Services                | 3,393,665           | 0   | 0  | 0  |
| Leisure Time Activities               | 3,222,378           | 0   | 0  | 0  |
| Interest and Fiscal Charges           | 1,835,631           | 0   | 0  | 0  |
| <i>Total Governmental Activities</i>  | <u>46,915,611</u>   | <u>7,486,105</u>  | <u>6,331,323</u>                         | <u>0</u>   |
| <b>Business-Type Activities</b>       |                     |   |  |  |
| Water                                 | 9,652,083           | 10,683,491  | 0  | 80,560   |
| Sewer                                 | 5,896,702           | 6,573,925   | 246,194                                  | 25,536   |
| Parking Facilities                    | 349,501             | 456,607   | 0  | 0  |
| Winterhurst Ice Rink                  | 571,530             | 343,061   | 0  | 0  |
| <i>Total Business-Type Activities</i> | <u>16,469,816</u>   | <u>18,057,084</u>                                       | <u>246,194</u>                           | <u>106,096</u>                                       |
| <i>Totals</i>                         | <u>\$63,385,427</u> | <u>\$25,543,189</u>                                     | <u>\$6,577,517</u>                       | <u>\$106,096</u>                                     |

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Police and Fire Pension

    Debt Purposes

    Sewer Purposes

Payment in Lieu of Taxes

Municipal Income Taxes Levied for

    General Purposes

Grants and Entitlements not Restricted to  
    Specific Programs

Investment Earnings

Gain from Sale of Capital Assets

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<br>Activities | Business-Type<br>Activities | Total                |
|----------------------------|-----------------------------|----------------------|
| (\$3,739,484)              | \$0                         | (\$3,739,484)        |
| (10,927,704)               | 0                           | (10,927,704)         |
| (7,161,397)                | 0                           | (7,161,397)          |
| (1,625,708)                | 0                           | (1,625,708)          |
| (111,246)                  | 0                           | (111,246)            |
| (1,080,970)                | 0                           | (1,080,970)          |
| (3,393,665)                | 0                           | (3,393,665)          |
| (3,222,378)                | 0                           | (3,222,378)          |
| (1,835,631)                | 0                           | (1,835,631)          |
| <u>(33,098,183)</u>        | <u>0</u>                    | <u>(33,098,183)</u>  |
| 0                          | 1,111,968                   | 1,111,968            |
| 0                          | 948,953                     | 948,953              |
| 0                          | 107,106                     | 107,106              |
| <u>0</u>                   | <u>(228,469)</u>            | <u>(228,469)</u>     |
| <u>0</u>                   | <u>1,939,558</u>            | <u>1,939,558</u>     |
| <u>(33,098,183)</u>        | <u>1,939,558</u>            | <u>(31,158,625)</u>  |
| 6,581,357                  | 0                           | 6,581,357            |
| 2,608,762                  | 0                           | 2,608,762            |
| 2,784,378                  | 0                           | 2,784,378            |
| 0                          | 1,556,497                   | 1,556,497            |
| 355,641                    | 0                           | 355,641              |
| 19,474,728                 | 0                           | 19,474,728           |
| 5,997,696                  | 0                           | 5,997,696            |
| 8,792                      | 2,474                       | 11,266               |
| 25,308                     | 0                           | 25,308               |
| 713,582                    | 162,210                     | 875,792              |
| <u>38,550,244</u>          | <u>1,721,181</u>            | <u>40,271,425</u>    |
| <u>1,041,754</u>           | <u>(1,041,754)</u>          | <u>0</u>             |
| <u>39,591,998</u>          | <u>679,427</u>              | <u>40,271,425</u>    |
| 6,493,815                  | 2,618,985                   | 9,112,800            |
| <u>46,067,606</u>          | <u>53,802,234</u>           | <u>99,869,840</u>    |
| <u>\$52,561,421</u>        | <u>\$56,421,219</u>         | <u>\$108,982,640</u> |

**City of Lakewood, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2011*

|  | General Fund        | Police and Fire<br>Pension Fund | Community<br>Development<br>Block Grant<br>Fund | Debt Service<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|---------------------------------|---|----------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                              |                     |                                 |   |                      |                                |                                |
| Equity in Pooled Cash and Cash Equivalents | \$5,428,139         | \$1,801,497                     | \$68,153  | \$593,434            | \$2,615,135                    | \$10,506,358                   |
| Cash and Cash Equivalents:                 |                     |                                 |   |                      |                                |                                |
| In Segregated Accounts                     | 245,236             | 0                               | 4,935   | 0                    | 278,297                        | 528,468                        |
| With Fiscal Agents                         | 778,594             | 0                               | 0   | 0                    | 0                              | 778,594                        |
| Accounts Receivable                        | 299,119             | 0                               | 0   | 0                    | 511,935                        | 811,054                        |
| Intergovernmental Receivable               | 2,660,243           | 171,616                         | 68,881  | 181,557              | 852,816                        | 3,935,113                      |
| Materials and Supplies Inventory           | 399,665             | 0                               | 0   | 0                    | 168,802                        | 568,467                        |
| Prepaid Items                              | 231,969             | 0                               | 1,771   | 0                    | 0                              | 233,740                        |
| Income Taxes Receivable                    | 10,897,017          | 0                               | 0   | 0                    | 0                              | 10,897,017                     |
| Property Taxes Receivable                  | 6,755,627           | 2,566,468                       | 0   | 2,722,844            | 0                              | 12,044,939                     |
| Assets Held for Resale                     | 0                   | 0                               | 51,390  | 0                    | 114,639                        | 166,029                        |
| Loans Receivable                           | 0                   | 0                               | 1,831,512                                       | 0                    | 0                              | 1,831,512                      |
| Special Assessments Receivable             | 32,862              | 0                               | 0   | 0                    | 137,983                        | 170,845                        |
| Payments in Lieu of Taxes Receivable       | 0                   | 0                               | 0   | 0                    | 428,409                        | 428,409                        |
| Interfund Receivable                       | 373,000             | 0                               | 0   | 0                    | 0                              | 373,000                        |
| <i>Total Assets</i>                        | <u>\$28,101,471</u> | <u>\$4,539,581</u>              | <u>\$2,026,642</u>                              | <u>\$3,497,835</u>   | <u>\$5,108,016</u>             | <u>\$43,273,545</u>            |
| <b>Liabilities and Fund Balances</b>       |                     |                                 |   |                      |                                |                                |
| <b>Liabilities</b>                         |                     |                                 |   |                      |                                |                                |
| Accounts Payable                           | \$335,636           | \$0                             | \$49,237  | \$0                  | \$214,130                      | \$599,003                      |
| Retainage Payable                          | 0                   | 0                               | 4,935   | 0                    | 37,178                         | 42,113                         |
| Accrued Wages and Benefits                 | 909,255             | 0                               | 13,826  | 0                    | 131,965                        | 1,055,046                      |
| Intergovernmental Payable                  | 179,479             | 736,889                         | 7,372   | 0                    | 54,413                         | 978,153                        |
| Material Compensated Absences Payable      | 63,591              | 0                               | 0   | 0                    | 6,361                          | 69,952                         |
| Deferred Revenue                           | 17,388,789          | 2,738,084                       | 0   | 2,904,401            | 1,084,762                      | 24,116,036                     |
| Interfund Payable                          | 321,751             | 0                               | 248,823   | 0                    | 81,789                         | 652,363                        |
| <i>Total Liabilities</i>                   | <u>19,198,501</u>   | <u>3,474,973</u>                | <u>324,193</u>                                  | <u>2,904,401</u>     | <u>1,610,598</u>               | <u>27,512,666</u>              |
| <b>Fund Balances</b>                       |                     |                                 |   |                      |                                |                                |
| Nonspendable                               | 631,634             | 0                               | 1,771   | 0                    | 168,802                        | 802,207                        |
| Restricted                                 | 0                   | 1,064,608                       | 1,700,678                                       | 593,434              | 2,506,518                      | 5,865,238                      |
| Committed                                  | 0                   | 0                               | 0   | 0                    | 853,414                        | 853,414                        |
| Assigned                                   | 1,103,061           | 0                               | 0   | 0                    | 0                              | 1,103,061                      |
| Unassigned (Deficit)                       | 7,168,275           | 0                               | 0   | 0                    | (31,316)                       | 7,136,959                      |
| <i>Total Fund Balances</i>                 | <u>8,902,970</u>    | <u>1,064,608</u>                | <u>1,702,449</u>                                | <u>593,434</u>       | <u>3,497,418</u>               | <u>15,760,879</u>              |
| <i>Total Liabilities and Fund Balances</i> | <u>\$28,101,471</u> | <u>\$4,539,581</u>              | <u>\$2,026,642</u>                              | <u>\$3,497,835</u>   | <u>\$5,108,016</u>             | <u>\$43,273,545</u>            |

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2011*

---

**Total Governmental Fund Balances** \$15,760,879

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

Capital assets used in governmental activities are not financial resources and therefore  
 are not reported in the funds: 68,643,190

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

|                           |           |            |
|---------------------------|-----------|------------|
| Property Taxes            | 500,356   |            |
| Municipal Income Taxes    | 8,671,310 |            |
| Intergovernmental         | 2,800,533 |            |
| Payments in Lieu of Taxes | 50,205    |            |
| Total                     |           | 12,022,404 |

Two 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.

|                |           |           |
|----------------|-----------|-----------|
| Net Assets     | 1,926,962 |           |
| Claims Payable | 778,258   |           |
| Total          |           | 2,705,220 |

In the statement of activities, interest is accrued on the outstanding bonds, where as  
 in governmental funds, an interest expenditure is reported when due. (161,601)

In the statement of activities, bond issuance costs are amortized over the term of the bonds,  
 whereas in the governmental funds, a bond issuance expenditures is reported when bonds  
 are issued 685,367

Long-term liabilities are not due and payable in the current period and therefore  
 are not reported in the funds.

|                              |              |              |
|------------------------------|--------------|--------------|
| Notes Payable                | (1,948,000)  |              |
| General Obligation Bonds     | (32,266,849) |              |
| OPWC Loans                   | (215,600)    |              |
| Capital Lease Payable        | (6,122,214)  |              |
| Compensated Absences Payable | (5,763,117)  |              |
| Claims Payable               | (778,258)    |              |
| Total                        |              | (47,094,038) |

*Net Assets of Governmental Activities* \$52,561,421

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2011*

|   | General Fund       | Police and Fire Pension Fund | Community Development Block Grant Fund | Debt Service Fund  | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|------------------------------|--|--------------------|--------------------------|--------------------------|
| <b>Revenues</b>                                     |                    |                              |  |                    |                          |                          |
| Property Taxes                                      | \$6,752,652        | \$2,566,474                  | \$0                                    | \$2,722,377        | \$0                      | \$12,041,503             |
| Payment in Lieu of Taxes                            | 0                  | 0                            | 0                                      | 0                  | 328,790                  | 328,790                  |
| Municipal Income Taxes                              | 18,766,179         | 0                            | 0                                      | 0                  | 0                        | 18,766,179               |
| Charges for Services                                | 1,467,359          | 0                            | 0                                      | 0                  | 2,569,285                | 4,036,644                |
| Licenses, Permits and Fees                          | 1,630,554          | 0                            | 0                                      | 0                  | 0                        | 1,630,554                |
| Fines and Forfeitures                               | 1,556,842          | 0                            | 0                                      | 0                  | 257,705                  | 1,814,547                |
| Intergovernmental                                   | 5,940,883          | 405,531                      | 1,991,010                              | 446,866            | 3,200,240                | 11,984,530               |
| Contributions and Donations                         | 0                  | 0                            | 0                                      | 0                  | 99,351                   | 99,351                   |
| Special Assessments                                 | 0                  | 0                            | 0                                      | 0                  | 4,360                    | 4,360                    |
| Interest  | 7,785              | 0                            | 0                                      | 1,001              | 6                        | 8,792                    |
| Miscellaneous                                       | 60,326             | 0                            | 0                                      | 37,442             | 627,494                  | 725,262                  |
| <i>Total Revenues</i>                               | <u>36,182,580</u>  | <u>2,972,005</u>             | <u>1,991,010</u>                       | <u>3,207,686</u>   | <u>7,087,231</u>         | <u>51,440,512</u>        |
| <b>Expenditures</b>                                 |                    |                              |  |                    |                          |                          |
| Current:  |                    |                              |  |                    |                          |                          |
| General Government                                  | 7,456,344          | 0                            | 0                                      | 807                | 234,804                  | 7,691,955                |
| Security of Persons and Property:                   |                    |                              |  |                    |                          |                          |
| Police  | 10,622,224         | 1,405,872                    | 0                                      | 0                  | 194,906                  | 12,223,002               |
| Fire  | 6,194,740          | 1,333,928                    | 0                                      | 0                  | 1,668,760                | 9,197,428                |
| Public Health Services                              | 589,405            | 0                            | 0                                      | 0                  | 1,679,174                | 2,268,579                |
| Transportation                                      | 0                  | 0                            | 0                                      | 0                  | 2,151,849                | 2,151,849                |
| Community Environment                               | 2,654,431          | 0                            | 2,162,706                              | 0                  | 1,267,697                | 6,084,834                |
| Basic Utility Services                              | 3,331,914          | 0                            | 0                                      | 0                  | 0                        | 3,331,914                |
| Leisure Time Activities                             | 1,732,556          | 0                            | 0                                      | 0                  | 0                        | 1,732,556                |
| Capital Outlay                                      | 711,538            | 0                            | 0                                      | 0                  | 2,311,271                | 3,022,809                |
| Debt Service:                                       |                    |                              |  |                    |                          |                          |
| Principal Retirement                                | 939,630            | 0                            | 0                                      | 10,547,118         | 200,000                  | 11,686,748               |
| Interest and Fiscal Charges                         | 245,395            | 0                            | 0                                      | 1,256,269          | 233,318                  | 1,734,982                |
| Bond Issuance Costs                                 | 0                  | 0                            | 0                                      | 114,820            | 0                        | 114,820                  |
| <i>Total Expenditures</i>                           | <u>34,478,177</u>  | <u>2,739,800</u>             | <u>2,162,706</u>                       | <u>11,919,014</u>  | <u>9,941,779</u>         | <u>61,241,476</u>        |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>1,704,403</u>   | <u>232,205</u>               | <u>(171,696)</u>                       | <u>(8,711,328)</u> | <u>(2,854,548)</u>       | <u>(9,800,964)</u>       |
| <b>Other Financing Sources (Uses)</b>               |                    |                              |  |                    |                          |                          |
| General Obligation Bonds Issued                     | 0                  | 0                            | 0                                      | 10,845,268         | 0                        | 10,845,268               |
| General Obligation Notes Issued                     | 0                  | 0                            | 0                                      | 0                  | 1,948,000                | 1,948,000                |
| Premium on General Obligation Bonds                 | 0                  | 0                            | 0                                      | 62,105             | 0                        | 62,105                   |
| Sale of Capital Assets                              | 0                  | 0                            | 0                                      | 0                  | 25,308                   | 25,308                   |
| Inception of Capital Lease                          | 1,487,326          | 0                            | 0                                      | 0                  | 0                        | 1,487,326                |
| Payment to Refunded Bond Escrow Agent               | 0                  | 0                            | 0                                      | (3,048,069)        | 0                        | (3,048,069)              |
| Transfers In  | 960,665            | 0                            | 0                                      | 1,103,073          | 714,230                  | 2,777,968                |
| Transfers Out                                       | (1,814,232)        | (431,000)                    | 0                                      | (439,784)          | (151,200)                | (2,836,216)              |
| <i>Total Other Financing Sources (Uses)</i>         | <u>633,759</u>     | <u>(431,000)</u>             | <u>0</u>                               | <u>8,522,593</u>   | <u>2,536,338</u>         | <u>11,261,690</u>        |
| <i>Net Change in Fund Balances</i>                  | <u>2,338,162</u>   | <u>(198,795)</u>             | <u>(171,696)</u>                       | <u>(188,735)</u>   | <u>(318,210)</u>         | <u>1,460,726</u>         |
| <i>Fund Balances Beginning of Year</i>              |                    |                              |  |                    |                          |                          |
| -Restated (See Note 3)                              | 6,564,808          | 1,263,403                    | 1,874,145                              | 782,169            | 3,815,628                | 14,300,153               |
| <i>Fund Balance End of Year</i>                     | <u>\$8,902,970</u> | <u>\$1,064,608</u>           | <u>\$1,702,449</u>                     | <u>\$593,434</u>   | <u>\$3,497,418</u>       | <u>\$15,760,879</u>      |

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2011*

---

**Net Change in Fund Balances - Total Government Funds** \$1,460,726

*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 Outlay | 5,035,394   |           |
| Depreciation   | (2,217,499) |           |
| Total          | 2,817,895   | 2,817,895 |

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. (33,648)

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

|                           |          |         |
|---------------------------|----------|---------|
| Property Taxes            | (67,006) |         |
| Income Taxes              | 708,549  |         |
| Intergovernmental         | 233,458  |         |
| Payments in Lieu of Taxes | 26,851   |         |
| Total                     | 901,852  | 901,852 |

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

|  |            |            |
|--|------------|------------|
| Principal Retirement                   | 11,686,748 |            |
| Payment to Refunding Bond Escrow Agent | 3,048,069  |            |
| Total                                  | 14,734,817 | 14,734,817 |

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

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Accrued Interest on Bonds           | 5,034     |           |
| Amortization of Bond Premium        | 35,016    |           |
| Amortization of Bond Issuance Costs | (57,737)  |           |
| Amortization of Loss on Refunding   | (82,962)  |           |
| Total                               | (100,649) | (100,649) |

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.

|                                 |              |              |
|---------------------------------|--------------|--------------|
| General Obligation Notes Issued | (1,948,000)  |              |
| General Obligation Bonds Issued | (10,845,268) |              |
| Premium on Bonds Issued         | (62,105)     |              |
| Inception of Capital Lease      | (1,487,326)  |              |
| Total                           | (14,342,699) | (14,342,699) |

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in the governmental funds a bond issuance expenditure is reported when bonds are issued. 114,820

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 in governmental funds. (147,839)

The internal service funds used by management to charge the costs of insurance to individual funds are 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 funds are allocated among the governmental activities. 1,088,540

*Change in Net Assets of Governmental Activities* \$6,493,815

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, 2011*

|   | <u>Budgeted Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|--------------------|--------------------|---|
|   | <u>Original</u>         | <u>Final</u>       | <u>Actual</u>      |   |
| <b>Revenues</b>                             |                         |                    |                    |   |
| Property Taxes                              | \$6,570,575             | \$6,570,575        | \$6,752,652        | \$182,077   |
| Municipal Income Taxes                      | 17,908,000              | 17,908,000         | 18,804,460         | 896,460   |
| Charges for Services                        | 1,309,775               | 1,309,775          | 1,329,385          | 19,610  |
| Licenses, Permits and Fees                  | 1,795,000               | 1,795,000          | 1,630,554          | (164,446)   |
| Fines and Forfeitures                       | 1,466,300               | 1,466,300          | 1,545,090          | 78,790  |
| Intergovernmental                           | 6,710,425               | 6,710,425          | 6,276,003          | (434,422)   |
| Interest                                    | 60,000                  | 60,000             | 7,785              | (52,215)  |
| Miscellaneous                               | 166,250                 | 166,250            | 43,519             | (122,731)   |
| <i>Total Revenues</i>                       | <u>35,986,325</u>       | <u>35,986,325</u>  | <u>36,389,448</u>  | <u>403,123</u>  |
| <b>Expenditures</b>                         |                         |                    |                    |   |
| <b>Current:</b>                             |                         |                    |                    |   |
| General Government                          | 9,155,149               | 8,936,720          | 8,663,393          | 273,327   |
| Security of Persons and Property            | 18,200,084              | 17,452,751         | 17,079,915         | 372,836   |
| Public Health Services                      | 769,742                 | 595,836            | 566,907            | 28,929  |
| Community Environment                       | 2,507,398               | 2,689,753          | 2,623,693          | 66,060  |
| Basic Utility Services                      | 3,459,273               | 3,371,802          | 3,295,075          | 76,727  |
| Leisure Time Activities                     | 1,757,816               | 1,782,759          | 1,731,311          | 51,448  |
| <i>Total Expenditures</i>                   | <u>35,849,462</u>       | <u>34,829,621</u>  | <u>33,960,294</u>  | <u>869,327</u>  |
| <i>Excess of Revenues Over Expenditures</i> | <u>136,863</u>          | <u>1,156,704</u>   | <u>2,429,154</u>   | <u>1,272,450</u>  |
| <b>Other Financing Sources (Uses)</b>       |                         |                    |                    |   |
| Transfers In                                | 150,000                 | 150,000            | 0                  | (150,000)   |
| Transfers Out                               | (1,202,958)             | (2,038,593)        | (2,038,592)        | 1   |
| Advance Out                                 | 0                       | (316,595)          | (313,000)          | 3,595   |
| <i>Total Other Financing Sources (Uses)</i> | <u>(1,052,958)</u>      | <u>(2,205,188)</u> | <u>(2,351,592)</u> | <u>(146,404)</u>  |
| <i>Net Change in Fund Balance</i>           | (916,095)               | (1,048,484)        | 77,562             | 1,126,046   |
| <i>Fund Balance Beginning of Year</i>       | 3,297,908               | 3,297,908          | 3,297,908          | 0   |
| <i>Prior Year Encumbrances Appropriated</i> | 949,608                 | 949,608            | 949,608            | 0   |
| <i>Fund Balance End of Year</i>             | <u>\$3,331,421</u>      | <u>\$3,199,032</u> | <u>\$4,325,078</u> | <u>\$1,126,046</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, 2011*

|   | <u>Budgeted Amounts</u>   |                           |                           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------------|---------------------------|---------------------------|---|
|   | <u>Original</u>           | <u>Final</u>              | <u>Actual</u>             |   |
| <b>Revenues</b>                             |                           |                           |                           |   |
| Property Taxes                              | \$2,485,996               | \$2,485,996               | \$2,566,474               | \$80,478  |
| Intergovernmental                           | 546,430                   | 546,430                   | 405,531                   | (140,899)   |
| <i>Total Revenues</i>                       | <u>3,032,426</u>          | <u>3,032,426</u>          | <u>2,972,005</u>          | <u>(60,421)</u>   |
| <b>Expenditures</b>                         |                           |                           |                           |   |
| <b>Current:</b>                             |                           |                           |                           |   |
| Security of Persons and Property            | <u>2,625,773</u>          | <u>2,625,000</u>          | <u>2,599,632</u>          | <u>25,368</u>   |
| <i>Excess of Revenues Over Expenditures</i> | 406,653                   | 407,426                   | 372,373                   | (35,053)  |
| <b>Other Financing Uses</b>                 |                           |                           |                           |   |
| Transfers Out                               | <u>(431,000)</u>          | <u>(431,000)</u>          | <u>(431,000)</u>          | <u>0</u>  |
| <i>Net Change in Fund Balance</i>           | (24,347)                  | (23,574)                  | (58,627)                  | (35,053)  |
| <i>Fund Balance Beginning of Year</i>       | <u>1,860,124</u>          | <u>1,860,124</u>          | <u>1,860,124</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>             | <u><u>\$1,835,777</u></u> | <u><u>\$1,836,550</u></u> | <u><u>\$1,801,497</u></u> | <u><u>(\$35,053)</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, 2011*

|   | <u>Budgeted Amounts</u> |                  |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|------------------|-----------------|---|
|   | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>   |   |
| <b>Revenues</b>   |                         |                  |                 |   |
| Intergovernmental                                       | \$2,936,435             | \$2,136,435      | \$2,072,006     | (\$64,429)  |
| <b>Expenditures</b>                                     |                         |                  |                 |   |
| <b>Current:</b>   |                         |                  |                 |   |
| Community Environment                                   | 2,767,673               | 2,193,063        | 2,158,437       | 34,626  |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 168,762                 | (56,628)         | (86,431)        | (29,803)  |
| <b>Other Financing Sources</b>                          |                         |                  |                 |   |
| Advances In   | 0                       | 241,000          | 241,000         | 0   |
| <i>Net Change in Fund Balance</i>                       | 168,762                 | 184,372          | 154,569         | (29,803)  |
| <i>Fund Deficit Beginning of Year</i>                   | (81,481)                | (81,481)         | (81,481)        | 0   |
| <i>Fund Balance End of Year</i>                         | <u>\$87,281</u>         | <u>\$102,891</u> | <u>\$73,088</u> | <u>(\$29,803)</u>                                       |

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2011*

|   | Business Type Activities - Enterprise Funds |                     |                    |                     | Governmental                              |
|---|---|---------------------|--------------------|---------------------|---|
|   | Water<br>Fund                               | Sewer<br>Fund       | Non Major<br>Funds | Total               | Activities -<br>Internal Service<br>Funds |
| <b>Assets</b>   |   |                     |                    |                     |   |
| <b>Current Assets</b>                                 |   |                     |                    |                     |   |
| Equity in Pooled Cash and                             |   |                     |                    |                     |   |
| Cash Equivalents                                      | \$4,141,403                                 | \$2,812,023         | \$353,504          | \$7,306,930         | \$2,498,726                               |
| Cash and Cash Equivalents in Segregated Accounts      | 22,072                                      | 3,582               | 0                  | 25,654              | 0   |
| Cash and Cash Equivalents with Fiscal Agents          | 642,702                                     | 1,040,061           | 0                  | 1,682,763           | 0   |
| Accounts Receivable                                   | 1,842,674                                   | 1,235,770           | 273,457            | 3,351,901           | 0   |
| Less: Allowance for Doubtful Accounts                 | (42,760)                                    | (27,840)            | 0                  | (70,600)            | 0   |
| Interfund Receivable                                  | 0   | 0                   | 0                  | 0                   | 434,218                                   |
| Intergovernmental Receivable                          | 0   | 104,644             | 0                  | 104,644             | 0   |
| Materials and Supplies Inventory                      | 22,697                                      | 332,121             | 83,032             | 437,850             | 0   |
| Property Tax Receivable                               | 0   | 1,565,030           | 0                  | 1,565,030           | 0   |
| <i>Total Current Assets</i>                           | <u>6,628,788</u>                            | <u>7,065,391</u>    | <u>709,993</u>     | <u>14,404,172</u>   | <u>2,932,944</u>                          |
| <b>Long-Term Assets (Net of Current Portion)</b>      |   |                     |                    |                     |   |
| Restricted Assets:                                    |   |                     |                    |                     |   |
| Cash Equivalents Held by Trustee                      | 699,689                                     | 470,475             | 0                  | 1,170,164           | 0   |
| Deferred Bond Issuance Costs                          | 200,372                                     | 373,240             | 25,783             | 599,395             | 0   |
| Nondepreciable Capital Assets                         | 406,890                                     | 1,081,472           | 77,130             | 1,565,492           | 0   |
| Depreciable Capital Assets, Net                       | 39,767,309                                  | 35,081,641          | 5,300,582          | 80,149,532          | 0   |
| Total Noncurrent Assets                               | <u>41,074,260</u>                           | <u>37,006,828</u>   | <u>5,403,495</u>   | <u>83,484,583</u>   | <u>0</u>                                  |
| <i>Total Assets</i>                                   | <u>47,703,048</u>                           | <u>44,072,219</u>   | <u>6,113,488</u>   | <u>97,888,755</u>   | <u>2,932,944</u>                          |
| <b>Liabilities</b>                                    |   |                     |                    |                     |   |
| <b>Current Liabilities</b>                            |   |                     |                    |                     |   |
| Accounts Payable                                      | 727,604                                     | 101,910             | 148,926            | 978,440             | 59,009                                    |
| Retainage Payable                                     | 22,072                                      | 3,582               | 0                  | 25,654              | 0   |
| Accrued Wages and Benefits                            | 29,856                                      | 69,996              | 3,862              | 103,714             | 0   |
| Intergovernmental Payable                             | 14,245                                      | 32,332              | 1,892              | 48,469              | 168,715                                   |
| Interfund Payable                                     | 14,669                                      | 34,230              | 105,956            | 154,855             | 0   |
| Deferred Revenue                                      | 112,572                                     | 1,611,598           | 0                  | 1,724,170           | 0   |
| Claims Payable  | 0   | 0                   | 0                  | 0                   | 434,218                                   |
| Accrued Interest Payable                              | 46,477                                      | 79,644              | 9,236              | 135,357             | 0   |
| Compensated Absence Payable                           | 57,317                                      | 70,876              | 14,107             | 142,300             | 0   |
| Matured Compensated Absences Payable                  | 0   | 1,167               | 0                  | 1,167               | 0   |
| Bonds Payable   | 465,464                                     | 1,152,182           | 237,417            | 1,855,063           | 0   |
| Capital Leases Payable                                | 62,785                                      | 155,549             | 119,471            | 337,805             | 0   |
| OPWC Loans Payable                                    | 313,229                                     | 34,486              | 0                  | 347,715             | 0   |
| OWDA Loans Payable                                    | 0   | 31,726              | 0                  | 31,726              | 0   |
| <i>Total Current Liabilities</i>                      | <u>1,866,290</u>                            | <u>3,379,278</u>    | <u>640,867</u>     | <u>5,886,435</u>    | <u>661,942</u>                            |
| <b>Long-Term Liabilities (Net of Current Portion)</b> |   |                     |                    |                     |   |
| Compensated Absence Payable                           | 62,639                                      | 190,216             | 5,170              | 258,025             | 0   |
| Bonds Payable   | 10,521,142                                  | 18,304,522          | 848,160            | 29,673,824          | 0   |
| Claims Payable  | 0   | 0                   | 0                  | 0                   | 344,040                                   |
| Capital Leases Payable                                | 576,580                                     | 1,227,262           | 737,989            | 2,541,831           | 0   |
| OPWC Loans Payable                                    | 2,789,216                                   | 301,823             | 0                  | 3,091,039           | 0   |
| OWDA Loans Payable                                    | 0   | 16,382              | 0                  | 16,382              | 0   |
| Total Long Term Liabilities                           | <u>13,949,577</u>                           | <u>20,040,205</u>   | <u>1,591,319</u>   | <u>35,581,101</u>   | <u>344,040</u>                            |
| Total Liabilities                                     | <u>15,815,867</u>                           | <u>23,419,483</u>   | <u>2,232,186</u>   | <u>41,467,536</u>   | <u>1,005,982</u>                          |
| <b>Net Assets</b>                                     |   |                     |                    |                     |   |
| Invested in Capital Assets, Net of Related Debt       | 25,445,783                                  | 14,939,181          | 3,434,675          | 43,819,639          | 0   |
| Restricted for Debt Service                           | 550,673                                     | 530,119             | 9,236              | 1,090,028           | 0   |
| Restricted for Replacement and Improvement            | 195,493                                     | 0                   | 0                  | 195,493             | 0   |
| Unrestricted  | 5,695,232                                   | 5,183,436           | 437,391            | 11,316,059          | 1,926,962                                 |
| <i>Total Net Assets</i>                               | <u>\$31,887,181</u>                         | <u>\$20,652,736</u> | <u>\$3,881,302</u> | <u>\$56,421,219</u> | <u>\$1,926,962</u>                        |

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Proprietary Funds*  
*For the Year Ended December 31, 2011*

|  | <u>Business Type Activities - Enterprise Funds</u> |                     |                    |                     | Governmental                              |
|--|--|---------------------|--------------------|---------------------|---|
|  | Water<br>Fund                                      | Sewer<br>Fund       | Non Major<br>Funds | Total               | Activities -<br>Internal Service<br>Funds |
| <b>Operating Revenues</b>                      |  |                     |                    |                     |   |
| Charges for Services                           | \$10,683,491                                       | \$6,573,925         | \$799,668          | \$18,057,084        | \$5,032,172                               |
| Miscellaneous                                  | 8,914  | 3,512               | 149,784            | 162,210             | 761,589                                   |
| <i>Total Operating Revenues</i>                | <u>10,692,405</u>                                  | <u>6,577,437</u>    | <u>949,452</u>     | <u>18,219,294</u>   | <u>5,793,761</u>                          |
| <b>Operating Expenses</b>                      |  |                     |                    |                     |   |
| Personal Services                              | 1,097,043  | 2,459,642           | 155,841            | 3,712,526           | 0   |
| Contractual Services                           | 60,369   | 825,578             | 929                | 886,876             | 194,186                                   |
| Materials and Supplies                         | 137,918  | 333,889             | 137,004            | 608,811             | 0   |
| Utilities                                      | 0  | 0                   | 283,124            | 283,124             | 0   |
| Depreciation                                   | 907,711  | 1,125,158           | 113,879            | 2,146,748           | 0   |
| Workers' Compensation Premium                  | 0  | 0                   | 0                  | 0                   | 52,150                                    |
| Claims   | 0  | 0                   | 0                  | 0                   | 5,558,887                                 |
| Miscellaneous                                  | 6,833,101  | 138,486             | 140,934            | 7,112,521           | 0   |
| <i>Total Operating Expenses</i>                | <u>9,036,142</u>                                   | <u>4,882,753</u>    | <u>831,711</u>     | <u>14,750,606</u>   | <u>5,805,223</u>                          |
| <i>Operating Income (Loss)</i>                 | <u>1,656,263</u>                                   | <u>1,694,684</u>    | <u>117,741</u>     | <u>3,468,688</u>    | <u>(11,462)</u>                           |
| <b>Non Operating Revenues (Expenses)</b>       |  |                     |                    |                     |   |
| Interest                                       | 1,979  | 495                 | 0                  | 2,474               | 0   |
| Intergovernmental                              | 0  | 246,194             | 0                  | 246,194             | 0   |
| Interest and Fiscal Charges                    | (615,941)  | (1,013,949)         | (89,320)           | (1,719,210)         | 0   |
| Property Taxes                                 | 0  | 1,556,497           | 0                  | 1,556,497           | 0   |
| Special Assessments                            | 80,560   | 25,536              | 0                  | 106,096             | 0   |
| <i>Total Non Operating Revenues (Expenses)</i> | <u>(533,402)</u>                                   | <u>814,773</u>      | <u>(89,320)</u>    | <u>192,051</u>      | <u>0</u>                                  |
| <i>Income (Loss) before Transfers</i>          | 1,122,861  | 2,509,457           | 28,421             | 3,660,739           | (11,462)                                  |
| Transfers In                                   | 0  | 0                   | 439,784            | 439,784             | 1,100,002                                 |
| Transfers Out                                  | (15,252)   | (1,390,934)         | (75,352)           | (1,481,538)         | 0   |
| <i>Change in Net Assets</i>                    | 1,107,609  | 1,118,523           | 392,853            | 2,618,985           | 1,088,540                                 |
| <i>Net Assets Beginning of Year</i>            |  |                     |                    |                     |   |
| <i>(Restated - See Note 3)</i>                 | <u>30,779,572</u>                                  | <u>19,534,213</u>   | <u>3,488,449</u>   | <u>53,802,234</u>   | <u>838,422</u>                            |
| <i>Net Assets End of Year</i>                  | <u>\$31,887,181</u>                                | <u>\$20,652,736</u> | <u>\$3,881,302</u> | <u>\$56,421,219</u> | <u>\$1,926,962</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, 2011

|   | Business Type Activities - Enterprise Funds |                    |                    |                    | Governmental<br>Activities -<br>Internal Service<br>Funds |
|---|---|--------------------|--------------------|--------------------|---|
|   | Water<br>Fund                               | Sewer<br>Fund      | Non Major<br>Funds | Total              |   |
| <b>Increase (Decrease) in Cash and<br/>Cash Equivalents</b>           |   |                    |                    |                    |   |
| <b>Cash Flows from Operating<br/>Activities</b>                       |   |                    |                    |                    |   |
| Cash Received from Customers  | \$10,681,607                                | \$6,516,123        | \$787,686          | \$17,985,416       | \$0   |
| Cash Received from Transactions with Other Funds                      | 0   | 0                  | 0                  | 0                  | 5,080,251   |
| Cash Received from Other Operating<br>Sources                         | 8,914                                       | 3,512              | 149,784            | 162,210            | 761,589   |
| Cash Payments to Suppliers for Goods<br>and Services                  | (333,841)                                   | (921,463)          | (313,573)          | (1,568,877)        | (88,902)  |
| Cash Payments for Claims  | 0   | 0                  | 0                  | 0                  | (5,642,556)   |
| Cash Payments for Premium   | 0   | 0                  | 0                  | 0                  | (90,728)  |
| Cash Payments for Employee Services<br>and Benefits                   | (1,098,002)                                 | (2,505,473)        | (156,612)          | (3,760,087)        | 0   |
| Cash Payments for Other Operating Expenses                            | (6,810,954)                                 | (576,600)          | (240,665)          | (7,628,219)        | 0   |
| <i>Net Cash Provided By Operating Activities</i>                      | <u>2,447,724</u>                            | <u>2,516,099</u>   | <u>226,620</u>     | <u>5,190,443</u>   | <u>19,654</u>   |
| <b>Cash Flows from Noncapital<br/>Financing Activities</b>            |   |                    |                    |                    |   |
| Intergovernmental Revenue   | 0   | 247,275            | 0                  | 247,275            | 0   |
| Property Taxes  | 0   | 1,565,199          | 0                  | 1,565,199          | 0   |
| Special Assessments   | 80,560                                      | 25,536             | 0                  | 106,096            | 0   |
| Advance In  | 0   | 0                  | 44,000             | 44,000             | 0   |
| Transfers In  | 0   | 0                  | 439,784            | 439,784            | 1,100,002   |
| Transfers Out   | (15,252)                                    | (1,390,934)        | (75,352)           | (1,481,538)        | 0   |
| <i>Net Cash Provided by Non-<br/>Capital Financing Activities</i>     | <u>65,308</u>                               | <u>447,076</u>     | <u>408,432</u>     | <u>920,816</u>     | <u>1,100,002</u>  |
| <b>Cash Flows from Capital and<br/>Related Financing Activities</b>   |   |                    |                    |                    |   |
| Acquisition of Capital Assets   | (740,030)                                   | (905,822)          | 0                  | (1,645,852)        | 0   |
| Principal paid on Bonds   | (954,572)                                   | (1,213,527)        | (276,584)          | (2,444,683)        | 0   |
| General Obligation Bonds Issued                                       | 0   | 545,000            | 929,732            | 1,474,732          | 0   |
| Premium on General Obligation Bonds                                   | 0   | 8,464              | 16,653             | 25,117             | 0   |
| Payment to Refunded Bond Escrow Agent                                 | 0   | (537,244)          | (921,509)          | (1,458,753)        | 0   |
| Principal paid on OPWC  | (313,229)                                   | (34,486)           | 0                  | (347,715)          | 0   |
| Principal paid on OWDA  | 0   | (30,405)           | 0                  | (30,405)           | 0   |
| Principal paid on Leases  | (36,723)                                    | (109,389)          | (113,460)          | (259,572)          | 0   |
| Interest paid on Bonds  | (538,959)                                   | (881,478)          | (46,522)           | (1,466,959)        | 0   |
| Interest paid on OWDA   | 0   | (3,053)            | 0                  | (3,053)            | 0   |
| Interest paid on Leases   | (13,531)                                    | (24,575)           | (37,176)           | (75,282)           | 0   |
| Bond Issuance Costs   | 0   | (11,604)           | (24,876)           | (36,480)           | 0   |
| <i>Net Cash Used for Capital and Related<br/>Financing Activities</i> | <u>(2,597,044)</u>                          | <u>(3,198,119)</u> | <u>(473,742)</u>   | <u>(6,268,905)</u> | <u>0</u>  |
| <b>Cash Flows from Investing Activities</b>                           |   |                    |                    |                    |   |
| Interest  | 1,979                                       | 495                | 0                  | 2,474              | 0   |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i>           | <u>(82,033)</u>                             | <u>(234,449)</u>   | <u>161,310</u>     | <u>(155,172)</u>   | <u>1,119,656</u>  |
| <i>Cash and Cash Equivalents Beginning of Year</i>                    | <u>4,945,197</u>                            | <u>3,520,529</u>   | <u>192,194</u>     | <u>8,657,920</u>   | <u>1,379,070</u>  |
| <i>Cash and Cash Equivalents End of Year</i>                          | <u>\$4,863,164</u>                          | <u>\$3,286,080</u> | <u>\$353,504</u>   | <u>\$8,502,748</u> | <u>\$2,498,726</u>  |

(continued)

**City of Lakewood, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2011*

|   | <u>Business Type Activities - Enterprise Funds</u> |                       |                            | <u>Total</u>       | Governmental                              |
|---|--|-----------------------|----------------------------|--------------------|---|
|   | <u>Water<br/>Fund</u>                              | <u>Sewer<br/>Fund</u> | <u>Non Major<br/>Funds</u> |                    | Activities -<br>Internal Service<br>Funds |
| <b>Reconciliation of Operating Income (Loss)<br/>to Net Cash Provided by Operating Activities</b> |  |                       |                            |                    |   |
| <i>Operating Income (Loss)</i>  | \$1,656,263  | \$1,694,684           | \$117,741                  | \$3,468,688        | (\$11,462)                                |
| Adjustments:  |  |                       |                            |                    |   |
| Depreciation  | 907,711  | 1,125,158             | 113,879                    | 2,146,748          | 0   |
| (Increase) Decrease in Assets:  |  |                       |                            |                    |   |
| Accounts Receivable   | (1,884)  | (57,802)              | (11,982)                   | (71,668)           | 0   |
| Interfund Receivable  | 0  | 0                     | 0                          | 0                  | 48,077                                    |
| Materials and Supplies Inventory  | 6,381  | 3,575                 | 23,797                     | 33,753             | 0   |
| Increase (Decrease) in Liabilities:   |  |                       |                            |                    |   |
| Accounts Payable  | (106,286)  | (177,260)             | (16,044)                   | (299,590)          | 14,558                                    |
| Accrued Wages   | 156  | (2,083)               | 167                        | (1,760)            | 0   |
| Retainage Payable   | (14,524)   | (66,398)              | 0                          | (80,922)           | 0   |
| Compensated Absences  | 1,651  | (374)                 | 72                         | 1,349              | 0   |
| Interfund Payable   | (1,784)  | (2,791)               | (1,129)                    | (5,704)            | 0   |
| Intergovernmental Payable   | 40   | (610)                 | 119                        | (451)              | 52,150                                    |
| Claims Payable  | 0  | 0                     | 0                          | 0                  | (83,669)                                  |
| <i>Net Cash Provided by Operating Activities</i>  | <u>\$2,447,724</u>                                 | <u>\$2,516,099</u>    | <u>\$226,620</u>           | <u>\$5,190,443</u> | <u>\$19,654</u>                           |

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*December 31, 2011*

---

---

**Assets**

|  |                    |
|--|--------------------|
| Equity in Pooled Cash and Cash Equivalents | <u>\$1,055,091</u> |
|--|--------------------|

**Liabilities**

|                                 |                    |
|---------------------------------|--------------------|
| Deposits Held and Due to Others | <u>\$1,055,091</u> |
|---------------------------------|--------------------|

See accompanying notes to the basic financial statements

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**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 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; 3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; 4) or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or levying of taxes, or determining the budget. The City has no component units.

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

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

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to 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 unless those pronouncements 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, 2011*

---

**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 funds 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, are 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 and reports 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.

***Police and Fire Pension Fund:*** The Police and Fire Pension Fund accounts for and reports restricted property taxes levied for the partial payments of the current and accrued liability for police and firemen disability and pension.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Community Development Block Grant Fund:*** The Community Development Block Grant Fund accounts for and reports revenues received from the federal government restricted for costs prescribed under the Community Development Block Grant program.

***Debt Service Fund:*** The Debt Service Fund accounts for and reports restricted property taxes levied for the payment of principal and interest on general long-term obligations.

The other governmental funds of the City account for and report grants and other resources whose use is restricted, committed or assigned 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 of 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 two internal service funds account for workers' compensation costs and a self insurance program for employee hospitalization and medical benefits.

***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 type. 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.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

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. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

***Revenues – Exchange and 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 8). 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 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, 2011, but were levied to finance year 2012 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.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

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 Council at personal services and other object level within each department and fund. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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

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."

Cash held for the City by a bank for the payment of debt principal and interest as they come due and to purchase capital assets from a capital lease is included on the financial statements as "cash and cash equivalents with fiscal agents".

The City utilizes a trustee to hold monies set aside for replacement and improvement, debt service and unspent bond proceeds under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net assets as, "cash and cash equivalents held by trustee."

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

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.

The City of Lakewood has invested in the State Treasury Asset Reserve of Ohio (STAROhio) and money market mutual funds during 2011. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share which is the price the investment could be sold for on December 31, 2011.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements or debt related restrictions. Interest revenue is distributed to the General Fund, Federal Forfeiture Fund, Debt Service Fund, Water Fund and Sewer Fund. Interest revenue credited to the General Fund during 2011 amounted to \$7,785 that includes \$3,481 assigned from other City funds.

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

***G. Restricted Assets***

Amounts held by trustees that are legally restricted for replacement and improvement, debt service and unspent bond proceeds per the applicable bond covenants are reported as restricted assets.

***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 held for consumption.

***I. Assets Held for Resale***

Assets held for resale represents assets consisting of homes purchased and repaired which will be resold through Planning and Development.

***J. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported the year in which services are consumed.

***K. 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.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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 Improvements          | 25 years               |
| Buildings and Improvements | 75 years               |
| Furniture and Equipment    | 10 - 20 years          |
| Vehicles                   | 15 years               |
| Infrastructure             | 40 - 100 years         |

The City's infrastructure consists of roads, traffic signals, sidewalks, curbing, water lines and sewer lines, and includes infrastructure acquired prior to December 31, 1980.

***L. 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.

***M. 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.

The entire compensated absences liability is reported on the government-wide financial statements.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***N. Accrued Liabilities and Long-Term Obligations***

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and compensated absences 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.

***O. Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amounts of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***P. 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 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.

***Q. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated in the Statement of Activities. Interfund payments for service provided and used are not eliminated.

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***R. 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 adopted by the City, 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 litter control, juvenile programs, and an emergency shelter program. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***S. 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 expended when incurred. Bond issuance costs are generally paid from bond proceeds.

As permitted by State Statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

***T. Bond Premium***

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from 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.

***U. 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 debt or the life of the new debt, whichever is shorter, using the effective interest method.

***V. 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.

***W. 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 vary from those estimates.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Balance/Net Assets**

***A. Changes in Accounting Principles***

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” and GASB Statement No. 59, “*Financial Instruments Omnibus*”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification and restatement of the City’s financial statements.

GASB statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the City’s financial statements.

***B. Restatement of Prior Year’s Fund Balance/Net Assets***

During 2011, it was determined that assets held for resale and pilot receivables were understated. The implementation of GASB Statement No. 54, and assets held for resale had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

|   | General            | Police and Fire<br>Pension | CDBG               | Debt Service     | Nonmajor<br>Governmental Funds | Total               |
|---|--------------------|----------------------------|--------------------|------------------|--------------------------------|---------------------|
| Fund Balance at<br>December 31, 2010          | \$6,563,498        | \$1,263,403                | \$1,827,255        | \$782,169        | \$3,443,736                    | \$13,880,061        |
| GASB 54 Change in<br>in Fund Structure        | 1,310              | 0                          | 0                  | 0                | (1,310)                        | 0                   |
| Assets Held for Resale                        | 0                  | 0                          | 46,890             | 0                | 373,202                        | 420,092             |
| Restated Fund Balance at<br>December 31, 2010 | <u>\$6,564,808</u> | <u>\$1,263,403</u>         | <u>\$1,874,145</u> | <u>\$782,169</u> | <u>\$3,815,628</u>             | <u>\$14,300,153</u> |

In the prior fiscal year, the City incorrectly recorded the understatement of an accounting loss for governmental and business type activities and recording of payments in lieu of property taxes and assets held for resale in governmental type activities. The restatement had the following effect on net assets of the governmental and business type activities of the City as they were previously reported.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Balance/Net Assets (Continued)**

|                          | Governmental        | Business-Type Activities |                     |                    | Total               | Total               |
|--------------------------|---------------------|--------------------------|---------------------|--------------------|---------------------|---------------------|
|                          | Activities          | Water                    | Sewer               | Nonmajor           |                     |                     |
| Net Assets               |                     |                          |                     |                    |                     |                     |
| December 31, 2010        | \$45,941,645        | \$30,779,572             | \$19,586,713        | \$3,488,449        | \$53,854,734        | \$99,796,379        |
| Payment in Lieu of       |                     |                          |                     |                    |                     |                     |
| Taxes Receivable         | 23,354              | 0                        | 0                   | 0                  | 0                   | 23,354              |
| Assets Held for Resale   | 420,092             | 0                        | 0                   | 0                  | 0                   | 420,092             |
| Adjustment of            |                     |                          |                     |                    |                     |                     |
| Accounting Loss          | (317,485)           | 0                        | (52,500)            | 0                  | (52,500)            | (369,985)           |
| Restated Fund Balance at |                     |                          |                     |                    |                     |                     |
| December 31, 2010        | <u>\$46,067,606</u> | <u>\$30,779,572</u>      | <u>\$19,534,213</u> | <u>\$3,488,449</u> | <u>\$53,802,234</u> | <u>\$99,869,840</u> |

**Note 4 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund Balances                     | General Fund       | Police and Fire Pension | Community Development Block Grant | Debt Service     | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------|--------------------|-------------------------|-----------------------------------|------------------|--------------------------|--------------------------|
| <b><i>Nonspendable</i></b>        |                    |                         |                                   |                  |                          |                          |
| Inventory                         | \$399,665          | \$0                     | \$0                               | \$0              | \$168,802                | \$568,467                |
| Prepays                           | 231,969            | 0                       | 1,771                             | 0                | 0                        | 233,740                  |
| <b><i>Total Nonspendable</i></b>  | <u>631,634</u>     | <u>0</u>                | <u>1,771</u>                      | <u>0</u>         | <u>168,802</u>           | <u>802,207</u>           |
| <b><i>Restricted For:</i></b>     |                    |                         |                                   |                  |                          |                          |
| Street and Highway Improvements   | 0                  | 0                       | 0                                 | 0                | 288,047                  | 288,047                  |
| Police and Fire Pension           | 0                  | 1,064,608               | 0                                 | 0                | 0                        | 1,064,608                |
| Community Development             | 0                  | 0                       | 1,700,678                         | 0                | 0                        | 1,700,678                |
| Senior Programs                   | 0                  | 0                       | 0                                 | 0                | 36,695                   | 36,695                   |
| Law Enforcement                   | 0                  | 0                       | 0                                 | 0                | 209,356                  | 209,356                  |
| Lakewood Municipal Court          | 0                  | 0                       | 0                                 | 0                | 702,000                  | 702,000                  |
| HOME Investment Program           | 0                  | 0                       | 0                                 | 0                | 38,877                   | 38,877                   |
| At-Risk Youth Programs            | 0                  | 0                       | 0                                 | 0                | 14,258                   | 14,258                   |
| Family to Family                  | 0                  | 0                       | 0                                 | 0                | 13,004                   | 13,004                   |
| Neighborhood Stabilization        | 0                  | 0                       | 0                                 | 0                | 403,328                  | 403,328                  |
| Litter Control Projects           | 0                  | 0                       | 0                                 | 0                | 6,298                    | 6,298                    |
| Debt Service Payments             | 0                  | 0                       | 0                                 | 593,434          | 57,321                   | 650,755                  |
| Capital Improvements              | 0                  | 0                       | 0                                 | 0                | 737,334                  | 737,334                  |
| <b><i>Total Restricted</i></b>    | <u>0</u>           | <u>1,064,608</u>        | <u>1,700,678</u>                  | <u>593,434</u>   | <u>2,506,518</u>         | <u>5,865,238</u>         |
| <b><i>Committed to:</i></b>       |                    |                         |                                   |                  |                          |                          |
| Lakewood Hospital Operations      | 0                  | 0                       | 0                                 | 0                | 610,198                  | 610,198                  |
| Other Purposes                    | 0                  | 0                       | 0                                 | 0                | 243,216                  | 243,216                  |
| <b><i>Total Committed</i></b>     | <u>0</u>           | <u>0</u>                | <u>0</u>                          | <u>0</u>         | <u>853,414</u>           | <u>853,414</u>           |
| <b><i>Assigned to:</i></b>        |                    |                         |                                   |                  |                          |                          |
| Community Festival Projects       | 2,647              | 0                       | 0                                 | 0                | 0                        | 2,647                    |
| Economic Development              | 645,255            | 0                       | 0                                 | 0                | 0                        | 645,255                  |
| Separation Payments               | 298,159            | 0                       | 0                                 | 0                | 0                        | 298,159                  |
| Other Purposes                    | 157,000            | 0                       | 0                                 | 0                | 0                        | 157,000                  |
| <b><i>Total Assigned</i></b>      | <u>1,103,061</u>   | <u>0</u>                | <u>0</u>                          | <u>0</u>         | <u>0</u>                 | <u>1,103,061</u>         |
| Unassigned (Deficit)              | 7,168,275          | 0                       | 0                                 | 0                | (31,316)                 | 7,136,959                |
| <b><i>Total Fund Balances</i></b> | <u>\$8,902,970</u> | <u>\$1,064,608</u>      | <u>\$1,702,449</u>                | <u>\$593,434</u> | <u>\$3,497,418</u>       | <u>\$15,760,879</u>      |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 5 - Accountability**

The fund balances at December 31, 2011 included the following individual fund deficits:

| <b>Special Revenue Funds</b>  |          |
|-------------------------------|----------|
| Energy Efficiency Block Grant | \$23,478 |
| Homeless Prevention           | 6,539    |
| Emergency Shelter Grant       | 1,299    |

The deficits are primarily due to adjustments for accrued liabilities. The General Fund is liable for any deficit in other funds and provides transfers when cash is required, rather than when accruals occur.

**Note 6 - Budgetary Basis of Accounting**

While the City is reporting their financial position, results of operations, and changes in fund balance/net assets 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 restricted, committed or assigned 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).
6. Budgetary revenues and expenditures of the Community Festival Fund are classified to the general fund for GAAP Reporting.

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.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 6 - Budgetary Basis of Accounting (Continued)**

|   | General<br>Fund | Police and<br>Fire Pension<br>Fund | Community<br>Development<br>Block Grant<br>Fund |
|---|-----------------|------------------------------------|---|
| GAAP Basis                              | \$2,338,162     | (\$198,795)                        | (\$171,696)                                     |
| Net Adjustment for Revenue Accruals     | (2,469,483)     | 0                                  | 80,996  |
| Advances In                             | 0               | 0                                  | 241,000   |
| Net Adjustment for Expenditure Accruals | 1,620,960       | 140,168                            | 4,269   |
| Excess of Revenues over Expenditures:   |                 |                                    |   |
| Community Festival Fund                 | 1,337           | 0                                  | 0   |
| Advances Out                            | (313,000)       | 0                                  | 0   |
| Adjustments for Encumbrances            | (1,100,414)     | 0                                  | 0   |
| Budget Basis                            | <u>\$77,562</u> | <u>(\$58,627)</u>                  | <u>\$154,569</u>                                |

**Note 7 - Deposits and Investments**

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City 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.

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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 7 - Deposits and Investments (Continued)**

3. Written repurchase agreements in securities listed above;
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;
6. The State Treasurer's investment pool (STAROhio);
7. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
8. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty five percent of the interim monies available for the investment at any one time.

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.

**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, \$1,761,090 of the City's bank balance of \$21,867,800 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit 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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 7 - Deposits and Investments (Continued)**

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, 2011, the City had investments in STAR Ohio with a fair value of \$688,120 with an average maturity of 57 days. In addition, Investments held in money market mutual funds with a trustee and fiscal agent had fair values of \$1,170,164 and \$2,461,357 respectively. The money market mutual funds did not have a credit rating.

**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.

**Credit Risk:** STAROhio carries a rating of AAAM 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 addresses credit risk.

**Note 8 - Receivables**

Receivables at December 31, 2011, consisted primarily of interest, accounts (billings for user charged services), intergovernmental receivables arising from grants, entitlements and shared revenues, municipal income taxes, property taxes, loans (Community Development Block Grant monies loaned to local businesses), special assessments and interfunds. All receivables, except property taxes, special assessments and loans, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. All receivables, except utility accounts receivable, are deemed collectible in full. Utility accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Allowance for doubtful accounts has been recorded at \$42,760 in the Water Fund and \$27,840 in the Sewer Fund.

Loans receivable to be collected in more than one-year amount to \$1,831,512 in the Community Development Block Grant Fund.

Special assessments expected to be collected in more than one-year amount to \$170,845 in the various governmental funds. The amount of delinquent special assessments outstanding at December 31, 2011 was \$40,623.

**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 2011 for real and public utility property taxes represents collections of 2010 taxes.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 8 – Receivables (Continued)**

2011 real property taxes are levied after October 1, 2011 on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012 operations.

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.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$17.40 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property upon which 2011 property tax receipts were based, are as follows:

| <u>Category</u>                      | <u>Assessed Value</u> |
|--------------------------------------|-----------------------|
| Real Estate                          |                       |
| Residential and Agricultural         | \$727,775,410         |
| Commercial/Industrial/Public Utility | 166,733,970           |
| Public Utility                       | 12,400,630            |
| Total Assessed Value                 | <u>\$906,910,010</u>  |

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Fiscal Officer periodically remits to the City its portion of the taxes. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which are measurable as of December 31, 2011, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as a revenue while on the modified accrual basis the revenue has been 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 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 the City 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 City.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 8 – Receivables (Continued)**

***C. Intergovernmental Receivables***

A summary of the principal items of intergovernmental receivables follows:

|                                      | Amounts     |
|--------------------------------------|-------------|
| <b>Governmental Activities</b>       |             |
| Local Government                     | \$1,994,850 |
| Homestead and Rollback               | 805,757     |
| Gasoline Tax                         | 664,227     |
| Estate Tax                           | 179,410     |
| Motor Vehicle License Registration   | 111,681     |
| Federal Grant Reimbursements         | 83,041      |
| County Grant Reimbursements          | 57,206      |
| Permissive Motor Vehicle License Tax | 22,712      |
| Liquor Permit/Cigarette Taxes        | 13,620      |
| Lakewood Board of Education          | 2,609       |
| <i>Total Governmental Activities</i> | 3,935,113   |
| <b>Business-Type Activities</b>      |             |
| Homestead and Rollback               | 104,644     |
| <i>Total</i>                         | \$4,039,757 |

***D. Payments in Lieu of Taxes***

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid of the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these or others may result in subsequent agreement to make payment in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

**Note 9 - Contingencies**

***A. Grants***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 9 – Contingencies (Continued)**

***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, 2011.

**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2011, was as follows:

|  | Balance<br>12/31/10 | Additions          | Deletions            | Balance<br>12/31/11 |
|--|---------------------|--------------------|----------------------|---------------------|
| <b>Governmental Activities</b>                       |                     |                    |                      |                     |
| <b><i>Capital Assets, not being Depreciated:</i></b> |                     |                    |                      |                     |
| Land   | \$6,139,702         | \$0                | \$0                  | \$6,139,702         |
| Construction in Progress                             | 2,278,670           | 3,084,662          | (2,343,995)          | 3,019,337           |
| <i>Total Capital Assets, not being Depreciated</i>   | <u>8,418,372</u>    | <u>3,084,662</u>   | <u>(2,343,995)</u>   | <u>9,159,039</u>    |
| <b><i>Capital Assets, being Depreciated:</i></b>     |                     |                    |                      |                     |
| Land Improvements                                    | 4,774,190           | 64,932             | (6,419)              | 4,832,703           |
| Buildings and Improvements                           | 14,921,394          | 1,283,582          | 0                    | 16,204,976          |
| Furniture and Equipment                              | 4,198,319           | 144,165            | (56,953)             | 4,285,531           |
| Vehicles   | 12,893,784          | 654,675            | (40,697)             | 13,507,762          |
| Infrastructure                                       |                     |                    |                      |                     |
| Roads  | 42,692,717          | 2,041,254          | 0                    | 44,733,971          |
| Traffic Signals                                      | 4,009,285           | 0                  | 0                    | 4,009,285           |
| Sidewalks  | 3,077,621           | 106,119            | 0                    | 3,183,740           |
| Curbing  | 1,434,304           | 0                  | 0                    | 1,434,304           |
| <i>Total Capital Assets, being Depreciated</i>       | <u>88,001,614</u>   | <u>4,294,727</u>   | <u>(104,069)</u>     | <u>92,192,272</u>   |
| Less Accumulated Depreciation:                       |                     |                    |                      |                     |
| Land Improvements                                    | (2,253,944)         | (137,653)          | 1,016                | (2,390,581)         |
| Buildings and Improvements                           | (5,342,995)         | (216,542)          | 0                    | (5,559,537)         |
| Furniture and Equipment                              | (2,297,388)         | (166,668)          | 51,123               | (2,412,933)         |
| Vehicles   | (6,136,604)         | (706,351)          | 18,282               | (6,824,673)         |
| Infrastructure                                       |                     |                    |                      |                     |
| Roads  | (10,745,206)        | (848,817)          | 0                    | (11,594,023)        |
| Traffic Signals                                      | (2,251,591)         | (100,275)          | 0                    | (2,351,866)         |
| Sidewalks  | (1,043,282)         | (28,235)           | 0                    | (1,071,517)         |
| Curbing  | (490,033)           | (12,958)           | 0                    | (502,991)           |
| Total Accumulated Depreciation                       | <u>(30,561,043)</u> | <u>(2,217,499)</u> | <u>70,421</u>        | <u>(32,708,121)</u> |
| Total Capital Assets being Depreciated, Net          | <u>57,440,571</u>   | <u>2,077,228</u>   | <u>(33,648)</u>      | <u>59,484,151</u>   |
| Governmental Activities Capital Assets, Net          | <u>\$65,858,943</u> | <u>\$5,161,890</u> | <u>(\$2,377,643)</u> | <u>\$68,643,190</u> |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 10 - Capital Assets (Continued)**

|  | Balance<br>12/31/10 | Additions          | Deletions            | Balance<br>12/31/11 |
|--|---------------------|--------------------|----------------------|---------------------|
| <b>Business-Type Activities</b>                    |                     |                    |                      |                     |
| <i>Capital Assets, not being Depreciated:</i>      |                     |                    |                      |                     |
| Land   | \$78,150            | \$0                | \$0                  | \$78,150            |
| Construction in Progress                           | 1,544,762           | 1,528,823          | (1,586,243)          | 1,487,342           |
| <i>Total Capital Assets, not being Depreciated</i> | <u>1,622,912</u>    | <u>1,528,823</u>   | <u>(1,586,243)</u>   | <u>1,565,492</u>    |
| <i>Capital Assets, being Depreciated:</i>          |                     |                    |                      |                     |
| Land Improvements                                  | 2,025,447           | 0                  | 0                    | 2,025,447           |
| Buildings and Improvements                         | 17,725,007          | 18,918             | 0                    | 17,743,925          |
| Furniture and Equipment                            | 8,536,149           | 739,716            | 0                    | 9,275,865           |
| Vehicles   | 2,258,267           | 330,915            | 0                    | 2,589,182           |
| Infrastructure:                                    |                     |                    |                      |                     |
| Water Lines  | 51,668,123          | 845,994            | 0                    | 52,514,117          |
| Sewer Lines  | 30,163,073          | 0                  | 0                    | 30,163,073          |
| <i>Total Capital Assets, being Depreciated</i>     | <u>112,376,066</u>  | <u>1,935,543</u>   | <u>0</u>             | <u>114,311,609</u>  |
| Less Accumulated Depreciation:                     |                     |                    |                      |                     |
| Land Improvements                                  | (557,243)           | (60,243)           | 0                    | (617,486)           |
| Buildings and Improvements                         | (5,642,381)         | (280,717)          | 0                    | (5,923,098)         |
| Furniture and Equipment                            | (5,027,881)         | (371,059)          | 0                    | (5,398,940)         |
| Vehicles   | (1,160,307)         | (196,153)          | 0                    | (1,356,460)         |
| Infrastructure                                     |                     |                    |                      |                     |
| Water Lines  | (13,365,174)        | (824,894)          | 0                    | (14,190,068)        |
| Sewer Lines  | (6,262,343)         | (413,682)          | 0                    | (6,676,025)         |
| <i>Total Accumulated Depreciation</i>              | <u>(32,015,329)</u> | <u>(2,146,748)</u> | <u>0</u>             | <u>(34,162,077)</u> |
| Total Capital Assets, being Depreciated, Net       | <u>80,360,737</u>   | <u>(211,205)</u>   | <u>0</u>             | <u>80,149,532</u>   |
| Business-Type Activities Assets, Net               | <u>\$81,983,649</u> | <u>\$1,317,618</u> | <u>(\$1,586,243)</u> | <u>\$81,715,024</u> |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 10 - Capital Assets (Continued)**

Depreciation expense was charged to governmental functions as follows:

|   |                           |
|---|---------------------------|
| General Government                      | \$164,471                 |
| Security of Persons and Property-Police | 140,407                   |
| Security of Persons and Property-Fire   | 239,329                   |
| Transportation                          | 1,121,280                 |
| Community Environment                   | 11,636                    |
| Basic Utility Services                  | 253,811                   |
| Public Health Services                  | 12,934                    |
| Leisure Time Activities                 | <u>273,631</u>            |
| Total Depreciation Expense              | <u><u>\$2,217,499</u></u> |

Depreciation expense was charged to the Enterprise Funds as follows:

|                            |                           |
|----------------------------|---------------------------|
| Water Fund                 | \$907,711                 |
| Sewer Fund                 | 1,125,158                 |
| Parking Facilities Fund    | 30,539                    |
| Winterhurst Ice Rink Fund  | <u>83,340</u>             |
| Total Depreciation Expense | <u><u>\$2,146,748</u></u> |

**Note 11 – Conduit Debt Obligations**

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

In 1983 and 1989, the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay the cost of Lakewood Hospital facility improvements. In 1989, the City also issued Hospital Improvement Refunding Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On November 13, 2003, the City issued \$27,570,000 Hospital Revenue Bonds, Series 2003 to advance refund the 1989 Series. As of December 31, 2011, the aggregate principal amount of conduit debt obligation outstanding for Lakewood Hospital was \$13,100,000.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 11 – Conduit Debt Obligations (Continued)**

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, 2011, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$9,300,000. 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.

**Note 12- 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<br>Issue Date | Interest<br>Rate | Original<br>Issue Amount | Date of<br>Maturity |
|--|------------------------|------------------|--------------------------|---------------------|
| <b><i>Governmental Activities</i></b>  |                        |                  |                          |                     |
| <b><i>Notes</i></b>                    |                        |                  |                          |                     |
| Various Purpose                        | 2010                   | 1.00%            | \$7,771,000              | April 13, 2011      |
| Various Purpose                        | 2011                   | 1.50%            | 1,948,000                | April 19, 2012      |
| <b><i>General Obligation Bonds</i></b> |                        |                  |                          |                     |
| Various Purpose                        | 1998                   | 3.60-5.125%      | 3,596,700                | December 1, 2017    |
| Various Purpose Refunding-1992         | 1998                   | 3.60-5.125%      | 9,060,000                | December 1, 2012    |
| Various Purpose                        | 2003                   | 3.55-5.00%       | 5,219,000                | December 1, 2023    |
| Various Purpose Refunding-1995         | 2005                   | 3.00-5.00%       | 7,335,000                | December 1, 2025    |
| Various Purpose                        | 2005                   | 3.00-5.00%       | 6,095,637                | December 1, 2025    |
| Various Purpose                        | 2001                   | 3.45-5.875%      | 8,085,000                | December 1, 2021    |
| Various Purpose Refunding-2005         | 2007                   | 4.00-5.25%       | 10,520,000               | December 1, 2026    |
| Various Purpose Refunding-2011         | 2011                   | 2.00-5.00%       | 10,845,268               | December 1, 2028    |
| <b><i>Tax Increment Financing</i></b>  |                        |                  |                          |                     |
| 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    |
| <b><i>OPWC Loan</i></b>                |                        |                  |                          |                     |
| Forest and Clifton Road                | 1999                   | 0%               | 616,000                  | December 1, 2019    |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 12- Long-Term Obligations (Continued)**

|  | Original<br>Issue Date | Interest<br>Rate | Original<br>Issue Amount | Date of<br>Maturity |
|--|------------------------|------------------|--------------------------|---------------------|
| <b>Revenue Bonds</b>                           |                        |                  |                          |                     |
| <i>Water</i>                                   |                        |                  |                          |                     |
| Water Main Improvements                        | 1995                   | 4.40-6.60%       | \$2,850,000              | December 1, 2020    |
| Water System Refunding                         | 2002                   | 2.00-3.65%       | 4,025,000                | December 1, 2011    |
| Water Main Improvements                        | 2005                   | 3.00-5.00%       | 609,829                  | December 1, 2025    |
| Water Main Improvements                        | 2006                   | 4.00-4.50%       | 10,285,000               | December 1, 2031    |
| <i>Sewer</i>                                   |                        |                  |                          |                     |
| Sewer Construction                             | 2006                   | 4.00-4.50%       | 14,320,000               | December 1, 2031    |
| <b>General Obligation Bonds</b>                |                        |                  |                          |                     |
| <i>Sewer</i>                                   |                        |                  |                          |                     |
| Sewer Construction Refunding                   | 1998                   | 3.60-5.125%      | 5,695,000                | December 1, 2011    |
| Sewer Construction Refunding                   | 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                             | 2005                   | 3.00-5.00%       | 2,145,000                | December 1, 2025    |
| Sewer Construction Refunding                   | 2011                   | 2.00%            | 545,000                  | December 1, 2012    |
| <i>Winterhurst</i>                             |                        |                  |                          |                     |
| Winterhurst Recreational Facility              | 1998                   | 3.60-5.125%      | 1,292,200                | December 1, 2017    |
| Winterhurst Recreational Facility              | 2005                   | 3.00-5.00%       | 203,276                  | December 1, 2025    |
| Winterhurst Recreational Facility<br>Refunding | 2011                   | 2.00-5.00%       | 929,732                  | December 1, 2028    |
| <i>Parking</i>                                 |                        |                  |                          |                     |
| Meter Replacement                              | 2007                   | 4.00-5.25%       | 355,000                  | December 1, 2026    |
| <b>OPWC Loans</b>                              |                        |                  |                          |                     |
| <i>Water</i>                                   |                        |                  |                          |                     |
| Water Main Replacements                        | 1999                   | 0%               | 1,248,464                | December 1, 2019    |
| Water Main Replacements                        | 2001                   | 0%               | 1,944,012                | December 1, 2021    |
| Water Main Replacements                        | 2003                   | 0%               | 994,614                  | July 1, 2023        |
| Water Main Replacements                        | 2003                   | 0%               | 1,592,840                | July 1, 2023        |
| Belle Avenue Improvements                      | 2003                   | 0%               | 484,637                  | December 1, 2023    |
| <i>Sewer</i>                                   |                        |                  |                          |                     |
| West Clifton Storm Sewer Rehab.                | 2000                   | 0%               | 115,101                  | December 1, 2020    |
| Edgewater Drive-Sewer Separation               | 2002                   | 0%               | 604,258                  | December 1, 2022    |
| <b>OWDA Loan</b>                               |                        |                  |                          |                     |
| <i>Sewer</i>                                   |                        |                  |                          |                     |
| Lakewood Avenue                                | 2002                   | 4.30%            | 445,810                  | July 1, 2013        |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 12 - Long-Term Obligations (Continued)**

|  | Restated Balance    |                     |                     | Balance             | Amount             |
|--|---------------------|---------------------|---------------------|---------------------|--------------------|
|  | December 31,        | Additions           | Deletions           | December 31,        | Due in             |
|  | 2010                |                     |                     | 2011                | One Year           |
| <i>Governmental Activities</i>           |                     |                     |                     |                     |                    |
| <b>Notes Payable</b>                     |                     |                     |                     |                     |                    |
| Various Purpose-2010                     | \$7,771,000         | \$0                 | \$7,771,000         | \$0                 | \$0                |
| Various Purpose-2011                     | 0                   | 1,948,000           | 0                   | 1,948,000           | 0                  |
| <i>Total Notes Payable</i>               | <u>7,771,000</u>    | <u>1,948,000</u>    | <u>7,771,000</u>    | <u>1,948,000</u>    | <u>0</u>           |
| <b>General Obligation Bonds</b>          |                     |                     |                     |                     |                    |
| Various Purpose-1998                     | 1,621,700           | 0                   | 1,621,700           | 0                   | 0                  |
| Various Purpose Refunding-1998           | 1,410,000           | 0                   | 1,410,000           | 0                   | 0                  |
| Various Purpose-2003                     | 3,682,507           | 0                   | 254,619             | 3,427,888           | 267,441            |
| Various Purpose Refunding-2005           | 3,410,000           | 0                   | 620,000             | 2,790,000           | 660,000            |
| Unamortized Premium                      | 74,350              | 0                   | 16,833              | 57,517              | 0                  |
| Unamortized loss                         | (285,167)           | 0                   | (64,566)            | (220,601)           | 0                  |
| Various Purpose-2005                     | 3,271,981           | 0                   | 324,092             | 2,947,889           | 336,422            |
| Unamortized Premium                      | 52,260              | 0                   | 3,625               | 48,635              | 0                  |
| Various Purpose-2001                     | 440,000             | 0                   | 440,000             | 0                   | 0                  |
| Various Purpose Refunding-2007           | 9,530,000           | 0                   | 280,000             | 9,250,000           | 660,000            |
| Unamortized loss                         | (285,609)           | 0                   | (17,486)            | (268,123)           | 0                  |
| Unamortized Premium                      | 46,390              | 0                   | 2,899               | 43,491              | 0                  |
| Rockport Square Development-2004         | 3,915,000           | 0                   | 185,000             | 3,730,000           | 200,000            |
| Unamortized Premium                      | 95,971              | 0                   | 7,560               | 88,411              | 0                  |
| Vedda Printing-2005                      | 325,000             | 0                   | 15,000              | 310,000             | 15,000             |
| Unamortized Premium                      | 534                 | 0                   | 36                  | 498                 | 0                  |
| Various Purpose-2011                     | 0                   | 7,770,000           | 5,000               | 7,765,000           | 5,000              |
| Unamortized Premium                      | 0                   | 7,022               | 1,003               | 6,019               | 0                  |
| Various Purpose Refunding-2011           | 0                   | 3,075,268           | 821,607             | 2,253,661           | 691,071            |
| Unamortized Premium                      | 0                   | 55,083              | 3,060               | 52,023              | 0                  |
| Unamortized loss                         | 0                   | (16,369)            | (910)               | (15,459)            | 0                  |
| <i>Total General Obligation Bonds</i>    | <u>27,304,917</u>   | <u>10,891,004</u>   | <u>5,929,072</u>    | <u>32,266,849</u>   | <u>2,834,934</u>   |
| <b>Other Long-Term Obligations</b>       |                     |                     |                     |                     |                    |
| OPWC Loan-Forest and Clifton Road-1999   | 246,400             | 0                   | 30,800              | 215,600             | 30,800             |
| Claims Payable                           | 861,927             | 5,558,887           | 5,642,556           | 778,258             | 434,218            |
| Compensated Absences Payable             | 5,615,278           | 2,054,191           | 1,906,352           | 5,763,117           | 2,054,197          |
| Capital Lease Payable                    | 5,574,518           | 1,487,326           | 939,630             | 6,122,214           | 1,050,447          |
| <i>Total Other Long-Term Obligations</i> | <u>12,298,123</u>   | <u>9,100,404</u>    | <u>8,519,338</u>    | <u>12,879,189</u>   | <u>3,569,662</u>   |
| <i>Total Governmental Activities</i>     | <u>\$47,374,040</u> | <u>\$21,939,408</u> | <u>\$22,219,410</u> | <u>\$47,094,038</u> | <u>\$6,404,596</u> |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 12 - Long-Term Obligations (Continued)**

|                                       | Restated Balance<br>December 31,<br>2010 | Additions          | Deletions          | Balance<br>December 31,<br>2011 | Amount<br>Due in<br>One Year |
|---------------------------------------|--|--------------------|--------------------|---------------------------------|------------------------------|
| <i>Business-Type Activities</i>       |  |                    |                    |                                 |                              |
| <b>Revenue Bonds</b>                  |  |                    |                    |                                 |                              |
| <i>Water</i>                          |  |                    |                    |                                 |                              |
| Water Main Improvements-1995          | \$1,825,000                              | \$0                | \$135,000          | \$1,690,000                     | \$145,000                    |
| Water System Refunding-2002           | 510,000                                  | 0                  | 510,000            | 0                               | 0                            |
| Deferred Amount of Refunding          | (29,580)                                 | 0                  | (29,580)           | 0                               | 0                            |
| Water Main Improvements-2005          | 497,246                                  | 0                  | 24,572             | 472,674                         | 25,464                       |
| Unamortized Premium                   | 408                                      | 0                  | 29                 | 379                             | 0                            |
| Water Main Improvements-2006          | 9,190,000                                | 0                  | 285,000            | 8,905,000                       | 295,000                      |
| Unamortized Discount                  | (103,136)                                | 0                  | (5,031)            | (98,105)                        | 0                            |
| Unamortized Premium                   | 17,512                                   | 0                  | 854                | 16,658                          | 0                            |
| <i>Sewer</i>                          |  |                    |                    |                                 |                              |
| Sewer Construction-2006               | 12,805,000                               | 0                  | 390,000            | 12,415,000                      | 405,000                      |
| Unamortized Discount                  | (143,834)                                | 0                  | (7,016)            | (136,818)                       | 0                            |
| Unamortized Premium                   | 41,706                                   | 0                  | 2,034              | 39,672                          | 0                            |
| <b>Total Revenue Bonds</b>            | <b>24,610,322</b>                        | <b>0</b>           | <b>1,305,862</b>   | <b>23,304,460</b>               | <b>870,464</b>               |
| <b>General Obligation Bonds</b>       |  |                    |                    |                                 |                              |
| <i>Sewer</i>                          |  |                    |                    |                                 |                              |
| Sewer Construction Refunding-1998     | 1,065,000                                | 0                  | 200,000            | 865,000                         | 205,000                      |
| Deferred Amount of Refunding          | (52,825)                                 | 0                  | (11,961)           | (40,864)                        | 0                            |
| Unamortized Premium                   | 22,776                                   | 0                  | 5,156              | 17,620                          | 0                            |
| Sewer Construction Refunding-2003     | 530,000                                  | 0                  | 530,000            | 0                               | 0                            |
| Deferred Amount of Refunding          | (57,841)                                 | 0                  | (57,841)           | 0                               | 0                            |
| Sewer Construction-2005               | 2,722,492                                | 0                  | 125,381            | 2,597,111                       | 132,559                      |
| Unamortized Premium                   | 48,656                                   | 0                  | 3,936              | 44,720                          | 0                            |
| Sewer Construction-2005               | 3,605,025                                | 0                  | 178,146            | 3,426,879                       | 184,623                      |
| Unamortized Premium                   | 2,981                                    | 0                  | 207                | 2,774                           | 0                            |
| Sewer Construction Refunding          |  |                    |                    |                                 |                              |
| Bonds- 2011                           | 0  | 545,000            | 320,000            | 225,000                         | 225,000                      |
| Unamortized Premium                   | 0  | 8,464              | 4,232              | 4,232                           | 0                            |
| Deferred Amount of Refunding          | 0  | (7,244)            | (3,622)            | (3,622)                         | 0                            |
| <i>Winterhurst</i>                    |  |                    |                    |                                 |                              |
| Recreational Facility Bonds-1998      | 883,400                                  | 0                  | 883,400            | 0                               | 0                            |
| Recreational Facility Bonds -2005     | 165,748                                  | 0                  | 8,191              | 157,557                         | 8,488                        |
| Unamortized Premium                   | 134                                      | 0                  | 10                 | 124                             | 0                            |
| Recreational Facility                 |  |                    |                    |                                 |                              |
| Refunding Bonds- 2011                 | 0  | 929,732            | 248,393            | 681,339                         | 208,929                      |
| Unamortized Premium                   | 0  | 16,653             | 925                | 15,728                          | 0                            |
| Deferred Amount of Refunding          | 0  | (38,109)           | (2,117)            | (35,992)                        | 0                            |
| <i>Parking</i>                        |  |                    |                    |                                 |                              |
| Meter Replacement-2007                | 285,000                                  | 0                  | 20,000             | 265,000                         | 20,000                       |
| Unamortized Premium                   | 1,942                                    | 0                  | 121                | 1,821                           | 0                            |
| <b>Total General Obligation Bonds</b> | <b>\$9,222,488</b>                       | <b>\$1,454,496</b> | <b>\$2,452,557</b> | <b>\$8,224,427</b>              | <b>\$984,599</b>             |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 12 - Long-Term Obligations (Continued)**

|  | Restated Balance     |                    |                    | Balance<br>December 31,<br>2011 | Amount<br>Due in<br>One Year |
|--|----------------------|--------------------|--------------------|---------------------------------|------------------------------|
|  | December 31,<br>2010 | Additions          | Deletions          |                                 |                              |
| <b>OPWC Loans</b>                            |                      |                    |                    |                                 |                              |
| <i>Water Fund</i>                            |                      |                    |                    |                                 |                              |
| Water Main Replacements-1999                 | \$499,380            | \$0                | \$62,423           | \$436,957                       | \$62,423                     |
| Water Main Replacements-2001                 | 972,005              | 0                  | 97,201             | 874,804                         | 97,201                       |
| Water Main Replacements-2003                 | 621,633              | 0                  | 49,731             | 571,902                         | 49,731                       |
| Water Main Replacements-2003                 | 995,526              | 0                  | 79,642             | 915,884                         | 79,642                       |
| Belle Avenue Improvements-2003               | 327,130              | 0                  | 24,232             | 302,898                         | 24,232                       |
| <i>Sewer</i>                                 |                      |                    |                    |                                 |                              |
| West Clifton Storm Sewer Rehabilitation-2000 | 38,453               | 0                  | 4,273              | 34,180                          | 4,273                        |
| Edgewater Drive-Sewer Separation-2002        | 332,342              | 0                  | 30,213             | 302,129                         | 30,213                       |
| <i>Total OPWC Loans</i>                      | <u>3,786,469</u>     | <u>0</u>           | <u>347,715</u>     | <u>3,438,754</u>                | <u>347,715</u>               |
| <b>Other Long-Term Obligations</b>           |                      |                    |                    |                                 |                              |
| OWDA Loan- Lakewood Avenue-2002              | 78,513               | 0                  | 30,405             | 48,108                          | 31,726                       |
| Compensated Absences Payable                 | 385,360              | 142,300            | 127,335            | 400,325                         | 142,300                      |
| Capital Lease Payable                        | 1,224,164            | 1,915,044          | 259,572            | 2,879,636                       | 337,805                      |
| <i>Total Other Long-Term Obligations</i>     | <u>1,688,037</u>     | <u>2,057,344</u>   | <u>417,312</u>     | <u>3,328,069</u>                | <u>511,831</u>               |
| <i>Total Business-Type Activities</i>        | <u>\$39,307,316</u>  | <u>\$3,511,840</u> | <u>\$4,523,446</u> | <u>\$38,295,710</u>             | <u>\$2,714,609</u>           |

**Governmental Activities**

**General Obligation Bonds** For governmental activities, general obligation bonds will be retired from the Debt Service and TIF Bond Retirement Debt Service Funds using general property tax and payments in lieu of taxes revenue.

On May 26, 2005, the City issued \$7,335,000 in general obligation refunding bonds at interest rates varying from 3.00 percent to 5.00 percent. Proceeds were used to refund \$6,735,000 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 bonds. As a result, \$6,735,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the basic financial statements. As of December 31, 2011, \$2,790,000 of the defeased debt remained outstanding.

On May 30, 2007, the City issued \$10,875,000 in general obligation bonds, \$10,520,000 of which were related to governmental activities, to refund notes and a portion of the 2005 various purpose general obligation bonds in order to take advantage of lower interest rates. The bonds were issued for twenty years, with final maturity at December 1, 2026. The bonds will be retired from the Debt Service Fund. The proceeds were used to refund a portion of the 2005 various purpose and bond anticipation notes.

The bonds were sold at a premium of \$57,987. Net proceeds of \$4,844,725 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. As a result, \$4,495,000 of these bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 12 - Long-Term Obligations (Continued)**

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. In the event that insufficient funds are collected, the shortfall will be the responsibility of the developer, per the master agreement.

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 OPWC loans are paid semi-annually from the Debt Service Fund. The loans are interest free and will be paid from general property tax revenue.

On February 9, 2011, the City issued general obligation bonds, in the amount of \$12,320,000, to refund bonds previously issued in fiscal years 1998 and 2003 for various purposes in the amount of \$4,320,000 and to pay off the \$7,770,000 2010 various purpose notes. The bonds were issued with interest rates varying from 2 percent to 5 percent. The bonds were issued for a seventeen year period with final maturity on December 1, 2028. The bonds will be retired through the Debt Service, Water and Winterhurst Funds.

An analysis of the refunding issue follows:

|                                     | 1998<br>Various<br>Purpose<br><u>Refunding</u> | 1998<br>Various<br>Purpose<br><u>Purpose</u> | 2003<br>Sewer<br><u>Refunding</u> | 1998<br><u>Winterhurst</u> |
|-------------------------------------|--|--|-----------------------------------|----------------------------|
| Outstanding at<br>December 31, 2010 | \$1,410,000                                    | \$1,621,700                                  | \$530,000                         | \$883,400                  |
| Amount Refunded                     | <u>(1,410,000)</u>                             | <u>(1,621,700)</u>                           | <u>(530,000)</u>                  | <u>(883,400)</u>           |
| Outstanding at<br>December 31, 2011 | <u>\$0</u>                                     | <u>\$0</u>                                   | <u>\$0</u>                        | <u>\$0</u>                 |

The bonds were sold at a premium of \$87,222. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1998 Various Purpose bonds. As a result, \$4,445,100 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. The amount still outstanding at December 31, 2011 is \$3,160,000.

Although the refunding will result in the recognition of an accounting loss of \$61,722, the City in effect decreased its aggregated debt service payments by \$783,791 over the next seventeen years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$297,803.

The City issued a \$1,948,000 various purpose bond anticipation note April 21, 2011 at 1.50 percent that will mature April 19, 2012. The proceeds were used for street and traffic signal improvements. All of the notes were considered long-term.

**Other Long-Term Obligations** 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, and Parking Facilities Enterprise Funds.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 12 - Long-Term Obligations (Continued)**

***Business-Type Activities***

The revenue bonds, general obligation bonds, OPWC loans, and the OWDA loan reported in the Enterprise Funds will be paid from revenues derived by the City from water, sewer and ice rink user charges. The OPWC and OWDA loans reported in the Enterprise funds are not general obligation and are not backed by the full faith and credit of the City.

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 for debt service relating to the water main improvement revenue bonds held with a trustee at December 31, 2011, were \$121,830. At December 31, 2011, \$1,690,000 of the debt remained outstanding.

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, 2011, none 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 was zero at December 31, 2011. 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 held with trustee at December 31, 2011, were \$195,493 for replacement and improvement and \$44,073 for debt service.

In 2006, the City issued \$10,285,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.00 percent to 4.50 percent to improve the City's water mains. The Revenue Bonds included Serial Bonds. Issuance included a premium of \$21,352 and discount of \$124,937. Restricted assets relating to the Water Main Improvement Revenue Bonds held with trustee at December 31, 2011, were \$338,293 restricted for debt service.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 12 - Long-Term Obligations (Continued)**

In 2006, the City issued \$14,320,000 in Sewer and Wastewater Improvement Revenue Bonds with interest rates varying from 4.00 percent to 4.50 percent to improve the City's sewer mains. The Revenue Bonds included Serial Bonds. Issuance included a premium of \$50,527 and discount of \$174,240. Restricted assets relating to the Sewer Main Improvement Revenue Bonds held with trustee at December 31, 2011, were \$470,475 restricted for debt service.

On May 26, 2005, the City issued \$1,945,000 in Sewer Construction Refunding Bonds at interest rates varying from 3.00 percent to 5.00 percent. Proceeds were used to refund \$2,040,000 of the outstanding 1995 various purpose general obligation bonds.

The City has pledged future revenues to repay revenue bonds and OPWC loans in the Water Fund. The debt is payable solely from net revenues and is payable through 2031. Annual principal and interest payments on the bonds and loans are expected to require less than 60 percent of net revenues and less than 16 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is \$19,490,022. Principal and interest paid for the current year were \$1,806,760, total net revenues were \$2,646,513, and total revenues were \$10,774,944.

The City has pledged future revenues to repay the revenue bonds and OWDA and OPWC loans in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2031. Annual principal and interest payments on the debt is expected to require less than 4 percent of net revenues and less than 1.00 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$19,253,957. Principal and interest paid for the current year were \$1,009,947, total net revenues were \$3,092,610, and total revenues were \$6,849,662.

The City's overall legal debt margin was \$61,734,085 at December 31, 2011.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011, are as follows:

|           | <b>Governmental Activities</b> |                     |                    |                     |                     |
|-----------|--------------------------------|---------------------|--------------------|---------------------|---------------------|
|           | General Obligation Bonds       |                     | OPWC               | Total               |                     |
|           | Principal                      | Interest            | Loans<br>Principal | Principal           | Interest            |
| 2012      | \$2,834,934                    | \$1,388,729         | \$30,800           | \$2,865,734         | \$1,388,729         |
| 2013      | 2,527,786                      | 1,293,941           | 30,800             | 2,558,586           | 1,293,941           |
| 2014      | 2,562,433                      | 1,212,664           | 30,800             | 2,593,233           | 1,212,664           |
| 2015      | 2,693,155                      | 1,099,154           | 30,800             | 2,723,955           | 1,099,154           |
| 2016      | 1,848,822                      | 981,056             | 30,800             | 1,879,622           | 981,056             |
| 2017-2021 | 10,710,656                     | 3,658,380           | 61,600             | 10,772,256          | 3,658,380           |
| 2022-2026 | 7,581,652                      | 1,397,780           | 0                  | 7,581,652           | 1,397,780           |
| 2027-2028 | 1,715,000                      | 129,750             | 0                  | 1,715,000           | 129,750             |
|           | <u>\$32,474,438</u>            | <u>\$11,161,454</u> | <u>\$215,600</u>   | <u>\$32,690,038</u> | <u>\$11,161,454</u> |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 12 - Long-Term Obligations (Continued)**

|           | <b>Business Type Activities</b> |                     |                          |                    |
|-----------|---------------------------------|---------------------|--------------------------|--------------------|
|           | Revenue Bonds                   |                     | General Obligation Bonds |                    |
|           | Principal                       | Interest            | Principal                | Interest           |
| 2012      | \$870,464                       | \$1,036,050         | \$984,599                | \$389,143          |
| 2013      | 916,359                         | 994,626             | 660,854                  | 347,108            |
| 2014      | 957,253                         | 955,236             | 710,315                  | 318,951            |
| 2015      | 999,040                         | 913,620             | 747,805                  | 281,728            |
| 2016      | 1,040,380                       | 870,131             | 545,798                  | 239,313            |
| 2017-2021 | 5,700,216                       | 3,624,700           | 2,734,128                | 771,138            |
| 2022-2026 | 5,898,962                       | 2,388,603           | 1,834,387                | 178,222            |
| 2027-2031 | 7,100,000                       | 986,400             | 0                        | 0                  |
|           | <u>\$23,482,674</u>             | <u>\$11,769,366</u> | <u>\$8,217,886</u>       | <u>\$2,525,603</u> |
|           |                                 | OPWC Loans          | OWDA Loans               |                    |
|           |                                 | Principal           | Principal                | Interest           |
| 2012      |                                 | \$347,715           | \$31,726                 | \$4,731            |
| 2013      |                                 | 347,714             | 16,382                   | 346                |
| 2014      |                                 | 347,714             | 0                        | 0                  |
| 2015      |                                 | 347,714             | 0                        | 0                  |
| 2016      |                                 | 347,714             | 0                        | 0                  |
| 2017-2021 |                                 | 1,445,555           | 0                        | 0                  |
| 2022-2026 |                                 | 254,628             | 0                        | 0                  |
| 2027-2031 |                                 | 0                   | 0                        | 0                  |
|           |                                 | <u>\$3,438,754</u>  | <u>\$48,108</u>          | <u>\$5,077</u>     |
|           |                                 | Total               |                          |                    |
|           |                                 | Principal           | Interest                 |                    |
| 2012      |                                 | \$2,234,504         | \$1,429,924              |                    |
| 2013      |                                 | 1,941,309           | 1,342,080                |                    |
| 2014      |                                 | 2,015,282           | 1,274,187                |                    |
| 2015      |                                 | 2,094,559           | 1,195,348                |                    |
| 2016      |                                 | 1,933,892           | 1,109,444                |                    |
| 2017-2021 |                                 | 9,879,899           | 4,395,838                |                    |
| 2022-2026 |                                 | 7,987,977           | 2,566,825                |                    |
| 2027-2031 |                                 | 7,100,000           | 986,400                  |                    |
|           |                                 | <u>\$35,187,422</u> | <u>\$14,300,046</u>      |                    |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 13 – Leases**

**A. Capital Leases**

In 2011, the City entered into a lease for the acquisition of vehicles, computer equipment and copier equipment for various City departments. In prior years, the City entered into leases for the acquisition of police cruisers, fire vehicles, forestry vehicles, computer hardware, copier equipment, and building HVAC improvements. The assets of such agreement are recorded in the Governmental Activities and Business-Type Activities as shown on the Statement of Net Assets. 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, 2011:

|   | Governmental<br>Activities | Business-Type<br>Activities |
|---|----------------------------|-----------------------------|
| Building and Improvements               | \$2,100,000                | \$1,200,000                 |
| Equipment Machinery and Furniture       | 319,076                    | 176,859                     |
| Vehicles                                | 4,865,374                  | 936,378                     |
| Total Capital Leases, being depreciated | 7,284,450                  | 2,313,237                   |
|   |                            |                             |
| Less Accumulated Depreciation           |                            |                             |
| Building and Improvements               | 840,000                    | 480,000                     |
| Equipment Machinery and Furniture       | 127,631                    | 70,744                      |
| Vehicles                                | 1,621,672                  | 290,071                     |
| Total Accumulated Depreciation          | 2,589,303                  | 840,815                     |
| Capital Leases, Net                     | \$4,695,147                | \$1,472,422                 |
|   |                            |                             |
|   | Governmental<br>Activities | Business-Type<br>Activities |
| 2012                                    | \$1,275,072                | \$440,720                   |
| 2013                                    | 1,105,711                  | 418,107                     |
| 2014                                    | 973,390                    | 403,269                     |
| 2015                                    | 951,406                    | 406,228                     |
| 2016                                    | 897,413                    | 405,562                     |
| 2017-2021                               | 1,767,725                  | 1,270,042                   |
| Total minimum lease payments            | 6,970,717                  | 3,343,928                   |
| Less: amount representing interest      | (848,503)                  | (464,292)                   |
| Total                                   | \$6,122,214                | \$2,879,636                 |

**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. Under the terms of the lease, the City will receive amounts ranging from \$1 million to \$1.225 million commencing in 1997 and continuing through 2026. Upon expiration of the lease term or the termination of this lease, LHA will surrender the leased property to the City.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 14 - 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's coverage for general liability, bodily injury and property damage to others, with Government Underwriter's Association Insurance Company is limited to \$1,000,000 per occurrence and has a \$2,000,000 aggregate limit per year. In addition, there is an excess umbrella coverage of \$10,000,000 per occurrence, which has a \$10,000,000 aggregate limit per year.

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, and has a \$2,000,000 annual aggregate. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$500 deductible for comprehensive, \$500 deductible for collision.

The boiler and machinery is covered at \$112,544,732 with a \$1,000 deductible for deep well pumps and \$1,000 deductible for all other property.

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$112,544,732, with a \$1,000 deductible. Inland marine coverage for all City property that moves has coverage of \$4,743,726 with a \$500 deductible and EDP equipment is covered at \$1,285,815 with a \$500 deductible.

Network Risk Insurance Policy covers Cyber liability at \$1,000,000 annual aggregate.

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 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 that are funded through a third party administrator. Under these plans the third party administrator processes claims on behalf of the employees and bills the City for the amount of actual claims plus administrative costs. The City is liable for claims up to \$1,000,000. A specific excess loss coverage (stop loss) insurance policy covers claims in excess of \$1,000,000 per year.

At December 31, 2011, \$408,994 was accrued for hospitalization and medical 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 years are as follows:

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 14 - Risk Management (Continued)**

|                                      | 2011        | 2010        |
|--------------------------------------|-------------|-------------|
| Estimated claims payable January 1   | \$452,711   | \$480,500   |
| Plus: Current year claims            | 5,116,978   | 5,150,442   |
| Less: Claim payments                 | (5,160,695) | (5,178,231) |
| Estimated claims payable December 31 | \$408,994   | \$452,711   |

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.

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 percent of the employer's normal premium in the year the claim occurred and a \$300,000 limit per individual claim.

As of March 1, 2006, the City became self insured as an alternate method of funding workers' compensation. The City contracts with a third party administrator, who in turn, processes all the claims.

At December 31, 2011, \$369,264 has been accrued for workers' compensation claims. The claims represent estimates of amounts to be paid for reported claims and incurred but not reported claims. It is 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 years are as follows:

|                                      | 2011      | 2010      |
|--------------------------------------|-----------|-----------|
| Estimated claims payable January 1   | \$409,216 | \$614,860 |
| Plus: Current year claims            | 441,909   | 393,676   |
| Less: Claim payments                 | (481,861) | (599,320) |
| Estimated claims payable December 31 | \$369,264 | \$409,216 |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 15 - Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent or 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional and Combined plans for the years ended December 31, 2011, 2010, and 2009, were \$1,564,435 \$1,352,366, and \$1,274,799, respectively; 88 percent has been contributed for 2011 and 100 percent for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$20,639 made by the City and \$28,894 made by the plan members.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 15 - Defined Benefit Pension Plans (Continued)**

***B. Ohio Police and Fire Pension Fund***

Plan Description – 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters.

The City's pension contributions to OP&F for police and firefighters were \$921,634 and \$959,008 for the year ended December 31, 2011, \$877,675 and \$925,438 for the year ended December 31, 2010, and \$862,453 and \$972,154 for the year ended December 31, 2009. 73.72 percent has been contributed for police and 72.53 percent has been contributed for firefighters for 2011 with the balance for both police and firefighters being reported as intergovernmental payable.

**Note 16 – Post-Employment Benefits**

***A. Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 16 – Post-Employment Benefits (Continued)**

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employees to fund post-retirement health care through contributions to OPERS. A portion of each employers contribution to OPERS is set aside for funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$625,774, \$770,838, and \$922,021, respectively; 88 percent has been contributed for 2011 with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

***B. Ohio Police and Fire Pension Fund***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

**Note 16 – Post-Employment Benefits (Continued)**

child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No.45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy –The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefits pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employees, respectively.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 Trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$487,924 and \$375,264 for the year ended December 31, 2011, \$464,652 and \$362,128 for the year ended December 31, 2010, and \$456,625 and \$377,288 for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 73.72 percent has been contributed for police and 72.53 percent has been contributed for firefighters for 2011 with the balance being reported as an intergovernmental payable.

**Note 17 - Other Employee Benefits**

***A. Compensated Absences***

City employees generally earn vacation and sick leave ranging from two to five weeks and fourteen to twenty-five days per year, respectively, based on length of service or hours worked for sick time. Vacation and sick leave accumulate on an hourly basis and are fully vested when earned. Accumulated

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 17 - Other Employee Benefits - Continued**

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 compensatory time for a portion of overtime hours worked based upon time and a half for police and fire department employees, and time and a half for other union 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 quarterly basis for police and a semi-annual basis for fire, 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. All members may accumulate up to fourteen 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have the option of 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. Police Department personnel who are required to work a holiday are granted a day off at a later time. Members have the option of receiving a payment of up to 120 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

***B. Health and Life Insurance***

City employees may choose between two health insurance providers. Medical Mutual serves as the third party administrator for the self-insured medical and health coverage to City employees. Kaiser Permanente is a traditionally funded HMO. For those employees choosing Kaiser Permanente, the monthly 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 18 - 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 of Directors is comprised of one member from each of the six participating municipalities. The Board of Directors 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 of Directors. In 2011, the City contributed \$89,790.

**Note 19 – Contractual Commitments**

The following were significant contractual commitments outstanding at December 31, 2011.

| Project                      | Contract<br>Amount | Amount<br>Paid     | Amount<br>Remaining |
|------------------------------|--------------------|--------------------|---------------------|
| Traffic Signalization        | \$400,000          | \$391,714          | \$8,286             |
| Refuse Facility Improvements | 683,300            | 0                  | 683,300             |
| Waterline Improvements       | 1,037,485          | 919,907            | 117,578             |
| Wastewater Improvements      | 2,399,072          | 1,031,373          | 1,367,699           |
| Totals                       | <u>\$4,519,857</u> | <u>\$2,342,994</u> | <u>\$2,176,863</u>  |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 20 - Interfund Transfers and Balances**

**A. Transfers**

The General Fund transfers to the major and nonmajor governmental funds and to proprietary funds were made to provide additional resources for current operations. The transfers from Streets and Highways, Police and Fire Pension Fund, Lakewood Hospital, Debt Service, Water, Sewer, Parking and Winterhurst were to cover debt payments.

| <b>Transfer To</b>                       | <b>Transfer From</b>      |                                    |                         |                                     |                        |                           |                       |                        | <b>Total</b>              |
|--|---------------------------|------------------------------------|-------------------------|-------------------------------------|------------------------|---------------------------|-----------------------|------------------------|---------------------------|
|  | <b>General</b>            | <b>Police and<br/>Fire Pension</b> | <b>Debt<br/>Service</b> | <b>Other<br/>Governmental Funds</b> | <b>Water</b>           | <b>Sewer</b>              | <b>Parking</b>        | <b>Winterhurst</b>     |                           |
| <b>Governmental Activities</b>           |                           |                                    |                         |                                     |                        |                           |                       |                        |                           |
| <b>Major Funds</b>                       |                           |                                    |                         |                                     |                        |                           |                       |                        |                           |
| General                                  | \$0                       | \$0                                | \$0                     | \$0                                 | \$15,252               | \$870,061                 | \$4,500               | \$70,852               | \$960,665                 |
| Debt Service                             | 0                         | 431,000                            | 0                       | 151,200                             | 0                      | 520,873                   | 0                     | 0                      | 1,103,073                 |
| <b>Nonmajor Funds</b>                    |                           |                                    |                         |                                     |                        |                           |                       |                        |                           |
| Office on Aging                          | 714,230                   | 0                                  | 0                       | 0                                   | 0                      | 0                         | 0                     | 0                      | 714,230                   |
| <i>Total Governmental Activities</i>     | <u>714,230</u>            | <u>431,000</u>                     | <u>0</u>                | <u>151,200</u>                      | <u>15,252</u>          | <u>1,390,934</u>          | <u>4,500</u>          | <u>70,852</u>          | <u>2,777,968</u>          |
| <b>Business-Type Activities</b>          |                           |                                    |                         |                                     |                        |                           |                       |                        |                           |
| Winterhurst                              | 0                         | 0                                  | 439,784                 | 0                                   | 0                      | 0                         | 0                     | 0                      | 439,784                   |
| <b>Internal Service</b>                  |                           |                                    |                         |                                     |                        |                           |                       |                        |                           |
| Hospitalization                          | 1,000,000                 | 0                                  | 0                       | 0                                   | 0                      | 0                         | 0                     | 0                      | 1,000,000                 |
| Workers' Compensation                    | 100,002                   | 0                                  | 0                       | 0                                   | 0                      | 0                         | 0                     | 0                      | 100,002                   |
| <i>Total Internal Service Activities</i> | <u>1,100,002</u>          | <u>0</u>                           | <u>0</u>                | <u>0</u>                            | <u>0</u>               | <u>0</u>                  | <u>0</u>              | <u>0</u>               | <u>1,100,002</u>          |
| <b>Total</b>                             | <u><u>\$1,814,232</u></u> | <u><u>\$431,000</u></u>            | <u><u>\$439,784</u></u> | <u><u>\$151,200</u></u>             | <u><u>\$15,252</u></u> | <u><u>\$1,390,934</u></u> | <u><u>\$4,500</u></u> | <u><u>\$70,852</u></u> | <u><u>\$4,317,754</u></u> |

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 20 - Interfund Transfers and Balances (Continued)**

**B. Balances**

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds and Advances from the General Fund. It is also to cover those funds that owe the Hospitalization Fund and Workers' Compensation Fund for monthly premiums. All interfund balances will be repaid within one year. Interfund balances at December 31, 2011, consist of the following:

| Interfund Payable                 | Interfund Receivable    |                          |                         |                         |
|-----------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
|                                   | General                 | Workers'<br>Compensation | Hospitalization         | Total                   |
| <b>Governmental Funds</b>         |                         |                          |                         |                         |
| <b>Major Funds:</b>               |                         |                          |                         |                         |
| General                           | \$0                     | \$18,690                 | \$303,061               | \$321,751               |
| Community Development Block Grant | 241,000                 | 454                      | 7,369                   | 248,823                 |
| <b>Nonmajor Funds:</b>            |                         |                          |                         |                         |
| Street and Highway                | 0                       | 966                      | 15,660                  | 16,626                  |
| Office on Aging                   | 0                       | 909                      | 14,739                  | 15,648                  |
| Lakewood Hospital                 | 0                       | 1,250                    | 20,265                  | 21,515                  |
| Energy Efficiency Block Grant     | 22,000                  | 0                        | 0                       | 22,000                  |
| Emergency Shelter Grant           | 5,000                   | 0                        | 0                       | 5,000                   |
| Help-to-Others                    | 1,000                   | 0                        | 0                       | 1,000                   |
| <i>Total Governmental Funds</i>   | <u>269,000</u>          | <u>22,269</u>            | <u>361,094</u>          | <u>652,363</u>          |
| <b>Proprietary Funds</b>          |                         |                          |                         |                         |
| <b>Major Funds:</b>               |                         |                          |                         |                         |
| Water                             | 0                       | 852                      | 13,817                  | 14,669                  |
| Sewer                             | 0                       | 1,989                    | 32,241                  | 34,230                  |
| <b>Nonmajor Funds</b>             |                         |                          |                         |                         |
| Parking Facilities                | 0                       | 114                      | 1,842                   | 1,956                   |
| Winterhurst Ice Rink              | 104,000                 | 0                        | 0                       | 104,000                 |
| <i>Total Proprietary Funds</i>    | <u>104,000</u>          | <u>2,955</u>             | <u>47,900</u>           | <u>154,855</u>          |
| <b>Total</b>                      | <u><u>\$373,000</u></u> | <u><u>\$25,224</u></u>   | <u><u>\$408,994</u></u> | <u><u>\$807,218</u></u> |

**Note 21 - Subsequent Event**

On April 18, 2012, the City issued \$7,973,000 in various purpose and refunding bond anticipation notes at 1.125 percent that will mature October 18, 2012. \$1,948,000 of the proceeds were used to retire the outstanding 2011 various purposes bond anticipation notes, and \$6,025,000 of the proceeds were used to retire 2003 general obligation bonds.

# **Combining and Individual Fund Statements and Schedules**

# 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.

|   |   |
|---|---|
| Street and Highway Fund                 | To account for and report restricted State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City as required by the Ohio Revised Code.                                       |
| Office on Aging Fund                    | To account for and report grants received from the Ohio Department of Aging restricted for the various programs assisting the senior citizens in the City.  |
| Lakewood Hospital Fund                  | To account for and report ambulance service fees committed to providing emergency medical services (paramedic), lease payments received from Lakewood Hospital Association and various licenses, permits and fees.            |
| Energy Efficiency Block Grant Fund      | To account for and report grants received from United States Department of Energy restricted for costs associated with energy savings in municipal buildings.   |
| Homeless Prevention Fund                | To account for and report received from the Department of Development restricted for providing individuals with financial assistance and services.  |
| Neighborhood Stabilization Fund         | To account for and report grants received from the United States Department of Housing and Urban Development (HUD) restricted for assisting communities in purchasing for demolition or rehab housing structures in the City. |
| Byrne Memorial Grant Fund               | To account for and report grants received from the Federal government restricted to provide safety programs for the City.   |
| Litter Control Grant Fund               | To account for and report grants received from Ohio Department of Natural Resources restricted to assist with community cleanup and litter enforcement projects within the City.  |
| Law and Drug Enforcement Trust Fund     | To account for and report seized in the commitment of a felony and awarded to the City. Restricted for the purchases of equipment for use in the Police Department.   |
| Federal Forfeiture Fund                 | To account for and report federal forfeitures restricted for specific law enforcement purposes.   |
| Indigent Drivers Alcohol Treatment Fund | To account for and report fines from persons convicted of "Driving while under the influence of alcohol (D.U.I.)" that are restricted for the rehabilitation of D.U.I. indigent citizens.                                     |

(continued)

*Fund Descriptions (continued)*

*Nonmajor Special Revenue Funds*

|  |  |
|--|--|
| Enforcement and Education Fund                                 | To account for and report fines imposed by the Courts which are used for programs aimed at further education and enforcement of D.U.I. laws, restricted for education and enforcement of D.U.I. laws.  |
| Political Subdivision Fund                                     | To account for and report fines imposed by the Courts which are restricted cost related to housing the D.U.I offender.   |
| Computer Research and Maintenance Fund                         | To account for and report fines imposed by the Courts which are restricted to provide computerized research services and maintenance of the Court's computer system.   |
| Court Special Projects Fund                                    | To account for and report fines imposed by the Courts which are restricted for Special Projects of the Lakewood Municipal Court.   |
| Court Probation Services Fund                                  | To account for and report fines imposed by the Courts which are restricted used for the operations of the Probation Department of the Lakewood Municipal Court.  |
| Indigent Drivers Interlock and Alcohol Monitoring Fund (IDIAM) | To account for and report State grants received and restricted to cover costs of immobilizing or disabling devices for indigent defendants.  |
| Emergency Shelter Grant Fund                                   | To account for and report grants received from the United States Department of Housing and Urban Development (HUD) and restricted to funds the renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless. |
| HOME Investment Program Fund                                   | To account for and report grants from the United States Department of Housing and Urban Development (HUD) restricted to help first-time homebuyers with low and moderate income to purchase a new home.  |
| Help-to-Others Fund  | To account for and report camp registrations fees and donations committed to fund a youth program that promotes volunteerism.  |
| Juvenile Diversion Fund  | To account for and report grants received from Cuyahoga County restricted to establish or expand community policing programs.  |
| Family to Family Fund  | To account for and report grants received from Cuyahoga County restricted to fund wrap around services targeting identified at-risk youth and families.  |
| Community Festival Fund  | To account for and report donations used for various community Activities held during the year. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.                         |

(continued)

*Fund Descriptions (continued)*

*NonMajor Debt Service Fund*

Debt Service funds are established to account for financial resources that are restricted to expenditures for principal and interest.

|   |  |
|---|--|
| Tax Increment Financing (TIF)<br>Bond Retirement Fund | To account for and report all restricted tax increment financing activities. |
|---|--|

*NonMajor Capital Projects Funds*

Capital projects funds are established to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition of construction of major capital facilities and other capital assets.

|                                    |   |
|------------------------------------|---|
| Permanent Capital Improvement Fund | To account for and report note proceeds restricted for acquisition of equipment and the construction of general capital assets of the City. |
|------------------------------------|---|

|   |  |
|---|--|
| Tax Increment Financing (TIF)<br>Capital Improvement Fund | To account for and report bond proceeds and all payment made to the developers of Rockport and Vedda Printing restricted for TIF activities. |
|---|--|

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

|                            |  |
|----------------------------|--|
| City Park Improvement Fund | To account for and report donations committed to the improvement of the City Park. |
|----------------------------|--|

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2011*

|   | Nonmajor<br>Special Revenue<br>Funds | Nonmajor<br>Debt Service<br>Fund | Nonmajor<br>Capital Projects<br>Funds | Total Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------------|----------------------------------|---------------------------------------|---|
| <b>Assets</b>                                       |                                      |                                  |                                       |   |
| Equity in Pooled Cash and Cash<br>Equivalents       | \$1,472,712                          | \$57,321                         | \$1,085,102                           | \$2,615,135                             |
| Cash and Cash Equivalents<br>In Segregated Accounts | 241,119                              | 0                                | 37,178                                | 278,297                                 |
| Accounts Receivable                                 | 511,935                              | 0                                | 0                                     | 511,935                                 |
| Intergovernmental Receivable                        | 852,816                              | 0                                | 0                                     | 852,816                                 |
| Materials and Supplies Inventory                    | 168,802                              | 0                                | 0                                     | 168,802                                 |
| Assets Held for Resale                              | 114,639                              | 0                                | 0                                     | 114,639                                 |
| Special Assessments Receivable                      | 137,983                              | 0                                | 0                                     | 137,983                                 |
| Payments in Lieu of Taxes Receivable                | 0                                    | 428,409                          | 0                                     | 428,409                                 |
| <i>Total Assets</i>                                 | <u>\$3,500,006</u>                   | <u>\$485,730</u>                 | <u>\$1,122,280</u>                    | <u>\$5,108,016</u>                      |
| <b>Liabilities and Fund Balances</b>                |                                      |                                  |                                       |   |
| <b>Liabilities</b>                                  |                                      |                                  |                                       |   |
| Accounts Payable                                    | \$103,476                            | \$0                              | \$110,654                             | \$214,130                               |
| Retainage Payable                                   | 0                                    | 0                                | 37,178                                | 37,178                                  |
| Accrued Wages and Benefits                          | 131,965                              | 0                                | 0                                     | 131,965                                 |
| Intergovernmental Payable                           | 54,413                               | 0                                | 0                                     | 54,413                                  |
| Matured Compensated Absences                        | 6,361                                | 0                                | 0                                     | 6,361                                   |
| Deferred Revenue                                    | 656,353                              | 428,409                          | 0                                     | 1,084,762                               |
| Interfund Payable                                   | 81,789                               | 0                                | 0                                     | 81,789                                  |
| <i>Total Liabilities</i>                            | <u>1,034,357</u>                     | <u>428,409</u>                   | <u>147,832</u>                        | <u>1,610,598</u>                        |
| <b>Fund Balances</b>                                |                                      |                                  |                                       |   |
| Nonspendable  | 168,802                              | 0                                | 0                                     | 168,802                                 |
| Restricted  | 1,711,863                            | 57,321                           | 737,334                               | 2,506,518                               |
| Committed   | 616,300                              | 0                                | 237,114                               | 853,414                                 |
| Unassigned (Deficit)                                | (31,316)                             | 0                                | 0                                     | (31,316)                                |
| <i>Total Fund Balances</i>                          | <u>2,465,649</u>                     | <u>57,321</u>                    | <u>974,448</u>                        | <u>3,497,418</u>                        |
| <i>Total Liabilities and Fund Balances</i>          | <u>\$3,500,006</u>                   | <u>\$485,730</u>                 | <u>\$1,122,280</u>                    | <u>\$5,108,016</u>                      |

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2011*

|   | Nonmajor<br>Special Revenue<br>Funds | Nonmajor<br>Debt Service<br>Fund | Nonmajor<br>Capital Projects<br>Funds | Total Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------------|----------------------------------|---------------------------------------|---|
| <b>Revenues</b>                             |                                      |                                  |                                       |   |
| Payment in Lieu of Taxes                    | \$0                                  | \$328,790                        | \$0                                   | \$328,790                               |
| Charges for Services                        | 2,569,285                            | 0                                | 0                                     | 2,569,285                               |
| Fines and Forfeitures                       | 257,705                              | 0                                | 0                                     | 257,705                                 |
| Intergovernmental                           | 3,181,740                            | 18,500                           | 0                                     | 3,200,240                               |
| Contributions and Donations                 | 99,351                               | 0                                | 0                                     | 99,351                                  |
| Special Assessments                         | 4,360                                | 0                                | 0                                     | 4,360                                   |
| Interest                                    | 6                                    | 0                                | 0                                     | 6                                       |
| Miscellaneous                               | 158,037                              | 138,158                          | 331,299                               | 627,494                                 |
| <i>Total Revenues</i>                       | <u>6,270,484</u>                     | <u>485,448</u>                   | <u>331,299</u>                        | <u>7,087,231</u>                        |
| <b>Expenditures</b>                         |                                      |                                  |                                       |   |
| Current:                                    |                                      |                                  |                                       |   |
| General Government                          | 192,908                              | 41,896                           | 0                                     | 234,804                                 |
| Security of Persons and Property:           |                                      |                                  |                                       |   |
| Police                                      | 194,906                              | 0                                | 0                                     | 194,906                                 |
| Fire  | 1,668,760                            | 0                                | 0                                     | 1,668,760                               |
| Public Health Services                      | 1,679,174                            | 0                                | 0                                     | 1,679,174                               |
| Transportation                              | 2,151,849                            | 0                                | 0                                     | 2,151,849                               |
| Community Environment                       | 1,267,697                            | 0                                | 0                                     | 1,267,697                               |
| Capital Outlay                              | 0                                    | 0                                | 2,311,271                             | 2,311,271                               |
| Debt Service:                               |                                      |                                  |                                       |   |
| Principal Retirement                        | 0                                    | 200,000                          | 0                                     | 200,000                                 |
| Interest and Fiscal Charges                 | 0                                    | 233,318                          | 0                                     | 233,318                                 |
| <i>Total Expenditures</i>                   | <u>7,155,294</u>                     | <u>475,214</u>                   | <u>2,311,271</u>                      | <u>9,941,779</u>                        |
| <i>Excess of Revenues</i>                   |                                      |                                  |                                       |   |
| <i>Under Expenditures</i>                   | <u>(884,810)</u>                     | <u>10,234</u>                    | <u>(1,979,972)</u>                    | <u>(2,854,548)</u>                      |
| <b>Other Financing Sources (Uses)</b>       |                                      |                                  |                                       |   |
| General Obligation Notes Issued             | 0                                    | 0                                | 1,948,000                             | 1,948,000                               |
| Sale of Capital Assets                      | 25,308                               | 0                                | 0                                     | 25,308                                  |
| Transfers In                                | 714,230                              | 0                                | 0                                     | 714,230                                 |
| Transfers Out                               | (151,200)                            | 0                                | 0                                     | (151,200)                               |
| <i>Total Other Financing Sources (Uses)</i> | <u>588,338</u>                       | <u>0</u>                         | <u>1,948,000</u>                      | <u>2,536,338</u>                        |
| <i>Net Change in Fund Balances</i>          | (296,472)                            | 10,234                           | (31,972)                              | (318,210)                               |
| <i>Fund Balances Beginning of Year</i>      | <u>2,762,121</u>                     | <u>47,087</u>                    | <u>1,006,420</u>                      | <u>3,815,628</u>                        |
| <i>Fund Balances End of Year</i>            | <u>\$2,465,649</u>                   | <u>\$57,321</u>                  | <u>\$974,448</u>                      | <u>\$3,497,418</u>                      |

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2011*

|  | Street and<br>Highway Fund | Office on<br>Aging Fund | Lakewood<br>Hospital<br>Fund |
|--|----------------------------|-------------------------|------------------------------|
| <b>Assets</b>                              |                            |                         |                              |
| Equity in Pooled Cash and Cash             |                            |                         |                              |
| Equivalents                                | \$141,416                  | \$81,212                | \$0                          |
| Cash and Cash Equivalents                  |                            |                         |                              |
| In Segregated Accounts                     | 0                          | 0                       | 241,119                      |
| Accounts Receivable                        | 0                          | 12,947                  | 475,827                      |
| Intergovernmental Receivable               | 798,620                    | 14,160                  | 0                            |
| Materials and Supplies Inventory           | 168,802                    | 0                       | 0                            |
| Assets Held for Resale                     | 0                          | 0                       | 0                            |
| Special Assessments Receivable             | 109,202                    | 0                       | 28,781                       |
| <i>Total Assets</i>                        | <u>\$1,218,040</u>         | <u>\$108,319</u>        | <u>\$745,727</u>             |
| <b>Liabilities and Fund Balances</b>       |                            |                         |                              |
| <b>Liabilities</b>                         |                            |                         |                              |
| Accounts Payable                           | \$63,202                   | \$5,756                 | \$14,771                     |
| Accrued Wages and Benefits                 | 36,854                     | 29,614                  | 53,148                       |
| Intergovernmental Payable                  | 16,937                     | 14,245                  | 17,314                       |
| Matured Compensated Absences Payable       | 0                          | 6,361                   | 0                            |
| Deferred Revenue                           | 627,572                    | 0                       | 28,781                       |
| Interfund Payable                          | 16,626                     | 15,648                  | 21,515                       |
| <i>Total Liabilities</i>                   | <u>761,191</u>             | <u>71,624</u>           | <u>135,529</u>               |
| <b>Fund Balances</b>                       |                            |                         |                              |
| Nonspendable                               | 168,802                    | 0                       | 0                            |
| Restricted                                 | 288,047                    | 36,695                  | 0                            |
| Committed                                  | 0                          | 0                       | 610,198                      |
| Unassigned (Deficit)                       | 0                          | 0                       | 0                            |
| <i>Total Fund Balances (Deficit)</i>       | <u>456,849</u>             | <u>36,695</u>           | <u>610,198</u>               |
| <i>Total Liabilities and Fund Balances</i> | <u>\$1,218,040</u>         | <u>\$108,319</u>        | <u>\$745,727</u>             |

| Energy<br>Efficiency<br>Block<br>Grant Fund | Homeless<br>Prevention<br>Fund | Neighborhood<br>Stabilization<br>Fund | Byrne<br>Memorial Grant<br>Fund |
|---|--------------------------------|---------------------------------------|---------------------------------|
| \$1,726                                     | \$293                          | \$288,689                             | \$25,406                        |
| 0   | 0                              | 0                                     | 0                               |
| 0   | 0                              | 0                                     | 0                               |
| 0   | 0                              | 0                                     | 0                               |
| 0   | 0                              | 0                                     | 0                               |
| 0   | 0                              | 114,639                               | 0                               |
| 0   | 0                              | 0                                     | 0                               |
| <u>\$1,726</u>                              | <u>\$293</u>                   | <u>\$403,328</u>                      | <u>\$25,406</u>                 |
| \$3,204                                     | \$5,262                        | \$0                                   | \$0                             |
| 0   | 1,031                          | 0                                     | 0                               |
| 0   | 539                            | 0                                     | 0                               |
| 0   | 0                              | 0                                     | 0                               |
| 0   | 0                              | 0                                     | 0                               |
| 22,000                                      | 0                              | 0                                     | 0                               |
| <u>25,204</u>                               | <u>6,832</u>                   | <u>0</u>                              | <u>0</u>                        |
| 0   | 0                              | 0                                     | 0                               |
| 0   | 0                              | 403,328                               | 25,406                          |
| 0   | 0                              | 0                                     | 0                               |
| <u>(23,478)</u>                             | <u>(6,539)</u>                 | <u>0</u>                              | <u>0</u>                        |
| <u>(23,478)</u>                             | <u>(6,539)</u>                 | <u>403,328</u>                        | <u>25,406</u>                   |
| <u>\$1,726</u>                              | <u>\$293</u>                   | <u>\$403,328</u>                      | <u>\$25,406</u>                 |

(continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2011*

|   | Litter Control<br>Grant Fund | Law and<br>Drug Enforcement<br>Trust Fund | Federal<br>Forfeiture Fund | Indigent Drivers<br>Alcohol<br>Treatment Fund |
|---|------------------------------|---|----------------------------|---|
| <b>Assets</b>                                       |                              |   |                            |   |
| Equity in Pooled Cash and Cash<br>Equivalents       | \$6,298                      | \$171,727                                 | \$10,382                   | \$145,957                                     |
| Cash and Cash Equivalents<br>in Segregated Accounts | 0                            | 0   | 0                          | 0   |
| Accounts Receivable                                 | 0                            | 5,120                                     | 0                          | 613   |
| Intergovernmental Receivable                        | 0                            | 0   | 0                          | 0   |
| Materials and Supplies Inventory                    | 0                            | 0   | 0                          | 0   |
| Assets Held for Resale                              | 0                            | 0   | 0                          | 0   |
| Special Assessments Receivable                      | 0                            | 0   | 0                          | 0   |
| <i>Total Assets</i>                                 | <u>\$6,298</u>               | <u>\$176,847</u>                          | <u>\$10,382</u>            | <u>\$146,570</u>                              |
| <b>Liabilities and Fund Balance</b>                 |                              |   |                            |   |
| <b>Liabilities</b>                                  |                              |   |                            |   |
| Accounts Payable                                    | \$0                          | \$3,279                                   | \$0                        | \$1,687                                       |
| Accrued Wages and Benefits                          | 0                            | 0   | 0                          | 0   |
| Intergovernmental Payable                           | 0                            | 0   | 0                          | 0   |
| Matured Compensated Absences Payable                | 0                            | 0   | 0                          | 0   |
| Deferred Revenue                                    | 0                            | 0   | 0                          | 0   |
| Interfund Payable                                   | 0                            | 0   | 0                          | 0   |
| <i>Total Liabilities</i>                            | <u>0</u>                     | <u>3,279</u>                              | <u>0</u>                   | <u>1,687</u>                                  |
| <b>Fund Balances</b>                                |                              |   |                            |   |
| Nonspendable  | 0                            | 0   | 0                          | 0   |
| Restricted  | 6,298                        | 173,568                                   | 10,382                     | 144,883                                       |
| Committed   | 0                            | 0   | 0                          | 0   |
| Unassigned (Deficit)                                | 0                            | 0   | 0                          | 0   |
| <i>Total Fund Balances (Deficit)</i>                | <u>6,298</u>                 | <u>173,568</u>                            | <u>10,382</u>              | <u>144,883</u>                                |
| <i>Total Liabilities and Fund Balances</i>          | <u>\$6,298</u>               | <u>\$176,847</u>                          | <u>\$10,382</u>            | <u>\$146,570</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>Indigent Drivers Interlock and Alcohol Monitoring Fund</u> |
|---------------------------------------|-----------------------------------|---|------------------------------------|--------------------------------------|---|
| \$64,950                              | \$14,191                          | \$38,687                                      | \$314,584                          | \$78,942                             | \$35,556  |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 209                                   | 100                               | 2,595   | 10,496                             | 2,580                                | 1,448   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| <u>\$65,159</u>                       | <u>\$14,291</u>                   | <u>\$41,282</u>                               | <u>\$325,080</u>                   | <u>\$81,522</u>                      | <u>\$37,004</u>   |
| \$0                                   | \$0                               | \$40  | \$2,252                            | \$720                                | \$0   |
| 0                                     | 0                                 | 0   | 0                                  | 2,797                                | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 1,412                                | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| <u>0</u>                              | <u>0</u>                          | <u>40</u>                                     | <u>2,252</u>                       | <u>4,929</u>                         | <u>0</u>  |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 65,159                                | 14,291                            | 41,242  | 322,828                            | 76,593                               | 37,004  |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| 0                                     | 0                                 | 0   | 0                                  | 0                                    | 0   |
| <u>65,159</u>                         | <u>14,291</u>                     | <u>41,242</u>                                 | <u>322,828</u>                     | <u>76,593</u>                        | <u>37,004</u>   |
| <u>\$65,159</u>                       | <u>\$14,291</u>                   | <u>\$41,282</u>                               | <u>\$325,080</u>                   | <u>\$81,522</u>                      | <u>\$37,004</u>   |

(continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2011*

|   | Emergency<br>Shelter Grant<br>Fund | HOME<br>Investment<br>Program Fund | Help-to-Others<br>Fund | Juvenile<br>Diversion<br>Fund |
|---|------------------------------------|------------------------------------|------------------------|-------------------------------|
| <b>Assets</b>                                       |                                    |                                    |                        |                               |
| Equity in Pooled Cash and Cash<br>Equivalents       | \$6,504                            | \$800                              | \$7,102                | \$14,514                      |
| Cash and Cash Equivalents<br>in Segregated Accounts | 0                                  | 0                                  | 0                      | 0                             |
| Accounts Receivable                                 | 0                                  | 0                                  | 0                      | 0                             |
| Intergovernmental Receivable                        | 0                                  | 38,577                             | 0                      | 1,459                         |
| Materials and Supplies Inventory                    | 0                                  | 0                                  | 0                      | 0                             |
| Assets Held for Resale                              | 0                                  | 0                                  | 0                      | 0                             |
| Special Assessments Receivable                      | 0                                  | 0                                  | 0                      | 0                             |
| <i>Total Assets</i>                                 | <u>\$6,504</u>                     | <u>\$39,377</u>                    | <u>\$7,102</u>         | <u>\$15,973</u>               |
| <b>Liabilities and Fund Balance</b>                 |                                    |                                    |                        |                               |
| <b>Liabilities</b>                                  |                                    |                                    |                        |                               |
| Accounts Payable                                    | \$2,803                            | \$500                              | \$0                    | \$0                           |
| Accrued Wages and Benefits                          | 0                                  | 0                                  | 0                      | 1,487                         |
| Intergovernmental Payable                           | 0                                  | 0                                  | 0                      | 228                           |
| Matured Compensated Absences Payable                | 0                                  | 0                                  | 0                      | 0                             |
| Deferred Revenue                                    | 0                                  | 0                                  | 0                      | 0                             |
| Interfund Payable                                   | 5,000                              | 0                                  | 1,000                  | 0                             |
| <i>Total Liabilities</i>                            | <u>7,803</u>                       | <u>500</u>                         | <u>1,000</u>           | <u>1,715</u>                  |
| <b>Fund Balances</b>                                |                                    |                                    |                        |                               |
| Nonspendable  | 0                                  | 0                                  | 0                      | 0                             |
| Restricted  | 0                                  | 38,877                             | 0                      | 14,258                        |
| Committed   | 0                                  | 0                                  | 6,102                  | 0                             |
| Unassigned (Deficit)                                | (1,299)                            | 0                                  | 0                      | 0                             |
| <i>Total Fund Balances (Deficit)</i>                | <u>(1,299)</u>                     | <u>38,877</u>                      | <u>6,102</u>           | <u>14,258</u>                 |
| <i>Total Liabilities and Fund Balances</i>          | <u>\$6,504</u>                     | <u>\$39,377</u>                    | <u>\$7,102</u>         | <u>\$15,973</u>               |

| Family to Family<br>Fund | Total Nonmajor<br>Special Revenue<br>Funds |
|--------------------------|--|
| \$23,776                 | \$1,472,712                                |
| 0                        | 241,119                                    |
| 0                        | 511,935                                    |
| 0                        | 852,816                                    |
| 0                        | 168,802                                    |
| 0                        | 114,639                                    |
| 0                        | 137,983                                    |
| <u>\$23,776</u>          | <u>\$3,500,006</u>                         |
| \$0                      | \$103,476                                  |
| 7,034                    | 131,965                                    |
| 3,738                    | 54,413                                     |
| 0                        | 6,361                                      |
| 0                        | 656,353                                    |
| 0                        | 81,789                                     |
| <u>10,772</u>            | <u>1,034,357</u>                           |
| 0                        | 168,802                                    |
| 13,004                   | 1,711,863                                  |
| 0                        | 616,300                                    |
| 0                        | (31,316)                                   |
| <u>13,004</u>            | <u>2,465,649</u>                           |
| <u>\$23,776</u>          | <u>\$3,500,006</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, 2011*

|   | Street and<br>Highway Fund | Office on<br>Aging Fund | Lakewood<br>Hospital<br>Fund | Energy<br>Efficiency<br>Block<br>Grant Fund |
|---|----------------------------|-------------------------|------------------------------|---|
| <b>Revenues</b>   |                            |                         |                              |   |
| Charges for Services                                    | \$0                        | \$293,641               | \$2,263,974                  | \$0   |
| Fines and Forfeitures                                   | 0                          | 0                       | 0                            | 0   |
| Intergovernmental                                       | 1,854,481                  | 106,427                 | 900                          | 162,419                                     |
| Contributions and Donations                             | 0                          | 99,351                  | 0                            | 0   |
| Special Assessments                                     | 4,360                      | 0                       | 0                            | 0   |
| Interest  | 0                          | 0                       | 0                            | 0   |
| Miscellaneous   | 56,280                     | 0                       | 21,472                       | 0   |
| <i>Total Revenues</i>                                   | <u>1,915,121</u>           | <u>499,419</u>          | <u>2,286,346</u>             | <u>162,419</u>                              |
| <b>Expenditures</b>                                     |                            |                         |                              |   |
| Current:  |                            |                         |                              |   |
| General Government                                      | 0                          | 0                       | 0                            | 0   |
| Security of Persons and Property:                       |                            |                         |                              |   |
| Police  | 0                          | 0                       | 0                            | 0   |
| Fire  | 0                          | 0                       | 1,668,760                    | 0   |
| Public Health Services                                  | 0                          | 1,242,779               | 436,395                      | 0   |
| Transportation  | 2,151,849                  | 0                       | 0                            | 0   |
| Community Environment                                   | 0                          | 0                       | 0                            | 195,413                                     |
| <i>Total Expenditures</i>                               | <u>2,151,849</u>           | <u>1,242,779</u>        | <u>2,105,155</u>             | <u>195,413</u>                              |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>(236,728)</u>           | <u>(743,360)</u>        | <u>181,191</u>               | <u>(32,994)</u>                             |
| <b>Other Financing Sources (Uses)</b>                   |                            |                         |                              |   |
| Sale of Capital Assets                                  | 0                          | 0                       | 0                            | 0   |
| Transfers In  | 0                          | 714,230                 | 0                            | 0   |
| Transfers Out   | (150,000)                  | 0                       | (1,200)                      | 0   |
| <i>Total Other Financing Sources (Uses)</i>             | <u>(150,000)</u>           | <u>714,230</u>          | <u>(1,200)</u>               | <u>0</u>                                    |
| <i>Net Change in Fund Balances</i>                      | (386,728)                  | (29,130)                | 179,991                      | (32,994)                                    |
| <i>Fund Balances (Deficit) Beginning of Year</i>        | <u>843,577</u>             | <u>65,825</u>           | <u>430,207</u>               | <u>9,516</u>                                |
| <i>Fund Balances (Deficit) End of Year</i>              | <u><u>\$456,849</u></u>    | <u><u>\$36,695</u></u>  | <u><u>\$610,198</u></u>      | <u><u>(\$23,478)</u></u>                    |

| Homeless<br>Prevention<br>Fund | Neighborhood<br>Stabilization<br>Fund | Byrne<br>Memorial Grant<br>Fund |
|--------------------------------|---------------------------------------|---------------------------------|
| \$0                            | \$0                                   | \$0                             |
| 0                              | 0                                     | 0                               |
| 295,318                        | 38,346                                | 20,000                          |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 0                               |
| <u>295,318</u>                 | <u>38,346</u>                         | <u>20,000</u>                   |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 44,594                          |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 0                               |
| 298,366                        | 104,520                               | 0                               |
| <u>298,366</u>                 | <u>104,520</u>                        | <u>44,594</u>                   |
| <u>(3,048)</u>                 | <u>(66,174)</u>                       | <u>(24,594)</u>                 |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 0                               |
| 0                              | 0                                     | 0                               |
| <u>0</u>                       | <u>0</u>                              | <u>0</u>                        |
| (3,048)                        | (66,174)                              | (24,594)                        |
| <u>(3,491)</u>                 | <u>469,502</u>                        | <u>50,000</u>                   |
| <u>(\$6,539)</u>               | <u>\$403,328</u>                      | <u>\$25,406</u>                 |

(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, 2011*

|   | Litter Control<br>Grant Fund | Law and Drug<br>Enforcement<br>Trust Fund | Federal<br>Forfeiture Fund | Indigent Drivers<br>Alcohol<br>Treatment Fund | Enforcement and<br>Education Fund |
|---|------------------------------|---|----------------------------|---|-----------------------------------|
| <b>Revenues</b>   |                              |   |                            |   |                                   |
| Charges for Services                                    | \$0                          | \$0                                       | \$0                        | \$0   | \$0                               |
| Fines and Forfeitures                                   | 0                            | 21,545                                    | 0                          | 2,663   | 4,080                             |
| Intergovernmental                                       | 4,499                        | 0   | 0                          | 7,077   | 0                                 |
| Contributions and Donations                             | 0                            | 0   | 0                          | 0   | 0                                 |
| Special Assessments                                     | 0                            | 0   | 0                          | 0   | 0                                 |
| Interest  | 0                            | 0   | 6                          | 0   | 0                                 |
| Miscellaneous   | 0                            | 54,096                                    | 0                          | 0   | 3,400                             |
| <i>Total Revenues</i>                                   | <u>4,499</u>                 | <u>75,641</u>                             | <u>6</u>                   | <u>9,740</u>                                  | <u>7,480</u>                      |
| <b>Expenditures</b>                                     |                              |   |                            |   |                                   |
| Current:  |                              |   |                            |   |                                   |
| General Government                                      | 0                            | 0   | 0                          | 18,817  | 0                                 |
| Security of Persons and Property:                       |                              |   |                            |   |                                   |
| Police  | 0                            | 142,433                                   | 1,535                      | 0   | 6,344                             |
| Fire  | 0                            | 0   | 0                          | 0   | 0                                 |
| Public Health Services                                  | 0                            | 0   | 0                          | 0   | 0                                 |
| Transportation  | 0                            | 0   | 0                          | 0   | 0                                 |
| Community Environment                                   | 5,530                        | 0   | 0                          | 0   | 0                                 |
| <i>Total Expenditures</i>                               | <u>5,530</u>                 | <u>142,433</u>                            | <u>1,535</u>               | <u>18,817</u>                                 | <u>6,344</u>                      |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>(1,031)</u>               | <u>(66,792)</u>                           | <u>(1,529)</u>             | <u>(9,077)</u>                                | <u>1,136</u>                      |
| <b>Other Financing Sources (Uses)</b>                   |                              |   |                            |   |                                   |
| Sale of Capital Assets                                  | 0                            | 25,308                                    | 0                          | 0   | 0                                 |
| Transfer In   | 0                            | 0   | 0                          | 0   | 0                                 |
| Transfers Out   | 0                            | 0   | 0                          | 0   | 0                                 |
| <i>Total Other Financing Sources (Uses)</i>             | <u>0</u>                     | <u>25,308</u>                             | <u>0</u>                   | <u>0</u>                                      | <u>0</u>                          |
| <i>Net Change in Fund Balances</i>                      | (1,031)                      | (41,484)                                  | (1,529)                    | (9,077)                                       | 1,136                             |
| <i>Fund Balances (Deficit) Beginning of Year</i>        | 7,329                        | 215,052                                   | 11,911                     | 153,960                                       | 64,023                            |
| <i>Fund Balances (Deficit) End of Year</i>              | <u>\$6,298</u>               | <u>\$173,568</u>                          | <u>\$10,382</u>            | <u>\$144,883</u>                              | <u>\$65,159</u>                   |

| Political<br>Subdivision Fund | Computer Research<br>and Maintenance<br>Fund | Court Special<br>Projects Fund |
|-------------------------------|--|--------------------------------|
| \$0                           | \$0  | \$0                            |
| 600                           | 34,750                                       | 142,170                        |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 600                           | 34,750                                       | 142,170                        |
| 0                             | 41,034                                       | 79,557                         |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 41,034                                       | 79,557                         |
| 600                           | (6,284)                                      | 62,613                         |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 0                             | 0  | 0                              |
| 600                           | (6,284)                                      | 62,613                         |
| 13,691                        | 47,526                                       | 260,215                        |
| \$14,291                      | \$41,242                                     | \$322,828                      |

(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, 2011*

|   | Court Probation<br>Services Fund | Indigent Drivers<br>Interlock and Alcohol<br>Monitoring Fund | Emergency<br>Shelter Grant<br>Fund | HOME<br>Investment<br>Program Fund |
|---|----------------------------------|--|------------------------------------|------------------------------------|
| <b>Revenues</b>   |                                  |  |                                    |                                    |
| Charges for Services                                    | \$0                              | \$0  | \$0                                | \$0                                |
| Fines and Forfeitures                                   | 36,735                           | 15,162   | 0                                  | 0                                  |
| Intergovernmental                                       | 0                                | 0  | 75,375                             | 242,009                            |
| Contributions and Donations                             | 0                                | 0  | 0                                  | 0                                  |
| Special Assessments                                     | 0                                | 0  | 0                                  | 0                                  |
| Interest  | 0                                | 0  | 0                                  | 0                                  |
| Miscellaneous   | 0                                | 0  | 0                                  | 0                                  |
| <i>Total Revenues</i>                                   | <u>36,735</u>                    | <u>15,162</u>  | <u>75,375</u>                      | <u>242,009</u>                     |
| <b>Expenditures</b>                                     |                                  |  |                                    |                                    |
| Current:  |                                  |  |                                    |                                    |
| General Government                                      | 52,852                           | 648  | 0                                  | 0                                  |
| Security of Persons and Property:                       |                                  |  |                                    |                                    |
| Police  | 0                                | 0  | 0                                  | 0                                  |
| Fire  | 0                                | 0  | 0                                  | 0                                  |
| Public Health Services                                  | 0                                | 0  | 0                                  | 0                                  |
| Transportation  | 0                                | 0  | 0                                  | 0                                  |
| Community Environment                                   | 0                                | 0  | 75,332                             | 190,735                            |
| <i>Total Expenditures</i>                               | <u>52,852</u>                    | <u>648</u>   | <u>75,332</u>                      | <u>190,735</u>                     |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>(16,117)</u>                  | <u>14,514</u>  | <u>43</u>                          | <u>51,274</u>                      |
| <b>Other Financing Sources (Uses)</b>                   |                                  |  |                                    |                                    |
| Sale of Capital Assets                                  | 0                                | 0  | 0                                  | 0                                  |
| Transfer In   | 0                                | 0  | 0                                  | 0                                  |
| Transfers Out   | 0                                | 0  | 0                                  | 0                                  |
| <i>Total Other Financing Sources (Uses)</i>             | <u>0</u>                         | <u>0</u>   | <u>0</u>                           | <u>0</u>                           |
| <i>Net Change in Fund Balances</i>                      | (16,117)                         | 14,514   | 43                                 | 51,274                             |
| <i>Fund Balances (Deficit) Beginning of Year</i>        | <u>92,710</u>                    | <u>22,490</u>  | <u>(1,342)</u>                     | <u>(12,397)</u>                    |
| <i>Fund Balances (Deficit) End of Year</i>              | <u><u>\$76,593</u></u>           | <u><u>\$37,004</u></u>                                       | <u><u>(\$1,299)</u></u>            | <u><u>\$38,877</u></u>             |

| Help-to-Others<br>Fund | Juvenile<br>Diversion<br>Fund | Family to Family<br>Fund | Total Nonmajor<br>Special Revenue<br>Funds |
|------------------------|-------------------------------|--------------------------|--|
| \$11,670               | \$0                           | \$0                      | \$2,569,285                                |
| 0                      | 0                             | 0                        | 257,705                                    |
| 0                      | 54,426                        | 320,463                  | 3,181,740                                  |
| 0                      | 0                             | 0                        | 99,351                                     |
| 0                      | 0                             | 0                        | 4,360                                      |
| 0                      | 0                             | 0                        | 6  |
| 18,435                 | 4,254                         | 100                      | 158,037                                    |
| <u>30,105</u>          | <u>58,680</u>                 | <u>320,563</u>           | <u>6,270,484</u>                           |
| 0                      | 0                             | 0                        | 192,908                                    |
| 0                      | 0                             | 0                        | 194,906                                    |
| 0                      | 0                             | 0                        | 1,668,760                                  |
| 0                      | 0                             | 0                        | 1,679,174                                  |
| 0                      | 0                             | 0                        | 2,151,849                                  |
| 30,159                 | 46,462                        | 321,180                  | 1,267,697                                  |
| <u>30,159</u>          | <u>46,462</u>                 | <u>321,180</u>           | <u>7,155,294</u>                           |
| (54)                   | 12,218                        | (617)                    | (884,810)                                  |
| 0                      | 0                             | 0                        | 25,308                                     |
| 0                      | 0                             | 0                        | 714,230                                    |
| 0                      | 0                             | 0                        | (151,200)                                  |
| <u>0</u>               | <u>0</u>                      | <u>0</u>                 | <u>588,338</u>                             |
| (54)                   | 12,218                        | (617)                    | (296,472)                                  |
| 6,156                  | 2,040                         | 13,621                   | 2,762,121                                  |
| <u>\$6,102</u>         | <u>\$14,258</u>               | <u>\$13,004</u>          | <u>\$2,465,649</u>                         |

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2011*

|   | Permanent<br>Capital<br>Improvement<br>Fund | TIF<br>Capital<br>Improvement<br>Fund | Land<br>Acquisition<br>Fund | City Park<br>Improvement<br>Fund | Total Nonmajor<br>Capital Projects<br>Funds |
|---|---|---------------------------------------|-----------------------------|----------------------------------|---|
| <b>Assets</b>                                       |   |                                       |                             |                                  |   |
| Equity in Pooled Cash and Cash<br>Equivalents       | \$624,777                                   | \$223,211                             | \$150,000                   | \$87,114                         | \$1,085,102                                 |
| Cash and Cash Equivalents<br>In Segregated Accounts | 15,460                                      | 21,718                                | 0                           | 0                                | 37,178                                      |
| <i>Total Assets</i>                                 | <u>\$640,237</u>                            | <u>\$244,929</u>                      | <u>\$150,000</u>            | <u>\$87,114</u>                  | <u>\$1,122,280</u>                          |
| <b>Liabilities and Fund Balance</b>                 |   |                                       |                             |                                  |   |
| <b>Liabilities</b>                                  |   |                                       |                             |                                  |   |
| Accounts Payable                                    | \$110,654                                   | \$0                                   | \$0                         | \$0                              | \$110,654                                   |
| Retainage Payable                                   | 15,460                                      | 21,718                                | 0                           | 0                                | 37,178                                      |
| <i>Total Liabilities</i>                            | <u>126,114</u>                              | <u>21,718</u>                         | <u>0</u>                    | <u>0</u>                         | <u>147,832</u>                              |
| <b>Fund Balances</b>                                |   |                                       |                             |                                  |   |
| Restricted  | 514,123                                     | 223,211                               | 0                           | 0                                | 737,334                                     |
| Committed   | 0   | 0                                     | 150,000                     | 87,114                           | 237,114                                     |
| <i>Total Fund Balances</i>                          | <u>514,123</u>                              | <u>223,211</u>                        | <u>150,000</u>              | <u>87,114</u>                    | <u>974,448</u>                              |
| <i>Total Liabilities and Fund Balances</i>          | <u>\$640,237</u>                            | <u>\$244,929</u>                      | <u>\$150,000</u>            | <u>\$87,114</u>                  | <u>\$1,122,280</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, 2011*

|   | Permanent<br>Capital<br>Improvement<br>Fund | TIF<br>Capital<br>Improvement<br>Fund | Land<br>Acquisition<br>Fund | City Park<br>Improvement<br>Fund | Total Nonmajor<br>Capital Projects<br>Funds |
|---|---|---------------------------------------|-----------------------------|----------------------------------|---|
| <b>Revenues</b>   |   |                                       |                             |                                  |   |
| Miscellaneous   | \$320,500                                   | \$0                                   | \$0                         | \$10,799                         | \$331,299                                   |
| <b>Expenditures</b>                                     |   |                                       |                             |                                  |   |
| Capital Outlay  | 2,310,268                                   | 0                                     | 0                           | 1,003                            | 2,311,271                                   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (1,989,768)                                 | 0                                     | 0                           | 9,796                            | (1,979,972)                                 |
| <b>Other Financing Sources</b>                          |   |                                       |                             |                                  |   |
| General Obligation Notes Issued                         | 1,948,000                                   | 0                                     | 0                           | 0                                | 1,948,000                                   |
| <i>Net Change in Fund Balances</i>                      | (41,768)                                    | 0                                     | 0                           | 9,796                            | (31,972)                                    |
| <i>Fund Balances Beginning of Year</i>                  | 555,891                                     | 223,211                               | 150,000                     | 77,318                           | 1,006,420                                   |
| <i>Fund Balances End of Year</i>                        | <u>\$514,123</u>                            | <u>\$223,211</u>                      | <u>\$150,000</u>            | <u>\$87,114</u>                  | <u>\$974,448</u>                            |

## 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 and report the off-street parking services provided by the City.

Winterhurst Ice Rink Fund                      To account for and report the revenues and costs of operating the municipal ice rink facility.

#### *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 and report the premiums charged to City funds and the payments incurred for claims.

Workers' Compensation Fund                      To account for and report workers' compensation costs incurred under the State's retrospectively rated workers' compensation program.

**City of Lakewood, Ohio**  
*Combining Statement of Fund Net Assets*  
*Nonmajor Enterprise Funds*  
*December 31, 2011*

|   | Parking<br>Facilities Fund | Winterhurst<br>Ice Rink<br>Fund | Total Nonmajor<br>Enterprise<br>Funds |
|---|----------------------------|---------------------------------|---------------------------------------|
| <b>Assets</b>                                   |                            |                                 |                                       |
| <b>Current Assets</b>                           |                            |                                 |                                       |
| Equity in Pooled Cash and Cash                  |                            |                                 |                                       |
| Equivalents                                     | \$312,568                  | \$40,936                        | \$353,504                             |
| Accounts Receivable                             | 0                          | 273,457                         | 273,457                               |
| Materials and Supplies Inventory                | 83,032                     | 0                               | 83,032                                |
| Total Current Assets                            | <u>395,600</u>             | <u>314,393</u>                  | <u>709,993</u>                        |
| <b>Long-Term Assets</b>                         |                            |                                 |                                       |
| Deferred Bond Issuance Costs                    | 0                          | 25,783                          | 25,783                                |
| Nondepreciable Capital Assets                   | 77,120                     | 10                              | 77,130                                |
| Depreciable Capital Assets, Net                 | 401,960                    | 4,898,622                       | 5,300,582                             |
| Total Noncurrent Assets                         | <u>479,080</u>             | <u>4,924,415</u>                | <u>5,403,495</u>                      |
| <i>Total Assets</i>                             | <u>874,680</u>             | <u>5,238,808</u>                | <u>6,113,488</u>                      |
| <b>Liabilities</b>                              |                            |                                 |                                       |
| <b>Current Liabilities</b>                      |                            |                                 |                                       |
| Accounts Payable                                | 44,099                     | 104,827                         | 148,926                               |
| Accrued Wages and Benefits                      | 3,862                      | 0                               | 3,862                                 |
| Intergovernmental Payable                       | 1,892                      | 0                               | 1,892                                 |
| Interfund Payable                               | 1,956                      | 104,000                         | 105,956                               |
| Accrued Interest Payable                        | 978                        | 8,258                           | 9,236                                 |
| Compensated Absences Payable                    | 14,107                     | 0                               | 14,107                                |
| Bonds Payable                                   | 20,000                     | 217,417                         | 237,417                               |
| Capital Leases Payable                          | 3,651                      | 115,820                         | 119,471                               |
| Total Current Liabilities                       | <u>90,545</u>              | <u>550,322</u>                  | <u>640,867</u>                        |
| <b>Long-Term Liabilities</b>                    |                            |                                 |                                       |
| Compensated Absence Payable                     | 5,170                      | 0                               | 5,170                                 |
| Bonds Payable                                   | 246,821                    | 601,339                         | 848,160                               |
| Capital Leases Payable                          | 13,035                     | 724,954                         | 737,989                               |
| Total Long Term Liabilities                     | <u>265,026</u>             | <u>1,326,293</u>                | <u>1,591,319</u>                      |
| <i>Total Liabilities</i>                        | <u>355,571</u>             | <u>1,876,615</u>                | <u>2,232,186</u>                      |
| <b>Net Assets</b>                               |                            |                                 |                                       |
| Invested in Capital Assets, Net of Related Debt | 195,573                    | 3,239,102                       | 3,434,675                             |
| Restricted for Debt Service                     | 978                        | 8,258                           | 9,236                                 |
| Unrestricted                                    | 322,558                    | 114,833                         | 437,391                               |
| <i>Total Net Assets</i>                         | <u>\$519,109</u>           | <u>\$3,362,193</u>              | <u>\$3,881,302</u>                    |

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2011*

|                                       | Parking<br>Facilities Fund | Winterhurst<br>Ice Rink<br>Fund | Total Nonmajor<br>Enterprise<br>Funds |
|---------------------------------------|----------------------------|---------------------------------|---------------------------------------|
| <b>Operating Revenues</b>             |                            |                                 |                                       |
| Charges for Services                  | \$456,607                  | \$343,061                       | \$799,668                             |
| Miscellaneous                         | 1,577                      | 148,207                         | 149,784                               |
| <i>Total Operating Revenues</i>       | <u>458,184</u>             | <u>491,268</u>                  | <u>949,452</u>                        |
| <b>Operating Expenses</b>             |                            |                                 |                                       |
| Personal Services                     | 155,841                    | 0                               | 155,841                               |
| Contractual Services                  | 652                        | 277                             | 929                                   |
| Materials and Supplies                | 137,004                    | 0                               | 137,004                               |
| Utilities                             | 0                          | 283,124                         | 283,124                               |
| Depreciation                          | 30,539                     | 83,340                          | 113,879                               |
| Miscellaneous                         | 14,037                     | 126,897                         | 140,934                               |
| <i>Total Operating Expenses</i>       | <u>338,073</u>             | <u>493,638</u>                  | <u>831,711</u>                        |
| <i>Operating Income (Loss)</i>        | 120,111                    | (2,370)                         | 117,741                               |
| <b>Non Operating Expenses</b>         |                            |                                 |                                       |
| Interest and Fiscal Charges           | <u>(11,428)</u>            | <u>(77,892)</u>                 | <u>(89,320)</u>                       |
| <i>Income (Loss) Before Transfers</i> | 108,683                    | (80,262)                        | 28,421                                |
| Transfers In                          | 0                          | 439,784                         | 439,784                               |
| Transfers Out                         | <u>(4,500)</u>             | <u>(70,852)</u>                 | <u>(75,352)</u>                       |
| <i>Change in Net Assets</i>           | 104,183                    | 288,670                         | 392,853                               |
| <i>Net Assets Beginning of Year</i>   | <u>414,926</u>             | <u>3,073,523</u>                | <u>3,488,449</u>                      |
| <i>Net Assets End of Year</i>         | <u><u>\$519,109</u></u>    | <u><u>\$3,362,193</u></u>       | <u><u>\$3,881,302</u></u>             |

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2011*

|   | Parking<br>Facilities<br>Fund | Winterhurst<br>Ice Rink<br>Fund | Total<br>Nonmajor<br>Enterprise<br>Funds |
|---|-------------------------------|---------------------------------|--|
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>                 |                               |                                 |  |
| <b>Cash Flows from Operating Activities</b>                             |                               |                                 |  |
| Cash Received from Customers  | \$456,607                     | \$331,079                       | \$787,686                                |
| Cash Received from Other Operating Sources                              | 1,577                         | 148,207                         | 149,784                                  |
| Cash Payments to Suppliers for Goods and Services                       | (14,729)                      | (298,844)                       | (313,573)                                |
| Cash Payments for Employee Services and Benefits                        | (156,612)                     | 0                               | (156,612)                                |
| Cash Payments for Other Operating Expenses                              | (113,768)                     | (126,897)                       | (240,665)                                |
| <i>Net Cash Provided by Operating Activities</i>                        | <u>173,075</u>                | <u>53,545</u>                   | <u>226,620</u>                           |
| <b>Cash Flows from Noncapital Financing Activities</b>                  |                               |                                 |  |
| Advance In  | 0                             | 44,000                          | 44,000                                   |
| Transfers In  | 0                             | 439,784                         | 439,784                                  |
| Transfers Out   | (4,500)                       | (70,852)                        | (75,352)                                 |
| <i>Net Cash Provided by (Used for) Non-capital Financing Activities</i> | <u>(4,500)</u>                | <u>412,932</u>                  | <u>408,432</u>                           |
| <b>Cash Flows from Capital and Related Financing Activities</b>         |                               |                                 |  |
| General Obligation Bonds Issued   | 0                             | 929,732                         | 929,732                                  |
| premium on General Obligation Bonds                                     | 0                             | 16,653                          | 16,653                                   |
| Principal Paid on Bonds   | (20,000)                      | (256,584)                       | (276,584)                                |
| Payment to Refunded Bond Escrow Agent                                   | 0                             | (921,509)                       | (921,509)                                |
| Principal Paid Capital Leases   | (2,407)                       | (111,053)                       | (113,460)                                |
| Interest Paid on Bonds  | (11,038)                      | (35,484)                        | (46,522)                                 |
| Interest Paid on Capital Leases   | (513)                         | (36,663)                        | (37,176)                                 |
| Bond Issuance Costs   | 0                             | (24,876)                        | (24,876)                                 |
| <i>Net Cash Used for Capital and Related Financing Activities</i>       | <u>(33,958)</u>               | <u>(439,784)</u>                | <u>(473,742)</u>                         |
| <i>Increase in Cash and Cash Equivalents</i>                            | 134,617                       | 26,693                          | 161,310                                  |
| <i>Cash and Cash Equivalents Beginning of Year</i>                      | <u>177,951</u>                | <u>14,243</u>                   | <u>192,194</u>                           |
| <i>Cash and Cash Equivalents End of Year</i>                            | <u>\$312,568</u>              | <u>\$40,936</u>                 | <u>\$353,504</u>                         |

(continued)

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds (continued)*  
*For the Year Ended December 31, 2011*

|   | Parking<br>Facilities<br>Fund | Winterhurst<br>Ice Rink<br>Fund | Total<br>Nonmajor<br>Enterprise<br>Funds |
|---|-------------------------------|---------------------------------|--|
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by Operating Activities</b> |                               |                                 |  |
| <i>Operating Income (Loss)</i>  | \$120,111                     | (\$2,370)                       | \$117,741                                |
| Adjustments:  |                               |                                 |  |
| Depreciation  | 30,539                        | 83,340                          | 113,879                                  |
| (Increase) Decrease in Assets:  |                               |                                 |  |
| Accounts Receivable   | 0                             | (11,982)                        | (11,982)                                 |
| Materials and Supplies Inventory  | 23,797                        | 0                               | 23,797                                   |
| Increase (Decrease) in Liabilities:   |                               |                                 |  |
| Accounts Payable  | (601)                         | (15,443)                        | (16,044)                                 |
| Accrued Wages   | 167                           | 0                               | 167                                      |
| Compensated Absences  | 72                            | 0                               | 72                                       |
| Interfund Payable   | (1,129)                       | 0                               | (1,129)                                  |
| Intergovernmental Payable   | 119                           | 0                               | 119                                      |
| <i>Net Cash Provided by Operating Activities</i>  | <u>\$173,075</u>              | <u>\$53,545</u>                 | <u>\$226,620</u>                         |

**City of Lakewood, Ohio**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*December 31, 2011*

|                                       | Hospitalization<br>Fund | Workers'<br>Compensation<br>Fund | Total<br>Internal Service<br>Funds |
|---------------------------------------|-------------------------|----------------------------------|------------------------------------|
| <b>Assets</b>                         |                         |                                  |                                    |
| <b>Current Assets</b>                 |                         |                                  |                                    |
| Equity in Pooled Cash and Cash        |                         |                                  |                                    |
| Equivalents                           | \$1,841,516             | \$657,210                        | \$2,498,726                        |
| Interfund Receivable                  | 408,994                 | 25,224                           | 434,218                            |
| <i>Total Assets</i>                   | <u>2,250,510</u>        | <u>682,434</u>                   | <u>2,932,944</u>                   |
| <b>Liabilities</b>                    |                         |                                  |                                    |
| <b>Current Liabilities</b>            |                         |                                  |                                    |
| Accounts Payable                      | 59,009                  | 0                                | 59,009                             |
| Intergovernmental Payable             | 0                       | 168,715                          | 168,715                            |
| Claims Payable                        | 408,994                 | 25,224                           | 434,218                            |
| <i>Total Current Liabilities</i>      | <u>468,003</u>          | <u>193,939</u>                   | <u>661,942</u>                     |
| <b>Long-Term Liabilities</b>          |                         |                                  |                                    |
| Claims Payable-net of current portion | 0                       | 344,040                          | 344,040                            |
| <i>Total Liabilities</i>              | <u>468,003</u>          | <u>537,979</u>                   | <u>1,005,982</u>                   |
| <b>Net Assets</b>                     |                         |                                  |                                    |
| Unrestricted                          | <u>\$1,782,507</u>      | <u>\$144,455</u>                 | <u>\$1,926,962</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, 2011

|   | Hospitalization<br>Fund   | Workers'<br>Compensation<br>Fund | Total<br>Internal Service<br>Funds |
|---|---------------------------|----------------------------------|------------------------------------|
| <b>Operating Revenues</b>                     |                           |                                  |                                    |
| Charges for Services                          | \$4,324,469               | \$707,703                        | \$5,032,172                        |
| Miscellaneous                                 | 760,030                   | 1,559                            | 761,589                            |
| <i>Total Operating Revenues</i>               | <u>5,084,499</u>          | <u>709,262</u>                   | <u>5,793,761</u>                   |
| <b>Operating Expenses</b>                     |                           |                                  |                                    |
| Contractual Services                          | 72,707                    | 121,479                          | 194,186                            |
| Workers' Compensation Premium                 | 0                         | 52,150                           | 52,150                             |
| Claims  | 5,116,978                 | 441,909                          | 5,558,887                          |
| <i>Total Operating Expenses</i>               | <u>5,189,685</u>          | <u>615,538</u>                   | <u>5,805,223</u>                   |
| <i>Income (Loss) Before Transfers</i>         | (105,186)                 | 93,724                           | (11,462)                           |
| Transfers In                                  | 1,000,000                 | 100,002                          | 1,100,002                          |
| <i>Change in Net Assets</i>                   | 894,814                   | 193,726                          | 1,088,540                          |
| <i>Net Assets (Deficit) Beginning of Year</i> | <u>887,693</u>            | <u>(49,271)</u>                  | <u>838,422</u>                     |
| <i>Net Assets End of Year</i>                 | <u><u>\$1,782,507</u></u> | <u><u>\$144,455</u></u>          | <u><u>\$1,926,962</u></u>          |

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
*For the Year Ended December 31, 2011*

|   | Hospitalization<br>Fund | Workers'<br>Compensation<br>Fund | Total<br>Internal Service<br>Funds |
|---|-------------------------|----------------------------------|------------------------------------|
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>     |                         |                                  |                                    |
| <b>Cash Flows from Operating Activities</b>                 |                         |                                  |                                    |
| Cash Received from Transactions with Other Funds            | \$4,368,186             | \$712,065                        | \$5,080,251                        |
| Cash Received from Other Operating Sources                  | 760,030                 | 1,559                            | 761,589                            |
| Cash Payments to Suppliers for Goods and Services           | (58,149)                | (30,753)                         | (88,902)                           |
| Cash Payments for Claims                                    | (5,160,695)             | (481,861)                        | (5,642,556)                        |
| Cash Payments for Premium                                   | 0                       | (90,728)                         | (90,728)                           |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | (90,628)                | 110,282                          | 19,654                             |
| <b>Cash Flows from Noncapital Financing Activities</b>      |                         |                                  |                                    |
| Transfers In  | 1,000,000               | 100,002                          | 1,100,002                          |
| <i>Net Increase in Cash and Cash Equivalents</i>            | 909,372                 | 210,284                          | 1,119,656                          |
| <i>Cash and Cash Equivalents Beginning of Year</i>          | 932,144                 | 446,926                          | 1,379,070                          |
| <i>Cash and Cash Equivalents End of Year</i>                | <u>\$1,841,516</u>      | <u>\$657,210</u>                 | <u>\$2,498,726</u>                 |

(continued)

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Internal Service Funds (continued)*  
For the Year Ended December 31, 2011

|  | Hospitalization<br>Fund | Workers'<br>Compensation<br>Fund | Total<br>Internal Service<br>Funds |
|--|-------------------------|----------------------------------|------------------------------------|
| <b>Reconciliation of Operating Income (Loss)</b>               |                         |                                  |                                    |
| <b>to Net Cash Provided by (Used for) Operating Activities</b> |                         |                                  |                                    |
| <i>Operating (Income)</i>                                      | (\$105,186)             | \$93,724                         | (\$11,462)                         |
| Adjustments:   |                         |                                  |                                    |
| Decrease in Interfund Receivable                               | 43,717                  | 4,360                            | 48,077                             |
| Increase (Decrease) in Liabilities:                            |                         |                                  |                                    |
| Accounts Payable   | 14,558                  | 0                                | 14,558                             |
| Intergovernmental Payable                                      | 0                       | 52,150                           | 52,150                             |
| Claims Payable   | (43,717)                | (39,952)                         | (83,669)                           |
| <i>Net Cash Provided by (Used for) Operating Activities</i>    | <u>(\$90,628)</u>       | <u>\$110,282</u>                 | <u>\$19,654</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 and report 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, 2011*

---



---

|  | <u>Balance</u><br><u>12/31/2010</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u><br><u>12/31/2011</u> |
|--|-------------------------------------|------------------|-------------------|-------------------------------------|
| <b>Deposits</b>                            |                                     |                  |                   |                                     |
| <b>Assets</b>                              |                                     |                  |                   |                                     |
| Equity in Pooled Cash and Cash Equivalents | <u>\$1,052,018</u>                  | <u>\$501,393</u> | <u>\$498,320</u>  | <u>\$1,055,091</u>                  |
| <b>Liabilities</b>                         |                                     |                  |                   |                                     |
| Deposits Held and Due to Others            | <u>\$1,052,018</u>                  | <u>\$501,393</u> | <u>\$498,320</u>  | <u>\$1,055,091</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, 2011*

|                            | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------|-------------------|-------------------|-------------------|---|
|                            | Original          | Final             | Actual            |   |
| <b>Revenues</b>            |                   |                   |                   |   |
| Property Taxes             | \$6,570,575       | \$6,570,575       | \$6,752,652       | \$182,077   |
| Municipal Income Taxes     | 17,908,000        | 17,908,000        | 18,804,460        | 896,460   |
| Charges for Services       | 1,309,775         | 1,309,775         | 1,329,385         | 19,610  |
| Licenses, Permits and Fees | 1,795,000         | 1,795,000         | 1,630,554         | (164,446)   |
| Fines and Forfeitures      | 1,466,300         | 1,466,300         | 1,545,090         | 78,790  |
| Intergovernmental          | 6,710,425         | 6,710,425         | 6,276,003         | (434,422)   |
| Interest                   | 60,000            | 60,000            | 7,785             | (52,215)  |
| Miscellaneous              | 166,250           | 166,250           | 43,519            | (122,731)   |
| <i>Total Revenues</i>      | <u>35,986,325</u> | <u>35,986,325</u> | <u>36,389,448</u> | <u>403,123</u>  |
| <b>Expenditures</b>        |                   |                   |                   |   |
| <b>Current:</b>            |                   |                   |                   |   |
| General Government:        |                   |                   |                   |   |
| Council                    |                   |                   |                   |   |
| Salaries                   | 123,954           | 123,930           | 122,725           | 1,205   |
| Fringe Benefits            | 29,854            | 29,881            | 29,776            | 105   |
| Professional Services      | 14,870            | 11,935            | 10,552            | 1,383   |
| Communications             | 972               | 972               | 655               | 317   |
| Materials and Supplies     | 750               | 811               | 746               | 65  |
| Other                      | 1,415             | 2,255             | 1,835             | 420   |
| Total Council              | <u>171,815</u>    | <u>169,784</u>    | <u>166,289</u>    | <u>3,495</u>  |
| Municipal Court            |                   |                   |                   |   |
| Salaries                   | 868,195           | 873,195           | 871,986           | 1,209   |
| Fringe Benefits            | 135,106           | 135,106           | 131,883           | 3,223   |
| Travel and Transportation  | 1,950             | 2,550             | 1,553             | 997   |
| Professional Services      | 58,100            | 53,100            | 39,410            | 13,690  |
| Communications             | 48,900            | 48,728            | 42,358            | 6,370   |
| Materials and Supplies     | 21,250            | 22,750            | 16,974            | 5,776   |
| Other                      | 14,550            | 12,622            | 10,194            | 2,428   |
| Total Municipal Court      | <u>1,148,051</u>  | <u>1,148,051</u>  | <u>1,114,358</u>  | <u>33,693</u>   |
| Civil Service              |                   |                   |                   |   |
| Salaries                   | 54,439            | 54,440            | 54,422            | 18  |
| Fringe Benefits            | 19,114            | 19,116            | 19,050            | 66  |
| Professional Services      | 55,500            | 27,000            | 25,901            | 1,099   |
| Communications             | 421               | 525               | 457               | 68  |
| Materials and Supplies     | 50                | 50                | 40                | 10  |
| Other                      | 2,070             | 2,205             | 2,125             | 80  |
| Total Civil Service        | <u>\$131,594</u>  | <u>\$103,336</u>  | <u>\$101,995</u>  | <u>\$1,341</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, 2011*

|  | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            | Actual           |   |
| <b>Mayor's Office</b>                    |                  |                  |                  |   |
| Salaries                                 | \$171,805        | \$165,993        | \$160,835        | \$5,158   |
| Fringe Benefits                          | 47,896           | 47,908           | 46,372           | 1,536   |
| Professional Services                    | 7,025            | 7,113            | 6,976            | 137   |
| Communications                           | 2,215            | 2,093            | 1,815            | 278   |
| Materials and Supplies                   | 1,000            | 1,263            | 1,184            | 79  |
| Other                                    | 2,000            | 2,215            | 1,803            | 412   |
| <b>Total Mayor's Office</b>              | <b>231,941</b>   | <b>226,585</b>   | <b>218,985</b>   | <b>7,600</b>  |
| <b>Human Resources</b>                   |                  |                  |                  |   |
| Salaries                                 | 159,336          | 159,336          | 159,276          | 60  |
| Fringe Benefits                          | 56,044           | 56,045           | 55,921           | 124   |
| Travel and Transportation                | 200              | 200              | 21               | 179   |
| Professional Services                    | 19,400           | 17,475           | 14,198           | 3,277   |
| Communications                           | 1,605            | 1,605            | 1,135            | 470   |
| Materials and Supplies                   | 6,850            | 5,850            | 3,366            | 2,484   |
| Other                                    | 9,400            | 5,400            | 1,828            | 3,572   |
| <b>Total Human Resources</b>             | <b>252,835</b>   | <b>245,911</b>   | <b>235,745</b>   | <b>10,166</b>   |
| <b>Community Relations</b>               |                  |                  |                  |   |
| Salaries                                 | 70,590           | 71,307           | 67,850           | 3,457   |
| Fringe Benefits                          | 23,475           | 23,489           | 23,156           | 333   |
| Professional Services                    | 25,000           | 12,900           | 5,929            | 6,971   |
| Communications                           | 980              | 4,150            | 3,202            | 948   |
| Contractual Services                     | 5,000            | 5,000            | 5,000            | 0   |
| Materials and Supplies                   | 2,365            | 3,592            | 3,516            | 76  |
| Other                                    | 3,660            | 2,586            | 1,995            | 591   |
| <b>Total Community Relations</b>         | <b>131,070</b>   | <b>123,024</b>   | <b>110,648</b>   | <b>12,376</b>   |
| <b>Public Works Administration</b>       |                  |                  |                  |   |
| Salaries                                 | 113,707          | 113,707          | 112,616          | 1,091   |
| Fringe Benefits                          | 41,042           | 41,049           | 40,720           | 329   |
| Travel and Transportation                | 225              | 225              | 16               | 209   |
| Professional Services                    | 500              | 2,500            | 2,242            | 258   |
| Communications                           | 1,300            | 1,100            | 922              | 178   |
| Contractual Services                     | 300              | 862              | 0                | 862   |
| Materials and Supplies                   | 1,100            | 1,090            | 1,082            | 8   |
| Other                                    | 3,550            | 863              | 740              | 123   |
| <b>Total Public Works Administration</b> | <b>\$161,724</b> | <b>\$161,396</b> | <b>\$158,338</b> | <b>\$3,058</b>  |

*(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, 2011*

|                                       | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------------|------------------|---|
|                                       | Original         | Final            | Actual           |   |
| <b>Buildings and Facilities</b>       |                  |                  |                  |   |
| Salaries                              | \$121,212        | \$94,200         | \$84,971         | \$9,229   |
| Fringe Benefits                       | 43,982           | 40,411           | 39,119           | 1,292   |
| Communications                        | 6,255            | 9,085            | 8,566            | 519   |
| Contractual Services                  | 10,000           | 14,000           | 13,861           | 139   |
| Materials and Supplies                | 70,236           | 69,082           | 59,792           | 9,290   |
| Other                                 | 240,000          | 207,300          | 189,453          | 17,847  |
| <b>Total Buildings and Facilities</b> | <b>491,685</b>   | <b>434,078</b>   | <b>395,762</b>   | <b>38,316</b>   |
| <b>Fleet Management</b>               |                  |                  |                  |   |
| Salaries                              | 608,252          | 608,939          | 601,416          | 7,523   |
| Fringe Benefits                       | 232,670          | 231,436          | 230,730          | 706   |
| Professional Services                 | 11,000           | 12,079           | 12,034           | 45  |
| Communications                        | 3,670            | 2,410            | 2,194            | 216   |
| Contractual Services                  | 22,155           | 16,555           | 13,973           | 2,582   |
| Materials and Supplies                | 489,870          | 502,124          | 482,084          | 20,040  |
| Capital Outlay                        | 33,000           | 33,800           | 33,350           | 450   |
| Other                                 | 31,900           | 33,915           | 31,446           | 2,469   |
| <b>Total Fleet Management</b>         | <b>1,432,517</b> | <b>1,441,258</b> | <b>1,407,227</b> | <b>34,031</b>   |
| <b>Engineering</b>                    |                  |                  |                  |   |
| Salaries                              | 211,726          | 182,724          | 175,876          | 6,848   |
| Fringe Benefits                       | 77,579           | 74,499           | 72,799           | 1,700   |
| Travel and Transportation             | 230              | 380              | 168              | 212   |
| Professional Services                 | 600              | 889              | 829              | 60  |
| Communications                        | 2,207            | 2,182            | 1,646            | 536   |
| Contractual Services                  | 50,000           | 37,500           | 34,200           | 3,300   |
| Materials and Supplies                | 1,096            | 2,503            | 2,206            | 297   |
| Other                                 | 4,290            | 4,462            | 3,898            | 564   |
| <b>Total Engineering</b>              | <b>347,728</b>   | <b>305,139</b>   | <b>291,622</b>   | <b>13,517</b>   |
| <b>Finance</b>                        |                  |                  |                  |   |
| Salaries                              | 349,322          | 358,830          | 358,829          | 1   |
| Fringe Benefits                       | 138,817          | 140,645          | 140,587          | 58  |
| Travel and Transportation             | 110              | 679              | 663              | 16  |
| Professional Services                 | 55,758           | 56,520           | 36,088           | 20,432  |
| Communications                        | 7,000            | 5,450            | 5,063            | 387   |
| Contractual Services                  | 0                | 261              | 261              | 0   |
| Materials and Supplies                | 2,660            | 3,535            | 3,404            | 131   |
| Other                                 | 4,612            | 5,932            | 4,953            | 979   |
| <b>Total Finance</b>                  | <b>\$558,279</b> | <b>\$571,852</b> | <b>\$549,848</b> | <b>\$22,004</b>   |

*(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, 2011*

|                                 | <u>Budgeted Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-------------------------|--------------------|--------------------|---|
|                                 | <u>Original</u>         | <u>Final</u>       | <u>Actual</u>      |   |
| Income Tax                      |                         |                    |                    |   |
| Salaries                        | \$351,701               | \$352,436          | \$347,088          | \$5,348   |
| Fringe Benefits                 | 102,136                 | 102,151            | 101,877            | 274   |
| Travel and Transportation       | 750                     | 750                | 650                | 100   |
| Professional Services           | 138,430                 | 103,930            | 80,689             | 23,241  |
| Communications                  | 50,310                  | 47,710             | 44,617             | 3,093   |
| Contractual Services            | 1,445                   | 1,445              | 1,400              | 45  |
| Materials and Supplies          | 4,459                   | 2,900              | 2,624              | 276   |
| Refunds                         | 350,000                 | 350,000            | 341,587            | 8,413   |
| Other                           | 94,584                  | 100,541            | 90,756             | 9,785   |
| Total Income Tax                | <u>1,093,815</u>        | <u>1,061,863</u>   | <u>1,011,288</u>   | <u>50,575</u>   |
| Information Systems             |                         |                    |                    |   |
| Salaries                        | 254,143                 | 252,567            | 251,747            | 820   |
| Fringe Benefits                 | 88,033                  | 88,054             | 87,732             | 322   |
| Professional Services           | 12,000                  | 7,400              | 3,880              | 3,520   |
| Communications                  | 5,750                   | 5,000              | 3,625              | 1,375   |
| Contractual Services            | 55,000                  | 52,542             | 49,950             | 2,592   |
| Materials and Supplies          | 36,050                  | 39,615             | 38,921             | 694   |
| Other                           | 239,225                 | 406,952            | 396,931            | 10,021  |
| Total Information Systems       | <u>690,201</u>          | <u>852,130</u>     | <u>832,786</u>     | <u>19,344</u>   |
| General Administration          |                         |                    |                    |   |
| Salaries                        | 101,007                 | 98,827             | 98,195             | 632   |
| Fringe Benefits                 | 87,881                  | 42,814             | 35,543             | 7,271   |
| Professional Services           | 36,250                  | 35,335             | 29,335             | 6,000   |
| Communications                  | 2,400                   | 16,959             | 16,954             | 5   |
| Materials and Supplies          | 7,318                   | 1,684              | 582                | 1,102   |
| Other                           | 1,544,063               | 1,419,631          | 1,419,119          | 512   |
| Total General Administration    | <u>1,778,919</u>        | <u>1,615,250</u>   | <u>1,599,728</u>   | <u>15,522</u>   |
| Law                             |                         |                    |                    |   |
| Salaries                        | 340,227                 | 339,991            | 337,847            | 2,144   |
| Fringe Benefits                 | 84,668                  | 84,729             | 84,578             | 151   |
| Travel and Transportation       | 425                     | 425                | 133                | 292   |
| Professional Services           | 92,550                  | 34,650             | 30,907             | 3,743   |
| Communications                  | 3,020                   | 2,325              | 1,821              | 504   |
| Materials and Supplies          | 10,755                  | 11,577             | 10,397             | 1,180   |
| Other                           | 1,330                   | 3,366              | 3,091              | 275   |
| Total Law                       | <u>532,975</u>          | <u>477,063</u>     | <u>468,774</u>     | <u>8,289</u>  |
| <i>Total General Government</i> | <u>\$9,155,149</u>      | <u>\$8,936,720</u> | <u>\$8,663,393</u> | <u>\$273,327</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, 2011*

|                                   | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|-------------------------|------------------|------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| Security of Persons and Property: |                         |                  |                  |   |
| Police                            |                         |                  |                  |   |
| Salaries                          | \$7,941,036             | \$7,306,303      | \$7,214,541      | \$91,762  |
| Fringe Benefits                   | 1,331,673               | 1,306,875        | 1,293,593        | 13,282  |
| Professional Services             | 23,600                  | 33,271           | 22,792           | 10,479  |
| Communications                    | 89,000                  | 86,150           | 82,606           | 3,544   |
| Contractual Services              | 130,292                 | 127,000          | 118,051          | 8,949   |
| Materials and Supplies            | 194,318                 | 252,317          | 237,226          | 15,091  |
| Capital Outlay                    | 5,000                   | 5,630            | 5,609            | 21  |
| Other                             | 61,825                  | 60,632           | 56,592           | 4,040   |
| Total Police                      | <u>9,776,744</u>        | <u>9,178,178</u> | <u>9,031,010</u> | <u>147,168</u>  |
| Police Communications             |                         |                  |                  |   |
| Salaries                          | 560,504                 | 529,710          | 525,156          | 4,554   |
| Fringe Benefits                   | 211,994                 | 205,995          | 204,938          | 1,057   |
| Professional Services             | 500                     | 500              | 369              | 131   |
| Capital Outlay                    | 0                       | 870              | 852              | 18  |
| Other                             | 26,600                  | 25,730           | 21,884           | 3,846   |
| Total Police Communications       | <u>799,598</u>          | <u>762,805</u>   | <u>753,199</u>   | <u>9,606</u>  |
| School Guards                     |                         |                  |                  |   |
| Salaries                          | 154,544                 | 154,544          | 144,001          | 10,543  |
| Fringe Benefits                   | 26,889                  | 26,889           | 24,963           | 1,926   |
| Other                             | 500                     | 500              | 0                | 500   |
| Total School Guards               | <u>\$181,933</u>        | <u>\$181,933</u> | <u>\$168,964</u> | <u>\$12,969</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, 2011*

|   | <u>Budgeted Amounts</u> |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| Fire  |                         |                   |                   |   |
| Salaries                                      | \$5,378,291             | \$5,309,157       | \$5,179,127       | \$130,030   |
| Fringe Benefits                               | 915,701                 | 921,372           | 914,413           | 6,959   |
| Travel and Transportation                     | 3,700                   | 3,940             | 2,803             | 1,137   |
| Professional Services                         | 8,410                   | 10,374            | 9,737             | 637   |
| Communications                                | 24,050                  | 17,975            | 16,474            | 1,501   |
| Contractual Services                          | 16,510                  | 16,510            | 13,711            | 2,799   |
| Materials and Supplies                        | 92,956                  | 87,062            | 78,755            | 8,307   |
| Capital Outlay                                | 70,000                  | 28,135            | 27,284            | 851   |
| Other   | 114,150                 | 113,654           | 96,317            | 17,337  |
| Total Fire                                    | <u>6,623,768</u>        | <u>6,508,179</u>  | <u>6,338,621</u>  | <u>169,558</u>  |
| Street Lighting                               |                         |                   |                   |   |
| Other   | <u>631,635</u>          | <u>625,000</u>    | <u>594,409</u>    | <u>30,591</u>   |
| Animal Control                                |                         |                   |                   |   |
| Salaries                                      | 116,211                 | 114,600           | 113,628           | 972   |
| Fringe Benefits                               | 54,629                  | 64,310            | 63,957            | 353   |
| Professional Services                         | 125                     | 150               | 102               | 48  |
| Communications                                | 1,620                   | 2,100             | 1,925             | 175   |
| Contractual Services                          | 1,025                   | 1,000             | 874               | 126   |
| Materials and Supplies                        | 2,800                   | 3,750             | 3,567             | 183   |
| Other   | 9,996                   | 10,746            | 9,659             | 1,087   |
| Total Animal Control                          | <u>186,406</u>          | <u>196,656</u>    | <u>193,712</u>    | <u>2,944</u>  |
| <i>Total Security of Persons and Property</i> | <u>18,200,084</u>       | <u>17,452,751</u> | <u>17,079,915</u> | <u>372,836</u>  |
| Public Health Services:                       |                         |                   |                   |   |
| Support of Prisoners                          |                         |                   |                   |   |
| Salaries                                      | 193,432                 | 135,177           | 128,179           | 6,998   |
| Fringe Benefits                               | 77,892                  | 68,602            | 66,405            | 2,197   |
| Professional Services                         | 52,500                  | 51,058            | 48,981            | 2,077   |
| Contractual Services                          | 156,250                 | 108,600           | 101,245           | 7,355   |
| Materials and Supplies                        | 50,965                  | 52,700            | 43,509            | 9,191   |
| Capital Outlay                                | 60,000                  | 0                 | 0                 | 0   |
| Total Support of Prisoners                    | <u>\$591,039</u>        | <u>\$416,137</u>  | <u>\$388,319</u>  | <u>\$27,818</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, 2011*

|                                     | Budgeted Amounts |             |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------|------------------|-------------|-----------|---|
|                                     | Original         | Final       | Actual    |   |
| Human Services Administration       |                  |             |           |   |
| Salaries                            | \$133,568        | \$134,340   | \$133,568 | \$772   |
| Fringe Benefits                     | 43,280           | 43,399      | 43,244    | 155   |
| Professional Services               | 0                | 190         | 118       | 72  |
| Communications                      | 895              | 710         | 664       | 46  |
| Materials and Supplies              | 185              | 185         | 183       | 2   |
| Other                               | 775              | 875         | 811       | 64  |
| Total Human Services Administration | 178,703          | 179,699     | 178,588   | 1,111   |
| <i>Total Public Health Services</i> | 769,742          | 595,836     | 566,907   | 28,929  |
| Community Environment:              |                  |             |           |   |
| Housing and Building                |                  |             |           |   |
| Salaries                            | 707,199          | 673,592     | 656,697   | 16,895  |
| Fringe Benefits                     | 288,359          | 285,590     | 281,601   | 3,989   |
| Professional Services               | 21,000           | 17,750      | 14,345    | 3,405   |
| Communications                      | 13,500           | 8,785       | 8,436     | 349   |
| Materials and Supplies              | 2,937            | 5,383       | 4,363     | 1,020   |
| Capital Outlay                      | 5,000            | 7,000       | 4,455     | 2,545   |
| Other                               | 21,313           | 18,841      | 16,578    | 2,263   |
| Total Housing and Building          | \$1,059,308      | \$1,016,941 | \$986,475 | \$30,466  |

*(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, 2011*

|                                    | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|------------------|-------------|-------------|---|
|                                    | Original         | Final       | Actual      |   |
| Forestry                           |                  |             |             |   |
| Salaries                           | \$237,017        | \$223,976   | \$218,266   | \$5,710   |
| Fringe Benefits                    | 104,625          | 103,164     | 100,229     | 2,935   |
| Professional Services              | 200              | 200         | 103         | 97  |
| Communications                     | 50               | 100         | 78          | 22  |
| Contractual Services               | 75               | 75          | 0           | 75  |
| Materials and Supplies             | 16,341           | 22,587      | 20,109      | 2,478   |
| Capital Outlay                     | 60,000           | 57,300      | 54,469      | 2,831   |
| Other                              | 1,025            | 25          | 9           | 16  |
| Total Forestry                     | 419,333          | 407,427     | 393,263     | 14,164  |
| Child Care                         |                  |             |             |   |
| Salaries                           | 36,486           | 36,580      | 36,391      | 189   |
| Fringe Benefits                    | 16,263           | 16,434      | 16,290      | 144   |
| Professional Services              | 140              | 0           | 0           | 0   |
| Communications                     | 1,560            | 1,110       | 1,039       | 71  |
| Materials and Supplies             | 135              | 150         | 147         | 3   |
| Other                              | 1,875            | 2,075       | 1,794       | 281   |
| Total Child Care                   | 56,459           | 56,349      | 55,661      | 688   |
| Youth                              |                  |             |             |   |
| Salaries                           | 186,658          | 187,858     | 180,131     | 7,727   |
| Fringe Benefits                    | 132,144          | 132,144     | 132,105     | 39  |
| Professional Services              | 140              | 140         | 118         | 22  |
| Communications                     | 4,236            | 2,470       | 1,968       | 502   |
| Materials and Supplies             | 1,655            | 1,190       | 973         | 217   |
| Other                              | 11,274           | 11,477      | 10,071      | 1,406   |
| Total Youth                        | 336,107          | 335,279     | 325,366     | 9,913   |
| Planning and Development           |                  |             |             |   |
| Salaries                           | 143,809          | 105,000     | 100,458     | 4,542   |
| Fringe Benefits                    | 42,298           | 38,949      | 37,137      | 1,812   |
| Travel and Transportation          | 0                | 73          | 72          | 1   |
| Professional Services              | 27,750           | 21,866      | 21,751      | 115   |
| Communications                     | 6,945            | 4,045       | 3,027       | 1,018   |
| Contractual Services               | 10,000           | 10,000      | 9,927       | 73  |
| Materials and Supplies             | 5,333            | 2,858       | 1,361       | 1,497   |
| Other                              | 400,056          | 690,966     | 689,195     | 1,771   |
| Total Planning and Development     | 636,191          | 873,757     | 862,928     | 10,829  |
| <i>Total Community Environment</i> | \$2,507,398      | \$2,689,753 | \$2,623,693 | \$66,060  |

*(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, 2011*

|                                     | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------|-------------------------|------------------|------------------|---|
|                                     | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Basic Utility Services:</b>      |                         |                  |                  |   |
| <b>Refuse and Recycling</b>         |                         |                  |                  |   |
| Salaries                            | \$1,629,189             | \$1,625,557      | \$1,594,644      | \$30,913  |
| Fringe Benefits                     | 710,910                 | 707,569          | 704,959          | 2,610   |
| Professional Services               | 679                     | 679              | 437              | 242   |
| Communications                      | 7,580                   | 8,460            | 8,072            | 388   |
| Contractual Services                | 863,990                 | 726,220          | 709,079          | 17,141  |
| Materials and Supplies              | 165,325                 | 191,745          | 186,225          | 5,520   |
| Capital Outlay                      | 30,000                  | 65,800           | 54,629           | 11,171  |
| Other                               | 51,600                  | 45,772           | 37,030           | 8,742   |
| <i>Total Basic Utility Services</i> | <u>3,459,273</u>        | <u>3,371,802</u> | <u>3,295,075</u> | <u>76,727</u>   |
| <b>Leisure Time Activities:</b>     |                         |                  |                  |   |
| <b>Security</b>                     |                         |                  |                  |   |
| Salaries                            | 78,000                  | 83,000           | 79,993           | 3,007   |
| Fringe Benefits                     | 12,051                  | 12,800           | 12,359           | 441   |
| <b>Total Security</b>               | <u>90,051</u>           | <u>95,800</u>    | <u>92,352</u>    | <u>3,448</u>  |
| <b>Parks</b>                        |                         |                  |                  |   |
| Salaries                            | 635,249                 | 646,044          | 636,527          | 9,517   |
| Fringe Benefits                     | 263,860                 | 265,804          | 264,704          | 1,100   |
| Professional Services               | 120                     | 650              | 639              | 11  |
| Communications                      | 5,425                   | 5,905            | 5,665            | 240   |
| Contractual Services                | 20,000                  | 26,000           | 25,349           | 651   |
| Materials and Supplies              | 94,466                  | 101,545          | 95,271           | 6,274   |
| Capital Outlay                      | 89,922                  | 83,000           | 80,792           | 2,208   |
| Other                               | 80,196                  | 88,303           | 77,861           | 10,442  |
| <b>Total Parks</b>                  | <u>1,189,238</u>        | <u>1,217,251</u> | <u>1,186,808</u> | <u>30,443</u>   |
| <b>Construction</b>                 |                         |                  |                  |   |
| Salaries                            | 229,004                 | 232,585          | 228,111          | 4,474   |
| Fringe Benefits                     | 88,558                  | 88,585           | 88,321           | 264   |
| Materials and Supplies              | 61,100                  | 59,850           | 51,752           | 8,098   |
| <b>Total Construction</b>           | <u>\$378,662</u>        | <u>\$381,020</u> | <u>\$368,184</u> | <u>\$12,836</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, 2011*

|   | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
|   | Original           | Final              | Actual             |   |
| <b>Band Concerts</b>                        |                    |                    |                    |   |
| Salaries                                    | \$10,080           | \$6,760            | \$6,759            | \$1   |
| Fringe Benefits                             | 1,557              | 1,031              | 1,029              | 2   |
| Professional Services                       | 12,500             | 10,225             | 10,222             | 3   |
| Materials and Supplies                      | 500                | 500                | 488                | 12  |
| Other                                       | 3,500              | 4,000              | 3,734              | 266   |
| <b>Total Band Concerts</b>                  | <b>28,137</b>      | <b>22,516</b>      | <b>22,232</b>      | <b>284</b>  |
| <b>Museums</b>                              |                    |                    |                    |   |
| Contractual Services                        | 4,900              | 4,900              | 2,918              | 1,982   |
| Other                                       | 5,600              | 6,500              | 5,189              | 1,311   |
| <b>Total Museums</b>                        | <b>10,500</b>      | <b>11,400</b>      | <b>8,107</b>       | <b>3,293</b>  |
| <b>July 4th Festival</b>                    |                    |                    |                    |   |
| Salaries                                    | 8,950              | 9,049              | 9,048              | 1   |
| Fringe Benefits                             | 1,378              | 1,367              | 1,364              | 3   |
| Contractual Services                        | 35,000             | 33,866             | 33,865             | 1   |
| Materials and Supplies                      | 2,250              | 2,240              | 1,907              | 333   |
| Other                                       | 200                | 0                  | 0                  | 0   |
| <b>Total July 4th Festival</b>              | <b>47,778</b>      | <b>46,522</b>      | <b>46,184</b>      | <b>338</b>  |
| <b>Tennis Courts</b>                        |                    |                    |                    |   |
| Materials and Supplies                      | 1,750              | 1,750              | 1,738              | 12  |
| Other                                       | 11,700             | 6,500              | 5,706              | 794   |
| <b>Total Tennis Courts</b>                  | <b>13,450</b>      | <b>8,250</b>       | <b>7,444</b>       | <b>806</b>  |
| <i>Total Leisure Time Activities</i>        | <u>1,757,816</u>   | <u>1,782,759</u>   | <u>1,731,311</u>   | <u>51,448</u>   |
| <i>Total Expenditures</i>                   | <u>35,849,462</u>  | <u>34,829,621</u>  | <u>33,960,294</u>  | <u>869,327</u>  |
| <i>Excess of Revenues Over Expenditures</i> | <u>136,863</u>     | <u>1,156,704</u>   | <u>2,429,154</u>   | <u>1,272,450</u>  |
| <b>Other Financing Sources (Uses)</b>       |                    |                    |                    |   |
| Transfers In                                | 150,000            | 150,000            | 0                  | (150,000)   |
| Transfers Out                               | (1,202,958)        | (2,038,593)        | (2,038,592)        | 1   |
| Advance Out                                 | 0                  | (316,595)          | (313,000)          | 3,595   |
| <i>Total Other Financing Sources (Uses)</i> | <u>(1,052,958)</u> | <u>(2,205,188)</u> | <u>(2,351,592)</u> | <u>(146,404)</u>  |
| <i>Net Change in Fund Balance</i>           | (916,095)          | (1,048,484)        | 77,562             | 1,126,046   |
| <i>Fund Balance Beginning of Year</i>       | 3,297,908          | 3,297,908          | 3,297,908          | 0   |
| <i>Prior Year Encumbrances Appropriated</i> | 949,608            | 949,608            | 949,608            | 0   |
| <i>Fund Balance End of Year</i>             | <u>\$3,331,421</u> | <u>\$3,199,032</u> | <u>\$4,325,078</u> | <u>\$1,126,046</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, 2011*

|   | <u>Budgeted Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|--------------------|--------------------|---|
|   | <u>Original</u>         | <u>Final</u>       | <u>Actual</u>      |   |
| <b>Revenues</b>                             |                         |                    |                    |   |
| Property Taxes                              | \$2,485,996             | \$2,485,996        | \$2,566,474        | \$80,478  |
| Intergovernmental                           | 546,430                 | 546,430            | 405,531            | (140,899)   |
| <i>Total Revenues</i>                       | <u>3,032,426</u>        | <u>3,032,426</u>   | <u>2,972,005</u>   | <u>(60,421)</u>   |
| <b>Expenditures</b>                         |                         |                    |                    |   |
| <b>Current:</b>                             |                         |                    |                    |   |
| Security of Persons and Property:           |                         |                    |                    |   |
| Fringe Benefits Police                      | 1,364,397               | 1,355,000          | 1,339,283          | 15,717  |
| Fringe Benefits Fire                        | 1,261,376               | 1,270,000          | 1,260,349          | 9,651   |
| <i>Total Expenditures</i>                   | <u>2,625,773</u>        | <u>2,625,000</u>   | <u>2,599,632</u>   | <u>25,368</u>   |
| <i>Excess of Revenues Over Expenditures</i> | 406,653                 | 407,426            | 372,373            | (35,053)  |
| <b>Other Financing Uses</b>                 |                         |                    |                    |   |
| Transfers Out                               | (431,000)               | (431,000)          | (431,000)          | 0   |
| <i>Net Change in Fund Balance</i>           | (24,347)                | (23,574)           | (58,627)           | (35,053)  |
| <i>Fund Balance Beginning of Year</i>       | <u>1,860,124</u>        | <u>1,860,124</u>   | <u>1,860,124</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>             | <u>\$1,835,777</u>      | <u>\$1,836,550</u> | <u>\$1,801,497</u> | <u>(\$35,053)</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, 2011*

|   | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                                     |                         |                  |                  |   |
| Intergovernmental                                   | \$2,936,435             | \$2,136,435      | \$2,072,006      | (\$64,429)  |
| <b>Expenditures</b>                                 |                         |                  |                  |   |
| <b>Current:</b>                                     |                         |                  |                  |   |
| Community Environment:                              |                         |                  |                  |   |
| Salaries  | 596,808                 | 485,911          | 464,311          | 21,600  |
| Fringe Benefits                                     | 202,512                 | 163,623          | 155,324          | 8,299   |
| Travel and Transportation                           | 6,250                   | 3,075            | 2,247            | 828   |
| Professional Services                               | 67,350                  | 31,650           | 31,220           | 430   |
| Communications                                      | 7,500                   | 4,115            | 2,246            | 1,869   |
| Contractual Services                                | 1,023,690               | 692,611          | 692,255          | 356   |
| Materials and Supplies                              | 3,890                   | 1,936            | 1,360            | 576   |
| Capital Outlay                                      | 677,475                 | 717,740          | 717,704          | 36  |
| Other   | 182,198                 | 92,402           | 91,770           | 632   |
| <i>Total Expenditures</i>                           | <u>2,767,673</u>        | <u>2,193,063</u> | <u>2,158,437</u> | <u>34,626</u>   |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 168,762                 | (56,628)         | (86,431)         | (29,803)  |
| <b>Other Financing Sources</b>                      |                         |                  |                  |   |
| Advances In   | 0                       | 241,000          | 241,000          | 0   |
| <i>Net Change in Fund Balance</i>                   | 168,762                 | 184,372          | 154,569          | (29,803)  |
| <i>Fund Deficit Beginning of Year</i>               | (81,481)                | (81,481)         | (81,481)         | 0   |
| <i>Fund Balance End of Year</i>                     | <u>\$87,281</u>         | <u>\$102,891</u> | <u>\$73,088</u>  | <u>(\$29,803)</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, 2011*

|  | Budgeted Amounts          |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------------|-------------------------|-------------------------|---|
|  | Original                  | Final                   | Actual                  |   |
| <b>Revenues</b>                              |                           |                         |                         |   |
| Property Taxes                               | \$2,630,003               | \$2,630,003             | \$2,722,377             | \$92,374  |
| Intergovernmental                            | 445,333                   | 445,333                 | 446,866                 | 1,533   |
| Special Assessments                          | 29,673                    | 29,673                  | 3,794                   | (25,879)  |
| Interest                                     | 152,448                   | 152,448                 | 1,001                   | (151,447)   |
| Miscellaneous                                | 251,646                   | 1,646                   | 37,945                  | 36,299  |
| <i>Total Revenues</i>                        | <u>3,509,103</u>          | <u>3,259,103</u>        | <u>3,211,983</u>        | <u>(47,120)</u>   |
| <b>Expenditures</b>                          |                           |                         |                         |   |
| <b>Current:</b>                              |                           |                         |                         |   |
| General Government:                          |                           |                         |                         |   |
| Professional Services                        | 1,000                     | 808                     | 807                     | 1   |
| Debt Service:                                |                           |                         |                         |   |
| Principal Retirement                         | 16,068,220                | 11,856,611              | 11,841,381              | 15,230  |
| Interest and Fiscal Charges                  | 1,680,795                 | 1,579,119               | 1,574,081               | 5,038   |
| Bond Issuance Costs                          | 0                         | 139,696                 | 139,696                 | 0   |
| <i>Total Debt Service</i>                    | <u>17,749,015</u>         | <u>13,575,426</u>       | <u>13,555,158</u>       | <u>20,268</u>   |
| <i>Total Expenditures</i>                    | <u>17,750,015</u>         | <u>13,576,234</u>       | <u>13,555,965</u>       | <u>20,269</u>   |
| <i>Excess of Revenues Under Expenditures</i> | <u>(14,240,912)</u>       | <u>(10,317,131)</u>     | <u>(10,343,982)</u>     | <u>(26,851)</u>   |
| <b>Other Financing Sources</b>               |                           |                         |                         |   |
| General Obligation Bonds Issued              | 12,356,000                | 11,775,000              | 11,775,000              | 0   |
| Premium on General Obligation Bonds          | 0                         | 95,103                  | 78,758                  | (16,345)  |
| Payment to Refunded Bond Escrow Agent        | 0                         | (3,969,578)             | (3,969,578)             | 0   |
| Transfers In                                 | 2,260,840                 | 2,260,840               | 2,275,364               | 14,524  |
| <i>Total Other Financing Sources</i>         | <u>14,616,840</u>         | <u>10,161,365</u>       | <u>10,159,544</u>       | <u>(1,821)</u>  |
| <i>Net Change in Fund Balance</i>            | 375,928                   | (155,766)               | (184,438)               | (28,672)  |
| <i>Fund Balance Beginning of Year</i>        | <u>777,873</u>            | <u>777,873</u>          | <u>777,873</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$1,153,801</u></u> | <u><u>\$622,107</u></u> | <u><u>\$593,435</u></u> | <u><u>(\$28,672)</u></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, 2011*

|   | <u>Budgeted Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|--------------------|--------------------|---|
|   | <u>Original</u>         | <u>Final</u>       | <u>Actual</u>      |   |
| <b>Revenues</b>   |                         |                    |                    |   |
| Charges for Services                                      | \$10,720,052            | \$10,720,052       | \$10,681,607       | (\$38,445)  |
| Interest  | 83,440                  | 83,440             | 1,979              | (81,461)  |
| Special Assessments                                       | 118,408                 | 118,408            | 80,560             | (37,848)  |
| Miscellaneous   | 150,607                 | 10,607             | 8,914              | (1,693)   |
| <i>Total Revenues</i>                                     | <u>11,072,507</u>       | <u>10,932,507</u>  | <u>10,773,060</u>  | <u>(159,447)</u>  |
| <b>Expenses</b>   |                         |                    |                    |   |
| Salaries  | 880,510                 | 814,307            | 792,188            | 22,119  |
| Fringe Benefits   | 313,136                 | 309,687            | 305,814            | 3,873   |
| Travel and Transportation                                 | 700                     | 700                | 0                  | 700   |
| Professional Services                                     | 119,272                 | 95,072             | 67,947             | 27,125  |
| Communications  | 73,000                  | 82,760             | 79,238             | 3,522   |
| Contractual Services                                      | 100,000                 | 60,994             | 55,119             | 5,875   |
| Materials and Supplies                                    | 219,125                 | 183,905            | 131,537            | 52,368  |
| Capital Outlay  | 650,000                 | 784,159            | 740,030            | 44,129  |
| Other   | 7,281,589               | 6,851,642          | 6,810,954          | 40,688  |
| Debt Service:   |                         |                    |                    |   |
| Principal Retirement                                      | 1,409,314               | 1,443,998          | 1,304,524          | 139,474   |
| Interest and Fiscal Charges                               | 540,029                 | 554,000            | 552,490            | 1,510   |
| <i>Total Expenses</i>                                     | <u>11,586,675</u>       | <u>11,181,224</u>  | <u>10,839,841</u>  | <u>341,383</u>  |
| <i>Excess of Revenues Under Expenses before Transfers</i> | (514,168)               | (248,717)          | (66,781)           | 181,936   |
| Transfers Out   | (15,252)                | (15,252)           | (15,252)           | 0   |
| <i>Net Change in Fund Equity</i>                          | (529,420)               | (263,969)          | (82,033)           | 181,936   |
| <i>Fund Equity Beginning of Year</i>                      | 4,945,197               | 4,945,197          | 4,945,197          | 0   |
| <i>Fund Equity End of Year</i>                            | <u>\$4,415,777</u>      | <u>\$4,681,228</u> | <u>\$4,863,164</u> | <u>\$181,936</u>  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity*  
*Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2011*

|  | <u>Budgeted Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|--------------------|--------------------|---|
|  | <u>Original</u>         | <u>Final</u>       | <u>Actual</u>      |   |
| <b>Revenues</b>  |                         |                    |                    |   |
| Property Taxes   | \$1,515,852             | \$1,515,852        | \$1,565,199        | \$49,347  |
| Intergovernmental  | 259,443                 | 259,443            | 247,275            | (12,168)  |
| Charges for Services                                     | 6,569,440               | 6,569,440          | 6,516,123          | (53,317)  |
| Special Assessments                                      | 45,842                  | 45,842             | 25,536             | (20,306)  |
| General Obligation Bonds Issued                          | 0                       | 545,000            | 545,000            | 0   |
| Premium on General Obligation Bonds                      | 0                       | 0                  | 8,464              | 8,464   |
| Interest   | 34,808                  | 34,808             | 495                | (34,313)  |
| Miscellaneous  | 103,485                 | 103,485            | 3,512              | (99,973)  |
| <i>Total Revenues</i>                                    | <u>8,528,870</u>        | <u>9,073,870</u>   | <u>8,911,604</u>   | <u>(162,266)</u>  |
| <b>Expenses</b>  |                         |                    |                    |   |
| Salaries   | 1,842,030               | 1,790,054          | 1,763,418          | 26,636  |
| Fringe Benefits  | 757,048                 | 743,269            | 742,055            | 1,214   |
| Travel and Transportation                                | 2,700                   | 2,250              | 1,238              | 1,012   |
| Professional Services                                    | 239,660                 | 140,876            | 121,407            | 19,469  |
| Communications   | 6,040                   | 6,260              | 5,519              | 741   |
| Contractual Services                                     | 225,736                 | 581,840            | 561,028            | 20,812  |
| Materials and Supplies                                   | 368,620                 | 392,501            | 332,289            | 60,212  |
| Capital Outlay   | 927,500                 | 1,146,690          | 1,138,093          | 8,597   |
| Other  | 1,020,834               | 251,532            | 244,042            | 7,490   |
| Debt Service:  |                         |                    |                    |   |
| Principal Retirement                                     | 1,675,388               | 1,445,436          | 1,400,811          | 44,625  |
| Interest and Fiscal Charges                              | 823,239                 | 945,466            | 909,106            | 36,360  |
| Bond Issuance Costs                                      | 0                       | 11,604             | 11,604             | 0   |
| Payment to Refunded Bond Escrow Agent                    | 0                       | 537,244            | 537,244            | 0   |
| <i>Total Expenses</i>                                    | <u>7,888,795</u>        | <u>7,995,022</u>   | <u>7,767,854</u>   | <u>227,168</u>  |
| <i>Excess of Revenues Over Expenses before Transfers</i> | 640,075                 | 1,078,848          | 1,143,750          | 64,902  |
| Transfers Out  | <u>(1,378,200)</u>      | <u>(1,378,200)</u> | <u>(1,378,200)</u> | <u>0</u>  |
| <i>Net Change in Fund Equity</i>                         | (738,125)               | (299,352)          | (234,450)          | 64,902  |
| <i>Fund Equity Beginning of Year</i>                     | <u>3,520,530</u>        | <u>3,520,530</u>   | <u>3,520,530</u>   | <u>0</u>  |
| <i>Fund Equity End of Year</i>                           | <u>\$2,782,405</u>      | <u>\$3,221,178</u> | <u>\$3,286,080</u> | <u>\$64,902</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, 2011*

|  | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            | Actual           |   |
| <b>Revenues</b>                              |                  |                  |                  |   |
| Intergovernmental                            | \$1,907,264      | \$1,907,264      | \$1,862,372      | (\$44,892)  |
| Special Assessments                          | 58,605           | 58,605           | 4,360            | (54,245)  |
| Miscellaneous                                | 12,530           | 12,530           | 56,280           | 43,750  |
| <i>Total Revenues</i>                        | <u>1,978,399</u> | <u>1,978,399</u> | <u>1,923,012</u> | <u>(55,387)</u>   |
| <b>Expenditures</b>                          |                  |                  |                  |   |
| <b>Current:</b>                              |                  |                  |                  |   |
| Transportation:                              |                  |                  |                  |   |
| Public Works:                                |                  |                  |                  |   |
| Salaries                                     | 978,914          | 936,320          | 928,856          | 7,464   |
| Fringe Benefits                              | 326,784          | 369,875          | 363,839          | 6,036   |
| Professional Services                        | 3,489            | 1,854            | 1,015            | 839   |
| Communications                               | 5,273            | 6,250            | 5,941            | 309   |
| Contractual Services                         | 125,500          | 148,700          | 148,253          | 447   |
| Materials and Supplies                       | 480,550          | 450,895          | 445,192          | 5,703   |
| Capital Outlay                               | 200,000          | 218,750          | 184,291          | 34,459  |
| Other  | 97,650           | 79,050           | 77,902           | 1,148   |
| <i>Total Expenditures</i>                    | <u>2,218,160</u> | <u>2,211,694</u> | <u>2,155,289</u> | <u>56,405</u>   |
| <i>Excess of Revenues Under Expenditures</i> | (239,761)        | (233,295)        | (232,277)        | 1,018   |
| <b>Other Financing Uses</b>                  |                  |                  |                  |   |
| Transfers Out                                | (150,000)        | (150,000)        | (150,000)        | 0   |
| <i>Net Change in Fund Balance</i>            | (389,761)        | (383,295)        | (382,277)        | 1,018   |
| <i>Fund Balance Beginning of Year</i>        | 523,693          | 523,693          | 523,693          | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$133,932</u> | <u>\$140,398</u> | <u>\$141,416</u> | <u>\$1,018</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, 2011*

|  | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            | Actual           |   |
| <b>Revenues</b>                              |                  |                  |                  |   |
| Charges for Services                         | \$153,845        | \$153,845        | \$293,641        | \$139,796   |
| Intergovernmental                            | 251,110          | 151,110          | 107,726          | (43,384)  |
| Contributions and Donations                  | 158,680          | 158,680          | 111,031          | (47,649)  |
| <i>Total Revenues</i>                        | <u>563,635</u>   | <u>463,635</u>   | <u>512,398</u>   | <u>48,763</u>   |
| <b>Expenditures</b>                          |                  |                  |                  |   |
| <b>Current:</b>                              |                  |                  |                  |   |
| Public Health Services:                      |                  |                  |                  |   |
| Office on Aging:                             |                  |                  |                  |   |
| Salaries                                     | 847,990          | 812,198          | 807,310          | 4,888   |
| Fringe Benefits                              | 332,809          | 327,530          | 325,811          | 1,719   |
| Professional Services                        | 1,175            | 1,175            | 1,108            | 67  |
| Communications                               | 17,524           | 16,650           | 15,650           | 1,000   |
| Contractual Services                         | 450              | 450              | 371              | 79  |
| Materials and Supplies                       | 57,418           | 56,934           | 53,777           | 3,157   |
| Capital Outlay                               | 10,000           | 3,000            | 2,988            | 12  |
| Other  | 61,909           | 52,900           | 47,963           | 4,937   |
| <i>Total Expenditures</i>                    | <u>1,329,275</u> | <u>1,270,837</u> | <u>1,254,978</u> | <u>15,859</u>   |
| <i>Excess of Revenues Under Expenditures</i> | (765,640)        | (807,202)        | (742,580)        | 64,622  |
| <b>Other Financing Sources</b>               |                  |                  |                  |   |
| Transfers In                                 | 765,640          | 765,640          | 714,230          | (51,410)  |
| <i>Net Change in Fund Balance</i>            | 0                | (41,562)         | (28,350)         | 13,212  |
| <i>Fund Balance Beginning of Year</i>        | <u>109,562</u>   | <u>109,562</u>   | <u>109,562</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u>\$109,562</u> | <u>\$68,000</u>  | <u>\$81,212</u>  | <u>\$13,212</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, 2011*

|   | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            | Actual           |   |
| <b>Revenues</b>                               |                  |                  |                  |   |
| Charges for Services                          | \$2,182,550      | \$2,182,550      | \$2,157,802      | (\$24,748)  |
| Intergovernmental                             | 53,873           | 1,873            | 900              | (973)   |
| Miscellaneous                                 | 18,557           | 18,557           | 21,472           | 2,915   |
| <i>Total Revenues</i>                         | <u>2,254,980</u> | <u>2,202,980</u> | <u>2,180,174</u> | <u>(22,806)</u>   |
| <b>Expenditures</b>                           |                  |                  |                  |   |
| <b>Current:</b>                               |                  |                  |                  |   |
| Security of Persons and Property:             |                  |                  |                  |   |
| Fire:   |                  |                  |                  |   |
| Salaries                                      | 1,216,635        | 1,216,635        | 1,185,558        | 31,077  |
| Fringe Benefits                               | 348,053          | 347,089          | 340,426          | 6,663   |
| Travel and Transportation                     | 1,100            | 1,639            | 1,534            | 105   |
| Professional Services                         | 73,600           | 74,000           | 72,895           | 1,105   |
| Communications                                | 3,750            | 4,576            | 3,311            | 1,265   |
| Materials and Supplies                        | 48,920           | 46,745           | 40,981           | 5,764   |
| Capital Outlay                                | 0                | 25,000           | 18,382           | 6,618   |
| Other   | 52,575           | 13,062           | 7,879            | 5,183   |
| <i>Total Security of Persons and Property</i> | <u>1,744,633</u> | <u>1,728,746</u> | <u>1,670,966</u> | <u>57,780</u>   |
| Public Health Services:                       |                  |                  |                  |   |
| Health:                                       |                  |                  |                  |   |
| Salaries                                      | 158,736          | 156,021          | 150,918          | 5,103   |
| Fringe Benefits                               | 61,569           | 61,588           | 59,970           | 1,618   |
| Professional Services                         | 466              | 466              | 406              | 60  |
| Communications                                | 3,264            | 2,150            | 1,534            | 616   |
| Contractual Services                          | 211,090          | 210,990          | 210,990          | 0   |
| Materials and Supplies                        | 1,750            | 1,900            | 1,371            | 529   |
| Other   | 11,545           | 12,502           | 10,660           | 1,842   |
| <i>Total Public Health Services</i>           | <u>448,420</u>   | <u>445,617</u>   | <u>435,849</u>   | <u>9,768</u>  |
| <i>Total Expenditures</i>                     | <u>2,193,053</u> | <u>2,174,363</u> | <u>2,106,815</u> | <u>67,548</u>   |
| <i>Excess of Revenues Over Expenditures</i>   | 61,927           | 28,617           | 73,359           | 44,742  |
| <b>Other Financing Uses</b>                   |                  |                  |                  |   |
| Transfers Out                                 | (1,200)          | (1,200)          | (1,200)          | 0   |
| <i>Net Change in Fund Balance</i>             | 60,727           | 27,417           | 72,159           | 44,742  |
| <i>Fund Balance Beginning of Year</i>         | <u>168,960</u>   | <u>168,960</u>   | <u>168,960</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>               | <u>\$229,687</u> | <u>\$196,377</u> | <u>\$241,119</u> | <u>\$44,742</u>   |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Energy Efficiency Block Grant Fund*  
*For the Year Ended December 31, 2011*

|   | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-----------------|-----------------|---|
|   | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                                     |                         |                 |                 |   |
| Intergovernmental                                   | \$300,000               | \$200,000       | \$191,784       | (\$8,216)   |
| <b>Expenditures</b>                                 |                         |                 |                 |   |
| <b>Current:</b>                                     |                         |                 |                 |   |
| Community Environment:                              |                         |                 |                 |   |
| Planning and Development:                           |                         |                 |                 |   |
| Salaries  | 27,490                  | 1,100           | 1,049           | 51  |
| Fringe Benefits                                     | 4,390                   | 170             | 161             | 9   |
| Contractual Services                                | 234,597                 | 191,000         | 190,999         | 1   |
| <i>Total Expenditures</i>                           | <u>266,477</u>          | <u>192,270</u>  | <u>192,209</u>  | <u>61</u>   |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 33,523                  | 7,730           | (425)           | (8,155)   |
| <b>Other Financing Sources</b>                      |                         |                 |                 |   |
| Advances In   | <u>0</u>                | <u>22,000</u>   | <u>22,000</u>   | <u>0</u>  |
| <i>Net Change in Fund Balance</i>                   | 33,523                  | 29,730          | 21,575          | (8,155)   |
| <i>Fund Deficit Beginning of Year</i>               | <u>(19,849)</u>         | <u>(19,849)</u> | <u>(19,849)</u> | <u>0</u>  |
| <i>Fund Balance End of Year</i>                     | <u>\$13,674</u>         | <u>\$9,881</u>  | <u>\$1,726</u>  | <u>(\$8,155)</u>  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Homeless Prevention Fund*  
*For the Year Ended December 31, 2011*

|                                       | <u>Budgeted Amounts</u> |                 |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>  |   |
| <b>Revenues</b>                       |                         |                 |                |   |
| Intergovernmental                     | \$419,058               | \$300,000       | \$295,318      | (\$4,682)   |
| <b>Expenditures</b>                   |                         |                 |                |   |
| <b>Current:</b>                       |                         |                 |                |   |
| Community Environment:                |                         |                 |                |   |
| Human Services:                       |                         |                 |                |   |
| Salaries                              | 59,585                  | 46,928          | 47,037         | (109)   |
| Fringe Benefits                       | 8,847                   | 6,920           | 6,965          | (45)  |
| Contractual Services                  | 247,676                 | 181,611         | 241,315        | (59,704)  |
| <i>Total Expenditures</i>             | <u>316,108</u>          | <u>235,459</u>  | <u>295,317</u> | <u>(59,858)</u>   |
| <i>Net Change in Fund Balance</i>     | 102,950                 | 64,541          | 1              | (64,540)  |
| <i>Fund Balance Beginning of Year</i> | <u>292</u>              | <u>292</u>      | <u>292</u>     | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$103,242</u>        | <u>\$64,833</u> | <u>\$293</u>   | <u>(\$64,540)</u>                                       |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Neighborhood Stabilization Fund*  
*For the Year Ended December 31, 2011*

|   | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                             |                         |                  |                  |   |
| Intergovernmental                           | \$512,451               | \$42,081         | \$38,346         | (\$3,735)   |
| <b>Expenditures</b>                         |                         |                  |                  |   |
| <b>Current:</b>                             |                         |                  |                  |   |
| Community Environment:                      |                         |                  |                  |   |
| Planning and Development:                   |                         |                  |                  |   |
| Salaries                                    | 60,532                  | 0                | 0                | 0   |
| Fringe Benefits                             | 9,434                   | 0                | 0                | 0   |
| Professional Services                       | 0                       | 76               | 76               | 0   |
| Contractual Services                        | 505,000                 | 46,614           | 46,614           | 0   |
| Other                                       | 300                     | 27               | 27               | 0   |
| <i>Total Expenditures</i>                   | <u>575,266</u>          | <u>46,717</u>    | <u>46,717</u>    | <u>0</u>  |
| <i>Excess of Revenue Under Expenditures</i> | (62,815)                | (4,636)          | (8,371)          | (3,735)   |
| <b>Other Financing Sources</b>              |                         |                  |                  |   |
| Sale of Assets                              | 200,000                 | 200,000          | 199,734          | (266)   |
| <i>Net Change in Fund Balance</i>           | 137,185                 | 195,364          | 191,363          | (4,001)   |
| <i>Fund Balance Beginning of Year</i>       | <u>97,326</u>           | <u>97,326</u>    | <u>97,326</u>    | <u>0</u>  |
| <i>Fund Balance End of Year</i>             | <u>\$234,511</u>        | <u>\$292,690</u> | <u>\$288,689</u> | <u>(\$4,001)</u>  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Byrne Memorial Grant Fund*  
*For the Year Ended December 31, 2011*

|                                       | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    | Actual   |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Intergovernmental                     | \$16,000         | \$20,000 | \$20,000 | \$0   |
| <b>Expenditures</b>                   |                  |          |          |   |
| <b>Current:</b>                       |                  |          |          |   |
| Security of Persons and Property:     |                  |          |          |   |
| Police:                               |                  |          |          |   |
| Salaries                              | 20,670           | 20,670   | 20,264   | 406   |
| Fringe Benefits                       | 4,330            | 4,330    | 4,330    | 0   |
| Capital Outlay                        | 16,000           | 20,000   | 20,000   | 0   |
| <i>Total Expenditures</i>             | 41,000           | 45,000   | 44,594   | 406   |
| <i>Net Change in Fund Balance</i>     | (25,000)         | (25,000) | (24,594) | 406   |
| <i>Fund Balance Beginning of Year</i> | 50,000           | 50,000   | 50,000   | 0   |
| <i>Fund Balance End of Year</i>       | \$25,000         | \$25,000 | \$25,406 | \$406   |

**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, 2011*

|                                       | <u>Budgeted Amounts</u> |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>          | <u>Actual</u>         |   |
| <b>Revenues</b>                       |                         |                       |                       |   |
| Intergovernmental                     | \$0                     | \$4,500               | \$4,499               | (\$1)   |
| <b>Expenditures</b>                   |                         |                       |                       |   |
| <b>Current:</b>                       |                         |                       |                       |   |
| Community Environment:                |                         |                       |                       |   |
| Refuse:                               |                         |                       |                       |   |
| Materials and Supplies                | 2,000                   | 1,900                 | 1,834                 | 66  |
| Other                                 | 2,000                   | 3,697                 | 3,696                 | 1   |
| <i>Total Expenditures</i>             | <u>4,000</u>            | <u>5,597</u>          | <u>5,530</u>          | <u>67</u>   |
| <i>Net Change in Fund Balance</i>     | (4,000)                 | (1,097)               | (1,031)               | 66  |
| <i>Fund Balance Beginning of Year</i> | <u>7,329</u>            | <u>7,329</u>          | <u>7,329</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$3,329</u></u>   | <u><u>\$6,232</u></u> | <u><u>\$6,298</u></u> | <u><u>\$66</u></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, 2011*

|   | Budgeted Amounts        |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-------------------------|-------------------------|---|
|   | Original                | Final                   | Actual                  |   |
| <b>Revenues</b>                             |                         |                         |                         |   |
| Fines and Forfeitures                       | \$13,119                | \$13,119                | \$17,974                | \$4,855   |
| Miscellaneous                               | 120,791                 | 120,791                 | 54,096                  | (66,695)  |
| <i>Total Revenues</i>                       | <u>133,910</u>          | <u>133,910</u>          | <u>72,070</u>           | <u>(61,840)</u>   |
| <b>Expenditures</b>                         |                         |                         |                         |   |
| <b>Current:</b>                             |                         |                         |                         |   |
| Security of Persons and Property:           |                         |                         |                         |   |
| Police:                                     |                         |                         |                         |   |
| Salaries                                    | 25,000                  | 25,000                  | 9,363                   | 15,637  |
| Fringe Benefits                             | 1,113                   | 1,113                   | 346                     | 767   |
| Travel and Transportation                   | 13,016                  | 16,755                  | 13,419                  | 3,336   |
| Professional Services                       | 29,500                  | 39,200                  | 34,411                  | 4,789   |
| Communications                              | 3,200                   | 3,400                   | 592                     | 2,808   |
| Contractual Services                        | 2,900                   | 2,900                   | 260                     | 2,640   |
| Materials and Supplies                      | 24,175                  | 24,675                  | 13,757                  | 10,918  |
| Capital Outlay                              | 56,463                  | 8,663                   | 7,425                   | 1,238   |
| Other                                       | 40,325                  | 82,225                  | 72,165                  | 10,060  |
| <i>Total Expenditures</i>                   | <u>195,692</u>          | <u>203,931</u>          | <u>151,738</u>          | <u>52,193</u>   |
| <i>Excess of Revenue Under Expenditures</i> | (61,782)                | (70,021)                | (79,668)                | (9,647)   |
| <b>Other Financing Sources</b>              |                         |                         |                         |   |
| Sale of Capital Assets                      | 14,049                  | 16,049                  | 25,308                  | 9,259   |
| <i>Net Change in Fund Balance</i>           | (47,733)                | (53,972)                | (54,360)                | (388)   |
| <i>Fund Balance Beginning of Year</i>       | <u>226,087</u>          | <u>226,087</u>          | <u>226,087</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>             | <u><u>\$178,354</u></u> | <u><u>\$172,115</u></u> | <u><u>\$171,727</u></u> | <u><u>(\$388)</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, 2011*

|                                       | <u>Budgeted Amounts</u> |                |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                |                 |   |
| Intergovernmental                     | \$12,561                | \$0            | \$0             | \$0   |
| Interest                              | 0                       | 10             | 6               | (4)   |
| <i>Total Revenues</i>                 | <u>12,561</u>           | <u>10</u>      | <u>6</u>        | <u>(4)</u>  |
| <b>Expenditures</b>                   |                         |                |                 |   |
| <b>Current:</b>                       |                         |                |                 |   |
| Security of Persons and Property:     |                         |                |                 |   |
| Police:                               |                         |                |                 |   |
| Capital Outlay                        | 21,000                  | 5,000          | 1,535           | 3,465   |
| <i>Net Change in Fund Balance</i>     | (8,439)                 | (4,990)        | (1,529)         | 3,461   |
| <i>Fund Balance Beginning of Year</i> | <u>11,911</u>           | <u>11,911</u>  | <u>11,911</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$3,472</u>          | <u>\$6,921</u> | <u>\$10,382</u> | <u>\$3,461</u>  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Indigent Drivers Alcohol Treatment Fund*  
*For the Year Ended December 31, 2011*

|                                       | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------|------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                       |                         |                  |                  |   |
| Fines and Forfeitures                 | \$4,979                 | \$4,979          | \$5,690          | \$711   |
| Intergovernmental                     | 3,508                   | 3,508            | 7,077            | 3,569   |
| <i>Total Revenues</i>                 | <u>8,487</u>            | <u>8,487</u>     | <u>12,767</u>    | <u>4,280</u>  |
| <b>Expenditures</b>                   |                         |                  |                  |   |
| <b>Current:</b>                       |                         |                  |                  |   |
| General Government:                   |                         |                  |                  |   |
| Municipal Court:                      |                         |                  |                  |   |
| Contractual Services                  | 127,000                 | 4,589            | 0                | 4,589   |
| Professional Services                 | 20,000                  | 20,000           | 16,720           | 3,280   |
| Materials and Supplies                | 0                       | 411              | 410              | 1   |
| <i>Total Expenditures</i>             | <u>147,000</u>          | <u>25,000</u>    | <u>17,130</u>    | <u>7,870</u>  |
| <i>Net Change in Fund Balance</i>     | (138,513)               | (16,513)         | (4,363)          | 12,150  |
| <i>Fund Balance Beginning of Year</i> | <u>150,320</u>          | <u>150,320</u>   | <u>150,320</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$11,807</u>         | <u>\$133,807</u> | <u>\$145,957</u> | <u>\$12,150</u>   |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2011*

|                                       | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Fines and Forfeitures                 | \$5,430                 | \$5,430         | \$4,240         | (\$1,190)   |
| Miscellaneous                         | 1,855                   | 1,855           | 3,400           | 1,545   |
| <i>Total Revenues</i>                 | <u>7,285</u>            | <u>7,285</u>    | <u>7,640</u>    | <u>355</u>  |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| <b>Current:</b>                       |                         |                 |                 |   |
| Security of Persons and Property:     |                         |                 |                 |   |
| Police:                               |                         |                 |                 |   |
| Materials and Supplies                | 20,000                  | 1,500           | 721             | 779   |
| Capital Outlay                        | 47,000                  | 7,500           | 5,623           | 1,877   |
| <i>Total Expenditures</i>             | <u>67,000</u>           | <u>9,000</u>    | <u>6,344</u>    | <u>2,656</u>  |
| <i>Net Change in Fund Balance</i>     | (59,715)                | (1,715)         | 1,296           | 3,011   |
| <i>Fund Balance Beginning of Year</i> | <u>63,654</u>           | <u>63,654</u>   | <u>63,654</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$3,939</u>          | <u>\$61,939</u> | <u>\$64,950</u> | <u>\$3,011</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, 2011*

|                                       | <u>Budgeted Amounts</u> |                |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                |                 |   |
| Fines and Forfeitures                 | \$1,412                 | \$1,412        | \$500           | (\$912)   |
| <b>Expenditures</b>                   |                         |                |                 |   |
| <b>Current:</b>                       |                         |                |                 |   |
| General Government:                   |                         |                |                 |   |
| Municipal Court:                      |                         |                |                 |   |
| Professional Services                 | 13,000                  | 13,000         | 0               | 13,000  |
| <i>Net Change in Fund Balance</i>     | (11,588)                | (11,588)       | 500             | 12,088  |
| <i>Fund Balance Beginning of Year</i> | 13,691                  | 13,691         | 13,691          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$2,103</u>          | <u>\$2,103</u> | <u>\$14,191</u> | <u>\$12,088</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, 2011*

|                                       | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Fines and Forfeitures                 | \$35,464                | \$35,464        | \$34,656        | (\$808)   |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| <b>Current:</b>                       |                         |                 |                 |   |
| General Government:                   |                         |                 |                 |   |
| Municipal Court:                      |                         |                 |                 |   |
| Contractual Services                  | 72,000                  | 40,195          | 31,189          | 9,006   |
| Materials and Supplies                | 0                       | 612             | 612             | 0   |
| Capital Outlay                        | 0                       | 6,423           | 6,423           | 0   |
| Other                                 | 0                       | 2,770           | 2,770           | 0   |
| <i>Total Expenditures</i>             | <u>72,000</u>           | <u>50,000</u>   | <u>40,994</u>   | <u>9,006</u>  |
| <i>Net Change in Fund Balance</i>     | (36,536)                | (14,536)        | (6,338)         | 8,198   |
| <i>Fund Balance Beginning of Year</i> | <u>45,025</u>           | <u>45,025</u>   | <u>45,025</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$8,489</u>          | <u>\$30,489</u> | <u>\$38,687</u> | <u>\$8,198</u>  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Court Special Projects Fund*  
*For the Year Ended December 31, 2011*

|                                       | <u>Budgeted Amounts</u> |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            | <u>Actual</u>           |   |
| <b>Revenues</b>                       |                         |                         |                         |   |
| Fines and Forfeitures                 | \$141,302               | \$141,302               | \$141,311               | \$9   |
| <b>Expenditures</b>                   |                         |                         |                         |   |
| <b>Current:</b>                       |                         |                         |                         |   |
| General Government:                   |                         |                         |                         |   |
| Municipal Court:                      |                         |                         |                         |   |
| Salaries                              | 45,000                  | 2,500                   | 0                       | 2,500   |
| Fringe Benefits                       | 6,953                   | 300                     | 0                       | 300   |
| Professional Services                 | 5,000                   | 500                     | 0                       | 500   |
| Contractual Services                  | 145,000                 | 62,000                  | 43,326                  | 18,674  |
| Materials and Supplies                | 7,500                   | 65,015                  | 18,109                  | 46,906  |
| Capital Outlay                        | 80,000                  | 43,000                  | 18,570                  | 24,430  |
| Other                                 | 5,000                   | 0                       | 0                       | 0   |
| <i>Total Expenditures</i>             | <u>294,453</u>          | <u>173,315</u>          | <u>80,005</u>           | <u>93,310</u>   |
| <i>Net Change in Fund Balance</i>     | (153,151)               | (32,013)                | 61,306                  | 93,319  |
| <i>Fund Balance Beginning of Year</i> | <u>253,278</u>          | <u>253,278</u>          | <u>253,278</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$100,127</u></u> | <u><u>\$221,265</u></u> | <u><u>\$314,584</u></u> | <u><u>\$93,319</u></u>                                  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Court Probation Services Fund*  
*For the Year Ended December 31, 2011*

|                                       | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    | Actual   |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Fines and Forfeitures                 | \$60,000         | \$60,000 | \$38,311 | (\$21,689)  |
| <b>Expenditures</b>                   |                  |          |          |   |
| <b>Current:</b>                       |                  |          |          |   |
| General Government:                   |                  |          |          |   |
| Municipal Court:                      |                  |          |          |   |
| Salaries                              | 30,000           | 64,615   | 32,491   | 32,124  |
| Fringe Benefits                       | 4,635            | 5,020    | 5,014    | 6   |
| Travel and Transportation             | 1,000            | 2,673    | 2,514    | 159   |
| Professional Services                 | 42,000           | 9,209    | 9,004    | 205   |
| Materials and Supplies                | 2,500            | 968      | 383      | 585   |
| <i>Total Expenditures</i>             | 80,135           | 82,485   | 49,406   | 33,079  |
| <i>Net Change in Fund Balance</i>     | (20,135)         | (22,485) | (11,095) | 11,390  |
| <i>Fund Balance Beginning of Year</i> | 90,037           | 90,037   | 90,037   | 0   |
| <i>Fund Balance End of Year</i>       | \$69,902         | \$67,552 | \$78,942 | \$11,390  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Indigent Drivers Interlock and Alcohol Monitoring Fund (IDIAM)*  
*For the Year Ended December 31, 2011*

|                                       | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Fines and Forfeitures                 | \$14,699                | \$14,699        | \$15,029        | \$330   |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| <b>Current:</b>                       |                         |                 |                 |   |
| General Government:                   |                         |                 |                 |   |
| Municipal Court:                      |                         |                 |                 |   |
| Professional Services                 | 22,000                  | 3,500           | 1,108           | 2,392   |
| <i>Net Change in Fund Balance</i>     | (7,301)                 | 11,199          | 13,921          | 2,722   |
| <i>Fund Balance Beginning of Year</i> | 21,635                  | 21,635          | 21,635          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$14,334</u>         | <u>\$32,834</u> | <u>\$35,556</u> | <u>\$2,722</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, 2011*

|   | <u>Budgeted Amounts</u> |                 |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-----------------|----------------|---|
|   | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>  |   |
| <b>Revenues</b>                                     |                         |                 |                |   |
| Intergovernmental                                   | \$121,000               | \$117,000       | \$75,375       | (\$41,625)  |
| <b>Expenditures</b>                                 |                         |                 |                |   |
| <b>Current:</b>                                     |                         |                 |                |   |
| Community Environment:                              |                         |                 |                |   |
| Planning and Development:                           |                         |                 |                |   |
| Salaries  | 13,398                  | 0               | 0              | 0   |
| Fringe Benefits                                     | 2,007                   | 0               | 0              | 0   |
| Contractual Services                                | 104,767                 | 83,527          | 77,257         | 6,270   |
| <i>Total Expenditures</i>                           | <u>120,172</u>          | <u>83,527</u>   | <u>77,257</u>  | <u>6,270</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 828                     | 33,473          | (1,882)        | (35,355)  |
| <b>Other Financing Sources</b>                      |                         |                 |                |   |
| Advances In   | <u>0</u>                | <u>5,000</u>    | <u>5,000</u>   | <u>0</u>  |
| <i>Net Change in Fund Balance</i>                   | 828                     | 38,473          | 3,118          | (35,355)  |
| <i>Fund Balance Beginning of Year</i>               | <u>3,386</u>            | <u>3,386</u>    | <u>3,386</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>                     | <u>\$4,214</u>          | <u>\$41,859</u> | <u>\$6,504</u> | <u>(\$35,355)</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, 2011*

|                                       | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Intergovernmental                     | \$505,200               | \$230,200       | \$213,432       | (\$16,768)  |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| <b>Current:</b>                       |                         |                 |                 |   |
| Community Environment:                |                         |                 |                 |   |
| Planning and Development:             |                         |                 |                 |   |
| Professional Services                 | 10,000                  | 315             | 314             | 1   |
| Travel and Transportation             | 7,000                   | 0               | 0               | 0   |
| Other                                 | 332,000                 | 196,149         | 196,145         | 4   |
| <i>Total Expenditures</i>             | <u>349,000</u>          | <u>196,464</u>  | <u>196,459</u>  | <u>5</u>  |
| <i>Net Change in Fund Balance</i>     | 156,200                 | 33,736          | 16,973          | (16,763)  |
| <i>Fund Deficit Beginning of Year</i> | <u>(16,173)</u>         | <u>(16,173)</u> | <u>(16,173)</u> | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$140,027</u>        | <u>\$17,563</u> | <u>\$800</u>    | <u>(\$16,763)</u>                                       |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Help-to-Others Fund*  
*For the Year Ended December 31, 2011*

|   | <u>Budgeted Amounts</u> |                |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|----------------|----------------|---|
|   | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>  |   |
| <b>Revenues</b>                                     |                         |                |                |   |
| Charges for Services                                | \$9,849                 | \$9,849        | \$11,670       | \$1,821   |
| Miscellaneous                                       | 28,000                  | 28,000         | 18,435         | (9,565)   |
| <i>Total Revenues</i>                               | <u>37,849</u>           | <u>37,849</u>  | <u>30,105</u>  | <u>(7,744)</u>  |
| <b>Expenditures</b>                                 |                         |                |                |   |
| <b>Current:</b>                                     |                         |                |                |   |
| Community Environment:                              |                         |                |                |   |
| Youth:  |                         |                |                |   |
| Salaries  | 31,636                  | 28,462         | 22,999         | 5,463   |
| Fringe Benefits                                     | 4,888                   | 3,875          | 3,553          | 322   |
| Professional Services                               | 100                     | 0              | 0              | 0   |
| Communications                                      | 700                     | 745            | 658            | 87  |
| Materials and Supplies                              | 3,965                   | 2,750          | 2,306          | 444   |
| Other   | 1,100                   | 820            | 673            | 147   |
| <i>Total Expenditures</i>                           | <u>42,389</u>           | <u>36,652</u>  | <u>30,189</u>  | <u>6,463</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (4,540)                 | 1,197          | (84)           | (1,281)   |
| <b>Other Financing Sources</b>                      |                         |                |                |   |
| Advances In   | 0                       | 1,000          | 1,000          | 0   |
| <i>Net Change in Fund Balance</i>                   | (4,540)                 | 2,197          | 916            | (1,281)   |
| <i>Fund Balance Beginning of Year</i>               | <u>6,186</u>            | <u>6,186</u>   | <u>6,186</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>                     | <u>\$1,646</u>          | <u>\$8,383</u> | <u>\$7,102</u> | <u>(\$1,281)</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, 2011*

|                                       | Budgeted Amounts      |                       |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-----------------------|-----------------------|------------------------|---|
|                                       | Original              | Final                 | Actual                 |   |
| <b>Revenues</b>                       |                       |                       |                        |   |
| Intergovernmental                     | \$54,000              | \$54,000              | \$52,967               | (\$1,033)   |
| Miscellaneous                         | 3,500                 | 3,500                 | 4,254                  | 754   |
| <i>Total Revenues</i>                 | <u>57,500</u>         | <u>57,500</u>         | <u>57,221</u>          | <u>(279)</u>  |
| <b>Expenditures</b>                   |                       |                       |                        |   |
| <b>Current:</b>                       |                       |                       |                        |   |
| Community Environment:                |                       |                       |                        |   |
| Youth Services:                       |                       |                       |                        |   |
| Salaries                              | 41,746                | 44,382                | 34,086                 | 10,296  |
| Fringe Benefits                       | 6,135                 | 6,356                 | 5,269                  | 1,087   |
| Professional Services                 | 8,000                 | 5,395                 | 5,392                  | 3   |
| Materials and Supplies                | 2,050                 | 0                     | 0                      | 0   |
| <i>Total Expenditures</i>             | <u>57,931</u>         | <u>56,133</u>         | <u>44,747</u>          | <u>11,386</u>   |
| <i>Net Change in Fund Balance</i>     | (431)                 | 1,367                 | 12,474                 | 11,107  |
| <i>Fund Balance Beginning of Year</i> | <u>2,040</u>          | <u>2,040</u>          | <u>2,040</u>           | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$1,609</u></u> | <u><u>\$3,407</u></u> | <u><u>\$14,514</u></u> | <u><u>\$11,107</u></u>                                  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Family to Family Fund*  
*For the Year Ended December 31, 2011*

|                                       | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           | Actual          |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Intergovernmental                     | \$329,049        | \$329,049       | \$320,463       | (\$8,586)   |
| Miscellaneous                         | 6,042            | 6,042           | 100             | (5,942)   |
| <i>Total Revenues</i>                 | <u>335,091</u>   | <u>335,091</u>  | <u>320,563</u>  | <u>(14,528)</u>   |
| <b>Expenditures</b>                   |                  |                 |                 |   |
| <b>Current:</b>                       |                  |                 |                 |   |
| Community Environment:                |                  |                 |                 |   |
| Child Care:                           |                  |                 |                 |   |
| Salaries                              | 208,499          | 204,573         | 203,365         | 1,208   |
| Fringe Benefits                       | 35,459           | 34,383          | 34,089          | 294   |
| Travel and Transportation             | 0                | 52              | 47              | 5   |
| Professional Services                 | 11,405           | 13,215          | 13,169          | 46  |
| Communications                        | 2,900            | 2,700           | 2,288           | 412   |
| Contractual Services                  | 51,510           | 51,610          | 51,609          | 1   |
| Materials and Supplies                | 10,701           | 6,496           | 4,754           | 1,742   |
| Other                                 | 8,575            | 10,585          | 10,538          | 47  |
| <i>Total Expenditures</i>             | <u>329,049</u>   | <u>323,614</u>  | <u>319,859</u>  | <u>3,755</u>  |
| <i>Net Change in Fund Balance</i>     | 6,042            | 11,477          | 704             | (10,773)  |
| <i>Fund Balance Beginning of Year</i> | <u>23,072</u>    | <u>23,072</u>   | <u>23,072</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$29,114</u>  | <u>\$34,549</u> | <u>\$23,776</u> | <u>(\$10,773)</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, 2011*

|                                       | <u>Budgeted Amounts</u> |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>          | <u>Actual</u>         |   |
| <b>Revenues</b>                       |                         |                       |                       |   |
| Miscellaneous                         | \$4,000                 | \$4,000               | \$4,000               | \$0   |
| <b>Expenditures</b>                   |                         |                       |                       |   |
| <b>Current:</b>                       |                         |                       |                       |   |
| General Government:                   |                         |                       |                       |   |
| Mayor's Office:                       |                         |                       |                       |   |
| Salaries                              | 3,500                   | 2,307                 | 2,306                 | 1   |
| Fringe Benefits                       | 558                     | 359                   | 357                   | 2   |
| <i>Total Expenditures</i>             | <u>4,058</u>            | <u>2,666</u>          | <u>2,663</u>          | <u>3</u>  |
| <i>Net Change in Fund Balance</i>     | (58)                    | 1,334                 | 1,337                 | 3   |
| <i>Fund Balance Beginning of Year</i> | <u>1,310</u>            | <u>1,310</u>          | <u>1,310</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$1,252</u></u>   | <u><u>\$2,644</u></u> | <u><u>\$2,647</u></u> | <u><u>\$3</u></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, 2011*

|                                       | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Payments in Lieu of Taxes             | \$349,922               | \$349,922       | \$328,790       | (\$21,132)  |
| Intergovernmental                     | 13,888                  | 13,888          | 18,500          | 4,612   |
| Miscellaneous                         | 138,158                 | 138,158         | 138,158         | 0   |
| <i>Total Revenues</i>                 | <u>501,968</u>          | <u>501,968</u>  | <u>485,448</u>  | <u>(16,520)</u>   |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| <b>Current:</b>                       |                         |                 |                 |   |
| General Government:                   |                         |                 |                 |   |
| Other                                 | 65,000                  | 57,652          | 57,651          | 1   |
| Debt Service:                         |                         |                 |                 |   |
| Principal Retirement                  | 433,318                 | 200,000         | 200,000         | 0   |
| Interest and Fiscal Charges           | 0                       | 233,318         | 233,318         | 0   |
| <i>Total Expenditures</i>             | <u>498,318</u>          | <u>490,970</u>  | <u>490,969</u>  | <u>1</u>  |
| <i>Net Change in Fund Balance</i>     | 3,650                   | 10,998          | (5,521)         | (16,519)  |
| <i>Fund Balance Beginning of Year</i> | <u>62,842</u>           | <u>62,842</u>   | <u>62,842</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$66,492</u>         | <u>\$73,840</u> | <u>\$57,321</u> | <u>(\$16,519)</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, 2011*

|  | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            | Actual           |   |
| <b>Revenues</b>                              |                  |                  |                  |   |
| Miscellaneous                                | \$0              | \$320,000        | \$320,500        | \$500   |
| <b>Expenditures</b>                          |                  |                  |                  |   |
| <b>Current:</b>                              |                  |                  |                  |   |
| Basic Utility Services                       |                  |                  |                  |   |
| Capital Outlay                               | 0                | 65,000           | 64,984           | 16  |
| Transportation                               |                  |                  |                  |   |
| Capital Outlay                               | 1,300,000        | 1,968,324        | 1,952,858        | 15,466  |
| Leisure Time Activities                      |                  |                  |                  |   |
| Capital Outlay                               | 1,000,000        | 176,384          | 176,381          | 3   |
| <i>Total Expenditures</i>                    | <u>2,300,000</u> | <u>2,209,708</u> | <u>2,194,223</u> | <u>15,485</u>   |
| <i>Excess of Revenues Under Expenditures</i> | (2,300,000)      | (1,889,708)      | (1,873,723)      | 15,985  |
| <b>Other Financing Sources</b>               |                  |                  |                  |   |
| General Obligation Notes Issued              | 2,000,000        | 2,000,000        | 1,948,000        | (52,000)  |
| <i>Net Change in Fund Balance</i>            | (300,000)        | 110,292          | 74,277           | (36,015)  |
| <i>Fund Balance Beginning of Year</i>        | <u>565,959</u>   | <u>565,959</u>   | <u>565,959</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u>\$265,959</u> | <u>\$676,251</u> | <u>\$640,236</u> | <u>(\$36,015)</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, 2011*

|                                       | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------|------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                       |                         |                  |                  |   |
| Interest                              | \$5,845                 | \$0              | \$0              | \$0   |
| <b>Expenditures</b>                   |                         |                  |                  |   |
| Capital Outlay                        | 223,312                 | 0                | 0                | 0   |
| <i>Net Change in Fund Balance</i>     | (217,467)               | 0                | 0                | 0   |
| <i>Fund Balance Beginning of Year</i> | 244,929                 | 244,929          | 244,929          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$27,462</u>         | <u>\$244,929</u> | <u>\$244,929</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, 2011*

|   | <u>Budgeted Amounts</u> |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-------------------------|-------------------------|---|
|   | <u>Original</u>         | <u>Final</u>            | <u>Actual</u>           |   |
| <b>Revenues</b>                                 | \$0                     | \$0                     | \$0                     | \$0   |
| <b>Expenditures</b>                             | <u>0</u>                | <u>0</u>                | <u>0</u>                | <u>0</u>  |
| <i>Excess of Revenues<br/>Over Expenditures</i> | 0                       | 0                       | 0                       | 0   |
| <b>Other Financing Uses</b>                     |                         |                         |                         |   |
| Transfers Out                                   | <u>(150,000)</u>        | <u>0</u>                | <u>0</u>                | <u>0</u>  |
| <i>Net Change in Fund Balance</i>               | (150,000)               | 0                       | 0                       | 0   |
| <i>Fund Balance Beginning of Year</i>           | <u>150,000</u>          | <u>150,000</u>          | <u>150,000</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>                 | <u><u>\$0</u></u>       | <u><u>\$150,000</u></u> | <u><u>\$150,000</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*  
*City Park Improvement Fund*  
*For the Year Ended December 31, 2011*

|                                       | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Miscellaneous                         | \$18,754                | \$18,754        | \$10,799        | (\$7,955)   |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| <b>Current:</b>                       |                         |                 |                 |   |
| Leisure Time Activities:              |                         |                 |                 |   |
| Capital Outlay                        | 70,000                  | 1,005           | 1,003           | 2   |
| <i>Net Change in Fund Balance</i>     | (51,246)                | 17,749          | 9,796           | (7,953)   |
| <i>Fund Balance Beginning of Year</i> | 77,318                  | 77,318          | 77,318          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$26,072</u>         | <u>\$95,067</u> | <u>\$87,114</u> | <u>(\$7,953)</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, 2011*

|  | Budgeted Amounts        |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
|  | Original                | Final                   | Actual                  |   |
| <b>Revenues</b>  |                         |                         |                         |   |
| Charges for Services   | \$431,896               | \$431,896               | \$456,607               | \$24,711  |
| Miscellaneous  | 490                     | 490                     | 1,577                   | 1,087   |
| <i>Total Revenues</i>  | <u>432,386</u>          | <u>432,386</u>          | <u>458,184</u>          | <u>25,798</u>   |
| <b>Expenses</b>  |                         |                         |                         |   |
| Salaries   | 146,136                 | 105,250                 | 103,085                 | 2,165   |
| Fringe Benefits  | 60,617                  | 55,663                  | 53,527                  | 2,136   |
| Professional Services  | 2,900                   | 500                     | 0                       | 500   |
| Communications   | 632                     | 702                     | 512                     | 190   |
| Contractual Services   | 300                     | 0                       | 0                       | 0   |
| Materials and Supplies   | 18,400                  | 18,809                  | 14,217                  | 4,592   |
| Capital Outlay   | 57,991                  | 0                       | 0                       | 0   |
| Other  | 113,724                 | 115,915                 | 113,768                 | 2,147   |
| Debt Service:  |                         |                         |                         |   |
| Principal Retirement   | 34,811                  | 22,600                  | 22,407                  | 193   |
| Interest and Fiscal Charges  | 0                       | 12,538                  | 11,551                  | 987   |
| <i>Total Expenses</i>  | <u>435,511</u>          | <u>331,977</u>          | <u>319,067</u>          | <u>12,910</u>   |
| <i>Excess of Revenues Over (Under) Expenses<br/>before Transfers</i> | (3,125)                 | 100,409                 | 139,117                 | 38,708  |
| Transfers Out  | (4,500)                 | (4,500)                 | (4,500)                 | 0   |
| <i>Net Change in Fund Equity</i>                                     | (7,625)                 | 95,909                  | 134,617                 | 38,708  |
| <i>Fund Equity Beginning of Year</i>                                 | <u>177,951</u>          | <u>177,951</u>          | <u>177,951</u>          | <u>0</u>  |
| <i>Fund Equity End of Year</i>                                       | <u><u>\$170,326</u></u> | <u><u>\$273,860</u></u> | <u><u>\$312,568</u></u> | <u><u>\$38,708</u></u>                                  |

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity*  
*Budget (Non-GAAP Basis) and Actual*  
*Winterhurst Ice Rink Fund*  
*For the Year Ended December 31, 2011*

|   | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-----------------|-----------------|---|
|   | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>   |                         |                 |                 |   |
| Charges for Services  | \$505,500               | \$505,500       | \$331,079       | (\$174,421)   |
| Miscellaneous   | 75,000                  | 75,000          | 148,207         | 73,207  |
| <i>Total Revenues</i>   | <u>580,500</u>          | <u>580,500</u>  | <u>479,286</u>  | <u>(101,214)</u>  |
| <b>Expenses</b>   |                         |                 |                 |   |
| Property Taxes  | 126,898                 | 126,898         | 126,897         | 1   |
| Utilities   | 378,602                 | 335,000         | 298,844         | 36,156  |
| Other   | 0                       | 4,193           | 0               | 4,193   |
| <i>Total Expenses</i>   | <u>505,500</u>          | <u>466,091</u>  | <u>425,741</u>  | <u>40,350</u>   |
| <i>Excess of Revenues Over Expenses<br/>before Advances and Transfers</i> | 75,000                  | 114,409         | 53,545          | (60,864)  |
| Advance In  | 0                       | 0               | 44,000          | 44,000  |
| Transfers Out   | (70,850)                | (70,852)        | (70,852)        | 0   |
| <i>Net Change in Fund Equity</i>  | 4,150                   | 43,557          | 26,693          | (16,864)  |
| <i>Fund Equity Beginning of Year</i>                                      | <u>14,243</u>           | <u>14,243</u>   | <u>14,243</u>   | <u>0</u>  |
| <i>Fund Equity End of Year</i>  | <u>\$18,393</u>         | <u>\$57,800</u> | <u>\$40,936</u> | <u>(\$16,864)</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, 2011*

|   | <u>Budgeted Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|--------------------|--------------------|---|
|   | <u>Original</u>         | <u>Final</u>       | <u>Actual</u>      |   |
| <b>Revenues</b>   |                         |                    |                    |   |
| Charges for Services  | \$4,100,000             | \$4,100,000        | \$4,368,186        | \$268,186   |
| Miscellaneous   | 945,000                 | 945,000            | 760,030            | (184,970)   |
| <i>Total Revenues</i>   | <u>5,045,000</u>        | <u>5,045,000</u>   | <u>5,128,216</u>   | <u>83,216</u>   |
| <b>Expenses</b>   |                         |                    |                    |   |
| Professional Services   | 50,000                  | 58,152             | 58,149             | 3   |
| Claims  | 5,314,297               | 5,161,321          | 5,160,695          | 626   |
| <i>Total Expenses</i>   | <u>5,364,297</u>        | <u>5,219,473</u>   | <u>5,218,844</u>   | <u>629</u>  |
| <i>Excess of Revenues Under Expenses<br/>before Transfers</i> | (319,297)               | (174,473)          | (90,628)           | 83,845  |
| Transfers In  | 180,220                 | 1,000,000          | 1,000,000          | 0   |
| <i>Net Change in Fund Equity</i>                              | (139,077)               | 825,527            | 909,372            | 83,845  |
| <i>Fund Equity Beginning of Year</i>                          | 932,144                 | 932,144            | 932,144            | 0   |
| <i>Fund Equity End of Year</i>                                | <u>\$793,067</u>        | <u>\$1,757,671</u> | <u>\$1,841,516</u> | <u>\$83,845</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, 2011*

|  | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            |                  |   |
| <b>Revenues</b>  |                  |                  |                  |   |
| Charges for Services   | \$712,062        | \$712,062        | \$712,065        | \$3   |
| Miscellaneous  | 20,000           | 20,000           | 1,559            | (18,441)  |
| <i>Total Revenues</i>  | <u>732,062</u>   | <u>732,062</u>   | <u>713,624</u>   | <u>(18,438)</u>   |
| <b>Expenses</b>  |                  |                  |                  |   |
| Professional Services  | 35,800           | 30,925           | 30,753           | 172   |
| Workers' Compensation Premium  | 84,000           | 90,729           | 90,728           | 1   |
| Workers' Compensation Claims   | 625,000          | 496,320          | 481,861          | 14,459  |
| <i>Total Expenses</i>  | <u>744,800</u>   | <u>617,974</u>   | <u>603,342</u>   | <u>14,632</u>   |
| <i>Excess of Revenues Over (Under) Expenses<br/>before Transfers</i> | (12,738)         | 114,088          | 110,282          | (3,806)   |
| Transfers In   | 32,738           | 32,738           | 100,002          | 67,264  |
| <i>Net Change in Fund Equity</i>                                     | 20,000           | 146,826          | 210,284          | 63,458  |
| <i>Fund Equity Beginning of Year</i>                                 | 446,926          | 446,926          | 446,926          | 0   |
| <i>Fund Equity End of Year</i>                                       | <u>\$466,926</u> | <u>\$593,752</u> | <u>\$657,210</u> | <u>\$63,458</u>   |

# City of Lakewood, Ohio

## Statistical Section

This part of the City of Lakewood's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall health.

| <u>Contents</u>  | <u>Page</u> |
|--|-------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.   | S2-S9       |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and income taxes.   | S10-S16     |
| <b>Debt Capacity</b><br>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.  | S17-S25     |
| <b>Demographic and Economic Information</b><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.                    | S26-S28     |
| <b>Operating Information</b><br>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.   | S29-S35     |
| <b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year. |             |

**City of Lakewood, Ohio**  
*Net Assets By Component*  
*Last Eight Years*  
*(Accrual Basis of Accounting)*

|  | 2011                 | 2010 Restated       | 2009                | 2008                | 2007                | 2006                | 2005                | 2004                |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities</b>                   |                      |                     |                     |                     |                     |                     |                     |                     |
| Invested in Capital Assets, Net of Related Debt  | \$32,219,436         | \$29,616,097        | \$26,631,390        | \$19,375,518        | \$17,864,648        | \$16,735,176        | \$15,964,667        | \$17,763,254        |
| Restricted:                                      |                      |                     |                     |                     |                     |                     |                     |                     |
| Capital Projects                                 | 737,334              | 948,539             | 1,656,877           | 3,187,407           | 3,092,758           | 5,935,384           | 4,895,203           | 165,163             |
| Debt Service                                     | 879,576              | 1,038,625           | 658,864             | 679,404             | 1,543,403           | 587,899             | 1,128,628           | 1,621,445           |
| Other Purposes                                   | 5,130,754            | 6,279,579           | 5,316,658           | 4,237,737           | 39                  | 5,108,771           | 5,388,015           | 5,322,703           |
| Unrestricted                                     | 13,594,321           | 8,184,766           | 5,461,402           | 6,764,033           | 2,938,295           | 4,117,183           | 6,551,993           | 7,853,008           |
| <i>Total Governmental Activities Net Assets</i>  | <u>52,561,421</u>    | <u>46,067,606</u>   | <u>39,725,191</u>   | <u>34,244,099</u>   | <u>25,439,143</u>   | <u>32,484,413</u>   | <u>33,928,506</u>   | <u>32,725,573</u>   |
| <b>Business - Type Activities</b>                |                      |                     |                     |                     |                     |                     |                     |                     |
| Invested in Capital Assets, Net of Related Debt  | 43,819,639           | 43,114,193          | 41,950,480          | 41,695,569          | 37,309,591          | 34,117,056          | 25,918,138          | 29,906,268          |
| Restricted for Debt Service                      | 1,090,028            | 1,328,713           | 1,214,966           | 1,194,934           | 1,109,163           | 923,400             | 0                   | 0                   |
| Restricted for Replacement and Improvement       | 195,493              | 195,474             | 193,550             | 195,417             | 193,550             | 186,270             | 561,240             | 551,039             |
| Unrestricted                                     | 11,316,059           | 9,163,854           | 8,486,802           | 7,668,213           | 5,422,785           | 7,311,753           | 15,625,642          | 10,302,691          |
| <i>Total Business-Type Activities Net Assets</i> | <u>56,421,219</u>    | <u>53,802,234</u>   | <u>51,845,798</u>   | <u>50,754,133</u>   | <u>44,035,089</u>   | <u>42,538,479</u>   | <u>42,105,020</u>   | <u>40,759,998</u>   |
| <b>Primary Government</b>                        |                      |                     |                     |                     |                     |                     |                     |                     |
| Invested in Capital Assets, Net of Related Debt  | 76,039,075           | 72,730,290          | 65,317,220          | 61,071,087          | 55,174,239          | 50,852,232          | 41,882,805          | 47,669,522          |
| Restricted                                       | 8,033,185            | 9,790,930           | 7,823,235           | 9,494,899           | 5,938,913           | 12,741,724          | 11,973,086          | 7,660,350           |
| Unrestricted                                     | 24,910,380           | 17,348,620          | 18,430,534          | 14,432,246          | 8,361,080           | 11,428,936          | 22,177,635          | 18,155,699          |
| <i>Total Primary Government Net Assets</i>       | <u>\$108,982,640</u> | <u>\$99,869,840</u> | <u>\$91,570,989</u> | <u>\$84,998,232</u> | <u>\$69,474,232</u> | <u>\$75,022,892</u> | <u>\$76,033,526</u> | <u>\$73,485,571</u> |

**City of Lakewood, Ohio**  
*Changes in Net Assets*  
*Last Eight Years*  
*(Accrual Basis of Accounting)*

|  | 2011                | 2010                | 2009                | 2008                | 2007                | 2006                | 2005                | 2004                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Program Revenues</b>                                |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities:</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for Services:                                  |                     |                     |                     |                     |                     |                     |                     |                     |
| General Government                                     | \$3,024,201         | \$2,529,470         | \$4,187,825         | \$4,235,783         | \$4,228,572         | \$2,881,832         | \$2,785,961         | \$2,778,441         |
| Security of Persons and Property                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Police   | 257,705             | 265,127             | 245,685             | 242,444             | 39                  | 177,258             | 126,981             | 60,864              |
| Fire   | 2,263,974           | 2,233,515           | 2,291,431           | 2,147,823           | 2,249,911           | 2,233,708           | 2,170,604           | 2,181,841           |
| Public Health Services                                 | 293,641             | 248,489             | 251,665             | 318,737             | 335,613             | 3,600               | 3,600               | 2,003               |
| Transportation   | 4,360               | 28,395              | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Community Environment                                  | 1,642,224           | 1,895,118           | 11,120              | 10,680              | 10,500              | 1,796,475           | 1,068,342           | 860,495             |
| Basic Utility Services                                 | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 13,181              |
| Leisure Time Activities                                | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 20,470              |
| Subtotal - Charges for Services                        | <u>7,486,105</u>    | <u>7,200,114</u>    | <u>6,987,726</u>    | <u>6,955,467</u>    | <u>6,824,635</u>    | <u>7,092,873</u>    | <u>6,155,488</u>    | <u>5,917,295</u>    |
| Operating Grants and Contributions:                    |                     |                     |                     |                     |                     |                     |                     |                     |
| General Government                                     | 765,886             | 612,272             | 495,082             | 474,840             | 0                   | 0                   | 0                   | 0                   |
| Security of Persons and Property                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Police   | 432,224             | 449,353             | 449,920             | 472,948             | 18,653              | 3,575               | 12,542              | 15,169              |
| Fire   | 900                 | 3,350               | 52,013              | 0                   | 0                   | 337,710             | 357,124             | 133,687             |
| Public Health Services                                 | 217,458             | 246,649             | 270,604             | 493,394             | 468,559             | 833,675             | 685,267             | 68,250              |
| Transportation   | 1,833,219           | 2,012,270           | 1,118,195           | 1,950,418           | 1,927,847           | 2,050,027           | 1,899,723           | 1,802,541           |
| Community Environment                                  | 3,081,636           | 4,718,408           | 4,421,399           | 3,039,646           | 4,300,068           | 3,320,754           | 3,748,255           | 2,977,498           |
| Subtotal - Operating Grants and Contributions          | <u>6,331,323</u>    | <u>8,042,302</u>    | <u>6,807,213</u>    | <u>6,431,246</u>    | <u>6,715,127</u>    | <u>6,545,741</u>    | <u>6,702,911</u>    | <u>4,997,145</u>    |
| Capital Grants and Contributions:                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Community Environment                                  | 0                   | 0                   | 0                   | 0                   | 0                   | 584,601             | 3,579               | 0                   |
| <i>Total Governmental Activities Program Revenues</i>  | <u>13,817,428</u>   | <u>15,242,416</u>   | <u>13,794,939</u>   | <u>13,386,713</u>   | <u>13,539,762</u>   | <u>14,223,215</u>   | <u>12,861,978</u>   | <u>10,914,440</u>   |
| <b>Business-Type Activities:</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for Services:                                  |                     |                     |                     |                     |                     |                     |                     |                     |
| Water  | 10,683,491          | 10,759,734          | 9,456,618           | 10,298,731          | 10,143,589          | 8,395,321           | 8,661,772           | 8,494,114           |
| Sewer  | 6,573,925           | 6,157,686           | 5,545,675           | 5,947,043           | 5,184,560           | 4,107,108           | 4,318,539           | 3,779,202           |
| Parking Facilities                                     | 456,607             | 434,510             | 404,180             | 332,999             | 292,127             | 290,561             | 294,385             | 290,229             |
| Winterhurst Ice Rink                                   | 343,061             | 563,499             | 371,631             | 427,031             | 793,387             | 686,619             | 725,506             | 714,895             |
| Congregate Living                                      | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 5,594               |
| Subtotal - Charges for Services                        | <u>18,057,084</u>   | <u>17,915,429</u>   | <u>15,778,104</u>   | <u>17,005,804</u>   | <u>16,413,663</u>   | <u>13,479,609</u>   | <u>14,000,202</u>   | <u>13,284,034</u>   |
| Operating Grants and Contributions:                    |                     |                     |                     |                     |                     |                     |                     |                     |
| Water  | 0                   | 0                   | 416,013             | 74,859              | 1,044,113           | 0                   | 0                   | 0                   |
| Sewer  | 246,194             | 283,595             | 272,358             | 152,949             | 310,993             | 0                   | 0                   | 0                   |
| Subtotal - Operating Grants and Contributions          | <u>246,194</u>      | <u>283,595</u>      | <u>688,371</u>      | <u>227,808</u>      | <u>1,355,106</u>    | <u>0</u>            | <u>0</u>            | <u>0</u>            |
| Capital Grants and Contributions:                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Water  | 80,560              | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Sewer  | 25,536              | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Winterhurst Ice Rink                                   | 0                   | 0                   | 0                   | 2,000,000           | 0                   | 0                   | 0                   | 0                   |
| Subtotal - Capital Grants and Contributions            | <u>106,096</u>      | <u>0</u>            | <u>0</u>            | <u>2,000,000</u>    | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>0</u>            |
| <i>Total Business-Type Activities Program Revenues</i> | <u>18,409,374</u>   | <u>18,199,024</u>   | <u>16,466,475</u>   | <u>19,233,612</u>   | <u>17,768,769</u>   | <u>13,479,609</u>   | <u>14,000,202</u>   | <u>13,284,034</u>   |
| <i>Total Primary Government Program Revenues</i>       | <u>\$32,226,802</u> | <u>\$33,441,440</u> | <u>\$30,261,414</u> | <u>\$32,620,325</u> | <u>\$31,308,531</u> | <u>\$27,702,824</u> | <u>\$26,862,180</u> | <u>\$24,198,474</u> |

(continued)

**City of Lakewood, Ohio**  
*Changes in Net Assets (continued)*  
*Last Eight Years*  
*(Accrual Basis of Accounting)*

|  | 2011                  | 2010                  | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>                                |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental Activities:</b>                |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government                             | \$7,529,571           | \$8,423,969           | \$7,675,451           | \$7,620,762           | \$9,599,299           | \$8,110,235           | \$7,851,426           | \$7,759,070           |
| Security of Persons and Property               |                       |                       |                       |                       |                       |                       |                       |                       |
| Police   | 11,617,633            | 12,272,317            | 12,754,885            | 12,371,712            | 12,035,903            | 11,907,585            | 10,686,045            | 10,811,935            |
| Fire   | 9,426,271             | 9,526,516             | 10,131,056            | 10,289,314            | 11,028,498            | 10,241,053            | 9,949,694             | 9,374,854             |
| Public Health Services                         | 2,136,807             | 2,383,427             | 2,505,999             | 3,280,667             | 4,211,759             | 4,784,768             | 4,310,861             | 4,361,672             |
| Transportation                                 | 1,948,825             | 3,092,325             | 2,866,754             | 2,969,914             | 3,480,710             | 2,655,600             | 2,880,797             | 2,971,847             |
| Community Environment                          | 5,804,830             | 6,819,791             | 6,474,889             | 5,622,461             | 6,798,564             | 6,628,671             | 6,417,757             | 8,478,583             |
| Basic Utility Services                         | 3,393,665             | 3,472,641             | 3,998,734             | 4,700,773             | 5,450,051             | 5,026,300             | 4,340,798             | 4,470,994             |
| Leisure Time Activities                        | 3,222,378             | 1,831,789             | 1,839,517             | 2,020,450             | 2,159,191             | 1,955,303             | 2,097,492             | 2,158,300             |
| Interest and Fiscal Charges                    | 1,835,631             | 1,788,103             | 2,127,913             | 2,064,970             | 1,898,099             | 1,936,679             | 1,781,467             | 1,565,095             |
| <i>Total Governmental Activities Expenses</i>  | <u>46,915,611</u>     | <u>49,610,878</u>     | <u>50,375,198</u>     | <u>50,941,023</u>     | <u>56,662,074</u>     | <u>53,246,194</u>     | <u>50,316,337</u>     | <u>51,952,350</u>     |
| <b>Business-Type Activities</b>                |                       |                       |                       |                       |                       |                       |                       |                       |
| Water  | 9,652,083             | 9,665,155             | 9,038,465             | 9,289,887             | 9,612,007             | 8,403,497             | 8,539,662             | 8,252,561             |
| Sewer  | 5,896,702             | 6,012,674             | 5,751,453             | 6,585,346             | 7,606,437             | 5,734,921             | 5,022,961             | 4,669,597             |
| Parking Facilities                             | 349,501               | 386,946               | 253,274               | 305,295               | 419,733               | 482,642               | 300,901               | 325,724               |
| Winterhurst Ice Rink                           | 571,530               | 736,397               | 552,929               | 740,804               | 732,973               | 1,257,948             | 969,391               | 969,745               |
| Congregate Living                              | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 64,297                | 4,853                 |
| <i>Total Business-Type Activities Expenses</i> | <u>16,469,816</u>     | <u>16,801,172</u>     | <u>15,596,121</u>     | <u>16,921,332</u>     | <u>18,371,150</u>     | <u>15,879,008</u>     | <u>14,897,212</u>     | <u>14,222,480</u>     |
| <i>Total Primary Government Expenses</i>       | <u>63,385,427</u>     | <u>66,412,050</u>     | <u>65,971,319</u>     | <u>67,862,355</u>     | <u>75,033,224</u>     | <u>69,125,202</u>     | <u>65,213,549</u>     | <u>66,174,830</u>     |
| <b>Net (Expense)/Revenue</b>                   |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                        | (33,098,183)          | (34,368,462)          | (36,580,259)          | (37,554,310)          | (43,122,312)          | (39,022,979)          | (37,454,359)          | (41,037,910)          |
| Business-Type Activities                       | 1,939,558             | 1,397,852             | 870,354               | 2,312,280             | (602,381)             | (2,399,399)           | (897,010)             | (938,446)             |
| <i>Total Primary Government Net Expense</i>    | <u>(\$31,158,625)</u> | <u>(\$32,970,610)</u> | <u>(\$35,709,905)</u> | <u>(\$35,242,030)</u> | <u>(\$43,724,693)</u> | <u>(\$41,422,378)</u> | <u>(\$38,351,369)</u> | <u>(\$41,976,356)</u> |

(continued)

**City of Lakewood, Ohio**  
*Changes in Net Assets (continued)*  
*Last Eight Years*  
*(Accrual Basis of Accounting)*

|  | 2011               | 2010               | 2009               | 2008                | 2007                 | 2006                 | 2005               | 2004                 |
|--|--------------------|--------------------|--------------------|---------------------|----------------------|----------------------|--------------------|----------------------|
| <b>General Revenues and Other Changes in Net Assets</b>                          |                    |                    |                    |                     |                      |                      |                    |                      |
| <b>Governmental Activities</b>   |                    |                    |                    |                     |                      |                      |                    |                      |
| Taxes:   |                    |                    |                    |                     |                      |                      |                    |                      |
| Property Taxes Levied For:   |                    |                    |                    |                     |                      |                      |                    |                      |
| General Purposes   | \$6,581,357        | \$6,857,844        | \$7,404,532        | \$7,464,079         | \$7,676,479          | \$6,880,029          | \$6,982,259        | \$6,984,616          |
| Police and Fire Pension  | 2,608,762          | 2,608,762          | 2,810,315          | 2,823,756           | 2,911,150            | 2,613,672            | 2,589,687          | 2,644,603            |
| Debt Service   | 2,784,378          | 2,784,378          | 2,973,092          | 2,987,313           | 3,079,771            | 2,765,061            | 2,590,336          | 2,788,706            |
| Payments in Lieu of Taxes  | 355,641            | 341,399            | 308,520            | 340,341             | 368,523              | 241,589              | 241,480            | 100,617              |
| Municipal Income Taxes levied for:   |                    |                    |                    |                     |                      |                      |                    |                      |
| General Purposes   | 19,474,728         | 19,686,732         | 19,314,348         | 19,348,017          | 18,246,523           | 16,955,457           | 16,537,268         | 17,064,294           |
| Grants and Entitlements not Restricted to  |                    |                    |                    |                     |                      |                      |                    |                      |
| Specific Programs  | 5,997,696          | 6,727,090          | 6,345,651          | 5,668,748           | 6,482,563            | 6,729,258            | 7,713,363          | 7,085,654            |
| Investment Income  | 8,792              | 68,060             | 214,275            | 533,257             | 1,130,083            | 1,479,546            | 830,725            | 396,491              |
| Gain from Sale of Capital Assets-Gov   | 25,308             | 0                  | 0                  | 0                   | 0                    | 0                    | 0                  | 0                    |
| Miscellaneous  | 713,582            | 436,670            | 606,457            | 550,472             | 295,266              | 364,274              | 246,757            | 402,279              |
| <b>Total Governmental Activities</b>   | <b>38,550,244</b>  | <b>39,510,935</b>  | <b>39,977,190</b>  | <b>39,715,983</b>   | <b>40,190,358</b>    | <b>38,028,886</b>    | <b>37,731,875</b>  | <b>37,467,260</b>    |
| <b>Business-Type Activities</b>  |                    |                    |                    |                     |                      |                      |                    |                      |
| Property Taxes Levied For:   |                    |                    |                    |                     |                      |                      |                    |                      |
| Sewer  | 1,556,497          | 1,590,695          | 1,712,714          | 1,724,040           | 1,775,081            | 1,593,691            | 1,579,441          | 1,612,757            |
| Grants and Entitlements not Restricted to  |                    |                    |                    |                     |                      |                      |                    |                      |
| Specific Programs  | 0                  | 0                  | 0                  | 0                   | 0                    | 205,895              | 212,063            | 203,039              |
| Gain on Sale of Capital Assets   | 0                  | 0                  | 0                  | 0                   | 0                    | 0                    | 180,250            | 0                    |
| Investment Income  | 2,474              | 16,338             | 58,952             | 237,593             | 636,665              | 565,729              | 230,974            | 92,690               |
| Miscellaneous  | 162,210            | 78,032             | 533,806            | 51,808              | 20,087               | 17,543               | 2,113              | 26,408               |
| <b>Total Business-Type Activities</b>  | <b>1,721,181</b>   | <b>1,685,065</b>   | <b>2,305,472</b>   | <b>2,013,441</b>    | <b>2,431,833</b>     | <b>2,382,858</b>     | <b>2,204,841</b>   | <b>1,934,894</b>     |
| <b>Total Primary Government General Revenues and Other Changes in Net Assets</b> | <b>40,271,425</b>  | <b>41,196,000</b>  | <b>42,282,662</b>  | <b>41,729,424</b>   | <b>42,622,191</b>    | <b>40,411,744</b>    | <b>39,936,716</b>  | <b>39,402,154</b>    |
| <b>Transfers</b>   |                    |                    |                    |                     |                      |                      |                    |                      |
| Governmental Activities  | 1,041,754          | 1,073,981          | 2,084,161          | 534,752             | 332,842              | (450,000)            | (37,191)           | (505,000)            |
| Business-Type Activities   | (1,041,754)        | (1,073,981)        | (2,084,161)        | (534,752)           | (332,842)            | 450,000              | 37,191             | 505,000              |
| <b>Restatements</b>  |                    |                    |                    |                     |                      |                      |                    |                      |
| Governmental Activities  | 0                  | 125,961            | 0                  | 1,447,962           | 0                    | 0                    | 962,608            | 0                    |
| Business-Type Activities   | 0                  | (52,500)           | 0                  | 2,928,075           | 0                    | 0                    | 0                  | 0                    |
| <b>Total Restatements Activities</b>   | <b>0</b>           | <b>73,461</b>      | <b>0</b>           | <b>4,376,037</b>    | <b>0</b>             | <b>0</b>             | <b>962,608</b>     | <b>0</b>             |
| <b>Change in Net Assets</b>  |                    |                    |                    |                     |                      |                      |                    |                      |
| Governmental Activities  | 6,493,815          | 6,342,415          | 5,481,092          | 4,144,387           | (2,599,112)          | (1,444,093)          | 1,202,933          | (4,075,650)          |
| Business-Type Activities   | 2,618,985          | 1,956,436          | 1,091,665          | 6,719,044           | 1,496,610            | 433,459              | 1,345,022          | 1,501,448            |
| <b>Total Primary Government Change in Net Assets</b>                             | <b>\$9,112,800</b> | <b>\$8,298,851</b> | <b>\$6,572,757</b> | <b>\$10,863,431</b> | <b>(\$1,102,502)</b> | <b>(\$1,010,634)</b> | <b>\$2,547,955</b> | <b>(\$2,574,202)</b> |

**City of Lakewood, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

|  | 2011                | 2010                | 2009                | 2008                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>                              |                     |                     |                     |                     |
| Reserved   | \$0                 | \$0                 | \$1,156,884         | \$11,114            |
| Unreserved                                       | 0                   | 0                   | 3,642,880           | 5,489,730           |
| Nonspendable                                     | 631,634             | 647,847             | 0                   | 0                   |
| Assigned   | 1,103,061           | 950,918             | 0                   | 0                   |
| Unassigned                                       | 7,168,275           | 4,966,043           | 0                   | 0                   |
| <b>Total General Fund</b>                        | <b>8,902,970</b>    | <b>6,564,808</b>    | <b>4,799,764</b>    | <b>5,500,844</b>    |
| <b>All Other Governmental Funds</b>              |                     |                     |                     |                     |
| Reserved   | 0                   | 0                   | 2,294,622           | 3,131,139           |
| Unreserved, Undesignated (Deficit), Reported in: |                     |                     |                     |                     |
| Special Revenue Funds                            | 0                   | 0                   | 2,957,115           | 733,201             |
| Debt Service Funds                               | 0                   | 0                   | 1,282,628           | 343,522             |
| Capital Projects Funds                           | 0                   | 0                   | 1,467,157           | 4,386,784           |
| Nonspendable                                     | 170,573             | 187,494             | 0                   | 0                   |
| Restricted                                       | 5,865,238           | 7,043,077           | 0                   | 0                   |
| Committed  | 853,414             | 663,681             | 0                   | 0                   |
| Unassigned (Deficit)                             | (31,316)            | (158,907)           | 0                   | 0                   |
| <b>Total All Other Governmental Funds</b>        | <b>6,857,909</b>    | <b>7,735,345</b>    | <b>8,001,522</b>    | <b>8,594,646</b>    |
| <b>Total Governmental Funds</b>                  | <b>\$15,760,879</b> | <b>\$14,300,153</b> | <b>\$12,801,286</b> | <b>\$14,095,490</b> |

Note: During 2011, the City implemented GASB 54.

| 2007         | 2006         | 2005         | 2004         | 2003         | 2002         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$69,864     | \$94,715     | \$294,921    | \$124,134    | \$102,195    | \$348,721    |
| 1,986,309    | 3,212,313    | 3,724,852    | 3,713,592    | 5,479,860    | 8,157,458    |
| 0            | 0            | 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            | 0            | 0            |
| 2,056,173    | 3,307,028    | 4,019,773    | 3,837,726    | 5,582,055    | 8,506,179    |
| 3,823,391    | 3,237,102    | 3,771,588    | 6,034,201    | 3,832,595    | 4,680,406    |
| 1,773,409    | 2,514,850    | 2,489,614    | 1,371,018    | 2,159,101    | 3,682,507    |
| 1,698,091    | 685,942      | 1,245,313    | 1,519,878    | 1,162,940    | 868,636      |
| 1,906,203    | 4,457,614    | 3,283,734    | 2,806,361    | 2,196,372    | (4,218,676)  |
| 0            | 0            | 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            | 0            | 0            |
| 9,201,094    | 10,895,508   | 10,790,249   | 11,731,458   | 9,351,008    | 5,012,873    |
| \$11,257,267 | \$14,202,536 | \$14,810,022 | \$15,569,184 | \$14,933,063 | \$13,519,052 |

**City of Lakewood, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

|   | 2011               | 2010               | 2009                 | 2008                | 2007                 |
|---|--------------------|--------------------|----------------------|---------------------|----------------------|
| <b>Revenues</b>   |                    |                    |                      |                     |                      |
| Property Taxes  | \$12,041,503       | \$12,301,006       | \$13,194,723         | \$13,257,834        | \$13,502,272         |
| Payments in Lieu of Taxes                               | 328,790            | 341,399            | 308,520              | 340,341             | 368,523              |
| Municipal Income Taxes                                  | 18,766,179         | 17,850,439         | 18,355,581           | 18,480,218          | 18,143,485           |
| Charges for Services                                    | 4,036,644          | 3,578,550          | 3,598,946            | 3,033,174           | 3,494,517            |
| Licenses, Permits and Fees                              | 1,630,554          | 1,886,868          | 1,823,254            | 1,971,510           | 2,035,413            |
| Fines and Forfeitures                                   | 1,814,547          | 1,690,587          | 1,592,897            | 1,710,782           | 1,458,771            |
| Intergovernmental                                       | 11,984,530         | 14,727,449         | 13,197,654           | 11,824,139          | 13,239,249           |
| Special Assessments                                     | 4,360              | 47,459             | 24,642               | 240,001             | 123,219              |
| Interest  | 8,792              | 68,060             | 214,275              | 533,257             | 1,130,083            |
| Contributions and Miscellaneous                         | 824,613            | 544,005            | 724,928              | 817,733             | 381,542              |
| <i>Total Revenues</i>                                   | <u>51,440,512</u>  | <u>53,035,822</u>  | <u>53,035,420</u>    | <u>52,208,989</u>   | <u>53,877,074</u>    |
| <b>Expenditures</b>                                     |                    |                    |                      |                     |                      |
| Current:  |                    |                    |                      |                     |                      |
| General Government                                      | 7,691,955          | 8,149,714          | 7,875,387            | 7,930,675           | 8,607,515            |
| Security of Persons and Property                        |                    |                    |                      |                     |                      |
| Police  | 12,223,002         | 12,069,033         | 12,220,039           | 12,139,328          | 11,678,468           |
| Fire  | 9,197,428          | 9,282,338          | 9,662,410            | 10,088,610          | 10,567,772           |
| Public Health Services                                  | 2,268,579          | 2,281,603          | 2,428,498            | 3,352,685           | 4,089,118            |
| Transportation  | 2,151,849          | 1,867,759          | 1,704,157            | 1,980,543           | 2,617,950            |
| Community Environment                                   | 6,084,834          | 6,727,225          | 6,250,805            | 5,669,977           | 6,787,327            |
| Basic Utilities Services                                | 3,331,914          | 3,150,020          | 3,699,636            | 4,466,994           | 5,089,792            |
| Leisure Time Activities                                 | 1,732,556          | 1,542,088          | 1,513,654            | 1,733,290           | 1,944,398            |
| Capital Outlay  | 3,022,809          | 760,521            | 6,842,067            | 5,280,879           | 4,525,704            |
| Debt Service:   |                    |                    |                      |                     |                      |
| Principal Retirement                                    | 11,686,748         | 11,949,421         | 4,087,490            | 8,637,976           | 11,230,978           |
| Interest and Fiscal Charges                             | 1,734,982          | 1,830,823          | 2,085,801            | 2,057,441           | 1,924,401            |
| Bond Issuance Costs                                     | 114,820            | 0                  | 0                    | 0                   | 300,690              |
| <i>Total Expenditures</i>                               | <u>61,241,476</u>  | <u>59,610,545</u>  | <u>58,369,944</u>    | <u>63,338,398</u>   | <u>69,364,113</u>    |
| <i>Excess of Revenues Over (Under) Expenditures</i>     | <u>(9,800,964)</u> | <u>(6,574,723)</u> | <u>(5,334,524)</u>   | <u>(11,129,409)</u> | <u>(15,487,039)</u>  |
| <b>Other Financing Sources (Uses)</b>                   |                    |                    |                      |                     |                      |
| General Obligation Bonds Issued                         | 10,845,268         | 0                  | 0                    | 0                   | 10,520,000           |
| Refunding Bonds Issued                                  | 0                  | 0                  | 0                    | 0                   | 0                    |
| General Obligation Notes Issued                         | 1,948,000          | 7,771,000          | 7,771,000            | 7,771,000           | 5,374,000            |
| Premium on General Obligation Bonds                     | 62,105             | 0                  | 0                    | 0                   | 57,987               |
| Sale of Assets  | 25,308             | 0                  | 0                    | 0                   | 0                    |
| Inception of Capital Lease                              | 1,487,326          | 0                  | 2,175,159            | 4,110,632           | 1,375,314            |
| Current Refunding                                       | 0                  | 0                  | (7,771,000)          | 0                   | 0                    |
| Payment to Refunded Bond Escrow Agent                   | (3,048,069)        | 0                  | 0                    | 0                   | (4,844,725)          |
| Transfers In  | 2,777,968          | 4,000,770          | 13,561,547           | 3,077,261           | 3,631,000            |
| Transfers Out   | (2,836,216)        | (4,118,272)        | (11,696,386)         | (2,786,509)         | (3,571,806)          |
| <i>Total Other Financing Sources (Uses)</i>             | <u>11,261,690</u>  | <u>7,653,498</u>   | <u>4,040,320</u>     | <u>12,172,384</u>   | <u>12,541,770</u>    |
| <i>Restatements</i>                                     | <u>0</u>           | <u>0</u>           | <u>0</u>             | <u>1,795,248</u>    | <u>0</u>             |
| <i>Net Change in Fund Balances</i>                      | <u>\$1,460,726</u> | <u>\$1,078,775</u> | <u>(\$1,294,204)</u> | <u>\$2,838,223</u>  | <u>(\$2,945,269)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 23.9%              | 23.1%              | 11.7%                | 18.5%               | 20.7%                |

| 2006         | 2005         | 2004         | 2003         | 2002          |
|--------------|--------------|--------------|--------------|---------------|
| \$12,316,987 | \$12,388,236 | \$12,388,112 | \$10,332,736 | \$11,320,813  |
| 241,589      | 241,480      | 100,617      | 0            | 0             |
| 17,080,608   | 17,785,152   | 16,842,902   | 16,626,831   | 16,615,806    |
| 3,597,914    | 3,479,982    | 3,432,921    | 3,776,654    | 2,684,835     |
| 1,930,932    | 1,159,966    | 939,434      | 718,147      | 698,661       |
| 1,535,840    | 1,385,746    | 1,478,391    | 1,594,776    | 1,235,195     |
| 13,184,935   | 13,989,782   | 12,359,013   | 12,180,349   | 12,821,281    |
| 105,230      | 91,836       | 84,302       | 196,560      | 167,359       |
| 1,479,546    | 830,725      | 396,491      | 483,266      | 839,181       |
| 752,522      | 510,219      | 402,279      | 408,462      | 1,137,725     |
| 52,226,103   | 51,863,124   | 48,424,462   | 46,317,781   | 47,520,856    |
| 7,261,972    | 7,215,127    | 7,601,675    | 8,335,408    | 7,132,996     |
|              |              |              | 0            | 17,408,734    |
| 11,484,234   | 10,598,682   | 10,662,735   | 10,118,491   | 0             |
| 10,080,039   | 9,573,450    | 9,304,473    | 9,394,378    | 0             |
| 4,501,420    | 4,258,873    | 4,286,363    | 3,532,193    | 3,137,717     |
| 1,770,566    | 2,057,427    | 2,175,057    | 2,337,498    | 1,912,861     |
| 6,619,518    | 6,359,746    | 5,656,644    | 6,060,535    | 6,420,753     |
| 4,661,348    | 4,094,876    | 4,328,373    | 4,340,840    | 4,172,822     |
| 1,809,858    | 1,912,849    | 1,962,346    | 1,930,211    | 1,904,606     |
| 3,838,417    | 6,132,047    | 5,422,606    | 2,848,800    | 3,510,525     |
| 2,905,047    | 9,353,547    | 5,652,579    | 2,007,312    | 1,737,223     |
| 1,794,537    | 1,738,257    | 1,505,688    | 1,597,061    | 1,633,780     |
| 0            | 225,403      | 306,388      | 110,619      | 0             |
| 56,726,956   | 63,520,284   | 58,864,927   | 52,613,346   | 48,972,017    |
| (4,500,853)  | (11,657,160) | (10,440,465) | (6,295,565)  | (1,451,161)   |
| 0            | 6,495,637    | 4,265,000    | 5,219,000    | 0             |
| 0            | 7,335,000    | 0            | 0            | 0             |
| 8,311,000    | 4,228,000    | 7,064,800    | 3,555,500    | 0             |
| 5,367        | 241,575      | 30,823       | 120,589      | 0             |
| 0            | 5,500        | 7,592        | 0            | 0             |
| 0            | 10,137       | 0            | 173,991      | 474,393       |
| (3,973,000)  | 0            | 0            | 0            | 0             |
| 0            | (7,380,660)  | 0            | 0            | 0             |
| 1,969,098    | 3,970,791    | 2,620,130    | 2,127,437    | 2,464,843     |
| (2,419,098)  | (4,007,982)  | (3,125,130)  | (2,327,437)  | (5,479,086)   |
| 3,893,367    | 10,897,998   | 10,863,215   | 8,869,080    | (2,539,850)   |
| 0            | 0            | 213,371      | (1,159,504)  | (2,285)       |
| (\$607,486)  | (\$759,162)  | \$636,121    | \$1,414,011  | (\$3,993,296) |
| 9.3%         | 19.0%        | 13.6%        | 7.5%         | 7.4%          |

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

| Collection<br>Year | Real Property                |                             |                              | Tangible Personal Property |                              |
|--------------------|------------------------------|-----------------------------|------------------------------|----------------------------|------------------------------|
|                    | Assessed Value               |                             |                              | Public Utility             |                              |
|                    | Residential/<br>Agricultural | Commercial<br>Industrial/PU | Estimated<br>Actual<br>Value | Assessed<br>Value          | Estimated<br>Actual<br>Value |
| 2011               | \$727,775,410                | \$166,733,970               | \$2,555,741,086              | \$12,400,630               | \$14,091,625                 |
| 2010               | 728,076,240                  | 167,461,630                 | 2,558,679,629                | 12,391,260                 | 14,080,977                   |
| 2009               | 779,592,560                  | 179,148,740                 | 2,739,260,857                | 10,241,580                 | 11,638,159                   |
| 2008               | 781,245,420                  | 179,298,480                 | 2,744,411,143                | 9,869,670                  | 11,215,534                   |
| 2007               | 786,898,880                  | 168,582,420                 | 2,729,946,571                | 14,577,400                 | 16,565,227                   |
| 2006               | 706,658,210                  | 156,111,470                 | 2,465,056,229                | 15,069,300                 | 17,124,205                   |
| 2005               | 707,459,690                  | 154,201,870                 | 2,461,890,171                | 16,590,000                 | 18,852,273                   |
| 2004               | 707,280,760                  | 154,003,840                 | 2,460,813,143                | 16,857,265                 | 19,155,983                   |
| 2003               | 615,802,740                  | 144,493,370                 | 2,172,274,600                | 16,001,560                 | 18,183,591                   |
| 2002               | 616,316,410                  | 145,831,730                 | 2,177,566,114                | 16,758,370                 | 19,043,602                   |

Real Property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.50 for 2007, 6.25 percent for 2008 zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local interexchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). During 2011, the City did not include an assessed value for general business tangible personal property.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. The 10 percent rollback for commercial/industrial property was eliminated in 2006.

Source: Cuyahoga County, Ohio; Fiscal Officer

| Tangible Personal Property |                        | Total          |                        | Ratio  | Tax Rate<br>per \$1,000<br>of Assessed<br>Value |
|----------------------------|------------------------|----------------|------------------------|--------|---|
| General Business           |                        | Assessed Value | Estimated Value        |        |   |
| Assessed Value             | Estimated Actual Value | Assessed Value | Estimated Actual Value |        |   |
| \$0                        | \$0                    | \$906,910,010  | \$2,569,832,711        | 35.29% | \$17.40   |
| 0                          | 0                      | 907,929,130    | 2,572,760,606          | 35.29  | 17.40   |
| 3,507,600                  | 28,060,800             | 972,490,480    | 2,778,959,816          | 34.99  | 17.40   |
| 12,438,513                 | 66,338,736             | 982,852,083    | 2,821,965,413          | 34.83  | 17.40   |
| 15,903,081                 | 84,816,432             | 985,961,781    | 2,831,328,230          | 34.82  | 17.40   |
| 21,872,491                 | 116,653,285            | 899,711,471    | 2,598,833,719          | 34.62  | 17.40   |
| 23,673,865                 | 102,929,848            | 901,925,425    | 2,583,672,292          | 34.91  | 17.40   |
| 26,670,819                 | 111,128,413            | 904,812,684    | 2,591,097,539          | 34.92  | 17.40   |
| 28,345,579                 | 118,106,579            | 804,643,249    | 2,308,564,770          | 34.85  | 17.40   |
| 31,518,033                 | 126,072,132            | 810,424,543    | 2,322,681,848          | 34.89  | 17.30   |

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

|   | 2011             | 2010             | 2009             | 2008             | 2007             |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>Charter Millage</b>                        |                  |                  |                  |                  |                  |
| Sinking Fund                                  | \$3.4700         | \$3.4700         | \$3.4700         | \$3.4700         | \$3.4700         |
| 1976 Charter/Current Expenses                 | 8.6500           | 8.6500           | 8.6500           | 8.6500           | 8.6500           |
| 1976 Charter/Fire                             | 1.6800           | 1.6800           | 1.6800           | 1.6800           | 1.6800           |
| 1976 Charter/Police                           | 1.6000           | 1.6000           | 1.6000           | 1.6000           | 1.6000           |
| 1976 Charter/Sewer                            | 2.0000           | 2.0000           | 2.0000           | 2.0000           | 2.0000           |
| <b>Total Charter Millage</b>                  | <u>\$17.4000</u> | <u>\$17.4000</u> | <u>\$17.4000</u> | <u>\$17.4000</u> | <u>\$17.4000</u> |
| <b>Overlapping Rates by Taxing District</b>   |                  |                  |                  |                  |                  |
| Lakewood City School District                 |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                 | \$56.6894        | \$56.4019        | \$48.8809        | \$45.9650        | \$45.5754        |
| Commercial/Industrial and Public Utility Real | 70.3761          | 69.8953          | 62.3184          | 61.3095          | 60.4273          |
| General Business and Public Utility Personal  | 115.4000         | 115.4000         | 107.9000         | 107.2000         | 106.9000         |
| Cuyahoga County Council (1)                   |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                 | 16.3035          | 16.3660          | 15.8789          | 15.1504          | 15.1210          |
| Commercial/Industrial and Public Utility Real | 15.9138          | 15.9620          | 15.5327          | 15.4894          | 14.3558          |
| General Business and Public Utility Personal  | 16.4500          | 16.5500          | 16.2500          | 16.2500          | 16.3500          |
| Special Taxing Districts (2)                  |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                 | 4.1938           | 4.1657           | 4.1608           | 3.8697           | 3.8656           |
| Commercial/Industrial and Public Utility Real | 4.3906           | 4.3529           | 4.3492           | 4.3243           | 4.2874           |
| General Business and Public Utility Personal  | 5.3500           | 5.3500           | 5.3500           | 5.3500           | 5.3500           |

Source: Cuyahoga County, Ohio; County Auditor

Note:

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

Overlapping rates are those of local and county governments that apply to property owners within the City.

Voted levies of overlapping governments are adjusted so that inflationary increases in value do not generate additional real property taxes.

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

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

| 2006             | 2005             | 2004             | 2003             | 2002             |
|------------------|------------------|------------------|------------------|------------------|
| \$3.4700         | \$3.4700         | \$3.4700         | \$3.4700         | \$3.4700         |
| 8.6500           | 8.6500           | 8.6500           | 8.6500           | 8.6500           |
| 1.6800           | 1.6800           | 1.6800           | 1.6800           | 1.6100           |
| 1.6000           | 1.6000           | 1.6000           | 1.6000           | 1.5700           |
| 38.9000          | 2.0000           | 2.0000           | 2.0000           | 2.0000           |
| <u>\$54.3000</u> | <u>\$17.4000</u> | <u>\$17.4000</u> | <u>\$17.4000</u> | <u>\$17.3000</u> |

|           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|
| \$49.5692 | \$49.5065 | \$43.6947 | \$47.5575 | \$40.7340 |
| 65.9849   | 65.6697   | 59.6364   | 61.6842   | 54.3405   |
| 107.4000  | 107.4000  | 101.6000  | 100.2500  | 93.4500   |

|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| 14.1728 | 13.4245 | 13.4429 | 12.4609 | 11.3814 |
| 15.2977 | 14.6624 | 14.7364 | 12.8764 | 12.0023 |
| 16.4500 | 16.4500 | 16.4500 | 14.6500 | 14.6500 |

|        |        |        |        |        |
|--------|--------|--------|--------|--------|
| 4.2827 | 4.2776 | 3.5972 | 2.8193 | 2.8193 |
| 4.7054 | 4.6776 | 4.1416 | 3.1081 | 3.0767 |
| 5.3500 | 5.3500 | 5.0500 | 3.8000 | 3.8000 |

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

| Collection Year | Current Tax Levy (2) | Current Tax Collections (2) | Percent of Current Tax Collections To Tax Levy | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections To Tax Levy | Accumulated Outstanding Delinquent Taxes (3) | Percentage of Delinquent Taxes To Total Tax Levy |
|-----------------|----------------------|-----------------------------|--|----------------------------|-----------------------|--|--|--|
| 2011            | \$16,135,708         | \$15,259,060                | 94.57%   | \$565,338                  | \$15,824,398          | 98.07%                                       | \$1,244,407                                  | 7.71%  |
| 2010            | 16,154,477           | 15,383,763                  | 95.23  | 641,045                    | 16,024,808            | 99.20  | 1,214,467                                    | 7.52   |
| 2009            | 17,211,840           | 16,061,636                  | 93.32  | 697,562                    | 16,759,198            | 97.37  | 1,285,160                                    | 7.47   |
| 2008            | 17,327,947           | 16,331,350                  | 94.25  | 723,290                    | 17,054,640            | 98.42  | 1,275,020                                    | 7.36   |
| 2007            | 17,346,544           | 16,547,580                  | 95.39  | 687,163                    | 17,234,743            | 99.36  | 1,122,078                                    | 6.47   |
| 2006            | 16,052,661           | 15,078,364                  | 93.93  | 510,427                    | 15,588,791            | 97.11  | 937,196                                      | 5.84   |
| 2005            | 16,053,584           | 15,305,464                  | 95.34  | 581,629                    | 15,887,093            | 98.96  | 564,880                                      | 3.52   |
| 2004            | 16,101,736           | 15,281,644                  | 94.91  | 513,548                    | 15,795,192            | 98.10  | 820,139                                      | 5.09   |
| 2003            | 14,158,214           | 13,011,236                  | 91.90  | 415,949                    | 13,427,185            | 94.84  | 786,456                                      | 5.55   |
| 2002            | 14,093,147           | 12,965,025                  | 92.00  | 475,210                    | 13,440,235            | 95.37  | 608,167                                      | 4.32   |

Source: Cuyahoga County, Ohio; Fiscal Officer

- (1) Information for Real and Public Utility only
- (2) State Reimbursements of Rollback and Homestead Exemptions are Included.  
Current Tax Levy and Current Tax Collections include delinquent amounts.
- (3) Penalties and Interest are included, since by Ohio law they become part of tax obligation as assessment occurs.

**City of Lakewood, Ohio**  
*Principal Real Property Taxpayers*  
*Current Year and Nine Years Ago*

| <u>2011</u>                                   |   |   |
|---|---|---|
| <u>Taxpayer</u>                               | <u>Real Property Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
| Cleveland Electric Illuminating Company       | \$10,521,220                            | 1.18 %  |
| 14600 Detroit Avenue                          | 5,057,510                               | 0.57  |
| Lakewood Senior Campus                        | 3,437,960                               | 0.38  |
| Lakewood Senior Citizens Inc.                 | 2,262,440                               | 0.25  |
| Marine Towers                                 | 2,011,980                               | 0.22  |
| Lakewood Ohio Wal LLC                         | 1,942,500                               | 0.22  |
| Lakewood Heath Care                           | 1,863,930                               | 0.21  |
| Castlewood Association                        | 1,820,010                               | 0.20  |
| One Lakewood Company LLC                      | 1,811,260                               | 0.20  |
| Lakewood Association L.P.                     | 1,750,700                               | 0.20  |
| <b>Total</b>                                  | <b>\$32,479,510</b>                     | <b>3.63 %</b>                                 |
| <b>Total Real Property Assessed Valuation</b> | <b>\$894,509,380</b>                    |   |

| <u>2002</u>                                   |   |   |
|---|---|---|
| <u>Taxpayer</u>                               | <u>Real Property Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
| Cleveland Electric Illuminating Company       | \$7,248,960                             | 0.95 %  |
| Ohio Bell Telephone Company                   | 5,829,610                               | 0.76  |
| Lakewood Operating Associates                 | 2,309,130                               | 0.30  |
| Lakewood Senior Citizens, Inc.                | 2,231,010                               | 0.29  |
| Marine Towers                                 | 2,096,990                               | 0.28  |
| Castlewood Association                        | 1,994,760                               | 0.26  |
| Fame-Midamco Company                          | 1,720,990                               | 0.23  |
| Lakewood Heath Care                           | 1,690,860                               | 0.22  |
| Lakewood Association L.P.                     | 1,641,230                               | 0.22  |
| Lakeshore Associates                          | 1,596,360                               | 0.21  |
| <b>Total</b>                                  | <b>\$28,359,900</b>                     | <b>3.72 %</b>                                 |
| <b>Total Real Property Assessed Valuation</b> | <b>\$762,148,140</b>                    |   |

Source: Cuyahoga County, Ohio; Fiscal Officer

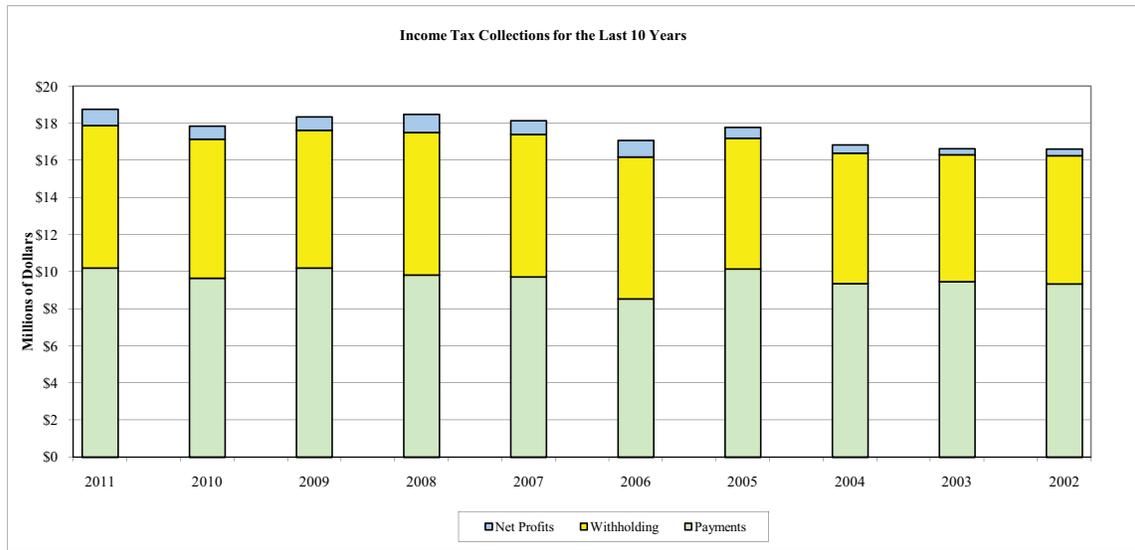
**City of Lakewood, Ohio**  
*Income Tax Revenue Base and Collections (1)*  
*Last Ten Years*

| Tax Year | Tax Rate | Total Tax Collected (1) | Taxes From Individual Payments | Percentage of Taxes From Individual Payments | Taxes From Withholding | Percentage of Taxes From Withholding | Taxes From Net Profits | Percentage of Taxes From Net Profits |
|----------|----------|-------------------------|--------------------------------|--|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2011     | 1.50%    | \$18,766,179            | \$10,191,507                   | 54.31%                                       | \$7,696,981            | 41.02%                               | \$877,691              | 4.67%                                |
| 2010     | 1.50     | 17,850,439              | 9,656,284                      | 54.10  | 7,484,885              | 41.93                                | 709,270                | 3.97                                 |
| 2009     | 1.50     | 18,355,581              | 10,199,250                     | 55.56  | 7,422,370              | 40.44                                | 733,961                | 4.00                                 |
| 2008     | 1.50     | 18,480,218              | 9,814,844                      | 53.11  | 7,691,467              | 41.62                                | 973,907                | 5.27                                 |
| 2007     | 1.50     | 18,143,485              | 9,719,464                      | 53.57  | 7,676,509              | 42.31                                | 747,512                | 4.12                                 |
| 2006     | 1.50     | 17,080,608              | 8,529,917                      | 49.94  | 7,650,455              | 44.79                                | 900,236                | 5.27                                 |
| 2005     | 1.50     | 17,785,152              | 10,153,562                     | 57.09  | 7,038,931              | 39.58                                | 592,659                | 3.33                                 |
| 2004     | 1.50     | 16,842,902              | 9,351,723                      | 55.52  | 7,037,400              | 41.78                                | 453,779                | 2.69                                 |
| 2003     | 1.50     | 16,626,831              | 9,463,555                      | 56.92  | 6,844,650              | 41.17                                | 318,626                | 1.92                                 |
| 2002     | 1.50     | 16,615,806              | 9,331,022                      | 56.16  | 6,925,585              | 41.68                                | 359,199                | 2.16                                 |

(1) Modified Accrual Basis

(2) The City is statutorily prohibited from presenting individual taxpayer information.

(3) The City's basic income tax rate may only be increased by a majority vote of City residents.



**City of Lakewood, Ohio**  
*Ratios of Outstanding Debt by Type*  
*Last Ten Years*

| Year | Governmental Activities  | Business Activities      | Percentage of Estimated Taxable Value of Property (1) | Per Capita (2) | Other Governmental Activities Debt |            |                |                         |
|------|--------------------------|--------------------------|---|----------------|------------------------------------|------------|----------------|-------------------------|
|      | General Obligation Bonds | General Obligation Bonds |   |                | Special Assessment Bonds           | OPWC Loans | Capital Leases | Bond Anticipation Notes |
| 2011 | \$32,266,849             | \$8,224,427              | 1.58 %  | \$618.96       | \$0                                | \$215,600  | \$6,122,214    | \$1,948,000             |
| 2010 | 27,304,917               | 9,222,488                | 1.42  | 523.78         | 0                                  | 246,400    | 5,574,518      | 7,771,000               |
| 2009 | 30,278,657               | 10,268,175               | 1.58  | 580.82         | 0                                  | 277,200    | 6,445,401      | 7,771,000               |
| 2008 | 33,476,781               | 11,315,719               | 1.74  | 590.98         | 0                                  | 308,000    | 5,143,663      | 8,529,620               |
| 2007 | 36,361,438               | 12,317,624               | 1.89  | 641.91         | 0                                  | 355,416    | 1,379,783      | 5,374,000               |
| 2006 | 33,481,011               | 12,849,249               | 1.80  | 591.06         | 0                                  | 419,437    | 22,322         | 8,505,000               |
| 2005 | 36,035,423               | 13,701,254               | 1.94  | 636.15         | 30,000                             | 483,460    | 47,423         | 4,228,000               |
| 2004 | 31,443,942               | 9,728,388                | 1.60  | 555.10         | 60,000                             | 547,482    | 113,793        | 7,064,800               |
| 2003 | 28,975,273               | 10,337,311               | 1.53  | 511.51         | 90,000                             | 611,504    | 295,761        | 3,555,500               |
| 2002 | 25,186,400               | 7,558,600                | 1.27  | 421.76         | 155,000                            | 707,537    | 453,260        | 5,961,000               |

| Business-Type Activities |                          |               |                         |                |                 |                |                                   |                |                |
|--------------------------|--------------------------|---------------|-------------------------|----------------|-----------------|----------------|-----------------------------------|----------------|----------------|
| Year                     | General Obligation Bonds | Revenue Bonds | Bond Anticipation Notes | Capital Leases | OPWC/OWDA Loans | Total Debt (3) | Percentage of Personal Income (2) | Per Capita (2) | Per Capita (2) |
| 2011                     | \$8,224,427              | \$23,304,460  | \$0                     | \$2,879,636    | \$3,486,862     | \$78,448,048   | 5.48 %                            | \$1,504.83     | \$0.00         |
| 2010                     | 9,222,488                | 24,610,322    | 0                       | 1,224,164      | 3,864,982       | 79,818,791     | 6.39                              | 1,409.08       | 0.00           |
| 2009                     | 10,268,175               | 25,865,737    | 0                       | 1,382,897      | 4,241,837       | 86,530,904     | 6.37                              | 1,527.57       | 0.00           |
| 2008                     | 11,315,719               | 27,055,258    | 494,380                 | 1,535,792      | 4,617,473       | 92,476,686     | 6.81                              | 1,632.54       | 0.00           |
| 2007                     | 12,317,624               | 28,203,885    | 749,000                 | 287,579        | 4,991,951       | 90,020,676     | 6.63                              | 1,589.18       | 0.00           |
| 2006                     | 12,849,249               | 29,472,065    | 1,408,000               | 0              | 5,365,315       | 91,522,399     | 6.74                              | 1,615.69       | 0.00           |
| 2005                     | 13,701,254               | 5,612,903     | 11,509,000              | 0              | 5,737,611       | 77,385,074     | 5.70                              | 1,366.12       | 0.00           |
| 2004                     | 9,728,388                | 5,482,940     | 6,148,500               | 0              | 6,108,983       | 66,698,828     | 4.91                              | 1,177.47       | 0.00           |
| 2003                     | 10,337,311               | 5,943,360     | 1,155,000               | 0              | 6,418,862       | 57,382,571     | 4.23                              | 1,013.00       | 0.00           |
| 2002                     | 7,558,600                | 6,710,000     | 3,945,000               | 19,282         | 6,161,367       | 56,857,446     | 4.19                              | 1,003.73       | 0.00           |

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See S10-11 for taxable property value data.

(2) See S26 for population and personal income data.

(3) Includes general bonded debt, other governmental debt and business-type activities debt, presented net.

**City of Lakewood, Ohio**  
*Legal Debt Margin*  
*Last Ten Years*

|  | 2011                | 2010                | 2009                | 2008                | 2007                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Overall Legal Debt Limit<br>(10.5% of Assessed Valuation)  | \$95,225,551        | \$95,332,559        | \$102,111,500       | \$103,199,469       | \$103,525,987       |
| Net Debt Applicable to Debt Limit                          | <u>33,491,466</u>   | <u>34,466,401</u>   | <u>37,460,332</u>   | <u>42,690,007</u>   | <u>42,039,762</u>   |
| Overall Legal Debt Margin<br>(10.5% of Assessed Valuation) | <u>\$61,734,085</u> | <u>\$60,866,158</u> | <u>\$64,651,168</u> | <u>\$60,509,462</u> | <u>\$61,486,225</u> |
| Legal Debt Margin as a Percentage of Debt Limit            | <u>64.83%</u>       | <u>63.85%</u>       | <u>63.31%</u>       | <u>58.63%</u>       | <u>59.39%</u>       |
| Unvoted Legal Debt Limit<br>(5.5% of Assessed Valuation)   | \$49,880,051        | \$49,936,102        | \$53,486,976        | \$54,056,865        | \$54,227,898        |
| Net Debt Applicable to Debt Limit                          | <u>33,491,466</u>   | <u>34,466,401</u>   | <u>37,460,332</u>   | <u>42,690,007</u>   | <u>42,039,762</u>   |
| Unvoted Legal Debt Margin<br>(5.5% of Assessed Valuation)  | <u>\$16,388,585</u> | <u>\$15,469,701</u> | <u>\$16,026,644</u> | <u>\$11,366,858</u> | <u>\$12,188,136</u> |
| Legal Debt Margin as a Percentage of Debt Limit            | <u>32.86%</u>       | <u>30.98%</u>       | <u>29.96%</u>       | <u>21.03%</u>       | <u>22.48%</u>       |

Legal Debt Margin Calculation for the Year Ended December 31, 2011

|   | Overall Margin<br>Within 10.5% | Unvoted Margin<br>Within 5.5% |
|---|--------------------------------|-------------------------------|
| Assessed property value                                 | <u>\$906,910,010</u>           | <u>\$906,910,010</u>          |
| Debt Limitation (percentage of assessed property value) | \$95,225,551                   | \$49,880,051                  |
| Gross Indebtedness:                                     | 69,825,460                     | 69,825,460                    |
| Less: General Obligation Bonds                          | (4,040,000)                    | (4,040,000)                   |
| General Obligation Bonds - Enterprise Funds             | (8,217,886)                    | (8,217,886)                   |
| Revenue Bonds   | (23,482,674)                   | (23,482,674)                  |
| Debt Service Fund                                       | <u>(593,434)</u>               | <u>(593,434)</u>              |
| Net Debt Applicable to Debt Limit                       | <u>33,491,466</u>              | <u>33,491,466</u>             |
| Legal Debt Margin Within Limitations                    | <u>\$61,734,085</u>            | <u>\$16,388,585</u>           |

Note: Under State of Ohio finance law, the City of Lakewood's outstanding general obligation debt that is supported through real estate value should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

| <u>2006</u>         | <u>2005</u>         | <u>2004</u>         | <u>2003</u>         | <u>2002</u>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$94,469,704        | \$94,702,170        | \$95,005,332        | \$84,487,541        | \$85,094,577        |
| <u>41,051,785</u>   | <u>48,932,958</u>   | <u>41,781,567</u>   | <u>38,818,600</u>   | <u>37,203,200</u>   |
| <u>\$53,417,919</u> | <u>\$45,769,212</u> | <u>\$53,223,765</u> | <u>\$45,668,941</u> | <u>\$47,891,377</u> |
| <u>56.55%</u>       | <u>48.33%</u>       | <u>56.02%</u>       | <u>54.05%</u>       | <u>56.28%</u>       |
| \$49,484,131        | \$49,605,898        | \$49,764,698        | \$44,255,379        | \$44,573,350        |
| <u>41,051,785</u>   | <u>48,932,958</u>   | <u>41,781,567</u>   | <u>38,818,600</u>   | <u>37,203,200</u>   |
| <u>\$8,432,346</u>  | <u>\$672,940</u>    | <u>\$7,983,131</u>  | <u>\$5,436,779</u>  | <u>\$7,370,150</u>  |
| <u>17.04%</u>       | <u>1.36%</u>        | <u>16.04%</u>       | <u>12.29%</u>       | <u>16.53%</u>       |

**City of Lakewood, Ohio**

*Computation of Direct and Overlapping Debt Attributable to Governmental Activities*

*December 31, 2011*

|                                     | Debt<br>Attributable to<br>Governmental<br>Activities | Overlapping<br>Percentage<br>Applicable to<br>Lakewood (1) | Amount of<br>Direct and<br>Overlapping<br>Debt |
|-------------------------------------|---|--|--|
| <u>Direct:</u>                      |   |  |  |
| City of Lakewood                    |   |  |  |
| General Obligation Bonds            | \$32,266,849  | 100.00 %   | \$32,266,849                                   |
| Notes Payable                       | 1,948,000   | 100.00   | 1,948,000                                      |
| Loans Payable                       | 215,600   | 100.00   | 215,600  |
| Capital Leases                      | 6,122,214   | 100.00   | 6,122,214                                      |
| Total Direct Debt                   | <u>40,552,663</u>                                     |  | <u>40,552,663</u>                              |
| <u>Overlapping Debt:</u>            |   |  |  |
| Payable from Property Taxes         |   |  |  |
| Cuyahoga County Bonds               | 298,113,842   | 3.01   | 8,973,227                                      |
| Regional Transit Authority Bonds    | 146,681,371   | 3.01   | 4,415,109                                      |
| Lakewood City School District Bonds | 119,469,894   | 100.00   | 119,469,894                                    |
| Payable from Other Sources          |   |  |  |
| Cuyahoga County Capital Leases      | 20,851,000  | 3.01   | 627,615  |
| Cuyahoga County Loans               | 8,310,000   | 3.01   | 250,131  |
| Cuyahoga County Revenue Bonds       | 166,580,000   | 3.01   | 5,014,058                                      |
| Total Overlapping Debt              | <u>760,006,107</u>                                    |  | <u>138,750,034</u>                             |
| Total                               | <u>\$800,558,770</u>                                  |  | <u>\$179,302,697</u>                           |

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Overlapping percentages were calculated by dividing each overlapping government located within the boundaries of the City by the subdivision's total assessed valuation of the government. The valuations were for the 2011 collection year.

This page intentionally left blank.

**City of Lakewood, Ohio**

*Pledged Revenue Coverage*

*Water*

*Last Ten Years*

|                               | 2011               | 2010               | 2009               | 2008               | 2007               |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Available Revenue:        |                    |                    |                    |                    |                    |
| Gross Revenues (1)            | \$10,774,944       | \$10,777,249       | \$10,385,783       | \$10,536,724       | \$11,484,184       |
| Less: Operating Expenses (2)  | 8,128,431          | 8,468,811          | 7,812,615          | 8,042,899          | 8,470,561          |
| Net Available Revenue         | <u>\$2,646,513</u> | <u>\$2,308,438</u> | <u>\$2,573,168</u> | <u>\$2,493,825</u> | <u>\$3,013,623</u> |
| Debt Service OPWC Loans:      |                    |                    |                    |                    |                    |
| Principal                     | \$313,229          | \$313,229          | \$313,229          | \$313,230          | \$313,230          |
| OPWC Coverage                 | <u>8.45</u>        | <u>7.37</u>        | <u>8.21</u>        | <u>7.96</u>        | <u>9.62</u>        |
| Debt Service - Revenue Bonds: |                    |                    |                    |                    |                    |
| Principal                     | 954,572            | 919,125            | 868,232            | 837,338            | 876,890            |
| Interest                      | 538,959            | 575,314            | 608,689            | 650,747            | 598,677            |
| Revenue Bond Coverage         | <u>1.77</u>        | <u>1.54</u>        | <u>1.74</u>        | <u>1.68</u>        | <u>2.04</u>        |
| Total Debt Service:           |                    |                    |                    |                    |                    |
| Principal                     | 1,267,801          | 1,232,354          | 1,181,461          | 1,150,568          | 1,190,120          |
| Interest                      | 538,959            | 575,314            | 608,689            | 650,747            | 598,677            |
| Total Coverage                | <u>1.46</u>        | <u>1.28</u>        | <u>1.44</u>        | <u>1.38</u>        | <u>1.68</u>        |

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

(2) Operating expenses do not include depreciation and amortization expenses.

| 2006               | 2005               | 2004               | 2003               | 2002             |
|--------------------|--------------------|--------------------|--------------------|------------------|
| \$8,803,103        | \$8,857,697        | \$8,584,588        | \$8,520,217        | \$8,803,266      |
| <u>7,364,732</u>   | <u>7,770,689</u>   | <u>7,481,671</u>   | <u>7,085,228</u>   | <u>8,156,070</u> |
| <u>\$1,438,371</u> | <u>\$1,087,008</u> | <u>\$1,102,917</u> | <u>\$1,434,989</u> | <u>\$647,196</u> |
| \$313,229          | \$313,229          | \$301,113          | \$224,310          | \$239,436        |
| <u>4.59</u>        | <u>3.47</u>        | <u>3.66</u>        | <u>6.40</u>        | <u>2.70</u>      |
| 550,998            | 510,000            | 490,000            | 530,000            | 85,000           |
| 249,923            | 251,585            | 251,785            | 246,383            | 159,957          |
| <u>1.80</u>        | <u>1.43</u>        | <u>1.49</u>        | <u>1.85</u>        | <u>2.64</u>      |
| 864,227            | 823,229            | 791,113            | 754,310            | 324,436          |
| 249,923            | 251,585            | 251,785            | 246,383            | 159,957          |
| <u>1.29</u>        | <u>1.01</u>        | <u>1.06</u>        | <u>1.43</u>        | <u>1.34</u>      |

**City of Lakewood, Ohio**  
*Pledged Revenue Coverage*  
*Sewer*  
*Last Nine Years*

|                               | 2011               | 2010               | 2009               | 2008               | 2007               |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Available Revenue:        |                    |                    |                    |                    |                    |
| Gross Revenues (1)            | \$6,849,662        | \$6,443,136        | \$5,821,972        | \$6,220,187        | \$7,628,335        |
| Less: Operating Expenses (2)  | 3,757,052          | 4,207,534          | 4,264,238          | 4,720,506          | 5,900,144          |
| Net Available Revenue         | <u>\$3,092,610</u> | <u>\$2,235,602</u> | <u>\$1,557,734</u> | <u>\$1,499,681</u> | <u>\$1,728,191</u> |
| Debt Service OWDA Loans:      |                    |                    |                    |                    |                    |
| Principal                     | \$30,405           | \$29,138           | \$27,925           | \$26,761           | \$25,647           |
| Interest                      | 3,053              | 4,861              | 5,533              | 6,696              | 7,811              |
| OWDA Coverage                 | <u>92.43</u>       | <u>65.75</u>       | <u>46.56</u>       | <u>44.82</u>       | <u>51.65</u>       |
| Debt Service - OPWC Loans:    |                    |                    |                    |                    |                    |
| Principal                     | 34,486             | 34,485             | 34,485             | 34,487             | 34,487             |
| OPWC Coverage                 | <u>89.68</u>       | <u>64.83</u>       | <u>45.17</u>       | <u>43.49</u>       | <u>50.11</u>       |
| Debt Service - Revenue Bonds: |                    |                    |                    |                    |                    |
| Principal                     | 390,000            | 375,000            | 360,000            | 350,000            | 310,000            |
| Interest                      | 551,463            | 566,463            | 580,863            | 594,862            | 365,088            |
| Revenue Bond Coverage         | <u>3.28</u>        | <u>2.37</u>        | <u>1.66</u>        | <u>1.59</u>        | <u>2.56</u>        |
| Total Debt Service:           |                    |                    |                    |                    |                    |
| Principal                     | 454,891            | 438,623            | 422,410            | 411,248            | 370,314            |
| Interest                      | 554,516            | 571,324            | 586,396            | 601,558            | 372,899            |
| Total Coverage                | <u>3.06</u>        | <u>2.21</u>        | <u>1.54</u>        | <u>1.48</u>        | <u>2.33</u>        |

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

(2) Operating expenses do not include depreciation and amortization expenses

Note: Information prior to 2003 is not available.

| 2006             | 2005               | 2004               | 2003             |
|------------------|--------------------|--------------------|------------------|
| \$6,081,419      | \$6,145,671        | \$5,620,370        | \$5,037,686      |
| 5,217,728        | 4,242,885          | 4,191,193          | 4,339,808        |
| <u>\$863,691</u> | <u>\$1,902,786</u> | <u>\$1,429,177</u> | <u>\$697,878</u> |
| 24,578           | \$23,555           | \$22,573           | \$22,573         |
| 8,879            | 9,902              | 10,884             | 10,884           |
| <u>25.81</u>     | <u>56.87</u>       | <u>42.72</u>       | <u>20.86</u>     |
| 0                | 0                  | 0                  | 0                |
| <u>0</u>         | <u>0</u>           | <u>0</u>           | <u>0</u>         |
| 0                | 0                  | 0                  | 0                |
| 0                | 0                  | 0                  | 0                |
| <u>0</u>         | <u>0</u>           | <u>0</u>           | <u>0</u>         |
| 24,578           | 23,555             | 22,573             | 22,573           |
| 8,879            | 9,902              | 10,884             | 10,884           |
| <u>25.81</u>     | <u>56.87</u>       | <u>42.72</u>       | <u>20.86</u>     |

**City of Lakewood, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

---



---

| <u>Year</u> | <u>Population (1)</u> | <u>Total Personal<br/>Income (5)</u> | <u>Personal<br/>Income<br/>Per Capita</u> | <u>Median<br/>Household<br/>Income (1)</u> | <u>Median<br/>Age (1)</u> |
|-------------|-----------------------|--------------------------------------|---|--|---------------------------|
| 2011        | 52,131                | \$1,431,100,212                      | 27,452                                    | \$43,154                                   | 34.9                      |
| 2010        | 52,131                | 1,431,100,212                        | 27,452                                    | 44,268                                     | 35.4                      |
| 2009        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |
| 2008        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |
| 2007        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |
| 2006        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |
| 2005        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |
| 2004        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |
| 2003        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |
| 2002        | 56,646                | 1,357,351,452                        | 23,962                                    | 40,527                                     | 34.2                      |

(1) Source: U. S. Census

(2) Source: Lakewood City School District

(3) Ohio Department of Job and Family Services

(4) Source: Cuyahoga County Fiscal Officer

(5) Computation of per capita personal income multiplied by population

| <u>Educational<br/>Attainment:<br/>Bachelor's<br/>Degree<br/>or Higher (1)</u> | <u>School<br/>Enrollment (2)</u> | <u>Cuyahoga<br/>County<br/>Unemployment<br/>Rate (3)</u> | <u>Total<br/>Assessed<br/>Property<br/>Value (4)</u> |
|--|----------------------------------|--|--|
| 38.9%  | 5,667                            | 7.1%   | \$906,910,010  |
| 38.9   | 5,664                            | 8.6  | 907,929,130  |
| 35.9   | 5,665                            | 9.0  | 972,490,480  |
| 35.9   | 5,925                            | 7.1  | 982,852,083  |
| 35.9   | 5,755                            | 6.1  | 985,961,781  |
| 35.9   | 6,090                            | 5.3  | 899,711,471  |
| 35.9   | 6,229                            | 5.4  | 901,925,425  |
| 35.9   | 6,416                            | 5.9  | 904,812,684  |
| 35.9   | 6,708                            | 5.7  | 804,643,249  |
| 35.9   | 6,604                            | 5.5  | 810,424,543  |

**City of Lakewood, Ohio**  
*Principal Employers- Based on Income Tax Dollars Withheld*  
*Current Year and Nine Years Ago*

| 2011  |                        |              |                                     |
|---|------------------------|--------------|-------------------------------------|
| Employer  | Nature of Activity     | Employees *  | Percentage of Total City Employment |
| Lakewood Hospital                                     | Health Care            | 1,401        | 11.79%                              |
| Lakewood Board of Education                           | School District        | 1,055        | 8.88                                |
| City of Lakewood                                      | Municipality           | 432          | 3.63                                |
| New York Life Insurance Company                       | Insurance Company      | 320          | 2.69                                |
| The MF Cachat Company                                 | Special Chemical Sales | 55           | 0.46                                |
| Graftech International Holdings                       | Graphite Industry      | 120          | 1.01                                |
| Ohio Bell Telephone Company                           | Public Utility         | 190          | 1.60                                |
| Ferry Cap & Set Screw Company                         | Manufacturing          | 120          | 1.01                                |
| First Federal Saving and Loan Association of Lakewood | Financial Institution  | 180          | 1.51                                |
| Riser Foods Company                                   | Grocer                 | 290          | 2.44                                |
| <b>Total</b>  |                        | <b>4,163</b> | <b>35.02%</b>                       |
| Total Employment within the City                      |                        | 11,886       |                                     |

| 2002                             |                       |              |  |
|----------------------------------|-----------------------|--------------|--|
| Employer                         | Nature of Activity    | Employees ** |  |
| Lakewood Hospital                | Health Care           | 1,418        |  |
| Lakewood Board of Education      | School District       | 1,223        |  |
| City of Lakewood                 | Municipality          | 694          |  |
| Lake Erie Screw Corporation      | Manufacturing         | 244          |  |
| Bonnie Bell                      | Manufacturing         | 110          |  |
| New York Life Insurance Company  | Insurance Company     | 160          |  |
| Aristocrat Lakewood              | Health Care           | 170          |  |
| Advanced Energy Corporation      | Manufacturing         | 108          |  |
| First Federal Savings and Loan   | Financial Institution | 140          |  |
| United Transportation Union      | Union                 | 108          |  |
| <b>Total</b>                     |                       | <b>4,375</b> |  |
| Total Employment within the City |                       | n/a          |  |

Source: City of Lakewood; Department of Taxation

\* # of w-2's filed with the City

\*\* Based on actual number of employees

n/a - not available

**City of Lakewood, Ohio**

*Full-Time City Government Employees by Function/Program (1)  
Last Eight Years (2)*

| Function/Program                        | 2011          | 2010          | 2009          | 2008          | 2007          | 2006          | 2005          | 2004          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Government</b>               |               |               |               |               |               |               |               |               |
| Council                                 | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 2.00          | 2.00          |
| Court                                   | 20.00         | 20.00         | 20.00         | 20.00         | 22.00         | 19.00         | 19.00         | 23.00         |
| Civil Service                           | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Mayor's Office                          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 3.00          |
| Human Resources                         | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 4.00          | 4.00          | 3.00          |
| Community Relations                     | 1.00          | 1.00          | 1.00          | 1.00          | 2.00          | 2.00          | 1.00          | 1.00          |
| Finance                                 | 7.00          | 6.00          | 7.00          | 7.00          | 7.00          | 7.00          | 6.00          | 8.00          |
| Income Tax                              | 4.00          | 4.00          | 3.00          | 4.00          | 6.00          | 7.00          | 5.00          | 2.00          |
| Information System                      | 4.00          | 4.00          | 4.00          | 4.00          | 6.00          | 6.00          | 6.00          | 6.00          |
| Utility Billing                         | 3.00          | 2.00          | 2.00          | 4.00          | 4.00          | 5.00          | 5.00          | 5.00          |
| Health/Vital Stats                      | 2.00          | 3.00          | 3.00          | 3.00          | 8.00          | 11.00         | 10.00         | 13.00         |
| Law                                     | 3.00          | 3.00          | 3.00          | 5.00          | 5.00          | 3.00          | 3.00          | 3.00          |
| Planning and Development                | 5.00          | 6.00          | 6.00          | 5.00          | 3.00          | 3.00          | 3.00          | 2.00          |
| Community Development                   | 2.00          | 3.00          | 3.00          | 3.00          | 8.00          | 6.00          | 8.00          | 9.00          |
| <b>Security of Persons and Property</b> |               |               |               |               |               |               |               |               |
| Police                                  | 97.00         | 100.00        | 99.00         | 98.00         | 96.00         | 94.00         | 94.00         | 94.00         |
| Police - Communications                 | 10.00         | 10.00         | 11.00         | 11.00         | 12.00         | 11.00         | 10.00         | 11.00         |
| Support of Prisoners                    | 2.00          | 5.00          | 4.00          | 4.00          | 4.00          | 3.00          | 3.00          | 3.00          |
| Fire                                    | 76.00         | 75.00         | 76.00         | 78.00         | 81.00         | 77.00         | 76.00         | 76.00         |
| Emergency Medical Services              | 12.00         | 13.00         | 13.00         | 13.00         | 13.00         | 18.00         | 18.00         | 18.00         |
| Housing and Building                    | 13.00         | 15.00         | 16.00         | 14.00         | 19.00         | 22.00         | 21.00         | 19.00         |
| Parking                                 | 2.00          | 2.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| Animal Control                          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| <b>Public Works</b>                     |               |               |               |               |               |               |               |               |
| Public Works Administration             | 2.00          | 2.00          | 2.00          | 2.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| Parks                                   | 13.00         | 13.00         | 11.00         | 13.00         | 16.00         | 16.00         | 16.00         | 15.00         |
| Buildings and Facilities                | 1.00          | 2.00          | 2.00          | 3.00          | 4.00          | 5.00          | 5.00          | 5.00          |
| Construction                            | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 5.00          | 8.00          |
| Streets                                 | 14.00         | 15.00         | 12.00         | 13.00         | 16.00         | 17.00         | 19.00         | 21.00         |
| Forestry                                | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 6.00          | 6.00          | 6.00          |
| Traffic Signs                           | 2.00          | 3.00          | 3.00          | 4.00          | 4.00          | 3.00          | 4.00          | 5.00          |
| Refuse                                  | 32.00         | 35.00         | 35.00         | 43.00         | 46.00         | 52.00         | 51.00         | 53.00         |
| Fleet                                   | 11.00         | 11.00         | 11.00         | 11.00         | 10.00         | 11.00         | 10.00         | 12.00         |
| Communications                          | 0.00          | 0.00          | 0.00          | 0.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Water Distributions                     | 6.00          | 6.00          | 7.00          | 8.00          | 9.00          | 8.00          | 6.00          | 8.00          |
| Water Metering                          | 6.00          | 6.00          | 6.00          | 6.00          | 6.00          | 6.00          | 6.00          | 7.00          |
| Wastewater Collections                  | 11.00         | 12.00         | 13.00         | 14.00         | 14.00         | 16.00         | 15.00         | 17.00         |
| Wastewater Treatment                    | 22.00         | 23.00         | 22.00         | 23.00         | 23.00         | 23.00         | 22.00         | 23.00         |
| Engineering                             | 3.00          | 4.00          | 4.00          | 4.00          | 6.00          | 6.00          | 5.00          | 5.00          |
| Winterhurst                             | 0.00          | 0.00          | 0.00          | 1.00          | 2.00          | 3.00          | 3.00          | 3.00          |
| <b>Human Services</b>                   |               |               |               |               |               |               |               |               |
| Human Services Administration           | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Office on Aging IIIB                    | 16.00         | 18.00         | 18.00         | 21.00         | 25.00         | 25.00         | 26.00         | 27.00         |
| Office on Aging IIIC                    | 0.00          | 0.00          | 0.00          | 0.00          | 7.00          | 7.00          | 7.00          | 7.00          |
| Early Childhood                         | 1.00          | 1.00          | 1.00          | 1.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Youth                                   | 8.00          | 8.00          | 10.00         | 10.00         | 12.00         | 11.00         | 9.00          | 9.00          |
| <b>Totals:</b>                          | <u>432.00</u> | <u>452.00</u> | <u>452.00</u> | <u>475.00</u> | <u>527.00</u> | <u>536.00</u> | <u>527.00</u> | <u>548.00</u> |

Source: City of Lakewood, Finance Department

(1) This table includes full-time employees and excludes part-time and seasonal employees as of December 31.

(2) Information prior to 2004 is not available.

**City of Lakewood, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years (1)*

| Function/Program                                      | 2011        | 2010        | 2009        |
|---|-------------|-------------|-------------|
| <b>General Government</b>                             |             |             |             |
| <i><b>Clerk of Council</b></i>                        |             |             |             |
| Number of ordinances passed                           | 66          | 107         | 94          |
| Number of resolutions passed                          | 70          | 76          | 62          |
| <i><b>Civil Service</b></i>                           |             |             |             |
| Number of police and fire entry application processed | 0           | 0           | 0           |
| <i><b>Finance Department</b></i>                      |             |             |             |
| Number of checks/ vouchers issued                     | 8,705       | 8,924       | 9,291       |
| Interest earnings for fiscal year (cash basis)        | \$11,232    | \$103,993   | \$292,662   |
| <i><b>Income Tax</b></i>                              |             |             |             |
| Number of Annual withholding forms processed          | 24,275      | 22,794      | 22,142      |
| Number of Business net profit forms processed         | 2,378       | 2,224       | 2,271       |
| <b>Public Works</b>                                   |             |             |             |
| <i><b>Engineering</b></i>                             |             |             |             |
| Dollar amount of Construction overseen by Engineer    | \$3,687,241 | \$3,925,960 | \$3,501,473 |
| <i><b>Forestry</b></i>                                |             |             |             |
| Number of trees planted                               | 6           | 272         | 259         |
| <i><b>Parking Enforcement</b></i>                     |             |             |             |
| Number of parking tickets                             | 3,542       | 12,118      | 11,178      |
| <i><b>Refuse</b></i>                                  |             |             |             |
| Collection of resident and business garbage in tons   | 16,369      | 16,296      | 17,010      |
| <i><b>Water</b></i>                                   |             |             |             |
| Average (MCF) of water billed monthly (in thousands)  | 186,536     | 194,311     | 203,999     |
| <i><b>Wastewater Collection</b></i>                   |             |             |             |
| Average (MCF) of sewer billed monthly (in thousands)  | 186,536     | 194,311     | 203,999     |
| <i><b>Wastewater Treatment</b></i>                    |             |             |             |
| Influent flow in millions of gallons per year         | 3,793       | 2,520       | 2,771       |
| Bio-solids wet tons per year                          | 5,240       | 5,580       | 5,002       |

n/a - not available

(1) Information for some years is not available

| 2008        | 2007         | 2006         | 2005        | 2004        | 2003        | 2002        |
|-------------|--------------|--------------|-------------|-------------|-------------|-------------|
| 100         | 95           | 98           | 126         | 120         | 90          | 159         |
| 101         | 73           | 102          | 103         | 124         | 117         | 100         |
| 240         | 0            | 340          | n/a         | n/a         | n/a         | n/a         |
| 11,014      | 9,335        | 7,083        | 6,846       | 7,039       | 7,013       | 7,142       |
| \$741,464   | \$1,763,496  | \$2,004,475  | \$908,127   | \$322,705   | \$420,188   | \$876,738   |
| 22,709      | 22,919       | 9,727        | 8,931       | 7,546       | 6,871       | 6,490       |
| 2,195       | 2,065        | 1,405        | 1,072       | 741         | 845         | 901         |
| \$3,443,940 | \$12,590,150 | \$13,859,602 | \$9,173,108 | \$2,874,226 | \$4,386,804 | \$6,509,178 |
| 206         | 186          | 296          | n/a         | n/a         | n/a         | n/a         |
| 12,004      | 10,287       | 11,868       | 5,251       | 8,455       | 7,983       | 10,731      |
| 19,990      | 21,026       | 22,137       | 21,868      | 23,971      | 25,506      | 25,208      |
| 206,902     | 214,515      | 216,729      | 221,803     | 225,509     | 236,812     | 238,768     |
| 206,902     | 214,515      | 216,729      | 221,803     | 225,509     | 236,812     | 238,768     |
| 3,324       | 3,101        | 3,228        | 2,947       | 3,441       | 3,064       | 2,929       |
| 5,101       | 5,348        | 5,643        | 5,209       | 5,311       | 4,638       | 4,972       |

**City of Lakewood, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Ten Years (1)*

| Function/Program                              | 2011         | 2010         | 2009         |
|---|--------------|--------------|--------------|
| <b>Security of Persons and Property</b>       |              |              |              |
| <i>Police</i>                                 |              |              |              |
| Total calls for services                      | 57,570       | 64,064       | 55,802       |
| Number of citations issued                    | 8,353        | 16,710       | 16,262       |
| <i>Fire</i>                                   |              |              |              |
| Total calls for services-Fire                 | 1,387        | 1,256        | 1,411        |
| Total calls for services-EMS                  | 5,399        | 5,208        | 5,251        |
| <b>Community Environment</b>                  |              |              |              |
| <i>Building Department</i>                    |              |              |              |
| Estimated value of construction               | \$21,012,297 | \$25,472,201 | \$18,660,849 |
| Number of permits issued (all types)          | 2,473        | 2,552        | 2,216        |
| <b>Leisure Time Activities</b>                |              |              |              |
| <i>Parks</i>                                  |              |              |              |
| Recreation Men's and Women's Leagues receipts | \$5,307      | \$5,125      | \$5,025      |
| Recreation Youth Activities receipts          | \$80,351     | \$79,205     | \$78,700     |

n/a - not available

(1) Information for some years is not available

| 2008         | 2007         | 2006         | 2005         | 2004         | 2003         | 2002         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 46,247       | 50,316       | 49,733       | 52,053       | 48,376       | 53,633       | 53,725       |
| 15,747       | 14,009       | 15,007       | 14,872       | 16,744       | 18,596       | 16,287       |
| 1,795        | 2,163        | 2,067        | 2,245        | 1,903        | 1,848        | 1,918        |
| 5,006        | 5,006        | 5,111        | 5,028        | 4,722        | 4,540        | 4,432        |
| \$34,568,567 | \$44,249,478 | \$73,425,066 | \$44,324,510 | \$21,658,746 | \$19,708,966 | \$19,146,896 |
| 2,683        | 2,724        | 2,781        | 3,011        | 2,948        | 3,305        | 3,401        |
| \$5,100      | \$4,250      | \$3,619      | \$8,341      | \$3,200      | n/a          | n/a          |
| \$76,500     | \$73,500     | \$89,347     | \$68,881     | \$22,830     | n/a          | n/a          |

**City of Lakewood, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

| Function/Program                        | 2011  | 2010  | 2009  | 2008  | 2007  |
|---|-------|-------|-------|-------|-------|
| <b>Security of Persons and Property</b> |       |       |       |       |       |
| <b>Police</b>                           |       |       |       |       |       |
| Stations                                | 1     | 1     | 1     | 1     | 1     |
| Vehicles                                | 44    | 44    | 47    | 49    | 51    |
| <b>Fire</b>                             |       |       |       |       |       |
| Stations                                | 3     | 3     | 3     | 3     | 3     |
| Vehicles                                | 17    | 17    | 17    | 18    | 17    |
| <b>Leisure Time Activities</b>          |       |       |       |       |       |
| <b>Parks</b>                            |       |       |       |       |       |
| Number of Parks                         | 15    | 15    | 15    | 15    | 15    |
| Number of Ice Rinks                     | 2     | 2     | 2     | 2     | 2     |
| Number of Skateboarding Areas           | 1     | 1     | 1     | 1     | 1     |
| Number of Baseball Diamonds             | 5     | 5     | 5     | 5     | 5     |
| Number of Soccer Fields                 | 1     | 1     | 1     | 1     | 1     |
| <b>Transportation</b>                   |       |       |       |       |       |
| <b>Service</b>                          |       |       |       |       |       |
| Streets (miles)                         | 93    | 93    | 93    | 93    | 93    |
| Street Lights                           | 1,488 | 1,488 | 1,488 | 1,488 | 1,488 |
| <b>Water and Sewer</b>                  |       |       |       |       |       |
| Water Lines (miles)                     | 112   | 112   | 112   | 112   | 112   |
| Sanitary Sewers (miles)                 | 75    | 75    | 75    | 75    | 75    |
| Storm Sewers (miles)                    | 66    | 66    | 66    | 66    | 66    |
| Combined Sewers (miles)                 | 25    | 25    | 25    | 25    | 25    |

Source: City of Lakewood

| 2006  | 2005  | 2004  | 2003  | 2002  |
|-------|-------|-------|-------|-------|
| 1     | 1     | 1     | 1     | 1     |
| 52    | 50    | 49    | n/a   | n/a   |
| 3     | 3     | 3     | 3     | 3     |
| 18    | 18    | 17    | n/a   | n/a   |
| 15    | 14    | 14    | 14    | 14    |
| 2     | 2     | 2     | 2     | 2     |
| 0     | 0     | 0     | 0     | 0     |
| 5     | 5     | 5     | 5     | 5     |
| 1     | 1     | 1     | 1     | 1     |
| 93    | 93    | 93    | 93    | 93    |
| 1,488 | 1,488 | 1,488 | 1,488 | 1,488 |
| 112   | 111   | 111   | 111   | 111   |
| 75    | 75    | 75    | 75    | 75    |
| 66    | 66    | 66    | 66    | 66    |
| 25    | 25    | 25    | 25    | 25    |

This page intentionally left blank.



# Dave Yost • Auditor of State

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 20, 2012