

Mary Taylor, CPA
Auditor of State

CITY OF LAKEWOOD
CUYAHOGA COUNTY

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CITY OF LAKEWOOD
CUYAHOGA COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Western Reserve Area Agency on Aging</i>						
Nutrition Program for the Elderly	N/A	10.570	\$0	\$8,419	\$0	\$8,419
Total U.S. Department of Agriculture			0	8,419	0	8,419
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
<i>Direct Program</i>						
Community Development Block Grant - 2006	B-06-MC-39-007	14.218	1,385,569	0	1,385,569	0
Community Development Block Grant - 2007	B-07-MC-39-007	14.218	897,271	0	1,435,700	0
Total Community Development Block Grant			2,282,840	0	2,821,269	0
Emergency Shelter Grant - 2006	S-06-MC-39-007	14.231	51,676	0	51,676	0
Emergency Shelter Grant - 2007	S-07-MC-39-007	14.231	65,447	0	62,069	0
Total Emergency Shelter Grant			117,123	0	113,745	0
<i>Passed through Cuyahoga County Housing Consortium</i>						
HOME Investment Partnerships Program Grant	CE-0400-354-01	93.556	415,000	0	396,484	0
Total U.S. Department of Housing and Urban Development			2,814,963	0	3,331,498	0
U.S. DEPARTMENT OF HOMELAND SECURITY						
<i>Direct Program</i>						
Federal Emergency Management Agency Equipment Grant	EMW-2003-FG-11517	97.036	44,098	0	46,615	0
Total U.S. Department of Homeland Security			44,098	0	46,615	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through the Western Reserve Area Agency on Aging</i>						
Title III, Part B - Special Programs for the Aging	N/A	93.044	131,552	0	131,552	0
Title III, Part C - Nutrition Services	N/A	93.045	58,225	78,792	58,225	78,792
Medical Assistance Program	N/A	93.778	131,010	0	131,010	0
Total U.S. Department of Health and Human Services			320,787	78,792	320,787	78,792
Total			\$3,179,848	\$87,211	\$3,698,900	\$87,211

The accompanying notes are an integral part of this schedule.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Note A – Significant Accounting Policies

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

Note B – Subrecipients

The City passes-through certain federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note 8, to the basic financial statements the City records expenditures of federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these federal programs. Under 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 C – Matching Requirements

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

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

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans directly to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2007, the gross amount of loans outstanding under this program is \$2,561,210. The Emergency Shelter Grant is directly received by the City. The U.S. Department of Housing and Urban Development HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

Note E – U.S. Department of Health and Human Services

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

Note F – Food Distribution

Non-monetary assistance, such as meals received from the Western Reserve Agency on Aging, is reported in the Schedule at the value of \$2.65 per meal served. Of the value of an individual meal served, the U.S. Department of Agriculture allocates \$1.00 per meal and the U.S. Department of Health and Human Services allocates \$2.65 per meal. For the year ended December 31, 2007, the City served 29,733 and 26,394 meals through the City's Office on Aging congregate meal program and home delivered meal program; therefore, the U.S. Department of Agriculture allocation was \$8,419 and the U.S. Department of Health and Human Services allocation was \$78,886.

CFDA – Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-004.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated October 2, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items: 2007-001 through 2007-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated October 2, 2008.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit committee, management, Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 2, 2008



Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

Compliance

We have audited the compliance of the City of Lakewood, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Lakewood complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The City's management 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's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the City's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated October 2, 2008.

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



Mary Taylor, CPA
Auditor of State

October 2, 2008

CITY OF LAKEWOOD
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2007-001

Proper Encumbering – Noncompliance and Significant Deficiency

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

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

CITY OF LAKEWOOD
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)

FINDING NUMBER 2007-001 (Continued)

Proper Encumbering – Material Noncompliance and Significant Deficiency (Continued)

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

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

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

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

Six of the 33 non-payroll expenditures (18%) tested were not certified by the fiscal officer at the time the commitment was incurred and there was no evidence the City followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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

We recommend the City certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the City incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation. The fiscal officer should deny payment requests when prior certification or “then and now” certification are not obtained.

Officials’ Response

The City of Lakewood Finance Department acknowledges and appreciates this finding and recommendation from the Auditor of State's Office. The Department's leadership is currently undergoing a thorough review of policies, procedures and practices to prevent future occurrences.

CITY OF LAKEWOOD
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)

FINDING NUMBER 2007-002

Timely Depositing – Material Noncompliance

Ohio Rev. Code Section 9.38 provides, in part, that any public official and/or employee who receives public monies shall deposit said monies with the treasurer of the public office or with a properly designated depository on the next business day following the day of receipt, if the total amount received exceeds one thousand dollars. If the total amount of public money received does not exceed one thousand dollars, the person shall deposit the moneys on the next business day following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy must include provisions and procedures to safeguard the monies until the time of deposit.

During our testing, we noted seven of the 60 license and permit receipts (11.7%) and twelve (12) of the sixty (60) income tax receipts (20%) tested were not deposited in accordance with the requirements mentioned above.

Failure to deposit public money in a timely manner increases the City's exposure to theft, loss, or potential loss of interest income.

We recommend the City adopt a policy requiring all monies collected be deposited with the Finance Director or properly designated depository on the next business day following the day of receipt, if the total amount of such monies received exceeds \$1,000. If the amount does not exceed \$1,000, the City's policy should either require the moneys be deposited on the next business day following the receipt or permit a different time period, not to exceed three days following the day of receipt, in accordance with the Revised Code section noted above. Additionally, the policy must include procedures to safeguard the monies until the time of deposit.

Officials' Response

Division of Municipal Income Tax acknowledges and appreciates this finding and recommendation from the Auditor of State's Office. The Division is currently working with our financial institution to institute a lockbox system to insure more consistent compliance with Ohio Revised Code Section 9.38. The Income Tax Division will continue to evaluate this situation and change the policy regularly as technological advances become available.

FINDING NUMBER 2007-003

Negative Fund Balances – Material Noncompliance

Ohio Rev. Code Section 5705.10(H) states that money paid into any fund shall be used only for the purposes for which such fund is established.

During our testing we noted the following funds had negative fund balances at December 31, 2007:

	Negative Fund Balance
Special Revenue Funds	
CDBG Fund	\$537,578
HOME Investment Program Fund	25,607
Family to Family Fund	14,661

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)**

FINDING NUMBER 2007-003 (Continued)

Negative Fund Balances – Material Noncompliance (Continued)

We recommend the District utilize cash advances to these funds or other appropriate measures to ensure negative fund balances do not exist throughout the year.

Officials' Response

The negative CDBG Fund was due to a timing issue. Although the CDBG Draw Downs were processed on 12/28/2007, the funds were not wired to the city's bank account until after the end of FY 2007. The City's Fiscal Year usually ends at midnight December 31st of every year. The funds were not wired until January 1, 2008. It was too late to be accounted for in FY07.

FINDING NUMBER 2007-004

Workers Compensation – Significant Deficiency

The City is self-insured for workers compensation and has contracted with KKSG and Associates (KKSG) for the processing of billings and quarterly trend analysis. However, KKSG does not provide assurances to the City that it is properly processing the billings for the City.

In order to reasonably ensure the completeness and accuracy of workers compensation billings and the associated claims processed by KKSG, a Statement of Auditing Standards No. 70 (SAS 70) Tier II report which prescribes testing and reporting standards for audits of billing processing controls in place at the service organization should be provided. Therefore, the City should obtain a "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" from KKSG. Such a report, if unqualified, would provide evidence to the City's management that workers compensation billings are being processed in conformance with the contract between KKSG and the City. Failure to obtain such a report puts the burden on management to provide evidence that billings are accurate and complete under the contract.

Officials' Response

The City of Lakewood Finance Department acknowledges and appreciates this finding and recommendation from the Auditor of State's Office. The Department will discuss this finding with the vendor, and will work to amend the current contract to require a SAS-70 Tier II report.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	ORC 5705.41(D)(1) - Ten of the 67 non-payroll expenditures (15%) and 18 of the 40 accounts payable expenditures (45%) tested were not certified by the fiscal officer at the time the commitment was incurred.	No	Repeated as Finding 2007-001
2006-002	ORC 9.38 - 17 of the 60 income tax receipts (28%) tested were not deposited in a timely manner.	No	Repeated as Finding 2007-002
2006-003	The City did not obtain a tier II SAS 70 report for the company that performs workers compensation billings.	No	Repeated as Finding 2007-004
2006-004	There was no evidence that an annual on-site review was conducted during fiscal year 2006 or that an independent audit report was obtained and reviewed for CDBG deficiencies for 4 of the 8 subrecipients.	Yes	

CITY OF LAKEWOOD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2007



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www.onelakewood.com



City of Lakewood, Ohio



Comprehensive Annual Financial Report

For the Year Ended December 31, 2007

Issued by:

City of Lakewood
Department of Finance

City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

INTRODUCTORY SECTION

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City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007
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Jennifer R. Pae
Director of Finance

October 2, 2008

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

We are pleased to submit the Comprehensive Annual Finance Report (CAFR) of the City of Lakewood for the year ended December 31, 2007.

State law requires that every general-purpose local government file within 150 days of fiscal year end a complete set of unaudited financial statements.

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 it has 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 State of Ohio Office of the Auditor has issued an unqualified (“clean”) opinion on the City of Lakewood’s financial statements for the year ended December 31, 2007. The Independent Accountants’ 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 Accountants’ 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.

City of Lakewood’s Profile

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

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

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

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

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

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

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

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

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

Local Economy

The City of Lakewood is witnessing its greatest construction and re-development boom in the past four decades. It is estimated that over \$306.6 million in public and private dollars have been invested in the City since 2005. A significant number of key businesses and institutions have either begun to undergo, or have planned to undergo, major reinvestment projects. The estimated job costs for all building permits issued in 2007 was valued at \$44.2 million, which totaled 2,724 permits and fees resulting in \$494,435 in revenue.

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

Industrial

- Pride One Omni (13001 Athens Avenue)
 - In an effort to attract new tenants, the owner has made a substantial investment in renovating the structure. Omni Lakewood Ltd. purchased the adjacent facility to bring the building back into production as a steel processing center.
 - ✓ **Total Investment \$4.5 Million**

Commercial

- Sherwin Williams (14711 Madison Avenue)
 - The Sherwin Williams Corporation constructed a new freestanding store on the southeast corner of Warren and Madison.
 - ✓ **Total Investment: \$1.4 Million**
- Walgreens (14815 Madison Avenue)
 - Located on the southwest corner of Warren and Madison Avenue, Graystone Group constructed a new Walgreens.
 - ✓ **Total Investment: \$3.2 Million**
- Aldi's and Fifth Third Bank (1600 West 117th Street)
 - Recently, Aldi's and Fifth Third Bank constructed new buildings to house their businesses on the former DeLorean car dealership property.
 - ✓ **Total Investment: \$5.2 Million**

Office

- Rockport Square Medical Office Building (11851 Detroit Avenue)
 - Rysar Properties constructed a new medical office building for Lakewood Hospital. The building is 5,300 sq. ft. and is home to medical offices for physicians of Lakewood Hospital.
 - ✓ **Total Investment: \$1.5 million**

Housing

- Rockport Square (1422 Hopkins Avenue)
 - Under the auspices of Rockport Square LLC, on the former Kopeke Motors and Fairchild Auto Dealership sites, Forest City completed the construction of seventeen new housing units. The company plans to begin construction on fifteen new townhouses, in March 2008 and an 80,000 sq. ft. loft building, in May 2008.
 - ✓ **Total Investment: \$40 million**
- Rosewood Place (15725 Detroit Avenue)
 - Construction has been completed of a building consisting of eleven residential units and 7,000 sq. ft. of retail space. The developer has enlarged the project to include the building located immediately to the east and has improved the interior residential and office units while dramatically improving the storefront.
 - ✓ **Total Investment: \$3.5 million**

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

Private Organizations

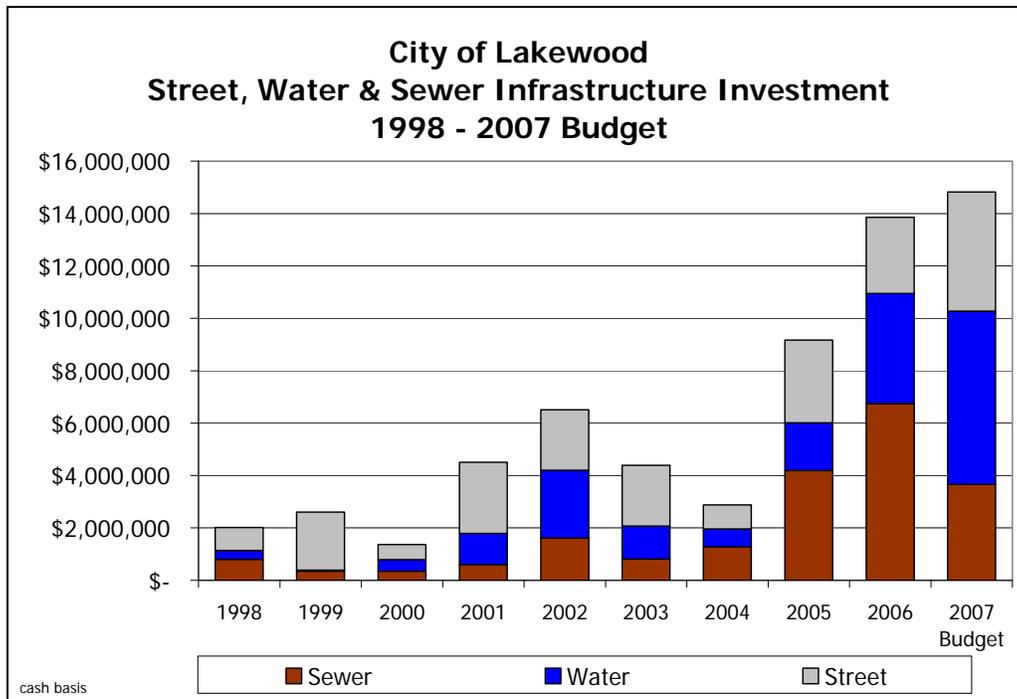
- Lakewood Presbyterian Church (14502 Detroit Avenue)
 - Residing as a congregation in Lakewood for 100 years, Lakewood Presbyterian Church recently embarked on a \$3 million expansion. The project included replacing a 15,000 sq. ft. education and office complex with a new building and renovating much of the remaining building.
 - ✓ **Total Investment: \$3 million**

- St. Edward High School (13500 Detroit Avenue)
 - The high school began renovations to create a new building for its pre-engineering program and a new chapel.
 - ✓ **Total Investment: \$3 million**

Major Initiatives

- **Public Infrastructure Investment Hits 10-year High**

As shown in the following graph, the City’s investment in street, water and sewer infrastructure projects was nearly \$15.0 million in 2007. The largest two projects of 2007, the Clifton Water Main Replacement and the Detroit Avenue Sewer Replacement and Resurfacing projects totaled a combined \$6.5 million.



- **CitiStat Process Continues**

The City of Lakewood engaged the CitiStat process in August 2005 and implementation began in the first quarter of 2006. The CitiStat process helps to identify issues and create solutions to improve the collection and reporting of data in order to make sound management decisions and improve operations.

The entire effort of CitiStat is keenly focused on helping the City of Lakewood to serve the community in an efficient and effective way. The following are a few highlights of the CitiStat process during 2007:

Ten City Divisions Added to the CitiStat Process: In November 2007, ten new divisions joined the CitiStat process. Human Resources, Streets and Forestry, Youth Services, and Early Childhood began making monthly presentations, and this expansion also included Water Administration, Metering, and Distribution. The Streets and Forestry meetings included the Divisions of Streets, Forestry, Traffic Signs and Signals, and Parking. The expansion of CitiStat brought the number of “Stat’ed” divisions up to 19, or almost 60% of all City departments.

CitiStat Website Now Live: The CitiStat website went online during the month of September. This website provides a description of the program, a history of the process, quarterly updates, and the ability to view the involved department’s monthly presentation. Access to the CitiStat website is available at: www.onelakewood.com/citistat.html

- **Lakewood Named as a Finalist for National League of Cities’ Municipal Excellence Award**

The National League of Cities (NLC) and CH2M HILL announced on August 2, 2007 that the City of Lakewood is one of 35 finalists for the 2007 Awards of Municipal Excellence for its Help to Others (H2O) Program. The awards recognize outstanding programs that have improved the quality of life in their city or town.

“Lakewood has demonstrated the leadership, creativity and innovation that the Awards for Municipal Excellence promote,” said Donald J. Borut, NLC’s executive director. “NLC applauds America’s cities and towns for continually striving to find new ways to meet the diverse needs of their citizens.”

Nominated programs are judged on successful public-private partnership ventures; productive citizen and community collaborations; effective management of municipal resources; innovative government policies; project implementation with tangible results; and/or the ability to replicate the project in other cities.

- **Birdtown Listed on the National Register of Historic Places**

Birdtown, a neighborhood in southeastern Lakewood, is an ethnic community with a distinct history reflecting the trends in turn of the century America—the migration of industry from central cities and the simultaneous development of workers’ communities.

The Birdtown neighborhood has had a significant impact on the history and development of the City of Lakewood. The designation of Birdtown to the National Register of Historic Places will spark the continued revitalization currently taking place as well as garner recognition that the neighborhood is a unique and venerable place to live and work.

- **First Federal of Lakewood Partners with City of Lakewood for an Innovative Home Conversion Project**

First Federal of Lakewood and the City of Lakewood announced plans to convert a duplex into a single-family home at 2227 Bunts Road. The project is a combined effort between First Federal, the City and independent architect, Paul Beegan. Prudential Lucien Realty is handling the property sale. Construction began in May, with completion in late summer 2007.

The renovation is part of the City's plan to increase home ownership. The City will be providing up to \$50,000 in assistance from its recently approved Grow Lakewood Housing Fund. The assistance will be utilized to fund the improvements to the property. City money used for the improvements will be repaid when the property is sold as a single-family home.

- **City of Lakewood Retains Aa3 Rating From Moody's Investor's Services**

Moody's Investors Services has assigned an Aa3 rating to the City of Lakewood's General Obligation Long Term (GOLT) debt. The Aa3 rating applies to the City's \$48.679 million of general obligation limited tax debt, which includes the 2007 issuance of \$10.84 million. The City has retained its Aa3 rating, and the negative outlook designation given with the 2005 issuance has been removed. The Aa3 is considered a very good rating, and as of September 2006 only 35 Ohio municipalities out of 177 rank higher than the City of Lakewood.

Long-Term Financial Planning

The City 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 the expected funding sources. The funding sources are reconciled to estimated balances and revenues to ensure that the proper resources will be available for the project when the contract is signed.

Awards and Acknowledgements

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, 2006. This was the 25th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to the City of Lakewood for its 2007 Annual Budget. The GFOA's Distinguished Budget Presentation Award Program is the only national awards program in governmental budgeting. This was the fourth year the City has received this prestigious award.

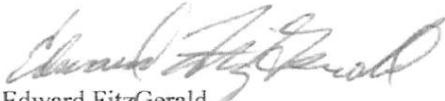
Lakewood is one of only 16 municipalities in the State of Ohio that has received both the Government Finance Officer Association's (GFOA) Distinguished Budget Presentation Award and the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR). Therefore, the City adheres to extensive, best practice criteria for its financial reporting of both its annual budget and its CAFR.

The City was also presented with its 30th consecutive Tree City USA award in 2007. Lakewood has received this award more than any other city in Northeastern Ohio.

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

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

Respectfully submitted,



Edward FitzGerald
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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

CITY OF LAKEWOOD, OHIO
2007 Elected Officials

Mayor Thomas J. George*
Municipal Court Judge Patrick Carroll
City Council At Large Nickie J. Antonio
City Council At Large Michael Dever
City Council At Large Edward FitzGerald

City Council by Wards:

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

* Edward FitzGerald became mayor effective January 1, 2008.

CITY OF LAKEWOOD, OHIO
2007 Appointed Officials

Office of Council

Clerk of CouncilMary Hagan

Municipal Court

Clerk of Courts Terri O'Neill
Magistrates Thomas Wagner and Ralph Skonce

Department of Law

Director of Law Brian T. Corrigan

Department of Finance

Director of Finance Jennifer R. Pae

Department of Public Works

Director of Public WorksAnthony Beno

Department of Public Safety

Chief of Fire Lawrence Mroz
Chief of Police Timothy Malley

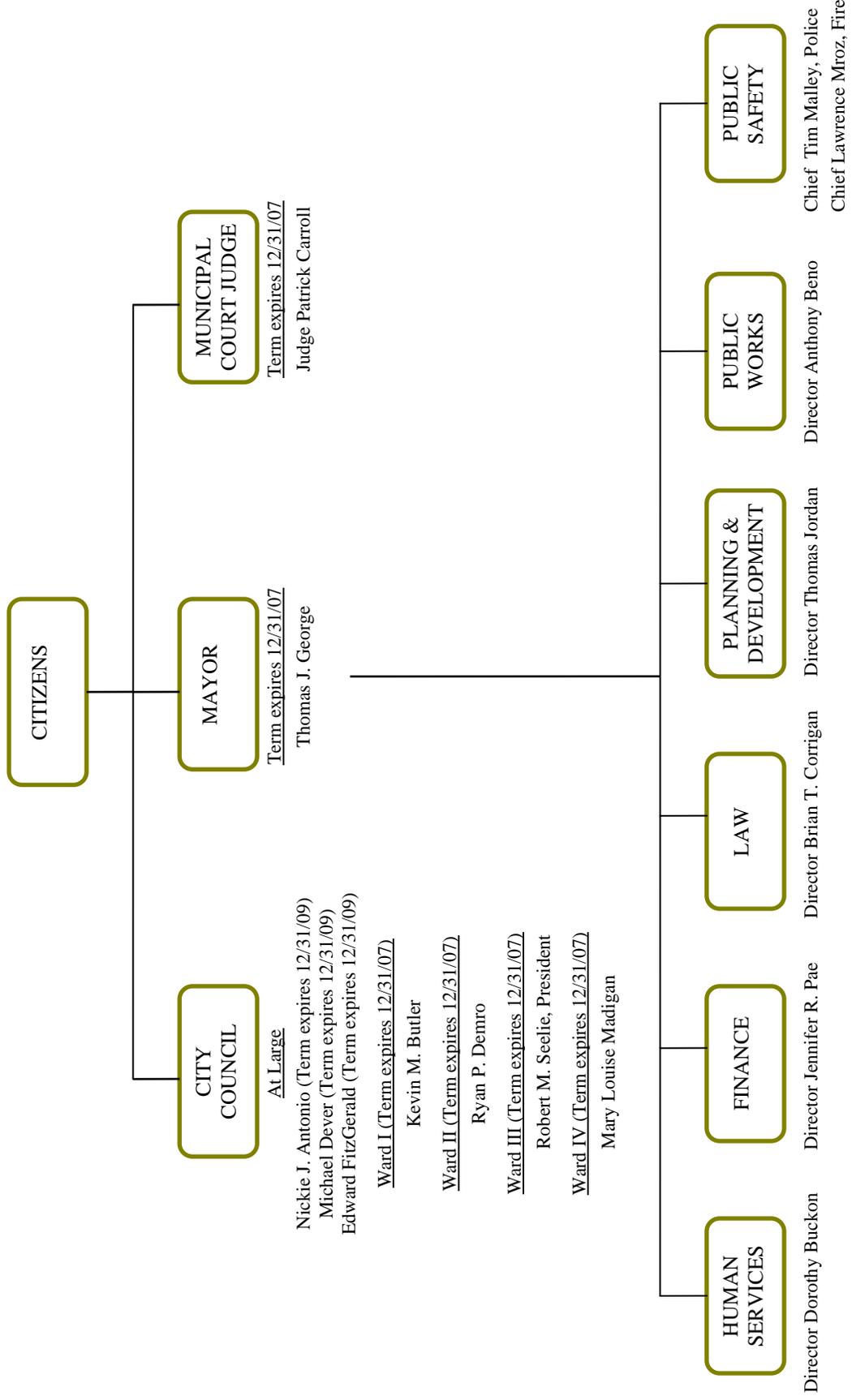
Department of Human Services

Director of Human Services..... Dorothy Buckon

Department of Planning and Community Development

Director of Planning and Development Thomas J. Jordan

CITY OF LAKEWOOD, OHIO
Organizational Chart
as of December 31, 2007



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FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Street and Highway, Police and Fire Pension, Community Development Block Grant, Office on Aging, and Lakewood Hospital funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Mary Taylor, CPA
Auditor of State

October 2, 2008

City of Lakewood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The discussion and analysis of the City of Lakewood's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2007. 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 2007 are as follows:

- The assets of the City exceeded its liabilities at the close of the most recent year by \$74,134,801 (net assets). Of this amount, \$8,361,080 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total Net Assets decreased \$888,091 or approximately one percent from 2006.
- Total Assets of the City decreased \$1,827,039, which represents a one percent decrease from 2006.
- Total Capital Assets increased \$11,947,507, or nine and a half percent over 2006.
- Total outstanding Long-Term liabilities were \$96,545,687. This was a \$780,246, decrease from the balance at the end of 2006.
- At the close of the current year, the City's governmental funds reported combined ending fund balances of \$11,257,267, a decrease of \$2,945,269 in comparison to the prior year.

Overview of the Financial Statements

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

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

For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds 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 government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, and earned, but unused vacation leave).

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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, Street and Highway Fund, Police and Fire Pension Fund, Community Development Block Grant Fund, Office on Aging Fund, Lakewood Hospital Fund, Debt Service Fund, Permanent Capital Improvement Fund, and TIF Capital Improvement Fund; all of which are considered to be major funds. Data from the other twenty-three 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 seven 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, workers' compensation, and general liability insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-76 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 77-151 of the report.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

The City of Lakewood as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2007 compared to 2006.

Table 1 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current and Other Assets	\$36,778,796	\$39,599,132	\$18,034,339	\$28,988,549	\$54,813,135	\$68,587,681
Capital Assets, Net	60,370,492	58,294,580	76,448,745	66,577,150	136,819,237	124,871,730
<i>Total Assets</i>	<u>97,149,288</u>	<u>97,893,712</u>	<u>94,483,084</u>	<u>95,565,699</u>	<u>191,632,372</u>	<u>193,459,411</u>
Liabilities						
Current Liabilities	17,511,357	17,613,225	3,440,527	3,497,361	20,951,884	21,110,586
Long Term Liabilities						
Due within One Year	5,287,145	4,646,180	2,715,635	2,981,571	8,002,780	7,627,751
Due in More than one Year	44,251,074	43,149,894	44,291,833	46,548,288	88,542,907	89,698,182
<i>Total Liabilities</i>	<u>67,049,576</u>	<u>65,409,299</u>	<u>50,447,995</u>	<u>53,027,220</u>	<u>117,497,571</u>	<u>118,436,519</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	17,864,648	16,735,176	37,309,591	34,117,056	55,174,239	50,852,232
Restricted for:						
Capital Projects	3,092,758	5,935,384	0	0	3,092,758	5,935,384
Debt Service	1,543,403	587,889	1,109,163	923,400	2,652,566	1,511,289
Replacement and Improvement	0	0	193,550	186,270	193,550	186,270
Other Purposes	4,660,608	5,108,781	0	0	4,660,608	5,108,781
Unrestricted (Deficit)	2,938,295	4,117,183	5,422,785	7,311,753	8,361,080	11,428,936
<i>Total Net Assets</i>	<u>\$30,099,712</u>	<u>\$32,484,413</u>	<u>\$44,035,089</u>	<u>\$42,538,479</u>	<u>\$74,134,801</u>	<u>\$75,022,892</u>

As noted earlier, net assets serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$74,134,801 at the close of the most recent fiscal year.

The largest portion of the City's net assets (74 percent) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets decreased by \$1,827,039 from 2006 to 2007, while the City's total liabilities also decreased by \$938,948. Total net assets decreased \$888,091 with governmental net assets comprising (\$2,384,701) and business-type activities comprising \$1,496,610 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 2007 compared to 2006.

Table 2 Changes in Net Assets

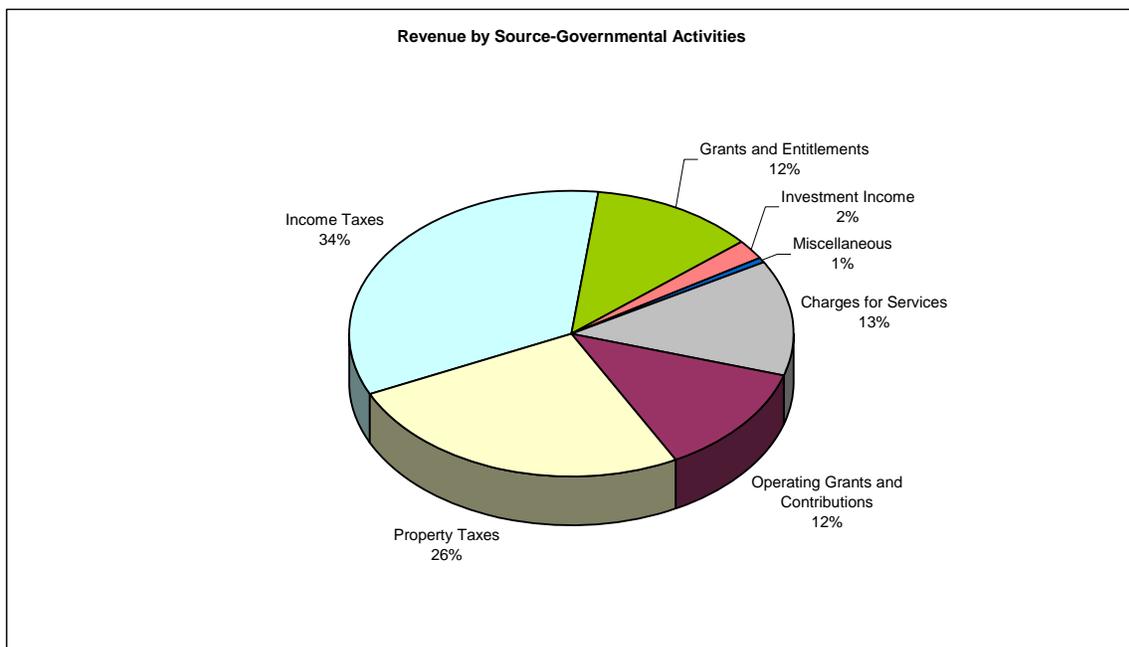
	Governmental Activities 2007	Governmental Activities 2006	Business Type Activities 2007	Business Type Activities 2006	Total 2007	Total 2006
Revenues						
Program Revenues:						
Charges for Services	\$7,039,046	\$7,092,873	\$16,413,663	\$13,479,609	\$23,452,709	\$20,572,482
Operating Grants and Contributions	6,715,127	6,545,741	1,355,106	0	8,070,233	6,545,741
Capital Grants and Contributions	0	584,601	0	0	0	584,601
Total Program Revenues	13,754,173	14,223,215	17,768,769	13,479,609	31,522,942	27,702,824
General Revenues:						
Property Taxes	13,667,400	12,258,762	1,775,081	1,593,691	15,442,481	13,852,453
Payment in Lieu of Taxes	368,523	241,589	0	0	368,523	241,589
Income Taxes	18,246,523	16,955,457	0	0	18,246,523	16,955,457
Grants and Entitlements	6,482,563	6,729,258	0	205,895	6,482,563	6,935,153
Investment Income	1,130,083	1,479,546	636,665	565,729	1,766,748	2,045,275
Miscellaneous	295,266	364,274	20,087	17,543	315,353	381,817
Total General Revenues	40,190,358	38,028,886	2,431,833	2,382,858	42,622,191	40,411,744
Total Revenues	53,944,531	52,252,101	20,200,602	15,862,467	74,145,133	68,114,568
Expenses						
General Government	9,599,299	8,110,235	0	0	9,599,299	8,110,235
Security of Persons and Property						
Police	12,035,903	11,907,585	0	0	12,035,903	11,907,585
Fire	11,028,498	10,241,053	0	0	11,028,498	10,241,053
Public Health Services	4,211,759	4,784,768	0	0	4,211,759	4,784,768
Transportation	3,480,710	2,655,600	0	0	3,480,710	2,655,600
Community Environment	6,798,564	6,628,671	0	0	6,798,564	6,628,671
Basic Utility Services	5,450,051	5,026,300	0	0	5,450,051	5,026,300
Leisure Time Activities	2,159,191	1,955,303	0	0	2,159,191	1,955,303
Interest and Fiscal Charges	1,898,099	1,936,679	0	0	1,898,099	1,936,679
Water	0	0	9,612,007	8,403,497	9,612,007	8,403,497
Sewer	0	0	7,606,437	5,734,921	7,606,437	5,734,921
Parking Facilities	0	0	419,733	482,642	419,733	482,642
Winterhurst Ice Rink	0	0	732,973	1,257,948	732,973	1,257,948
Total Expenses	56,662,074	53,246,194	18,371,150	15,879,008	75,033,224	69,125,202
Increase (Decrease) in Net Assets before Transfers	(2,717,543)	(994,093)	1,829,452	(16,541)	(888,091)	(1,010,634)
Transfers	332,842	(450,000)	(332,842)	450,000	0	0
Increase(Decrease) in Net Assets	(2,384,701)	(1,444,093)	1,496,610	433,459	(888,091)	(1,010,634)
Net Assets Beginning of Year	32,484,413	33,928,506	42,538,479	42,105,020	75,022,892	76,033,526
Net Assets End of Year	\$30,099,712	\$32,484,413	\$44,035,089	\$42,538,479	\$74,134,801	\$75,022,892

Governmental Activities

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent in 2007. 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 2007 was \$18,246,523. Of the \$53,944,531 in total governmental revenues, income tax accounts for 34 percent of that total. Property taxes and payment in lieu of taxes of \$14,035,923 account for 26 percent of total revenues, operating grants, capital grants, contributions, and general revenues from grants and entitlements account for 25 percent of total revenues, and charges for services and other revenue make up the remaining 15 percent.

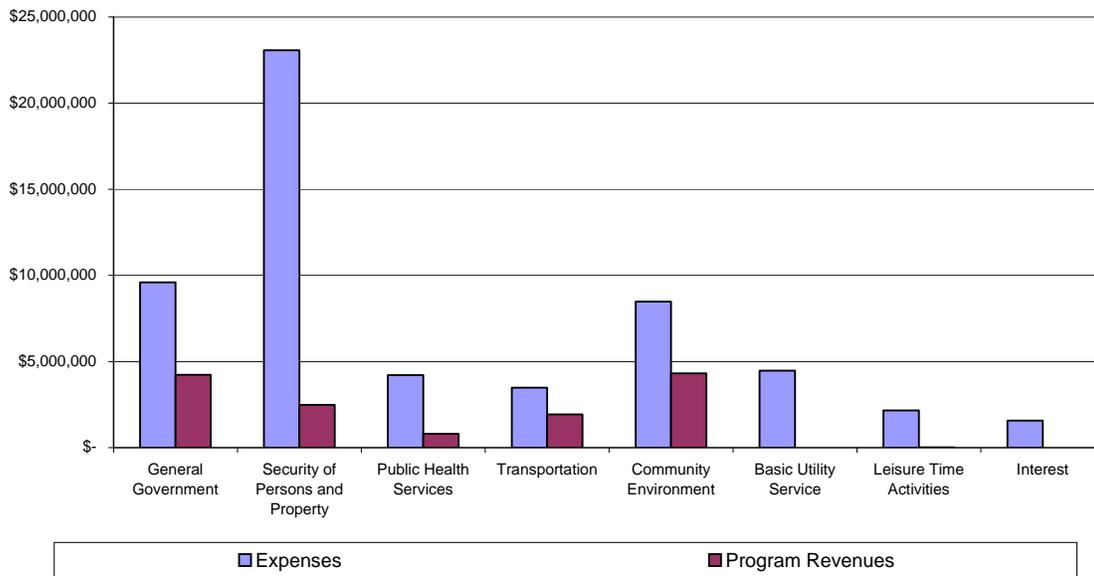
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.



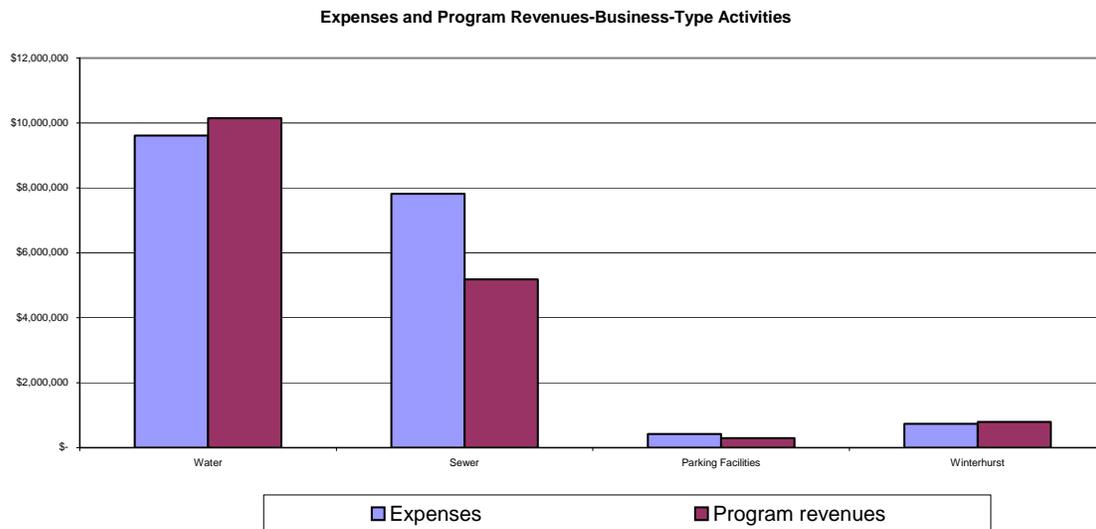
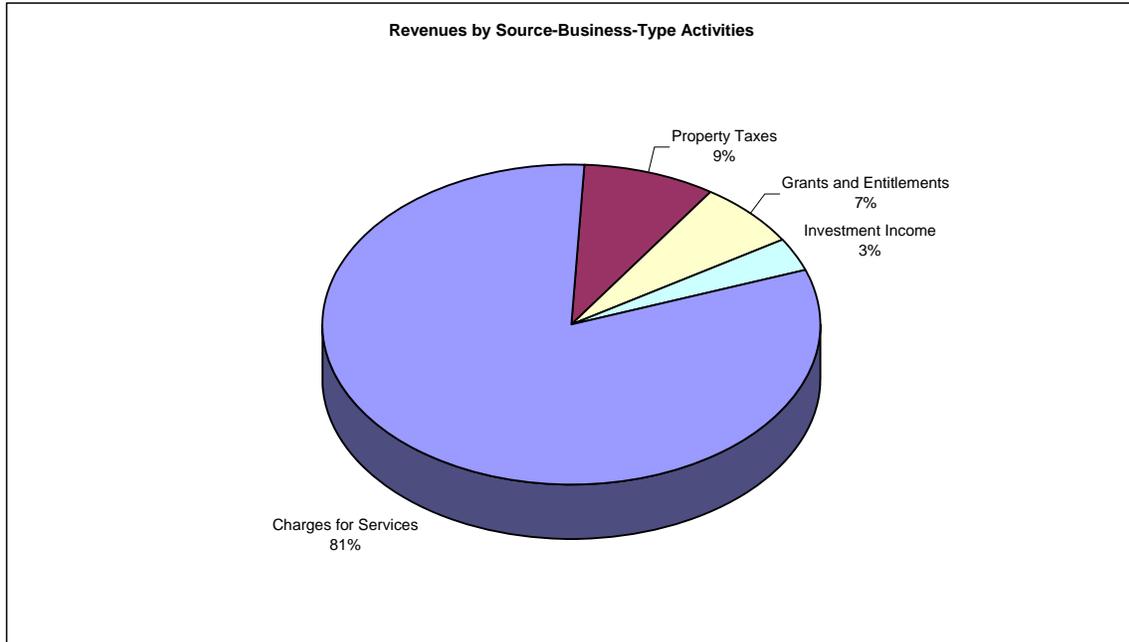
One of the largest portions of change in revenue was a \$1,291,066 increase in income taxes over 2006. The increase was due to higher collection of income taxes from higher wages earned by residents and non-residents of the City.

Total Expenses of governmental activities for 2007 were \$56,662,074. 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 \$23,064,401, which is 41 percent of the program expenses for governmental activities. General Government is the next largest program expense at 17 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 \$1,496,610. The increase is due primarily to increased charges for services. Total expenses of business-type activities were \$18,371,150, with the Water Department comprising 52 percent of that amount followed by Sewer Department at 42 percent.



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance 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, 2007, the City's governmental funds reported combined ending fund balances of \$11,257,267. Of that amount, \$7,364,012 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to loans and to liquidate contracts and purchases of the prior period.

The General Fund had total revenues of \$36,779,057, and expenditures of \$37,026,478 leaving a change in fund balance after other financing sources uses of (\$1,250,855).

The General Fund is the chief operating fund of the City. At the end of the current year, unreserved fund balance of the general fund was \$1,986,309, while the total fund balance reached \$2,056,173. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately five percent of total general fund expenditures, while total fund balance represents the same percent of that same amount.

The Debt Service Fund had total revenues of \$3,732,122, expenditures of \$13,161,225, and a positive after other financing sources (uses) of \$963,901. The Debt Service Fund pays for the principal and interest payments on the City's general long-term debt. The unreserved fund balance was \$1,649,733 to be used for future debt. Unreserved fund balance represents approximately thirteen percent of total expenditures.

Permanent Capital Improvement Fund has total revenues of \$88,315, expenditures of \$3,861,376 and other financing sources (uses) of \$1,873,00, which includes the bond issue of \$2,623,000.

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 the all proprietary funds at the end of the year amounted to \$5,422,785. 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 2007, 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 Finance Director has been authorized to allocate appropriations to the department and object level within each fund. The General Fund supports many of our major activities such as the Police, Fire and Refuse Departments, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

General Fund original budgeted revenues were \$37,622,813. The final budgeted revenues were \$37,772,812. Actual revenues were \$37,078,299. The City's ending unencumbered cash balance in the General Fund was \$248,641 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$6,139,702	\$6,139,702	\$78,150	\$78,150	\$6,217,852	\$6,217,852
Land Improvements	2,965,519	1,692,177	1,429,587	1,467,111	4,395,106	3,159,288
Buildings and Improvements	8,978,687	9,036,601	7,648,672	7,247,005	16,627,359	16,283,606
Vehicles	5,302,879	5,225,605	1,135,835	936,548	6,438,714	6,162,153
Equipment, Machinery and Furniture	2,155,433	2,182,861	3,294,447	3,077,306	5,449,880	5,260,167
Infrastructure:						
Roadways	26,556,502	22,117,676	0	0	26,556,502	22,117,676
Sidewalks	1,621,563	1,646,491	0	0	1,621,563	1,646,491
Traffic Signals	1,823,109	1,917,534	0	0	1,823,109	1,917,534
Water Mains	0	0	34,413,366	29,522,077	34,413,366	29,522,077
Curbing	976,462	990,276	0	0	976,462	990,276
Sanitary Sewers	0	0	18,107,355	12,816,809	18,107,355	12,816,809
Construction in Progress	3,850,636	7,345,657	10,341,333	11,432,144	14,191,969	18,777,801
Total Capital Assets	<u>\$60,370,492</u>	<u>\$58,294,580</u>	<u>\$76,448,745</u>	<u>\$66,577,150</u>	<u>\$136,819,237</u>	<u>\$124,871,730</u>

The City of Lakewood's Investment in Capital Assets for its governmental and business type activities as of December 31, 2007, amounts to \$136,819,237 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, furniture and equipment, roads, sidewalks, traffic signals, water lines, curbing, and sewer lines.

The total increase in the City's capital assets for the current fiscal year was \$11,947,507 (a \$2,075,912 increase for governmental activities and a \$9,871,595 increase for business-type activities). The most significant increase in capital assets came in the construction of replacement water lines and sewer lines in the business-type activities.

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

Debt

As of December 31, 2007, the City had \$96,545,687 in bonds, notes, loans, capital leases, and compensated absences outstanding with \$8,002,780 due within one year.

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

Table 4 Long Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Notes	\$5,374,000	\$8,311,000	\$749,000	\$1,408,000	\$6,123,000	\$9,719,000
General Obligation Bonds	36,361,438	33,481,011	12,317,624	12,849,249	48,679,062	46,330,260
Revenue Bonds	0	0	28,203,885	29,472,065	28,203,885	29,472,065
OPWC Loans	355,416	419,437	4,829,614	5,177,331	5,185,030	5,596,768
OWDA Loans	0	0	162,337	187,984	162,337	187,984
Capital Leases	1,379,783	22,322	287,579	0	1,667,362	22,322
Compensated Absences	6,067,582	5,562,304	457,429	435,230	6,525,011	5,997,534
Total	\$49,538,219	\$47,796,074	\$47,007,468	\$49,529,859	\$96,545,687	\$97,325,933

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

Revenue Bonds outstanding are payable from the revenues derived from the Water 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 Wastewater Fund and will be paid in full in the year 2013.

The City's overall legal debt margin was \$61,486,225 at December 31, 2007.

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

Current Financial Related Activities

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

Property valuation is expected to increase since Lakewood has taken a holistic approach to its economic development efforts leaving no area untouched by new investment. Projects are occurring with its community institutions and schools, along its commercial corridors, in its office buildings, with its industrial heart, and with its reinvestment in its infrastructure. In fact, since 2005 and into the next three years, Lakewood will realize over \$306 million in new investment in these areas as shown by the projects listed in the following table.

City of Lakewood Development since 2005

Advanced Energy Technology	\$11,000,000	Richard Hilliard House	\$1,000,000
Aldi's	3,840,000	Regency Construction	258,500
The Cliffs	19,000,000	Rockport Square	40,000,000
Fifth Third Bank	1,360,000	Rockport Square Medical Office	1,250,000
Lakewood City Schools	136,000,000	Rosewood Place	3,000,000
Lakewood Presbyterian Church	3,000,000	SBC	350,000
Lakewood Park Lakefront	2,400,000	St. Edwards High School	3,000,000
Lakewood Hospital Expansion	8,700,000	Sherwin Williams	900,000
Lakewood Public Library	12,000,000	Thinsolutions	400,000
Martindale Electric	400,000	Veda Printing	1,700,000
Maxxum Outlets Inc.	1,665,000	Virginia Marti College	1,750,000
Nature's Bin	450,000	Walgreens	1,500,000
New York Life	913,000	Westerly	250,000
North Coast Health	300,000	YMCA	9,500,000
Optimal Health Chiropractic	1,600,000	Zaremba	160,000
Pier W	1,600,000	Renovation of the W. 117th Street	5,000,000
Pride One Omni	4,500,000	Streets, Water and Sewer Improvements	27,900,000
	Total Investments		<u>\$306,646,500</u>

The City of Lakewood has committed itself to financial excellence and is proven with the bond rating Aa3 by Moody's Investor Service. The City also has a history of proving their commitment to financial excellence by receiving the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 25 years.

Contacting the City's Finance Department

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

Basic Financial Statements

City of Lakewood, Ohio

Statement of Net Assets

December 31, 2007

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,950,993	\$4,519,459	\$11,470,452
Cash and Cash Equivalents in Segregated Accounts	255,356	0	255,356
Cash and Cash Equivalents with Fiscal Agents	110,052	476,074	586,126
Cash and Cash Equivalents Held by Trustee	0	7,861,789	7,861,789
Accrued Interest Receivable	24,200	2,992	27,192
Accounts Receivable	624,888	2,215,288	2,840,176
Allowance for Doubtful Accounts	0	(52,904)	(52,904)
Intergovernmental Receivable	4,552,338	209,843	4,762,181
Materials and Supplies Inventory	370,285	317,553	687,838
Prepaid Items	320,484	6,663	327,147
Income Taxes Receivable	6,332,956	0	6,332,956
Property Taxes Receivable	13,548,381	1,759,529	15,307,910
Loans Receivable	2,782,856	0	2,782,856
Special Assessments Receivable	20,569	0	20,569
Internal Balances	103,076	(103,076)	0
Deferred Charges	782,362	821,129	1,603,491
Nondepreciable Capital Assets	9,990,338	10,419,483	20,409,821
Depreciable Capital Assets, Net	50,380,154	66,029,262	116,409,416
<i>Total Assets</i>	<u>97,149,288</u>	<u>94,483,084</u>	<u>191,632,372</u>
Liabilities			
Accounts Payable	760,478	889,445	1,649,923
Retainage Payable	90,191	476,074	566,265
Accrued Wages and Benefits	1,033,200	89,425	1,122,625
Intergovernmental Payable	1,638,459	134,652	1,773,111
Deferred Revenue	12,941,527	1,680,717	14,622,244
Accrued Interest Payable	269,601	170,214	439,815
Claims Payable	777,901	0	777,901
Long-Term Liabilities:			
Due Within One Year	5,287,145	2,715,635	8,002,780
Due in More than One Year	44,251,074	44,291,833	88,542,907
<i>Total Liabilities</i>	<u>67,049,576</u>	<u>50,447,995</u>	<u>117,497,571</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	17,864,648	37,309,591	55,174,239
Restricted for:			
Capital Projects	3,092,758	0	3,092,758
Debt Service	1,543,403	1,109,163	2,652,566
Replacement and Improvement	0	193,550	193,550
Other Purposes	4,660,608	0	4,660,608
Unrestricted (Deficit)	2,938,295	5,422,785	8,361,080
<i>Total Net Assets</i>	<u>\$30,099,712</u>	<u>\$44,035,089</u>	<u>\$74,134,801</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Activities
For the Year Ended December 31, 2007

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities			
General Government	\$9,599,299	\$4,228,572	\$0
Security of Persons and Property			
Police	12,035,903	214,450	18,653
Fire	11,028,498	2,249,911	0
Public Health Services	4,211,759	335,613	468,559
Transportation	3,480,710	0	1,927,847
Community Environment	6,798,564	10,500	4,300,068
Basic Utility Services	5,450,051	0	0
Leisure Time Activities	2,159,191	0	0
Interest and Fiscal Charges	1,898,099	0	0
<i>Total Governmental Activities</i>	<u>56,662,074</u>	<u>7,039,046</u>	<u>6,715,127</u>
Business-Type Activities			
Water	9,612,007	10,143,589	1,044,113
Sewer	7,606,437	5,184,560	310,993
Parking	419,733	292,127	0
Winterhurst	732,973	793,387	0
<i>Total Business-Type Activities</i>	<u>18,371,150</u>	<u>16,413,663</u>	<u>1,355,106</u>
<i>Totals</i>	<u>75,033,224</u>	<u>23,452,709</u>	<u>8,070,233</u>

General Revenues

Property and Other Local Taxes Levied for:
 General Purposes
 Police and Fire Pension
 Debt Purposes
Payment in Lieu of Taxes
Municipal Income Taxes Levied for
 General Purposes
Grants and Entitlements not Restricted to
 Specific Programs
Investment Earnings
Miscellaneous
Total General Revenues
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets Beginning of Year
Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$5,370,727)	\$0	(\$5,370,727)
(11,802,800)	0	(11,802,800)
(8,778,587)	0	(8,778,587)
(3,407,587)	0	(3,407,587)
(1,552,863)	0	(1,552,863)
(2,487,996)	0	(2,487,996)
(5,450,051)	0	(5,450,051)
(2,159,191)	0	(2,159,191)
(1,898,099)	0	(1,898,099)
(42,907,901)	0	(42,907,901)
0	1,575,695	1,575,695
0	(2,110,884)	(2,110,884)
0	(127,606)	(127,606)
0	60,414	60,414
0	(602,381)	(602,381)
(42,907,901)	(602,381)	(43,510,282)
7,676,479	1,775,081	9,451,560
2,911,150	0	2,911,150
3,079,771	0	3,079,771
368,523	0	368,523
18,246,523	0	18,246,523
6,482,563	0	6,482,563
1,130,083	636,665	1,766,748
295,266	20,087	315,353
40,190,358	2,431,833	42,622,191
332,842	(332,842)	0
40,523,200	2,098,991	42,622,191
(2,384,701)	1,496,610	(888,091)
32,484,413	42,538,479	75,022,892
\$30,099,712	\$44,035,089	\$74,134,801

City of Lakewood, Ohio

Balance Sheet

Governmental Funds

December 31, 2007

	<u>General Fund</u>	<u>Street and Highway Fund</u>	<u>Police and Fire Pension Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Office on Aging Fund</u>
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$0	\$64,479	\$1,499,641	\$0	\$48,185
Cash and Cash Equivalents:					
In Segregated Accounts	193,072	9,276	0	0	0
With Fiscal Agents	0	0	0	30,221	0
Accrued Interest Receivable	18,303	0	0	0	0
Accounts Receivable	421,663	0	0	0	33,100
Intergovernmental Receivable	2,791,785	825,106	151,811	517,021	36,096
Materials and Supplies Inventory	322,136	48,149	0	0	0
Prepaid Items	304,280	0	0	4,094	297
Income Taxes Receivable	6,332,956	0	0	0	0
Property Taxes Receivable	7,609,967	0	2,885,629	0	0
Loans Receivable	0	0	0	2,782,856	0
Special Assessment Receivable	0	0	0	0	0
Interfund Receivable	374,102	0	0	0	0
<i>Total Assets</i>	<u>\$18,368,264</u>	<u>\$947,010</u>	<u>\$4,537,081</u>	<u>\$3,334,192</u>	<u>\$117,678</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$388,939	\$146,175	\$0	\$57,992	\$9,784
Retainage Payable	0	9,276	0	30,221	0
Accrued Wages and Benefits	918,455	23,968	0	10,060	39,163
Intergovernmental Payable	628,385	37,719	690,141	16,435	67,945
Deferred Revenue	13,922,974	516,976	3,037,440	0	0
Interfund Payable	453,338	18,579	0	546,196	38,397
<i>Total Liabilities</i>	<u>16,312,091</u>	<u>752,693</u>	<u>3,727,581</u>	<u>660,904</u>	<u>155,289</u>
Fund Balances					
Reserved for Encumbrances	69,864	177,637	0	46,640	50
Reserved for Loans	0	0	0	2,407,537	0
Undesignated, Reported In (Deficit):					
General Fund	1,986,309	0	0	0	0
Special Revenue Funds	0	16,680	809,500	219,111	(37,661)
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>2,056,173</u>	<u>194,317</u>	<u>809,500</u>	<u>2,673,288</u>	<u>(37,611)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$18,368,264</u>	<u>\$947,010</u>	<u>\$4,537,081</u>	<u>\$3,334,192</u>	<u>\$117,678</u>

See accompanying notes to the basic financial statements

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$31,210	\$1,626,106	\$2,458,535	\$208,827	\$909,352	\$6,846,335
0	0	52,898	0	0	255,246
29,137	0	50,694	0	0	110,052
0	3,058	0	847	0	22,208
134,362	0	0	0	32,905	622,030
0	160,605	0	0	69,914	4,552,338
0	0	0	0	0	370,285
11,813	0	0	0	0	320,484
0	0	0	0	0	6,332,956
0	3,052,785	0	0	0	13,548,381
0	0	0	0	0	2,782,856
0	20,569	0	0	0	20,569
0	0	233,693	0	10,783	618,578
<u>\$206,522</u>	<u>\$4,863,123</u>	<u>\$2,795,820</u>	<u>\$209,674</u>	<u>\$1,022,954</u>	<u>\$36,402,318</u>
\$11,868	\$0	\$56,756	\$0	\$27,514	\$699,028
0	0	50,694	0	0	90,191
41,554	0	0	0	0	1,033,200
60,129	0	0	0	0	1,500,754
0	3,213,390	0	0	0	20,690,780
23,534	0	0	0	51,054	1,131,098
<u>137,085</u>	<u>3,213,390</u>	<u>107,450</u>	<u>0</u>	<u>78,568</u>	<u>25,145,051</u>
972	0	552,322	634,233	4,000	1,485,718
0	0	0	0	0	2,407,537
0	0	0	0	0	1,986,309
68,465	0	0	0	697,314	1,773,409
0	1,649,733	0	0	48,358	1,698,091
0	0	2,136,048	(424,559)	194,714	1,906,203
<u>69,437</u>	<u>1,649,733</u>	<u>2,688,370</u>	<u>209,674</u>	<u>944,386</u>	<u>11,257,267</u>
<u>\$206,522</u>	<u>\$4,863,123</u>	<u>\$2,795,820</u>	<u>\$209,674</u>	<u>\$1,022,954</u>	<u>\$36,402,318</u>

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City of Lakewood, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2007*

Total Governmental Fund Balances \$11,257,267

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

Capital assets used in governmental activities are not financial resources and therefore
 are not reported in the funds: 60,370,492

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

Property and Other Taxes	606,854	
Municipal Income Taxes	4,299,902	
Intergovernmental	2,842,497	
Total	7,749,253	7,749,253

Three internal service funds are used by management to charge the cost of insurance to
 individual funds. The assets and liabilities of the internal service funds are included in
 governmental activities in the statement of net assets. (251,842)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental
 funds, an interest expenditure is reported when due. (269,601)

Bond Issuance costs will be amortized over the life of the bonds on
 the statement of activities. 782,362

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

Notes Payable	(5,374,000)	
General Obligation Bonds	(35,999,071)	
Unamortized Bond Premium	(362,367)	
OPWC Loans	(355,416)	
Capital Lease Payable	(1,379,783)	
Compensated Absences Payable	(6,067,582)	
Total	(49,538,219)	(49,538,219)

Net Assets of Governmental Activities \$30,099,712

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2007

	General Fund	Street and Highway Fund	Police and Fire Pension Fund	Community Development Block Grant Fund	Office on Aging Fund
Revenues					
Property Taxes	\$7,583,728	\$0	\$2,875,980	\$0	\$0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	18,143,485	0	0	0	0
Charges for Services	1,003,970	0	0	0	230,136
Licenses, Permits and Fees	1,929,936	0	0	0	0
Fines and Forfeitures	1,244,321	0	0	0	0
Intergovernmental	5,822,363	1,976,345	358,217	3,201,638	291,952
Contributions and Donations	0	0	0	0	86,276
Special Assessments	0	0	0	0	0
Interest	909,216	0	0	0	0
Miscellaneous	142,038	163	0	0	28,710
<i>Total Revenues</i>	<u>36,779,057</u>	<u>1,976,508</u>	<u>3,234,197</u>	<u>3,201,638</u>	<u>637,074</u>
Expenditures					
Current:					
General Government	8,392,138	0	0	0	0
Security of Persons and Property:					
Police	10,332,503	0	1,204,441	0	0
Fire	7,519,465	0	1,373,774	0	0
Public Health Services	804,849	0	0	0	2,466,320
Transportation	0	2,617,950	0	0	0
Community Environment	2,925,422	0	0	2,701,545	0
Basic Utility Services	5,089,792	0	0	0	0
Leisure Time Activities	1,944,398	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	17,853	0	0	0	0
Interest and Fiscal Charges	58	0	0	0	0
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>37,026,478</u>	<u>2,617,950</u>	<u>2,578,215</u>	<u>2,701,545</u>	<u>2,466,320</u>
Excess of Revenues Over (Under) Expenditures	<u>(247,421)</u>	<u>(641,442)</u>	<u>655,982</u>	<u>500,093</u>	<u>(1,829,246)</u>
Other Financing Sources (Uses)					
Bonds Issued	0	0	0	0	0
Notes Issued	0	0	0	0	0
Premium	0	0	0	0	0
Inception of Capital Lease	1,375,314	0	0	0	0
Transfers In	0	0	0	0	1,683,100
Transfers Out	(2,378,748)	0	(425,900)	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,003,434)</u>	<u>0</u>	<u>(425,900)</u>	<u>0</u>	<u>1,683,100</u>
<i>Net Change in Fund Balances</i>	<u>(1,250,855)</u>	<u>(641,442)</u>	<u>230,082</u>	<u>500,093</u>	<u>(146,146)</u>
<i>Fund Balances Beginning of Year</i>	<u>3,307,028</u>	<u>835,759</u>	<u>579,418</u>	<u>2,173,195</u>	<u>108,535</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$2,056,173</u>	<u>\$194,317</u>	<u>\$809,500</u>	<u>\$2,673,288</u>	<u>(\$37,611)</u>

See accompanying notes to the basic financial statements

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$0	\$3,042,564	\$0	\$0	\$0	\$13,502,272
0	0	0	0	368,523	368,523
0	0	0	0	0	18,143,485
2,249,911	0	0	0	10,500	3,494,517
105,477	0	0	0	0	2,035,413
0	0	0	0	214,450	1,458,771
90,331	378,967	79,495	0	1,039,941	13,239,249
0	0	0	0	0	86,276
0	123,219	0	0	0	123,219
0	168,510	8,820	43,537	0	1,130,083
24,813	18,862	0	0	80,680	295,266
<u>2,470,532</u>	<u>3,732,122</u>	<u>88,315</u>	<u>43,537</u>	<u>1,714,094</u>	<u>53,877,074</u>
0	0	0	0	215,377	8,607,515
0	0	0	0	141,524	11,678,468
1,674,533	0	0	0	0	10,567,772
803,474	0	0	0	14,475	4,089,118
0	0	0	0	0	2,617,950
0	0	0	0	1,160,360	6,787,327
0	0	0	0	0	5,089,792
0	0	0	0	0	1,944,398
0	0	3,856,529	669,175	0	4,525,704
0	11,198,125	0	0	15,000	11,230,978
0	1,662,410	4,847	0	257,086	1,924,401
0	300,690	0	0	0	300,690
<u>2,478,007</u>	<u>13,161,225</u>	<u>3,861,376</u>	<u>669,175</u>	<u>1,803,822</u>	<u>69,364,113</u>
<u>(7,475)</u>	<u>(9,429,103)</u>	<u>(3,773,061)</u>	<u>(625,638)</u>	<u>(89,728)</u>	<u>(15,487,039)</u>
0	10,520,000	0	0	0	10,520,000
0	2,751,000	2,623,000	0	0	5,374,000
0	57,987	0	0	0	57,987
0	0	0	0	0	1,375,314
0	1,925,900	0	0	22,000	3,631,000
0	(17,158)	(750,000)	0	0	(3,571,806)
0	(4,844,725)	0	0	0	(4,844,725)
<u>0</u>	<u>10,393,004</u>	<u>1,873,000</u>	<u>0</u>	<u>22,000</u>	<u>12,541,770</u>
<u>(7,475)</u>	<u>963,901</u>	<u>(1,900,061)</u>	<u>(625,638)</u>	<u>(67,728)</u>	<u>(2,945,269)</u>
<u>76,912</u>	<u>685,832</u>	<u>4,588,431</u>	<u>835,312</u>	<u>1,012,114</u>	<u>14,202,536</u>
<u>\$69,437</u>	<u>\$1,649,733</u>	<u>\$2,688,370</u>	<u>\$209,674</u>	<u>\$944,386</u>	<u>\$11,257,267</u>

City of Lakewood, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007*

Net Change in Fund Balances - Total Government Funds (\$2,945,269)

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

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

Capital Asset Additions	4,308,267	
Current Year Depreciation	<u>(1,826,017)</u>	
Total		2,482,250

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.

(406,338)

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

Property Taxes	165,128	
Municipal Income Taxes	103,038	
Special Assessments	(72,874)	
Intergovernmental	<u>(127,835)</u>	
Total		67,457

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

Bond and Note Principal	11,213,125	
Capital Lease	<u>17,853</u>	
Total		11,230,978

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

300,690

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

Accrued Interest	62,930	
Amortization of Bond Premium	30,955	
Amortization of Bond Issuance Costs	(51,359)	
Amortization of Loss on Refunding	<u>(16,224)</u>	
Total		26,302

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.

(505,278)

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.

Inception of Capital Lease	(1,375,314)	
General Obligation Bonds Issued	(10,520,000)	
Payment to Refunded Bond Escrow Agent	4,844,725	
Bond Premium	(57,987)	
Notes Issued	<u>(5,374,000)</u>	
Total		(12,482,576)

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

(152,917)

Change in Net Assets of Governmental Activities

(\$2,384,701)

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$7,538,331	\$7,538,331	\$7,584,495	\$46,164
Municipal Income Taxes	18,000,000	18,150,000	18,300,458	150,458
Charges for Services	1,542,975	1,542,975	889,882	(653,093)
Licenses, Permits and Fees	1,302,198	1,302,198	1,929,936	627,738
Fines and Forfeitures	1,426,330	1,426,330	1,241,158	(185,172)
Intergovernmental	6,552,404	6,552,403	6,039,100	(513,303)
Interest	1,150,000	1,150,000	948,684	(201,316)
Miscellaneous	110,575	110,575	144,586	34,011
<i>Total Revenues</i>	<u>37,622,813</u>	<u>37,772,812</u>	<u>37,078,299</u>	<u>(694,513)</u>
Expenditures				
Current:				
General Government	8,257,471	8,265,748	7,852,504	413,244
Security of Persons and Property	17,090,686	17,375,686	17,281,176	94,510
Public Health Services	1,091,719	1,103,719	976,065	127,654
Community Environment	2,897,956	3,042,956	2,888,499	154,457
Basic Utility Services	4,806,136	4,632,386	4,517,621	114,765
Leisure Time Activities	2,000,911	1,973,661	1,935,137	38,524
<i>Total Expenditures</i>	<u>36,144,879</u>	<u>36,394,156</u>	<u>35,451,002</u>	<u>943,154</u>
Excess of Revenues Over Expenditures	<u>1,477,934</u>	<u>1,378,656</u>	<u>1,627,297</u>	<u>248,641</u>
Other Financing Sources (Uses)				
Transfers Out	(2,508,025)	(2,378,748)	(2,378,748)	0
Advances In	30,825	30,825	30,825	0
Advances Out	0	(30,000)	(30,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,477,200)</u>	<u>(2,377,923)</u>	<u>(2,377,923)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(999,266)</u>	<u>(999,267)</u>	<u>(750,626)</u>	<u>248,641</u>
<i>Fund Balance Beginning of Year</i>	<u>971,745</u>	<u>971,745</u>	<u>971,745</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>118,399</u>	<u>118,399</u>	<u>118,399</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$90,878</u>	<u>\$90,877</u>	<u>\$339,518</u>	<u>\$248,641</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street and Highway Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,036,000	\$2,036,000	\$1,945,241	(\$90,759)
Miscellaneous	25,750	25,750	163	(25,587)
<i>Total Revenues</i>	2,061,750	2,061,750	1,945,404	(116,346)
Expenditures				
Current:				
Transportation	2,515,207	2,515,207	2,420,964	94,243
<i>Net Change in Fund Balance</i>	(453,457)	(453,457)	(475,560)	(22,103)
<i>Fund Balance Beginning of Year</i>	506,163	506,163	506,163	0
<i>Prior Year Encumbrances Appropriated</i>	33,877	33,877	33,877	0
<i>Fund Balance End of Year</i>	<u>\$86,583</u>	<u>\$86,583</u>	<u>\$64,480</u>	<u>(\$22,103)</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$2,858,465	\$2,858,465	\$2,875,980	\$17,515
Intergovernmental	334,166	334,166	358,217	24,051
<i>Total Revenues</i>	<u>3,192,631</u>	<u>3,192,631</u>	<u>3,234,197</u>	<u>41,566</u>
Expenditures				
Current:				
Security of Persons and Property	<u>2,645,568</u>	<u>2,660,568</u>	<u>2,579,724</u>	<u>80,844</u>
Excess of Revenues Over Expenditures	547,063	532,063	654,473	122,410
Other Financing Uses				
Transfers Out	<u>(425,900)</u>	<u>(425,900)</u>	<u>(425,900)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	121,163	106,163	228,573	122,410
<i>Fund Balance Beginning of Year</i>	<u>675,688</u>	<u>675,688</u>	<u>675,688</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$796,851</u></u>	<u><u>\$781,851</u></u>	<u><u>\$904,261</u></u>	<u><u>\$122,410</u></u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$3,982,885	\$4,144,383	\$2,282,840	(\$1,861,543)
Expenditures				
Current:				
Community Environment	3,705,448	3,866,946	2,768,686	1,098,260
Excess of Revenues Over (Under) Expenitures	277,437	277,437	(485,846)	(763,283)
Other Financing Uses				
Transfers Out	(6,755)	(6,755)	0	(6,755)
<i>Net Change in Fund Balance</i>	270,682	270,682	(485,846)	(756,528)
<i>Fund Balance (Deficit) Beginning of Year</i>	(51,732)	(51,732)	(51,732)	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$218,950</u>	<u>\$218,950</u>	<u>(\$537,578)</u>	<u>(\$756,528)</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$3,600	\$3,600	\$230,136	\$226,536
Intergovernmental	385,500	385,500	287,055	(98,445)
Contributions and Donations	240,000	240,000	86,276	(153,724)
<i>Total Revenues</i>	629,100	629,100	603,467	(25,633)
Expenditures				
Current:				
Public Health Services	2,526,971	2,526,971	2,440,781	86,190
Excess of Revenues Under Expenditures	(1,897,871)	(1,897,871)	(1,837,314)	60,557
Other Financing Sources				
Transfers In	1,708,100	1,708,100	1,683,100	(25,000)
<i>Net Change in Fund Balance</i>	(189,771)	(189,771)	(154,214)	35,557
<i>Fund Balance Beginning of Year</i>	202,029	202,029	202,029	0
<i>Prior Year Encumbrances Appropriated</i>	372	372	372	0
<i>Fund Balance End of Year</i>	<u>\$12,630</u>	<u>\$12,630</u>	<u>\$48,187</u>	<u>\$35,557</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,249,041	\$2,249,042	\$2,221,657	(\$27,385)
Licenses, Permits and Fees	110,000	110,000	105,477	(4,523)
Intergovernmental	76,250	100,187	90,331	(9,856)
Miscellaneous	313	312	620	308
<i>Total Revenues</i>	<u>2,435,604</u>	<u>2,459,541</u>	<u>2,418,085</u>	<u>(41,456)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire	1,680,743	1,690,743	1,658,871	31,872
Public Health Services	837,534	858,471	788,691	69,780
<i>Total Expenditures</i>	<u>2,518,277</u>	<u>2,549,214</u>	<u>2,447,562</u>	<u>101,652</u>
<i>Net Change in Fund Balance</i>	(82,673)	(89,673)	(29,477)	60,196
<i>Fund Balance Beginning of Year</i>	86,496	86,496	86,496	0
<i>Prior Year Encumbrances Appropriated</i>	3,339	3,339	3,339	0
<i>Fund Balance End of Year</i>	<u>\$7,162</u>	<u>\$162</u>	<u>\$60,358</u>	<u>\$60,196</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2007

	Business Type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Non Major Funds	Total	Activities - Internal Service Funds
Assets					
Current Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$2,828,619	\$1,599,425	\$91,415	\$4,519,459	\$104,768
Cash and Cash Equivalents in Segregated Accounts	161,552	314,522	0	476,074	0
Accrued Interest Receivable	2,992	0	0	2,992	1,992
Accounts Receivable	1,406,867	765,573	42,848	2,215,288	2,858
Less: Allowance for Doubtful Accounts	(34,388)	(18,516)	0	(52,904)	0
Interfund Receivable	0	0	0	0	615,596
Intergovernmental Receivable	0	209,843	0	209,843	0
Materials and Supplies Inventory	65,484	205,639	46,430	317,553	0
Prepaid Items	4,630	2,033	0	6,663	0
Property Tax Receivable	0	1,759,529	0	1,759,529	0
<i>Total Current Assets</i>	<u>4,435,756</u>	<u>4,838,048</u>	<u>180,693</u>	<u>9,454,497</u>	<u>725,214</u>
Long-Term Assets					
Restricted Assets:					
Cash Equivalents Held by Trustee	3,263,651	4,598,138	0	7,861,789	0
Deferred Bond Issuance Costs	314,008	495,285	11,836	821,129	0
Nondepreciable Capital Assets	3,450,297	6,525,628	443,558	10,419,483	0
Depreciable Capital Assets, Net	35,769,508	28,264,421	1,995,333	66,029,262	0
Total Noncurrent Assets	<u>42,797,464</u>	<u>39,883,472</u>	<u>2,450,727</u>	<u>85,131,663</u>	<u>0</u>
<i>Total Assets</i>	<u>47,233,220</u>	<u>44,721,520</u>	<u>2,631,420</u>	<u>94,586,160</u>	<u>725,214</u>
Liabilities					
Current Liabilities					
Accounts Payable	559,224	270,764	59,457	889,445	61,450
Retainage Payable	161,552	314,522	0	476,074	0
Accrued Wages and Benefits	26,340	52,056	11,029	89,425	0
Intergovernmental Payable	41,282	74,590	18,780	134,652	137,705
Interfund Payable	23,531	43,352	36,193	103,076	0
Deferred Revenue	0	1,680,717	0	1,680,717	0
Claims Payable	0	0	0	0	777,901
Accrued Interest Payable	54,660	108,037	7,517	170,214	0
Compensated Absence Payable	18,787	68,259	12,018	99,064	0
Bonds Payable	837,339	1,254,412	118,446	2,210,197	0
Capital Leases Payable	3,509	26,160	2,233	31,902	0
OPWC Loans Payable	313,226	34,485	0	347,711	0
OWDA Loans Payable	0	26,761	0	26,761	0
<i>Total Current Liabilities</i>	<u>2,039,450</u>	<u>3,954,115</u>	<u>265,673</u>	<u>6,259,238</u>	<u>977,056</u>
Long-Term Liabilities					
Compensated Absence Payable	120,476	193,490	44,399	358,365	0
Bonds Payable	13,593,620	23,132,487	1,585,205	38,311,312	0
Capital Leases Payable	27,901	210,806	16,970	255,677	0
OPWC Loans Payable	4,042,136	439,767	0	4,481,903	0
OWDA Loans Payable	0	135,576	0	135,576	0
Notes Payable	175,000	574,000	0	749,000	0
Total Long Term Liabilities	<u>17,959,133</u>	<u>24,686,126</u>	<u>1,646,574</u>	<u>44,291,833</u>	<u>0</u>
<i>Total Liabilities</i>	<u>19,998,583</u>	<u>28,640,241</u>	<u>1,912,247</u>	<u>50,551,071</u>	<u>977,056</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	22,900,243	13,679,004	730,344	37,309,591	0
Restricted for Debt Service	676,847	432,316	0	1,109,163	0
Restricted for Replacement and Improvement	193,550	0	0	193,550	0
Unrestricted (Deficit)	3,463,997	1,969,959	(11,171)	5,422,785	(251,842)
<i>Total Net Assets (Deficit)</i>	<u>\$27,234,637</u>	<u>\$16,081,279</u>	<u>\$719,173</u>	<u>\$44,035,089</u>	<u>(\$251,842)</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, 2007

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Non Major Funds	Total	
Operating Revenues					
Charges for Services	\$10,143,589	\$5,184,560	\$1,085,514	\$16,413,663	\$5,400,709
Miscellaneous	12,777	4,741	2,569	20,087	600,269
<i>Total Operating Revenues</i>	<u>10,156,366</u>	<u>5,189,301</u>	<u>1,088,083</u>	<u>16,433,750</u>	<u>6,000,978</u>
Operating Expenses					
Personal Services	1,387,510	2,622,015	597,373	4,606,898	30,558
Contractual Services	495,598	576,490	61,990	1,134,078	0
Materials and Supplies	4,245	1,853,316	41,834	1,899,395	0
Utilities	6,583,208	848,323	298,071	7,729,602	0
Depreciation	468,176	591,563	60,187	1,119,926	0
Workers' Compensation Premium	0	0	0	0	266,560
Claims	0	0	0	0	6,131,420
<i>Total Operating Expenses</i>	<u>8,938,737</u>	<u>6,491,707</u>	<u>1,059,455</u>	<u>16,489,899</u>	<u>6,428,538</u>
<i>Operating Income (Loss)</i>	<u>1,217,629</u>	<u>(1,302,406)</u>	<u>28,628</u>	<u>(56,149)</u>	<u>(427,560)</u>
Non Operating Revenue (Expenses)					
Interest	283,705	352,960	0	636,665	995
Interest and Fiscal Charges	(673,270)	(1,114,730)	(93,251)	(1,881,251)	0
Property Taxes	0	1,775,081	0	1,775,081	0
Operating Grants	1,044,113	310,993	0	1,355,106	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>654,548</u>	<u>1,324,304</u>	<u>(93,251)</u>	<u>1,885,601</u>	<u>995</u>
<i>Net Income (Loss) before transfers</i>	<u>1,872,177</u>	<u>21,898</u>	<u>(64,623)</u>	<u>1,829,452</u>	<u>(426,565)</u>
Transfers In	0	0	417,158	417,158	273,648
Transfers Out	0	(750,000)	0	(750,000)	0
<i>Change in Net Assets</i>	<u>1,872,177</u>	<u>(728,102)</u>	<u>352,535</u>	<u>1,496,610</u>	<u>(152,917)</u>
<i>Net Assets Beginning of Year (Deficit)</i>	<u>25,362,460</u>	<u>16,809,381</u>	<u>366,638</u>	<u>42,538,479</u>	<u>(98,925)</u>
<i>Net Assets End of Year (Deficit)</i>	<u>\$27,234,637</u>	<u>\$16,081,279</u>	<u>\$719,173</u>	<u>\$44,035,089</u>	<u>(\$251,842)</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, 2007

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Non Major Funds	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$10,007,359	\$5,072,568	\$1,088,562	\$16,168,489	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	4,945,511
Cash Received from Other Operating Sources	12,777	4,741	2,569	20,087	600,269
Cash Payments to Suppliers for Goods and Services	(7,394,710)	(3,296,249)	(488,750)	(11,179,709)	(62,705)
Cash Payments for Claims	0	0	0	0	(5,853,222)
Cash Payments for Premium	0	0	0	0	(359,531)
Cash Payments for Employee Services and Benefits	(1,324,984)	(2,558,299)	(585,006)	(4,468,289)	0
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>1,300,442</u>	<u>(777,239)</u>	<u>17,375</u>	<u>540,578</u>	<u>(729,678)</u>
Cash Flows from Noncapital Financing Activities					
Intergovernmental Revenue	1,044,113	218,425	0	1,262,538	0
Property Taxes	0	1,753,636	0	1,753,636	0
Transfer In	0	0	400,000	400,000	273,648
Transfer Out	0	(750,000)	0	(750,000)	0
Advance In	0	0	30,000	30,000	0
<i>Net Cash Provided by Non- Capital Financing Activities</i>	<u>1,044,113</u>	<u>1,222,061</u>	<u>430,000</u>	<u>2,696,174</u>	<u>273,648</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(3,518,163)	(6,657,498)	(579,571)	(10,755,232)	0
Notes Issued	175,000	574,000	0	749,000	0
Bonds Issued	0	0	355,000	355,000	0
Bond Premium	0	0	2,428	2,428	0
Principal paid on Bonds	(876,890)	(1,295,908)	(34,097)	(2,206,895)	0
Principal paid on Notes	(210,000)	(788,000)	(410,000)	(1,408,000)	0
Principal paid on Loans	(313,230)	(60,134)	0	(373,364)	0
Interest paid on Bonds	(598,677)	(1,006,978)	(70,446)	(1,676,101)	0
Interest paid on Notes	(12,831)	(41,001)	(22,895)	(76,727)	0
Interest paid on Loans	0	(7,811)	0	(7,811)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(5,354,791)</u>	<u>(9,283,330)</u>	<u>(759,581)</u>	<u>(15,397,702)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest	389,052	603,448	0	992,500	822
<i>Net Decrease in Cash and Cash Equivalents</i>	<u>(2,621,184)</u>	<u>(8,235,060)</u>	<u>(312,206)</u>	<u>(11,168,450)</u>	<u>(455,208)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>8,875,006</u>	<u>14,747,145</u>	<u>403,621</u>	<u>24,025,772</u>	<u>559,976</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$6,253,822</u></u>	<u><u>\$6,512,085</u></u>	<u><u>\$91,415</u></u>	<u><u>\$12,857,322</u></u>	<u><u>\$104,768</u></u>

continued

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2007

	Business Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Non Major Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
<i>Operating Income (Loss)</i>	\$1,217,629	(\$1,302,406)	\$28,628	(\$56,149)	(\$427,560)
Adjustments:					
Depreciation	468,176	591,563	60,187	1,119,926	0
Increase (Decrease) in Allowance for Doubtful Accounts	(16,430)	(8,847)	0	(25,277)	0
(Increase) Decrease in Assets:					
Accounts Receivable	(119,800)	(103,145)	3,048	(219,897)	(1,059)
Interfund Receivable	0	0	0	0	(452,340)
Materials and Supplies Inventory	(3,554)	(1,208)	38,522	33,760	0
Prepaid Items	(145)	0	0	(145)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(289,750)	(7,834)	(144,940)	(442,524)	(28,946)
Accrued Wages	8,337	13,720	1,869	23,926	0
Compensated Absences	16,310	9,700	(3,811)	22,199	0
Interfund Payable	17,558	32,734	34,866	85,158	0
Intergovernmental Payable	2,111	(1,516)	(994)	(399)	(97,971)
Claims Payable	0	0	0	0	278,198
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,300,442</u>	<u>(\$777,239)</u>	<u>\$17,375</u>	<u>\$540,578</u>	<u>(\$729,678)</u>

Non Cash Transactions: During 2007, the sewer enterprise fund had non capital financing revenue of \$92,568 due to grants receivable.

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

Assets

Equity in Pooled Cash and Cash

Equivalents

\$1,400,957

Liabilities

Deposits Held and Due to Others

\$1,400,957

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

B. Fund Accounting

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

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

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

Lakewood Hospital Special Revenue Fund: The Lakewood Hospital Fund accounts for revenue and expenditures related to providing emergency medical services (paramedic), lease payments received from Lakewood Hospital Association and various health department licenses, permits and fees.

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

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

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

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

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

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

Water Fund: The Water Fund accounts for the provision of water distribution to the residential and commercial users 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 three internal service funds account for funds reserved to finance potential losses on property and liability cases, workers' compensation costs, and a self insurance program for employee hospitalization benefits.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but were levied to finance year 2008 operations, have been recorded as deferred revenue. Special assessments not received within the available period, and grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by 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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended official certificate of estimated resources in effect at the time final appropriations were adopted.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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

F. Cash and Cash Equivalents

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

The City utilizes a 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, "restricted assets-cash equivalents held by trustee."

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

During 2007, investments were limited to Federal Home Loan Bank (FHLB) Notes, Federal Home Loan Mortgage Corporation (FHLMC) Notes, and State Treasury Asset Reserve of Ohio (STAROhio).

Investments are reported at fair value, based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer's Office, which allow governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2007.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, debt service fund, water fund, and general liabilities self-insurance fund. Interest revenue credited to the general fund during 2007 amounted to \$909,216 which includes \$365,939 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

H. Inventory

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not. 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	N/A
Building and Improvements	75 years
Equipment, Machinery and Furniture	10 - 20 years
Vehicles	15 years
Infrastructure	40 - 100 years

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

J. Interfund Balances

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance Reserves

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

N. Operating Revenues and Expenses

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

O. Interfund Activity

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.

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Net Assets

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

Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. 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 street and highway funds, community development block grant funds, law enforcement funds and court funds. The government-wide statement of net assets reports \$10,599,482 of restricted net assets, none of which are restricted by enabling legislation.

Q. Bond Issuance Costs

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

R. Bond Premium

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

S. Gain/Loss on Refunding

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

T. Extraordinary and Special Items

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

U. Estimates

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

For 2007, the City of Lakewood implemented Governmental Accounting Standards Board (GASB) Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, GASB Statement No. 48, “Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues”, and GASB Statement No. 50, “Pension Disclosures”.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether, and to what extent progress is being made in funding the plan. The implementation of the statement did not result in any change to the City’s financial statements. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of \$201,798 and \$202,545 respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as a revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

Note 4 - Legal Compliance and Accountability

A. Legal Compliance

Contrary to Section 5705.39 Ohio Revised Code, original appropriations exceeded original estimated revenue available for expenditures in the Federal Emergency Management fund in the amount of \$85,704.

Contrary to Section 5705.41(B) Ohio Revised Code, expenditures plus encumbrances exceeded final appropriations in the personal services object in the General Fund parks department in the amount of \$3,850, and in the CDBG and HOME Investment Program Special Revenue Funds in the amounts of \$3,878 and \$21,248, respectively. Expenditures plus encumbrances exceeded final appropriations in the other expenditure objects in the Help to Others and Juvenile Diversion Special Revenue Funds in the amounts of \$13 and \$25, respectively.

Contrary to Section 5705.10 Ohio Revised Code, the City had the following negative cash balances: CDBG HOME Investment Program, Family to Family and Juvenile Diversion Special Revenue Funds in the amounts of \$537,578, \$25,607, and \$14,661 respectively.

Contrary to Section 9.38, Ohio Revised Code, the City did not deposit receipts with the treasurer of the public office or with a properly designated depository in a timely manner.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 4 - Legal Compliance and Accountability (Continued)

Contrary to Section 5705.41(D)(1), Ohio Revised Code, the City did not certify various transactions at the time the commitment was incurred.

Management has indicated that the issues listed above will be closely monitored to ensure no future violations occur.

B. Accountability

The fund balances at December 31, 2007 included the following individual fund deficits:

Special Revenue Funds	
Emergency Shelter Grant	\$5,286
HOME Investment Program	22,229
Lead-Based Paint Hazard Control	1
Office on Aging	37,611
Enterprise Fund	
Parking Facilities	36,442
Internal Service Funds	
Workers' Compensation	258,785
General Liability	18,500

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

Note 5 - Budgetary Basis of Accounting

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 5 - Budgetary Basis of Accounting (Continued)

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

	<u>General</u>	<u>Streets and Highway</u>	<u>Police and Fire Pensions</u>
GAAP Basis	(\$1,250,855)	(\$641,442)	\$230,082
Net Adjustment for Revenue Accruals	270,123	(31,104)	0
Beginning Change in Fair Value of Investments	36,129	0	0
Ending Change in Fair Value of Investments	(7,010)	0	0
Net Adjustment for Expenditure Accruals	303,185	344,282	(1,509)
Advances In	30,825	0	0
Advances Out	(30,000)	0	0
Adjustments for Encumbrances	<u>(103,023)</u>	<u>(147,296)</u>	<u>0</u>
Budget Basis	<u>(\$750,626)</u>	<u>(\$475,560)</u>	<u>\$228,573</u>
	Community Development Block Grant	Office on Aging	Lakewood Hospital
GAAP Basis	\$500,093	(\$146,146)	(\$7,475)
Net Adjustment for Revenue Accruals	(954,933)	(69,744)	(88,586)
Net Adjustment for Expenditure Accruals	(31,006)	61,726	67,556
Adjustments for Encumbrances	<u>0</u>	<u>(50)</u>	<u>(972)</u>
Budget Basis	<u>(\$485,846)</u>	<u>(\$154,214)</u>	<u>(\$29,477)</u>

Note 6 - Deposits and Investments

The City follows State Statutes, which classifies 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 6 - Deposits and Investments (Continued)

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

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

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

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

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

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 6 - Deposits and Investments (Continued)

Deposits

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$19,635,518 of the City's bank balance of \$20,135,158 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 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, 2007, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank Notes	\$2,004,840	1/28/08 - 8/15/08
Federal Home Loan Mortgage Corporation Notes	508,320	11/18/2009
STAROhio	4,965	41 Days Average
Total	<u>\$2,518,125</u>	

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 6 - Deposits and Investments (Continued)

Credit Risk: The Federal Home Loan Bank Notes and the Federal Home Loan Mortgage Corporation Notes carry a rating of AAA by Standard & Poor's. STAROhio also 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 would further limit its investment choices.

Concentration of Credit Risk: The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2007:

	<u>Percentage of Investments</u>
Federal Home Loan Bank Notes	79.61 %
Federal Home Loan Mortgage Corporation Notes	20.18
Charter One Treasury Money Market	0.21

Note 7 - Receivables

Receivables at December 31, 2007, consisted primarily of municipal income taxes, property taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest, interfund, loans (Community Development Block Grant monies loaned to local businesses), and accounts (billings for user charged services). 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 \$34,388 in the Water Fund and \$18,516 in the Sewer Fund.

Loans expected to be collected in more than one-year amount to \$2,407,537 in the Community Development Block Grant Special Revenue Fund.

Special assessments expected to be collected in more than one-year amount to \$18,512 in the debt service fund. The amount of delinquent special assessments outstanding at December 31, 2007 was \$37,102.

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 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2006 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 7 – Receivables (Continued)

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 real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out. The assessment percentages for all property including inventory for 2007 is 12.50 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2007, was \$17.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax collections were based, are as follows:

	Assessed Value
Real Estate	\$955,481,300
Public Utility Property	14,577,400
Tangible Personal	15,903,081
Total Assessed Value	\$985,961,781

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2007, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2007 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue is deferred.

B. Income Tax

The City levies a municipal income tax at a rate of 1.50 percent. The City's income tax is levied upon the net income of corporations and other business entities and on wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted 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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 7 – Receivables (Continued)

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.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government	\$2,208,254
Gasoline Tax	673,714
Permissive Motor Vehicle License Tax	22,317
Grants	623,031
Motor Vehicle License Registration	129,075
Homestead and Rollback	712,772
Estate Tax	<u>183,175</u>
<i>Total Governmental Activities</i>	4,552,338
Business-Type Activities	
Homestead and Rollback	<u>209,843</u>
<i>Total</i>	<u><u>\$4,762,181</u></u>

Note 8 - Contingencies

A. Grants

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

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, 2007.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Governmental Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$6,139,702	\$0	\$0	\$6,139,702
Construction in Progress	7,345,657	3,406,839	(6,901,860)	3,850,636
<i>Total Capital Assets, not being Depreciated</i>	<u>13,485,359</u>	<u>3,406,839</u>	<u>(6,901,860)</u>	<u>9,990,338</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	3,395,179	1,379,011	0	4,774,190
Buildings and Improvements	13,588,486	125,797	0	13,714,283
Equipment, Machinery and Furniture	4,034,875	220,827	(121,287)	4,134,415
Vehicles	10,997,687	1,035,514	(1,824,696)	10,208,505
Infrastructure				
Roads	29,912,455	5,042,139	0	34,954,594
Traffic Lights	3,781,590	0	0	3,781,590
Sidewalks	2,582,518	0	0	2,582,518
Curbing	1,425,964	0	0	1,425,964
<i>Total Capital Assets, being Depreciated</i>	<u>69,718,754</u>	<u>7,803,288</u>	<u>(1,945,983)</u>	<u>75,576,059</u>
Less Accumulated Depreciation:				
Land Improvements	(1,703,002)	(105,669)	0	(1,808,671)
Buildings and Improvements	(4,551,885)	(183,711)	0	(4,735,596)
Equipment, Machinery and Furniture	(1,852,014)	(211,888)	84,920	(1,978,982)
Vehicles	(5,772,082)	(588,269)	1,454,725	(4,905,626)
Infrastructure				
Roads	(7,794,779)	(603,313)	0	(8,398,092)
Traffic Lights	(1,864,056)	(94,425)	0	(1,958,481)
Sidewalks	(936,027)	(24,928)	0	(960,955)
Curbing	(435,688)	(13,814)	0	(449,502)
Total Accumulation Depreciation	<u>(24,909,533)</u>	<u>(1,826,017)</u>	<u>1,539,645</u>	<u>(25,195,905)</u>
Total Capital Assets being Depreciated, Net	<u>44,809,221</u>	<u>5,977,271</u>	<u>(406,338)</u>	<u>50,380,154</u>
Governmental Activities Capital Assets, Net	<u>\$58,294,580</u>	<u>\$9,384,110</u>	<u>(\$7,308,198)</u>	<u>\$60,370,492</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 9 - Capital Assets (Continued)

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Business-Type Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$78,150	\$0	\$0	\$78,150
Construction in Progress	11,432,144	9,902,989	(10,993,800)	10,341,333
<i>Total Capital Assets, not being Depreciated</i>	<u>11,510,294</u>	<u>9,902,989</u>	<u>(10,993,800)</u>	<u>10,419,483</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	1,861,096	0	0	1,861,096
Building and Improvements	12,101,478	564,116	0	12,665,594
Furniture and Equipment	7,241,426	428,390	0	7,669,816
Vehicles	1,931,165	336,529	(167,642)	2,100,052
Infrastructure:				
Water Lines	41,005,261	5,301,245	0	46,306,506
Sewer Lines	18,426,417	5,475,957	0	23,902,374
<i>Total Capital Assets, being Depreciated</i>	<u>82,566,843</u>	<u>12,106,237</u>	<u>(167,642)</u>	<u>94,505,438</u>
Less Accumulated Depreciation:				
Land Improvements	(393,985)	(37,524)	0	(431,509)
Buildings and Improvements	(4,854,473)	(162,449)	0	(5,016,922)
Furniture and Equipment	(4,164,120)	(211,249)	0	(4,375,369)
Vehicles	(994,617)	(113,337)	143,737	(964,217)
Infrastructure				
Water Lines	(11,483,184)	(409,956)	0	(11,893,140)
Sewer Lines	(5,609,608)	(185,411)	0	(5,795,019)
Total Accumulation Depreciation	<u>(27,499,987)</u>	<u>(1,119,926)</u>	<u>143,737</u>	<u>(28,476,176)</u>
Total Capital Assets, being Depreciated, Net	<u>55,066,856</u>	<u>10,986,311</u>	<u>(23,905)</u>	<u>66,029,262</u>
Business - Type Activities Assets, Net	<u>\$66,577,150</u>	<u>\$20,889,300</u>	<u>(\$11,017,705)</u>	<u>\$76,448,745</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 9 - Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

General Government	\$208,964
Security of Persons and Property-Police	128,557
Security of Persons and Property-Fire	192,721
Transportation	822,732
Community Environment	12,042
Basic Utility Services	188,156
Public Health Services	41,958
Leisure Time Activities	<u>230,887</u>
Total Depreciation Expense	<u><u>\$1,826,017</u></u>

Depreciation Expense was charged to nonmajor Enterprise Funds as follows:

Parking Facilities Fund	\$11,825
Winterhurst Ice Rink Fund	<u>48,362</u>
Total Depreciation Expense	<u><u>\$60,187</u></u>

Note 10 – Conduit Debt Obligations

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

In 1983 and 1989 the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay the cost of Lakewood Hospital Facility improvements. In 1989, the City also issued Hospital Improvement Refunding Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On November 13, 2003, the City issued \$27,570,000 Hospital Revenue Bonds, Series 2003 to advance refund the 1989 Series. As of December 31, 2007, the aggregate principal amount of conduit debt obligation outstanding for Lakewood Hospital was \$21,885,000. On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. As of December 31, 2007, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$10,230,000. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11- Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<i>Governmental Activities</i>				
<i>Notes</i>				
Various Purpose	2006	4.50%	\$8,505,000	June 14, 2007
Various Purpose	2007	4.00%	5,374,000	April 17, 2008
<i>General Obligation Bonds</i>				
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	2001	3.45-5.875%	8,085,000	December 1, 2021
Various Purpose	2005	3.00-5.00%	6,095,637	December 1, 2025
Various Purpose Refunding-2001	2007	4.00-5.25%	10,520,000	December 1, 2026
<i>Tax Increment Financing</i>				
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
<i>OPWC Loan</i>				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
Lakewood Heights Boulevard	2002	0%	232,560	July 1, 2008
<i>Business-Type Activities</i>				
<i>Notes</i>				
<i>Water</i>				
Water Main Improvements	2006	4.50%	210,000	June 14, 2007
Water Main Improvements	2007	4.00%	175,000	April 17, 2008
<i>Sewer</i>				
Various Purpose	2006	4.50%	788,000	June 14, 2007
Various Purpose	2007	4.00%	574,000	April 17, 2008
<i>Parking</i>				
Various Purpose	2006	4.50%	350,000	June 14, 2007
<i>Winterhurst</i>				
Various Purpose	2006	4.50%	60,000	June 14, 2007

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11- Long-Term Obligations (Continued)

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
Revenue Bonds				
<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
General Obligation Bonds				
<i>Sewer</i>				
Sewer Construction Refunding	1998	3.60-5.125%	5,695,000	December 1, 2011
Sewer Construction	2003	3.55-5.00%	3,481,000	December 1, 2023
Sewer Construction	2005	3.00-5.00%	3,811,430	December 1, 2025
Sewer Construction Refunding	2005	3.00-5.00%	2,145,000	December 1, 2025
<i>Winterhurst</i>				
Recreational Facility	1998	3.60-5.125%	1,292,200	December 1, 2017
Recreational Facility	2005	3.00-5.00%	203,276	December 1, 2025
<i>Parking</i>				
Meter Replacement	2007	4.00-5.25%	355,000	December 1, 2026
OPWC Loans				
<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
OWDA Loan				
<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, 2007

Note 11 - Long-Term Obligations (Continued)

	Balance December 31, 2006	Additions	Deletions	Balance December 31, 2007	Amount Due in One Year
<i>Governmental Activities</i>					
Notes Payable					
Various Purpose-2006	\$8,311,000	\$0	\$8,311,000	\$0	\$0
Various Purpose-2007	0	5,374,000	0	5,374,000	0
<i>Total Notes Payable</i>	<u>8,311,000</u>	<u>5,374,000</u>	<u>8,311,000</u>	<u>5,374,000</u>	<u>0</u>
General Obligation Bonds					
Various Purpose-1998	2,396,100	0	228,200	2,167,900	174,000
Various Purpose Refunding-1998	4,085,000	0	640,000	3,445,000	655,000
Various Purpose-2003	4,612,139	0	217,804	4,394,335	227,540
Various Purpose Refunding-2005	5,975,000	0	600,000	5,375,000	615,000
Unamortized Premium	141,682	0	16,833	124,849	0
Unamortized loss	(603,431)	0	(4,566)	(598,865)	0
Various Purpose-2001	5,560,868	0	547,100	5,013,768	558,265
Unamortized Premium	66,760	0	3,625	63,135	0
Various Purpose-2005	6,470,000	0	4,850,000	1,620,000	380,000
Various Purpose Refunding-2007	0	10,520,000	235,000	10,285,000	265,000
Unamortized loss	0	(349,725)	(11,658)	(338,067)	0
Unamortized Premium	0	57,987	2,900	55,087	0
Rockport Square Development-2004	4,265,000	0	0	4,265,000	0
Unamortized Premium	126,211	0	7,560	118,651	0
Vedda Printing-2005	385,000	0	15,000	370,000	15,000
Unamortized Premium	682	0	37	645	0
<i>Total General Obligation Bonds</i>	<u>33,481,011</u>	<u>10,228,262</u>	<u>7,347,835</u>	<u>36,361,438</u>	<u>2,889,805</u>
OPWC Loans					
Forest and Clifton Road-1999	369,600	0	30,800	338,800	30,800
Lakewood Heights Boulevard-2002	49,837	0	33,221	16,616	16,616
<i>Total OPWC Loans</i>	<u>419,437</u>	<u>0</u>	<u>64,021</u>	<u>355,416</u>	<u>47,416</u>
Compensated Absences Payable	5,562,304	2,177,074	1,671,796	6,067,582	2,177,074
Capital Lease Payable	22,322	1,375,314	17,853	1,379,783	172,850
<i>Total Governmental Activities</i>	<u>\$47,796,074</u>	<u>\$19,154,650</u>	<u>\$17,412,505</u>	<u>\$49,538,219</u>	<u>\$5,287,145</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11 - Long-Term Obligations (Continued)

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007	Amount Due in One Year
<i>Business-Type Activities</i>					
Notes					
<i>Water</i>					
Water Main Improvements-2006	\$210,000	\$0	\$210,000	\$0	\$0
Water Main Improvements-2007	0	175,000	0	175,000	0
<i>Sewer</i>					
Various Purpose-2006	788,000	0	788,000	0	0
Various Purpose-2007	0	574,000	0	574,000	0
<i>Parking</i>					
Various Purpose-2006	350,000	0	350,000	0	0
<i>Winterhurst</i>					
Various Purpose-2006	60,000	0	60,000	0	0
Total Notes Payable	1,408,000	749,000	1,408,000	749,000	0
Revenue Bonds					
<i>Water</i>					
Water Main Improvements-1995	2,300,000	0	110,000	2,190,000	115,000
Water System Refunding-2002	2,350,000	0	435,000	1,915,000	450,000
Deferred Amount of Refunding	(147,900)	0	(29,580)	(118,320)	0
Water Main Improvements-2005	588,831	0	21,890	566,941	22,339
Unamortized Premium	525	0	30	495	0
Water Main Improvements-2006	10,285,000	0	310,000	9,975,000	250,000
Unamortized Discount	(123,260)	0	(5,031)	(118,229)	0
Unamortized Premium	20,925	0	853	20,072	0
<i>Sewer</i>					
Sewer Construction-2006	14,320,000	0	430,000	13,890,000	350,000
Unamortized Discount	(171,898)	0	(7,016)	(164,882)	0
Unamortized Premium	49,842	0	2,034	47,808	0
Total Revenue Bonds	29,472,065	0	1,268,180	28,203,885	1,187,339
General Obligation Bonds					
<i>Sewer</i>					
Sewer Construction Refunding-1998	1,780,000	0	170,000	1,610,000	175,000
Deferred Amount of Refunding	(111,168)	0	(1,460)	(109,708)	0
Unamortized Premium	43,400	0	5,156	38,244	0
Sewer Construction Refunding-2003	2,400,000	0	430,000	1,970,000	455,000
Deferred Amount of Refunding	(173,529)	0	(28,922)	(144,607)	0
Sewer Construction-2005	3,182,861	0	107,196	3,075,665	112,460
Unamortized Premium	64,400	0	3,936	60,464	0
Sewer Construction-2005	4,269,025	0	158,712	4,110,313	161,952
Unamortized Premium	3,809	0	207	3,602	0
<i>Winterhurst</i>					
Recreational Facility-1998	1,194,000	0	26,800	1,167,200	91,000
Recreational Facility-2005	196,277	0	7,297	188,980	7,446
Unamortized Premium	174	0	10	164	0
<i>Parking</i>					
Meter Replacement-2007	0	355,000	10,000	345,000	20,000
Unamortized Premium	0	2,428	121	2,307	0
Total General Obligation Bonds	\$12,849,249	\$357,428	\$889,053	\$12,317,624	\$1,022,858

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11 - Long-Term Obligations (Continued)

	Balance December 31, 2006	Additions	Deletions	Balance December 31, 2007	Amount Due in One Year
OPWC Loans					
<i>Water Fund</i>					
Water Main Replacements-1999	\$749,074	\$0	\$62,424	686,650	\$62,420
Water Main Replacements-2001	1,360,809	0	97,201	1,263,608	97,201
Water Main Replacements-2003	820,557	0	49,731	770,826	49,730
Water Main Replacements-2003	1,314,094	0	79,642	1,234,452	79,642
Belle Avenue Improvements-2003	424,058	0	24,232	399,826	24,232
<i>Sewer</i>					
West Clifton Storm Sewer Rehabilitation-2000	55,545	0	4,274	51,271	4,273
Edgewater Drive-Sewer Separation-2002	453,194	0	30,213	422,981	30,213
<i>Total OPWC Loans</i>	<u>5,177,331</u>	<u>0</u>	<u>347,717</u>	<u>4,829,614</u>	<u>347,711</u>
OWDA Loan					
<i>Sewer</i>					
Lakewood Avenue-2002	187,984	0	25,647	162,337	26,761
Compensated Absences Payable	435,230	99,064	76,865	457,429	99,064
Capital Lease Payable	0	287,579	0	287,579	31,902
<i>Total Business-Type Activities</i>	<u>\$49,529,859</u>	<u>\$1,493,071</u>	<u>\$4,015,462</u>	<u>\$47,007,468</u>	<u>\$2,715,635</u>

Governmental Activities

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

Refunding Bonds On March 1, 1998, the City issued \$9,060,000 in general obligation bonds to advance refund \$8,170,000 of outstanding 1992 various purpose general obligation bonds. The net proceeds of \$8,960,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the 1992 bonds. As a result, the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of December 31, 2007, \$3,445,000 of the defeased debt remained outstanding.

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, 2007, \$5,210,000 of the defeased debt remained outstanding.

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11 - Long-Term Obligations (Continued)

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 2001 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 2001 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.

The City decreased its total debt service payments by \$191,785 as a result of the advance refunding. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$145,726.

An analysis of the refunding issue follows:

	Various Purpose Bonds
Outstanding at December 31, 2006	\$6,470,000
Amount Refunded	(4,495,000)
Non-Refunded Portion	1,975,000
Principle Payment on Non-Refunded Portion	(355,000)
Outstanding Principal at December 31, 2007	\$1,620,000

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.

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.

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, Parking Facilities, and Winterhurst Ice Rink Enterprise Funds.

Business-Type Activities

The revenue bonds, general obligation bonds, OPWC loans and the OWDA loans reported in the Enterprise Funds will be paid from revenues derived by the City from water, sewer and ice rink user charges. The 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, 2007 were \$124,165.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11 - Long-Term Obligations (Continued)

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, 2007, \$1,915,000 of the defeased debt remained outstanding. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statement as a deduction from due in more than one year, is being charged to operations through the year 2011, using the straight-line method. The unamortized balance of the deferral totaled \$118,320 at December 31, 2007. 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, 2007 were \$193,550 for replacement and improvement and \$263,528 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, 2007, were \$2,682,408, \$2,338,594 of unspent bond proceeds and \$343,814 restricted for debt service.

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, 2007, were \$4,598,138, \$4,116,250 of unspent bond proceeds and \$481,888 restricted for debt service.

On March 1, 1998, the City issued \$5,695,000 in general obligation bonds to advance refund \$5,195,000 of outstanding 1992 Sanitary Sewer System general obligation bonds. The net proceeds of \$5,631,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earning from the securities are sufficient to provide for all future debt service payment on the 1992 bonds. As a result these bonds are considered to be defeased, and the liability for those bonds has been removed from the Sewer and Wastewater Fund. As of December 31, 2007, \$1,970,000 of the defeased debt remained outstanding.

The 1998 advance refunding of the 1992 Sanitary Sewer System general obligation bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The unamortized balance of the deferral totaled \$144,607 at December 31, 2007. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the straight-line method.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11 - Long-Term Obligations (Continued)

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 \$26,645,876. Principal and interest paid for the current year were \$1,788,797, total net revenues were \$3,013,623 and total revenues were \$11,484,184.

The City has pledged future revenues to repay the revenue bonds, 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 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$23,291,385. Principal and interest paid for the current year were \$67,945, total net revenues were \$1,728,191 and total revenues were \$7,628,335.

The City's overall legal debt margin was \$61,486,225 at December 31, 2007.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2007, are as follows:

	Governmental Activities				
	General Obligation Bonds		OPWC Loans	Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2008	\$2,869,805	\$1,620,643	\$47,414	\$2,917,219	\$1,620,643
2009	3,183,271	1,498,321	30,800	3,214,071	1,498,321
2010	3,276,737	1,367,298	30,800	3,307,537	1,367,298
2011	3,005,211	1,228,516	30,800	3,036,011	1,228,516
2012	3,074,963	1,086,172	30,800	3,105,763	1,086,172
2013-2017	11,094,046	3,771,741	154,000	11,248,046	3,771,741
2018-2022	7,586,009	1,628,433	30,802	7,616,811	1,628,433
2023-2031	2,845,961	241,915	0	2,845,961	241,915
	<u>\$36,936,003</u>	<u>\$12,443,039</u>	<u>\$355,416</u>	<u>\$37,291,419</u>	<u>\$12,443,039</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 12 – Leases

A. Capital Leases

In 2007, the City leased vehicles, computer equipment and copier equipment through capital leasing arrangements. The assets of such agreements are recorded in the Government-Wide Statement of Net Assets and Business-Type. The lease contracts are ten years. The equipment has been capitalized in the amounts of \$1,665,691. 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, 2007:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets, being depreciated:		
Vehicles	\$813,809	\$273,623
Equipment Machinery and Furniture	562,524	15,735
Total Capital Assets, being depreciated	<u>1,376,333</u>	<u>289,358</u>
 Less Accumulated Depreciated		
Vehicles	12,002	983
Equipment Machinery and Furniture	650	119
Total Accumulated Depreciation	<u>12,652</u>	<u>1,102</u>
 Capital Assets, Net	<u>\$1,363,681</u>	<u>\$288,256</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2008	\$230,213	\$44,014
2009	226,349	44,014
2010	226,348	44,014
2011	226,348	44,013
2012	226,348	44,014
2013-2017	<u>507,005</u>	<u>126,598</u>
Total minimum lease payments	1,642,611	346,667
Less: amount representing interest	<u>(262,828)</u>	<u>(59,088)</u>
Total	<u>\$1,379,783</u>	<u>\$287,579</u>

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, 2007

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City's coverage for general liability, bodily injury and property damage to others, with HCC Insurance Company, is limited to \$1,000,000 per occurrence and has a \$3,000,000 aggregate limit per year with. In addition, there is an excess umbrella coverage of \$10,000,000 per occurrence and \$10,000 self-insured retention for all liability coverage.

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

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

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$106,182,119 with a \$1,000 deductible. Inland marine coverage for all City property that moves has coverage of \$4,413,843 with a \$1,000 deductible and EDP equipment is covered at \$1,285,815 with a \$1,000 deductible.

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

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

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

The City of Lakewood maintains the Hospitalization Internal Service Fund to finance the cost of employee hospitalization and medical claims on a cost reimbursement basis. The City offers two plans to its employees 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 a \$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, 2007, \$615,596 has been 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, 2007

Note 13 - Risk Management (Continued)

	2007	2006
Estimated claims payable January 1	\$163,256	\$488,615
Plus: Current year claims	5,816,051	4,529,499
Less: Claim payments	(5,363,711)	(4,854,858)
Estimated claims payable December 31	\$615,596	\$163,256

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% 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 went 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, 2007, \$139,305 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:

	2007	2006
Estimated claims payable January 1	\$313,447	\$496,126
Plus: Current year claims	315,369	388,688
Less: Claim payments	(489,511)	(571,367)
Estimated claims payable December 31	\$139,305	\$313,447

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 13 - Risk Management (Continued)

The City uses the general liability fund to account for funds reserved to finance potential losses on property and liability cases. In accordance with GASB Statement No. 10, claims liabilities, arising from uninsured risks, are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities included an amount for claims incurred but not reported. Changes to the estimated claims payable recorded in the General Liability Fund during the years ended December 31, 2007 and 2006 were as follows:

	2007	2006
Estimated claims payable January 1	\$23,000	\$23,000
Plus: Current year claims	0	110,367
Less: Claim payments	0	(110,367)
Estimated claims payable December 31	\$23,000	\$23,000

Note 14 - 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, 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. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The City’s contribution rate for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the City’s contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 14 - Defined Benefit Pension Plans (Continued)

December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$1,819,724, \$1,586,789 and \$1,726,585 respectively; 74 percent has been contributed for 2007 and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$21,217 made by the City and \$14,553 made by the plan members.

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 pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code.

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to OP&F for police and firefighters were \$777,541 and \$999,452 for the year ended December 31, 2007, \$630,850 and \$826,311 for the year ended December 31, 2006, and \$648,015 and \$856,987 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 77 percent has been contributed for police and 77 percent has been contributed for firefighters for 2007.

Note 15 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten 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 require, 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, 2007

Note 15 – Postemployment Benefits (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007. The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's 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, 2007, 2006, and 2005 were \$994,659, \$776,147 and \$709,544 respectively; 74 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Police and Firemen's Disability and Pension Fund

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&B Board of Trustees to provide healthcare 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 15 – Postemployment Benefits (Continued)

Funding policy – OP&F’s post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare 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 Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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. Active members do not make contributions to the OPEB Plan.

The City’s contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$451,017 and \$409,088 for the year ended December 31, 2007, \$416,093 and \$394,087 for the year ended December 31, 2006, and \$427,546 and \$408,717 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 77 percent has been contributed for police and 77 percent has been contributed for firefighters for 2007.

Note 16 - 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 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 non-exempt 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 police quarterly and fire semi-annual basis, payments for portions of overtime accumulated, upon written request to the respective department Chief.

Fire Department personnel required to work a holiday are granted, at a later time, an eight or twenty-four hour off-duty period. 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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 16 - Other Employee Benefits (Continued)

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 employees that choose 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 17 - Jointly Governed Organization

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating municipalities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2007, the City contributed \$104,115.

Note 18 – Contractual Commitments

The following were contractual commitments outstanding at December 31, 2007.

<u>Project</u>	<u>Amount Remaining</u>
Detroit Avenue Sewer Improvement	\$1,023,157
Parking Meter Replacement	144,340
Belle Avenue Sewer Improvement	100,907
Woodward Avenue Sewer Improvement	<u>72,511</u>
Total	<u><u>\$1,340,915</u></u>

Note 19 - Interfund Transfers and Balances

A. Transfers

The General Fund transfers to the major and nonmajor Governmental Funds, and Winterhurst Ice Rink. Transfers to Enterprise Funds were made to provide additional resources for current operations. The transfers from Police and Fire Pension Special Revenue Fund, TIF Capital Fund and Sewer Fund were to cover debt payments.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 19 - Interfund Transfers and Balances (Continued)

Transfer To	Transfer From					Total
	General	Police and Fire Pension	Debt Service	Permanent Capital Improvement	Sewer	
Governmental Funds						
Major Funds						
Office on Aging	\$1,683,100	\$0	\$0	\$0	\$0	\$1,683,100
GO Bond Retirement	0	425,900	0	750,000	750,000	1,925,900
Nonmajor Funds						
Litter Control	17,000	0	0	0	0	17,000
Community Festival	5,000	0	0	0	0	5,000
<i>Total Governmental Funds</i>	<u>1,705,100</u>	<u>425,900</u>	<u>0</u>	<u>750,000</u>	<u>750,000</u>	<u>3,631,000</u>
Proprietary Funds						
Nonmajor Funds						
Winterhurst	400,000	0	0	0	0	400,000
Parking Facilities	0	0	17,158	0	0	17,158
Hospitalization	250,000	0	0	0	0	250,000
Workers' Compensation	23,648	0	0	0	0	23,648
<i>Total Proprietary Funds</i>	<u>673,648</u>	<u>0</u>	<u>17,158</u>	<u>0</u>	<u>0</u>	<u>690,806</u>
Total	<u>\$2,378,748</u>	<u>\$425,900</u>	<u>\$17,158</u>	<u>\$750,000</u>	<u>\$750,000</u>	<u>\$4,321,806</u>

B. Balances

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds. It is also to cover those funds that owe the Hospitalization Fund for monthly premiums. All interfund balances will be repaid within one year. Interfund balances at December 31, 2007, consist of the following:

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 19 - Interfund Transfers and Balances (Continued)

Interfund Payable	Interfund Receivable				Total
	General	Permanent Capital	Other Governmental	Hospitalization	
Governmental Funds					
Major Funds:					
General	\$0	\$0	\$0	\$453,338	\$453,338
<i>Special Revenue Funds:</i>					
Streets and Highways	0	0	0	18,579	18,579
Community Development Block Grant	344,101	193,425	0	8,670	546,196
Office on Aging	0	0	0	38,397	38,397
Lakewood Hospital	0	0	0	23,534	23,534
Nonmajor Funds					
<i>Special Revenue Funds</i>					
HOME Investment Program	0	25,607	0	0	25,607
Lead-Based Paint Hazard Control	3	0	10,783	0	10,786
Family to Family	0	14,661	0	0	14,661
Total Governmental Funds	344,104	233,693	10,783	542,518	1,131,098
Proprietary Funds					
Major Funds:					
Water	0	0	0	23,531	23,531
Sewer	0	0	0	43,352	43,352
Nonmajor Funds					
Parking Facilities	29,998	0	0	3,718	33,716
Winterhurst	0	0	0	2,477	2,477
Total Proprietary Funds	29,998	0	0	73,078	103,076
Total	\$374,102	\$233,693	\$10,783	\$615,596	\$1,234,174

Note 20 - Notes Payable

\$194,000 of the \$8,505,000 in various bond anticipation notes was reflected as fund liability in the debt service fund at December 31, 2006. This debt was repaid during 2007.

Note 21 - Subsequent Event

On April 16, 2008, the City issued \$9,024,000 in various purpose bond anticipation notes. \$6,123,000 of the note was issued to pay off the outstanding 2007 various purpose notes and \$2,901,000 was issued for 2008 capital improvements. These notes were issued at an interest rate of 2.125% and mature on June 17, 2009.

Combining Statements-Nonmajor Governmental Funds

Fund Descriptions

Nonmajor Special Revenue Funds

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

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

Fund Descriptions (continued)

Nonmajor Special Revenue Funds

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

Fund Descriptions (continued)

NonMajor Debt Service Fund

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

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

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

Lakehouse Breakwall Fund	To account for the construction of a permanent breakwall to protect the property of the citizens of the City.
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Land Acquisition Fund	To account for the acquisition of properties to be developed for recreation, economic or other purposes as deemed appropriate by City Council and the Mayor.
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City Park Improvement Fund	To account for resources for the improvement of the City Park.
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City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$666,280	\$48,358	\$194,714	\$909,352
Accounts Receivable	32,905	0	0	32,905
Intergovernmental Receivable	69,914	0	0	69,914
Interfund Receivable	10,783	0	0	10,783
<i>Total Assets</i>	<u>\$779,882</u>	<u>\$48,358</u>	<u>\$194,714</u>	<u>\$1,022,954</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$27,514	\$0	\$0	\$27,514
Interfund Payable	51,054	0	0	51,054
<i>Total Liabilities</i>	<u>78,568</u>	<u>0</u>	<u>0</u>	<u>78,568</u>
Fund Balances				
Reserved for Encumbrances	4,000	0	0	4,000
Unreserved, Undesignated Reported In:				
Special Revenue Funds	697,314	0	0	697,314
Debt Service Fund	0	48,358	0	48,358
Capital Projects Funds	0	0	194,714	194,714
<i>Total Fund Balances</i>	<u>701,314</u>	<u>48,358</u>	<u>194,714</u>	<u>944,386</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$779,882</u>	<u>\$48,358</u>	<u>\$194,714</u>	<u>\$1,022,954</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Payment in Lieu of Taxes	\$0	\$368,523	\$0	\$368,523
Charges for Services	10,500	0	0	10,500
Fines and Forfeitures	214,450	0	0	214,450
Intergovernmental	1,039,688	253	0	1,039,941
Miscellaneous	66,187	0	14,493	80,680
<i>Total Revenues</i>	<u>1,330,825</u>	<u>368,776</u>	<u>14,493</u>	<u>1,714,094</u>
Expenditures				
Current:				
General Government	166,935	48,442	0	215,377
Security of Persons and Property				
Police	141,524	0	0	141,524
Public Health Services	14,475	0	0	14,475
Community Environment	1,160,360	0	0	1,160,360
Debt Service:				
Principal Retirement	0	15,000	0	15,000
Interest and Fiscal Charges	0	257,086	0	257,086
<i>Total Expenditures</i>	<u>1,483,294</u>	<u>320,528</u>	<u>0</u>	<u>1,803,822</u>
Excess of Revenues Over (Under) Expenditures	(152,469)	48,248	14,493	(89,728)
Other Financing Sources				
Transfers In	22,000	0	0	22,000
<i>Net Change in Fund Balances</i>	(130,469)	48,248	14,493	(67,728)
<i>Fund Balances Beginning of Year</i>	<u>831,783</u>	<u>110</u>	<u>180,221</u>	<u>1,012,114</u>
<i>Fund Balances End of Year</i>	<u><u>\$701,314</u></u>	<u><u>\$48,358</u></u>	<u><u>\$194,714</u></u>	<u><u>\$944,386</u></u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Litter Control Grant Fund	Community Festival Fund	Law and Drug Enforcement Trust Fund	Federal Forfeiture Fund	Indigent Drivers Alcohol Treatment Fund
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$22,141	\$10,944	\$239,926	\$15,716	\$147,175
Receivables:					
Accounts	0	0	15,946	0	492
Intergovernmental	0	0	0	0	0
Interfund	0	0	0	0	0
<i>Total Assets</i>	<u>\$22,141</u>	<u>\$10,944</u>	<u>\$255,872</u>	<u>\$15,716</u>	<u>\$147,667</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$0	\$0	\$8,147	\$0	\$0
Interfund Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>8,147</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	4,000	0	0
Unreserved, Undesignated (Deficit)	22,141	10,944	243,725	15,716	147,667
<i>Total Fund Balances (Deficit)</i>	<u>22,141</u>	<u>10,944</u>	<u>247,725</u>	<u>15,716</u>	<u>147,667</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$22,141</u>	<u>\$10,944</u>	<u>\$255,872</u>	<u>\$15,716</u>	<u>\$147,667</u>

<u>Enforcement and Education Fund</u>	<u>Political Subdivision Fund</u>	<u>Computer Research and Maintenance Fund</u>	<u>Court Special Projects Fund</u>	<u>Court Probation Services Fund</u>	<u>Emergency Shelter Grant Fund</u>
\$79,454	\$9,208	\$10,833	\$52,593	\$54,084	\$585
625	388	2,559	9,486	3,409	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$80,079</u>	<u>\$9,596</u>	<u>\$13,392</u>	<u>\$62,079</u>	<u>\$57,493</u>	<u>\$585</u>
\$95	\$0	\$0	\$0	\$0	\$5,871
0	0	0	0	0	0
95	0	0	0	0	5,871
0	0	0	0	0	0
79,984	9,596	13,392	62,079	57,493	(5,286)
79,984	9,596	13,392	62,079	57,493	(5,286)
<u>\$80,079</u>	<u>\$9,596</u>	<u>\$13,392</u>	<u>\$62,079</u>	<u>\$57,493</u>	<u>\$585</u>

(continued)

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2007

	HOME Investment Program Fund	Lead-Based Paint Hazard Control Fund	Little Links Fund	Help-to-Others Fund
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$0	\$2	\$6,158	\$2,069
Receivables:				
Accounts	0	0	0	0
Intergovernmental	3,378	0	0	0
Interfund	0	10,783	0	0
<i>Total Assets</i>	<u>\$3,378</u>	<u>\$10,785</u>	<u>\$6,158</u>	<u>\$2,069</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Interfund Payable	25,607	10,786	0	0
<i>Total Liabilities</i>	<u>25,607</u>	<u>10,786</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	(22,229)	(1)	6,158	2,069
<i>Total Fund Balances (Deficit)</i>	<u>(22,229)</u>	<u>(1)</u>	<u>6,158</u>	<u>2,069</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,378</u>	<u>\$10,785</u>	<u>\$6,158</u>	<u>\$2,069</u>

Juvenile Diversion Fund	Family Day Care Home Project Fund	Family to Family Fund	Federal Emergency Management Fund	Total Nonmajor Special Revenue Funds
\$11,309	\$757	\$0	\$3,326	\$666,280
0	0	0	0	32,905
0	24,341	42,195	0	69,914
0	0	0	0	10,783
<u>\$11,309</u>	<u>\$25,098</u>	<u>\$42,195</u>	<u>\$3,326</u>	<u>\$779,882</u>
\$0	\$0	\$13,401	\$0	\$27,514
0	0	14,661	0	51,054
0	0	28,062	0	78,568
0	0	0	0	4,000
11,309	25,098	14,133	3,326	697,314
11,309	25,098	14,133	3,326	701,314
<u>\$11,309</u>	<u>\$25,098</u>	<u>\$42,195</u>	<u>\$3,326</u>	<u>\$779,882</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, 2007

	Litter Control Grant Fund	Community Festival Fund	Law and Drug Enforcement Trust Fund	Federal Forfeiture Fund
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	27,186	0
Intergovernmental	2,100	0	0	11,735
Miscellaneous	0	4,000	43,457	0
<i>Total Revenues</i>	<u>2,100</u>	<u>4,000</u>	<u>70,643</u>	<u>11,735</u>
Expenditures				
Current:				
General Government	0	6,157	0	0
Security of Persons and Property				
Police	0	0	100,475	0
Public Health Services	0	0	0	0
Community Environment	14,245	0	0	0
<i>Total Expenditures</i>	<u>14,245</u>	<u>6,157</u>	<u>100,475</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(12,145)	(2,157)	(29,832)	11,735
Other Financing Sources				
Transfers In	<u>17,000</u>	<u>5,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	4,855	2,843	(29,832)	11,735
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>17,286</u>	<u>8,101</u>	<u>277,557</u>	<u>3,981</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$22,141</u></u>	<u><u>\$10,944</u></u>	<u><u>\$247,725</u></u>	<u><u>\$15,716</u></u>

Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Political Subdivision Fund	Computer Research and Maintenance Fund	Court Special Projects Fund
\$0	\$0	\$0	\$0	\$0
7,549	6,141	4,236	30,298	104,406
6,918	0	0	0	0
0	1,800	0	0	0
<u>14,467</u>	<u>7,941</u>	<u>4,236</u>	<u>30,298</u>	<u>104,406</u>
6,519	0	0	19,159	129,656
0	41,049	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>6,519</u>	<u>41,049</u>	<u>0</u>	<u>19,159</u>	<u>129,656</u>
7,948	(33,108)	4,236	11,139	(25,250)
0	0	0	0	0
7,948	(33,108)	4,236	11,139	(25,250)
<u>139,719</u>	<u>113,092</u>	<u>5,360</u>	<u>2,253</u>	<u>87,329</u>
<u>\$147,667</u>	<u>\$79,984</u>	<u>\$9,596</u>	<u>\$13,392</u>	<u>\$62,079</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, 2007

	Court Probation Services Fund	Emergency Shelter Grant Fund	HOME Investment Program Fund	Lead-Based Paint Hazard Control Fund
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	34,634	0	0	0
Intergovernmental	0	113,746	418,378	45,175
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>34,634</u>	<u>113,746</u>	<u>418,378</u>	<u>45,175</u>
Expenditures				
Current:				
General Government	5,444	0	0	0
Security of Persons and Property				
Police	0	0	0	0
Public Health Services	0	0	0	0
Community Environment	0	114,952	400,808	53,550
<i>Total Expenditures</i>	<u>5,444</u>	<u>114,952</u>	<u>400,808</u>	<u>53,550</u>
Excess of Revenues Over (Under) Expenditures	29,190	(1,206)	17,570	(8,375)
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	29,190	(1,206)	17,570	(8,375)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>28,303</u>	<u>(4,080)</u>	<u>(39,799)</u>	<u>8,374</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$57,493</u></u>	<u><u>(\$5,286)</u></u>	<u><u>(\$22,229)</u></u>	<u><u>(\$1)</u></u>

Little Links Fund	Help-to-Others Fund	Juvenile Diversion Fund	Family Day Care Home Project Fund	Family to Family Fund	Federal Emergency Management Fund	Total Nonmajor Special Revenue Funds
\$0	\$10,500	\$0	\$0	\$0	\$0	\$10,500
0	0	0	0	0	0	214,450
0	10,000	18,000	167,525	203,695	42,416	1,039,688
0	13,564	3,340	26	0	0	66,187
0	34,064	21,340	167,551	203,695	42,416	1,330,825
0	0	0	0	0	0	166,935
0	0	0	0	0	0	141,524
0	0	14,475	0	0	0	14,475
0	34,002	0	173,033	329,871	39,899	1,160,360
0	34,002	14,475	173,033	329,871	39,899	1,483,294
0	62	6,865	(5,482)	(126,176)	2,517	(152,469)
0	0	0	0	0	0	22,000
0	62	6,865	(5,482)	(126,176)	2,517	(130,469)
6,158	2,007	4,444	30,580	140,309	809	831,783
<u>\$6,158</u>	<u>\$2,069</u>	<u>\$11,309</u>	<u>\$25,098</u>	<u>\$14,133</u>	<u>\$3,326</u>	<u>\$701,314</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	<u>Lakehouse Breakwall Fund</u>	<u>Land Acquisition Fund</u>	<u>City Park Improvement Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$15,261</u>	<u>\$150,000</u>	<u>\$29,453</u>	<u>\$194,714</u>
Liabilities and Fund Balance				
Liabilities				
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances				
Reserved for Encumbrances				
Unreserved, Undesignated	<u>15,261</u>	<u>150,000</u>	<u>29,453</u>	<u>194,714</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$15,261</u>	<u>\$150,000</u>	<u>\$29,453</u>	<u>\$194,714</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, 2007

	Lakehouse Breakwall Fund	Land Acquisition Fund	City Park Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues				
Miscellaneous	\$0	\$0	\$14,493	\$14,493
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	14,493	14,493
<i>Fund Balances Beginning of Year</i>	<u>15,261</u>	<u>150,000</u>	<u>14,960</u>	<u>180,221</u>
<i>Fund Balances End of Year</i>	<u><u>\$15,261</u></u>	<u><u>\$150,000</u></u>	<u><u>\$29,453</u></u>	<u><u>\$194,714</u></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 the off-street parking services provided by the City.
Winterhurst Ice Rink Fund	To account for the revenues and costs of operating the municipal ice rink facility.

Internal Service Funds

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

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

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2007

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets			
Equity in Pooled Cash and Cash			
Equivalents	\$18,445	\$72,970	\$91,415
Accounts Receivable	0	42,848	42,848
Materials and Supplies Inventory	0	46,430	46,430
Total Current Assets	<u>18,445</u>	<u>162,248</u>	<u>180,693</u>
Long-Term Assets			
Deferred Bond Issuance Costs	0	11,836	11,836
Nondepreciable Assets	282,311	161,247	443,558
Depreciable Assets, Net	131,345	1,863,988	1,995,333
Total Noncurrent Assets	<u>413,656</u>	<u>2,037,071</u>	<u>2,450,727</u>
<i>Total Assets</i>	<u>432,101</u>	<u>2,199,319</u>	<u>2,631,420</u>
Liabilities			
Current Liabilities			
Accounts Payable	33,041	26,416	59,457
Accrued Wages and Benefits	4,001	7,028	11,029
Intergovernmental Payable	6,080	12,700	18,780
Interfund Payable	33,716	2,477	36,193
Accrued Interest Payable	2,001	5,516	7,517
Compensated Absences Payable	10,650	1,368	12,018
Bonds Payable	20,000	98,446	118,446
Capital Leases Payable	2,233	0	2,233
Total Current Liabilities	<u>111,722</u>	<u>153,951</u>	<u>265,673</u>
Long-Term Liabilities			
Compensated Absence Payable	12,544	31,855	44,399
Bonds Payable	327,307	1,257,898	1,585,205
Capital Leases Payable	16,970	0	16,970
Total Long Term Liabilities	<u>356,821</u>	<u>1,289,753</u>	<u>1,646,574</u>
<i>Total Liabilities</i>	<u>468,543</u>	<u>1,443,704</u>	<u>1,912,247</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	49,453	680,891	730,344
Unrestricted (Deficit)	(85,895)	74,724	(11,171)
<i>Total Net Assets (Deficit)</i>	<u>(\$36,442)</u>	<u>\$755,615</u>	<u>\$719,173</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, 2007

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for Services	\$292,127	\$793,387	\$1,085,514
Miscellaneous	2,569	0	2,569
<i>Total Operating Revenues</i>	<u>294,696</u>	<u>793,387</u>	<u>1,088,083</u>
Operating Expenses			
Personal Services	209,963	387,410	597,373
Contractual Services	46,133	15,857	61,990
Materials and Supplies	19,217	22,617	41,834
Utilities	109,237	188,834	298,071
Depreciation	11,825	48,362	60,187
<i>Total Operating Expenses</i>	<u>396,375</u>	<u>663,080</u>	<u>1,059,455</u>
Operating Income (Loss)	(101,679)	130,307	28,628
Non Operating Expenses			
Interest and Fiscal Charges	(23,358)	(69,893)	(93,251)
Net Income (Loss) Before Transfers	(125,037)	60,414	(64,623)
Transfers In	17,158	400,000	417,158
<i>Change in Net Assets</i>	(107,879)	460,414	352,535
<i>Net Assets Beginning of Year</i>	71,437	295,201	366,638
<i>Net Assets (Deficit) End of Year</i>	<u>(\$36,442)</u>	<u>\$755,615</u>	<u>\$719,173</u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2007

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$292,127	\$796,435	\$1,088,562
Cash Received from Other Operating Sources	2,569	0	2,569
Cash Payments to Suppliers for Goods and Services	(236,813)	(251,937)	(488,750)
Cash Payments for Employee Services and Benefits	(203,906)	(381,100)	(585,006)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(146,023)</u>	<u>163,398</u>	<u>17,375</u>
Cash Flows from Noncapital Financing Activities			
Transfer In	0	400,000	400,000
Advance In	30,000	0	30,000
<i>Net Cash Provided by Non-capital Financing Activities</i>	<u>30,000</u>	<u>400,000</u>	<u>430,000</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(233,962)	(345,609)	(579,571)
Notes Issued	0	0	0
Bonds Issued	355,000	0	355,000
Premium	2,428	0	2,428
Principal Paid on Bonds	0	(34,097)	(34,097)
Principal Paid on Notes	(350,000)	(60,000)	(410,000)
Interest Paid on Bonds	0	(70,446)	(70,446)
Interest Paid on Notes	(22,895)	0	(22,895)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(249,429)</u>	<u>(510,152)</u>	<u>(759,581)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(365,452)	53,246	(312,206)
<i>Cash and Cash Equivalents Beginning of Year</i>	383,897	19,724	403,621
<i>Cash and Cash Equivalents End of Year</i>	<u>\$18,445</u>	<u>\$72,970</u>	<u>\$91,415</u>

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2007

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	(\$101,679)	\$130,307	\$28,628
Adjustments:			
Depreciation	11,825	48,362	60,187
(Increase) Decrease in Assets:			
Accounts Receivable	0	3,048	3,048
Materials and Supplies Inventory	39,527	(1,005)	38,522
Increase (Decrease) in Liabilities:			
Accounts Payable	(131,743)	(13,197)	(144,940)
Accrued Wages	1,457	412	1,869
Compensated Absences	2,057	(5,868)	(3,811)
Interfund Payable	32,721	2,145	34,866
Intergovernmental Payable	(188)	(806)	(994)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$146,023)</u>	<u>\$163,398</u>	<u>\$17,375</u>

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2007

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$79,035	\$23,225	\$2,508	\$104,768
Accrued Interest Receivable	0	0	1,992	1,992
Accounts Receivable	2,858	0	0	2,858
Interfund Receivable	615,596	0	0	615,596
<i>Total Assets</i>	<u>697,489</u>	<u>23,225</u>	<u>4,500</u>	<u>725,214</u>
Liabilities				
Current Liabilities				
Accounts Payable	56,450	5,000	0	61,450
Intergovernmental Payable	0	137,705	0	137,705
Claims Payable	615,596	139,305	23,000	777,901
<i>Total Liabilities</i>	<u>672,046</u>	<u>282,010</u>	<u>23,000</u>	<u>977,056</u>
Net Assets				
Unrestricted (Deficit)	<u>\$25,443</u>	<u>(\$258,785)</u>	<u>(\$18,500)</u>	<u>(\$251,842)</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, 2007

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$4,746,644	\$654,065	\$0	\$5,400,709
Miscellaneous	562,849	37,420	0	600,269
<i>Total Operating Revenues</i>	<u>5,309,493</u>	<u>691,485</u>	<u>0</u>	<u>6,000,978</u>
Operating Expenses				
Personal Services	0	30,558	0	30,558
Workers' Compensation Premium	0	266,560	0	266,560
Claims	5,816,051	315,369	0	6,131,420
<i>Total Operating Expenses</i>	<u>5,816,051</u>	<u>612,487</u>	<u>0</u>	<u>6,428,538</u>
<i>Operating Income (Loss)</i>	(506,558)	78,998	0	(427,560)
Non Operating Revenue				
Interest	0	0	995	995
<i>Net Income (Loss) Before Transfers</i>	(506,558)	78,998	995	(426,565)
Transfers In	250,000	23,648	0	273,648
<i>Change in Net Assets</i>	(256,558)	102,646	995	(152,917)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>282,001</u>	<u>(361,431)</u>	<u>(19,495)</u>	<u>(98,925)</u>
<i>Net Assets (Deficit) at End of Year</i>	<u>\$25,443</u>	<u>(\$258,785)</u>	<u>(\$18,500)</u>	<u>(\$251,842)</u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2007

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Transactions with Other Funds	\$4,291,446	\$654,065	\$0	\$4,945,511
Cash Received from Other Operating Sources	562,849	37,420	0	600,269
Cash Payments to Suppliers for Goods and Services	(29,647)	(33,058)	0	(62,705)
Cash Payments for Claims	(5,363,711)	(489,511)	0	(5,853,222)
Cash Payments for Premium	0	(359,531)	0	(359,531)
<i>Net Cash Used for Operating Activities</i>	(539,063)	(190,615)	0	(729,678)
Cash Flows from Noncapital Financing Activities				
Transfers In	250,000	23,648	0	273,648
Cash Flows from Investing Activities				
Interest	0	0	822	822
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(289,063)	(166,967)	822	(455,208)
<i>Cash and Cash Equivalents Beginning of Year</i>	368,098	190,192	1,686	559,976
<i>Cash and Cash Equivalents End of Year</i>	\$79,035	\$23,225	\$2,508	\$104,768

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended December 31, 2007

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities				
<i>Operating Income (Loss)</i>	(\$506,558)	\$78,998	\$0	(\$427,560)
Adjustments:				
(Increase) Decrease in Assets:				
Accounts Receivable	(1,059)	0	0	(1,059)
Interfund Receivable	(452,340)	0	0	(452,340)
Prepaid Items	0	0	0	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(31,446)	2,500	0	(28,946)
Intergovernmental Payable	0	(97,971)	0	(97,971)
Claims Payable	452,340	(174,142)	0	278,198
<i>Net Cash Used for Operating Activities</i>	<u>(\$539,063)</u>	<u>(\$190,615)</u>	<u>\$0</u>	<u>(\$729,678)</u>

Statement-Fiduciary Fund

Fund Description

Agency Fund

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

Deposits

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

City of Lakewood, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2007

	Balance 12/31/2006	Additions	Reductions	Balance 12/31/2007
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,264,274	\$448,821	\$312,138	\$1,400,957
Liabilities				
Deposits Held and Due to Others	\$1,264,274	\$448,821	\$312,138	\$1,400,957

**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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$7,538,331	\$7,538,331	\$7,584,495	\$46,164
Municipal Income Taxes	18,000,000	18,150,000	18,300,458	150,458
Charges for Services	1,542,975	1,542,975	889,882	(653,093)
Licenses, Permits and Fees	1,302,198	1,302,198	1,929,936	627,738
Fines and Forfeitures	1,426,330	1,426,330	1,241,158	(185,172)
Intergovernmental	6,552,404	6,552,403	6,039,100	(513,303)
Interest	1,150,000	1,150,000	948,684	(201,316)
Miscellaneous	110,575	110,575	144,586	34,011
<i>Total Revenues</i>	<u>37,622,813</u>	<u>37,772,812</u>	<u>37,078,299</u>	<u>(694,513)</u>
Expenditures				
Current:				
General Government:				
Council				
Salaries	122,300	112,300	109,491	2,809
Fringe Benefits	50,370	50,370	47,881	2,489
Travel and Transportation	1,400	1,400	0	1,400
Professional Services	14,591	14,591	6,786	7,805
Communications	1,250	1,250	950	300
Materials and Supplies	3,080	3,080	789	2,291
Other	11,196	11,196	4,703	6,493
Total Council	<u>204,187</u>	<u>194,187</u>	<u>170,600</u>	<u>23,587</u>
Municipal Court				
Salaries	905,860	905,860	835,570	70,290
Fringe Benefits	132,906	132,906	127,171	5,735
Travel and Transportation	5,650	5,650	1,076	4,574
Professional Services	46,600	46,600	29,416	17,184
Communications	55,250	55,250	45,251	9,999
Materials and Supplies	30,400	30,400	16,384	14,016
Capital Outlay	20,000	20,000	3,750	16,250
Other	43,822	43,822	15,599	28,223
Total Municipal Court	<u>1,240,488</u>	<u>1,240,488</u>	<u>1,074,217</u>	<u>166,271</u>
Civil Service				
Salaries	55,860	55,860	55,096	764
Fringe Benefits	20,880	20,880	20,467	413
Professional Services	26,075	9,075	4,067	5,008
Communications	750	750	515	235
Materials and Supplies	985	985	405	580
Other	1,185	1,185	197	988
Total Civil Service	<u>\$105,735</u>	<u>\$88,735</u>	<u>\$80,747</u>	<u>\$7,988</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's Office				
Salaries	\$130,367	\$121,904	\$121,340	\$564
Fringe Benefits	39,702	38,165	36,890	1,275
Travel and Transportation	1,925	4,975	2,753	2,222
Professional Services	8,770	8,770	8,085	685
Communications	1,825	1,925	1,644	281
Contractual Services	6,000	3,000	8,000	(5,000)
Materials and Supplies	4,600	4,350	2,124	2,226
Other	1,457	1,557	1,129	428
Total Mayor's Office	194,646	184,646	181,965	2,681
Human Resources				
Salaries	230,544	209,864	204,691	5,173
Fringe Benefits	66,750	62,430	61,177	1,253
Travel and Transportation	600	600	106	494
Professional Services	20,500	21,662	18,234	3,428
Communications	2,200	2,200	1,569	631
Materials and Supplies	7,850	8,285	5,236	3,049
Other	25,318	23,721	12,781	10,940
Total Human Resources	353,762	328,762	303,794	24,968
Community Relations				
Salaries	87,409	87,409	86,795	614
Fringe Benefits	29,894	29,894	29,604	290
Professional Services	5,280	4,430	4,429	1
Communications	2,050	1,330	851	479
Contractual Services	5,000	5,000	5,000	0
Materials and Supplies	5,200	3,570	3,128	442
Other	18,070	21,270	21,610	(340)
Total Community Relations	152,903	152,903	151,417	1,486
Public Works Administration				
Salaries	176,296	176,296	172,634	3,662
Fringe Benefits	71,377	71,377	70,403	974
Professional Services	50	70	52	18
Communications	1,975	2,027	1,636	391
Materials and Supplies	1,700	1,700	1,093	607
Other	2,300	2,228	1,195	1,033
Total Public Works Administration	\$253,698	\$253,698	\$247,013	\$6,685

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Buildings and Facilities				
Salaries	\$263,451	\$238,451	\$234,093	\$4,358
Fringe Benefits	94,290	94,290	91,433	2,857
Professional Services	150	150	61	89
Communications	9,350	9,350	9,496	(146)
Contractual Services	14,000	14,000	8,568	5,432
Materials and Supplies	24,100	17,700	16,457	1,243
Capital Outlay	0	1,400	1,388	12
Other	240,440	245,440	215,687	29,753
Total Buildings and Facilities	<u>645,781</u>	<u>620,781</u>	<u>577,183</u>	<u>43,598</u>
Fleet Management				
Salaries	533,906	541,406	546,139	(4,733)
Fringe Benefits	211,645	211,645	202,440	9,205
Professional Services	3,266	1,235	34	1,201
Communications	3,765	3,225	3,106	119
Contractual Services	5,500	2,826	2,868	(42)
Materials and Supplies	25,121	24,793	24,149	644
Capital Outlay	18,664	18,664	18,728	(64)
Other	27,810	25,883	26,364	(481)
Total Fleet Management	<u>829,677</u>	<u>829,677</u>	<u>823,828</u>	<u>5,849</u>
Engineering				
Salaries	385,089	358,489	355,250	3,239
Fringe Benefits	115,788	112,388	110,097	2,291
Travel and Transportation	4,400	4,100	1,567	2,533
Professional Services	6,118	6,118	4,121	1,997
Communications	4,700	5,200	4,517	683
Contractual Services	100	100	0	100
Materials and Supplies	5,230	5,230	4,594	636
Other	11,300	11,100	12,320	(1,220)
Total Engineering	<u>532,725</u>	<u>502,725</u>	<u>492,466</u>	<u>10,259</u>
Finance				
Salaries	372,766	372,766	372,252	514
Fringe Benefits	123,090	123,090	120,614	2,476
Travel and Transportation	1,350	1,350	1,456	(106)
Professional Services	86,429	92,499	90,338	2,161
Communications	8,750	8,750	7,538	1,212
Contractual Services	11,000	11,000	8,500	2,500
Materials and Supplies	6,200	3,964	4,352	(388)
Capital Outlay	10,000	10,000	9,750	250
Other	11,722	7,888	7,803	85
Total Finance	<u>\$631,307</u>	<u>\$631,307</u>	<u>\$622,603</u>	<u>\$8,704</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Income Tax				
Salaries	\$361,880	\$352,880	\$349,189	\$3,691
Fringe Benefits	100,775	99,775	98,861	914
Travel and Transportation	1,300	1,350	588	762
Professional Services	65,604	91,204	89,718	1,486
Communications	56,500	54,900	41,984	12,916
Contractual Services	4,420	3,095	1,400	1,695
Materials and Supplies	14,416	16,431	14,711	1,720
Capital Outlay	0	1,500	1,388	112
Other	437,001	560,761	522,633	38,128
Total Income Tax	1,041,896	1,181,896	1,120,472	61,424
Information Systems				
Salaries	344,293	348,843	348,651	192
Fringe Benefits	102,324	101,774	101,410	364
Travel and Transportation	600	600	89	511
Professional Services	16,888	13,100	10,768	2,332
Communications	2,200	2,200	2,105	95
Contractual Services	11,000	9,600	8,500	1,100
Materials and Supplies	4,375	5,672	5,375	297
Other	226,033	225,924	221,365	4,559
Total Information Systems	707,713	707,713	698,263	9,450
General Administration				
Salaries	25,000	34,000	32,677	1,323
Fringe Benefits	3,826	5,826	5,000	826
Professional Services	62,316	62,316	50,570	11,746
Communications	0	0	3,163	(3,163)
Contractual Services	6,415	6,415	6,415	0
Materials and Supplies	6,000	6,000	8,387	(2,387)
Capital Outlay	4,800	4,800	0	4,800
Other	653,508	642,785	632,992	9,793
Total General Administration	761,865	762,142	739,204	22,938
Law				
Salaries	371,029	356,029	353,584	2,445
Fringe Benefits	106,293	106,293	101,633	4,660
Travel and Transportation	275	275	184	91
Professional Services	105,911	103,311	96,167	7,144
Communications	4,200	4,200	2,858	1,342
Materials and Supplies	11,330	11,330	10,815	515
Capital Outlay	0	2,600	2,587	13
Other	2,050	2,050	904	1,146
Total Law	601,088	586,088	568,732	17,356
Total General Government	\$8,257,471	\$8,265,748	\$7,852,504	\$413,244

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Security of Persons and Property:				
Police				
Salaries	\$6,645,779	\$6,684,779	\$6,681,726	\$3,053
Fringe Benefits	1,088,961	1,074,961	1,069,784	5,177
Travel and Transportation	900	900	87	813
Professional Services	19,418	26,843	22,437	4,406
Communications	65,750	65,750	61,606	4,144
Contractual Services	90,600	96,200	94,812	1,388
Materials and Supplies	171,713	174,853	185,293	(10,440)
Capital Outlay	0	4,000	3,317	683
Other	223,250	203,085	192,636	10,449
Total Police	<u>8,306,371</u>	<u>8,331,371</u>	<u>8,311,698</u>	<u>19,673</u>
Police Communications				
Salaries	472,273	487,273	484,890	2,383
Fringe Benefits	149,651	149,651	148,845	806
Professional Services	1,500	1,750	1,947	(197)
Communications	0	100	78	22
Materials and Supplies	1,850	1,380	1,304	76
Other	41,950	40,570	30,931	9,639
Total Police Communications	<u>667,224</u>	<u>680,724</u>	<u>667,995</u>	<u>12,729</u>
School Guards				
Salaries	228,420	236,920	235,176	1,744
Fringe Benefits	34,948	36,448	35,832	616
Other	3,200	3,200	2,694	506
Total School Guards	<u>\$266,568</u>	<u>\$276,568</u>	<u>\$273,702</u>	<u>\$2,866</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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire				
Salaries	\$5,830,185	\$6,088,185	\$6,060,562	\$27,623
Fringe Benefits	959,139	936,139	941,581	(5,442)
Travel and Transportation	4,500	3,076	389	2,687
Professional Services	7,230	5,718	5,628	90
Communications	16,750	20,627	17,437	3,190
Contractual Services	13,700	14,900	13,036	1,864
Materials and Supplies	53,557	58,751	52,969	5,782
Capital Outlay	9,500	4,300	4,269	31
Other	239,252	237,117	225,143	11,974
Total Fire	7,133,813	7,368,813	7,321,014	47,799
Fire Communications				
Materials and Supplies	6,000	7,500	7,153	347
Capital Outlay	7,591	7,591	7,528	63
Total Fire Communications	13,591	15,091	14,681	410
Street Lighting				
Other	490,000	490,000	489,825	175
Animal Control				
Salaries	137,417	137,417	132,121	5,296
Fringe Benefits	50,799	50,799	49,390	1,409
Professional Services	1,981	1,501	1,331	170
Communications	2,265	1,863	1,440	423
Contractual Services	500	600	560	40
Materials and Supplies	4,961	5,443	4,566	877
Other	15,196	15,496	12,853	2,643
Total Animal Control	213,119	213,119	202,261	10,858
Total Security of Persons and Property	17,090,686	17,375,686	17,281,176	94,510
Public Health Services:				
Support of Prisoners				
Salaries	158,742	173,742	167,368	6,374
Fringe Benefits	54,729	54,729	54,082	647
Professional Services	80,500	149,000	92,432	56,568
Contractual Services	311,500	243,500	212,158	31,342
Materials and Supplies	74,850	74,350	64,989	9,361
Other	5,950	5,950	2,214	3,736
Total Support of Prisoners	\$686,271	\$701,271	\$593,243	\$108,028

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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Traffic Signs and Signals				
Salaries	\$12,413	\$5,413	\$3,236	\$2,177
Fringe Benefits	5,455	5,455	3,144	2,311
Professional Services	1,650	490	474	16
Communications	1,170	1,220	1,092	128
Contractual Services	250	0	0	0
Materials and Supplies	20,300	22,241	19,252	2,989
Other	12,100	11,519	8,949	2,570
Total Traffic Signs and Signals	53,338	46,338	36,147	10,191
Human Services Administration				
Salaries	139,016	133,016	130,857	2,159
Fringe Benefits	45,066	44,066	43,196	870
Travel and Transportation	700	700	188	512
Professional Services	1,154	1,154	423	731
Communications	1,350	1,350	905	445
Materials and Supplies	1,000	1,076	653	423
Capital Outlay	900	900	0	900
Other	1,293	1,217	1,099	118
Total Human Services Administration	190,479	183,479	177,321	6,158
Communications				
Salaries	115,100	126,100	124,424	1,676
Fringe Benefits	42,541	42,541	43,431	(890)
Travel and Transportation	0	0	17	(17)
Professional Services	300	300	117	183
Communications	675	675	308	367
Materials and Supplies	800	800	417	383
Other	2,215	2,215	640	1,575
Total Communications	161,631	172,631	169,354	3,277
Total Public Health Services	1,091,719	1,103,719	976,065	127,654
Community Environment:				
Housing and Building				
Salaries	974,160	911,160	909,836	1,324
Fringe Benefits	375,265	363,265	360,463	2,802
Travel and Transportation	2,100	2,100	165	1,935
Professional Services	14,653	18,553	19,880	(1,327)
Communications	11,074	11,074	10,007	1,067
Materials and Supplies	9,100	7,625	5,699	1,926
Other	30,934	28,509	26,458	2,051
Total Housing and Building	\$1,417,286	\$1,342,286	\$1,332,508	\$9,778

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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Forestry				
Salaries	\$303,675	\$283,675	\$281,795	\$1,880
Fringe Benefits	118,460	118,460	111,801	6,659
Professional Services	1,050	1,050	795	255
Communications	624	624	171	453
Contractual Services	6,950	6,950	3,675	3,275
Materials and Supplies	18,025	18,025	15,707	2,318
Other	14,245	14,245	8,779	5,466
Total Forestry	463,029	443,029	422,723	20,306
Child Care				
Salaries	73,187	73,187	72,837	350
Fringe Benefits	24,092	24,092	23,493	599
Travel and Transportation	246	246	0	246
Professional Services	218	218	118	100
Communications	2,200	2,200	1,345	855
Materials and Supplies	750	750	293	457
Other	2,795	2,795	1,941	854
Total Child Care	103,488	103,488	100,027	3,461
Youth				
Salaries	361,961	365,961	365,130	831
Fringe Benefits	134,314	134,314	133,197	1,117
Travel and Transportation	250	0	0	0
Professional Services	593	343	66	277
Communications	7,215	5,282	4,797	485
Materials and Supplies	2,765	2,797	2,433	364
Other	17,759	16,160	14,526	1,634
Total Youth	524,857	524,857	520,149	4,708
Planning and Development				
Salaries	161,593	161,593	141,310	20,283
Fringe Benefits	39,328	39,328	44,818	(5,490)
Travel and Transportation	2,600	2,100	1,516	584
Professional Services	30,500	32,000	30,439	1,561
Communications	4,675	6,475	5,932	543
Contractual Services	5,000	6,100	1,701	4,399
Materials and Supplies	8,500	8,900	6,149	2,751
Capital Outlay	0	100	77	23
Other	137,100	372,700	281,150	91,550
Total Planning and Development	389,296	629,296	513,092	116,204
Total Community Environment	\$2,897,956	\$3,042,956	\$2,888,499	\$154,457

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Basic Utility Services:				
Refuse and Recycling				
Salaries	\$2,355,596	\$2,224,357	\$2,213,836	\$10,521
Fringe Benefits	904,321	873,821	861,412	12,409
Professional Services	0	1,317	1,317	0
Communications	5,618	6,368	6,810	(442)
Contractual Services	1,045,753	988,822	945,446	43,376
Materials and Supplies	186,000	222,150	221,072	1,078
Capital Outlay	9,653	14,653	14,477	176
Other	299,195	300,898	253,251	47,647
<i>Total Basic Utility Services</i>	<u>4,806,136</u>	<u>4,632,386</u>	<u>4,517,621</u>	<u>114,765</u>
Leisure Time Activities:				
Security				
Salaries	62,830	49,830	48,815	1,015
Fringe Benefits	9,613	8,613	7,469	1,144
<i>Total Security</i>	<u>72,443</u>	<u>58,443</u>	<u>56,284</u>	<u>2,159</u>
Parks				
Salaries	757,409	738,909	742,015	(3,106)
Fringe Benefits	278,258	270,258	271,002	(744)
Professional Services	1,114	1,114	270	844
Communications	5,499	5,499	4,263	1,236
Contractual Services	16,200	16,200	12,038	4,162
Materials and Supplies	62,631	63,131	63,275	(144)
Capital Outlay	0	0	0	0
Other	133,860	133,360	123,211	10,149
<i>Total Parks</i>	<u>1,254,971</u>	<u>1,228,471</u>	<u>1,216,074</u>	<u>12,397</u>
Construction				
Salaries	218,294	205,294	202,847	2,447
Fringe Benefits	90,802	89,302	86,500	2,802
Other	800	800	800	0
<i>Total Construction</i>	<u>309,896</u>	<u>295,396</u>	<u>290,147</u>	<u>5,249</u>
Swimming Pools				
Contractual Services	0	400	391	9
Materials and Supplies	26,000	24,215	21,089	3,126
Other	214,400	242,785	239,464	3,321
<i>Total Swimming Pools</i>	<u>\$240,400</u>	<u>\$267,400</u>	<u>\$260,944</u>	<u>\$6,456</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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Band Concerts				
Salaries	\$13,390	\$12,390	\$8,926	\$3,464
Fringe Benefits	2,049	2,049	1,372	677
Professional Services	15,243	15,818	15,717	101
Materials and Supplies	3,841	3,266	2,518	748
Other	4,500	5,500	5,648	(148)
Total Band Concerts	<u>39,023</u>	<u>39,023</u>	<u>34,181</u>	<u>4,842</u>
Museums				
Contractual Services	4,925	6,040	6,038	2
Other	6,600	6,235	5,785	450
Total Museums	<u>11,525</u>	<u>12,275</u>	<u>11,823</u>	<u>452</u>
July 4th Festival				
Salaries	12,875	12,875	12,882	(7)
Fringe Benefits	1,970	1,970	1,919	51
Contractual Services	34,150	34,150	31,315	2,835
Materials and Supplies	2,153	2,153	1,765	388
Other	305	305	0	305
Total July 4th Festival	<u>51,453</u>	<u>51,453</u>	<u>47,881</u>	<u>3,572</u>
Tennis Courts				
Materials and Supplies	2,000	2,000	1,666	334
Other	19,200	19,200	16,137	3,063
Total Tennis Courts	<u>21,200</u>	<u>21,200</u>	<u>17,803</u>	<u>3,397</u>
Total Leisure Time Activities	<u>2,000,911</u>	<u>1,973,661</u>	<u>1,935,137</u>	<u>38,524</u>
Total Expenditures	<u>36,144,879</u>	<u>36,394,156</u>	<u>35,451,002</u>	<u>943,154</u>
Excess of Revenues Over Expenditures	<u>1,477,934</u>	<u>1,378,656</u>	<u>1,627,297</u>	<u>248,641</u>
Other Financing Sources (Uses)				
Transfers Out	(2,508,025)	(2,378,748)	(2,378,748)	0
Advances In	30,825	30,825	30,825	0
Advances Out	0	(30,000)	(30,000)	0
Total Other Sources (Uses)	<u>(2,477,200)</u>	<u>(2,377,923)</u>	<u>(2,377,923)</u>	<u>0</u>
Net Change in Fund Balance	(999,266)	(999,267)	(750,626)	248,641
Fund Balance Beginning of Year	971,745	971,745	971,745	0
Prior Year Encumbrances Appropriated	118,399	118,399	118,399	0
Fund Balance End of Year	<u>\$90,878</u>	<u>90,877</u>	<u>\$339,518</u>	<u>\$248,641</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,036,000	\$2,036,000	\$1,945,241	(\$90,759)
Miscellaneous	25,750	25,750	163	(25,587)
<i>Total Revenues</i>	<u>2,061,750</u>	<u>2,061,750</u>	<u>1,945,404</u>	<u>(116,346)</u>
Expenditures				
Current:				
Transportation:				
Salaries	1,152,957	1,142,957	1,119,227	23,730
Fringe Benefits	436,813	436,813	406,675	30,138
Professional Services	3,850	3,850	1,317	2,533
Communications	3,810	4,110	3,561	549
Contractual Services	76,900	76,600	75,407	1,193
Materials and Supplies	325,729	342,824	340,391	2,433
Capital Outlay	200,000	200,000	205,223	(5,223)
Other	315,148	308,053	269,163	38,890
<i>Total Expenditures</i>	<u>2,515,207</u>	<u>2,515,207</u>	<u>2,420,964</u>	<u>94,243</u>
<i>Net Change in Fund Balance</i>	(453,457)	(453,457)	(475,560)	(22,103)
<i>Fund Balance Beginning of Year</i>	506,163	506,163	506,163	0
<i>Prior Year Encumbrances Appropriated</i>	<u>33,877</u>	<u>33,877</u>	<u>33,877</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$86,583</u>	<u>\$86,583</u>	<u>\$64,480</u>	<u>(\$22,103)</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$2,858,465	\$2,858,465	\$2,875,980	\$17,515
Intergovernmental	334,166	334,166	358,217	24,051
<i>Total Revenues</i>	<u>3,192,631</u>	<u>3,192,631</u>	<u>3,234,197</u>	<u>41,566</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fringe Benefits Police	1,216,962	1,254,277	1,189,179	65,098
Fringe Benefits Fire	1,428,606	1,406,291	1,390,545	15,746
<i>Total Expenditures</i>	<u>2,645,568</u>	<u>2,660,568</u>	<u>2,579,724</u>	<u>80,844</u>
<i>Excess of Revenues Over Expenditures</i>	547,063	532,063	654,473	122,410
Other Financing Uses				
Transfers Out	(425,900)	(425,900)	(425,900)	0
<i>Net Change in Fund Balance</i>	121,163	106,163	228,573	122,410
<i>Fund Balance Beginning of Year</i>	<u>675,688</u>	<u>675,688</u>	<u>675,688</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$796,851</u>	<u>\$781,851</u>	<u>\$904,261</u>	<u>\$122,410</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$3,982,885	\$4,144,383	\$2,282,840	(\$1,861,543)
Expenditures				
Current:				
Community Environment:				
Salaries	522,108	522,108	525,997	(3,889)
Fringe Benefits	128,026	128,026	127,790	236
Travel and Transportation	5,200	5,200	5,425	(225)
Professional Services	29,200	108,200	44,906	63,294
Communications	4,974	4,974	4,302	672
Contractual Services	1,651,828	1,736,916	890,696	846,220
Materials and Supplies	11,210	11,210	6,379	4,831
Capital Outlay	1,234,362	1,231,772	1,090,781	140,991
Other	118,540	118,540	72,410	46,130
<i>Total Expenditures</i>	<u>3,705,448</u>	<u>3,866,946</u>	<u>2,768,686</u>	<u>1,098,260</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	277,437	277,437	(485,846)	(763,283)
Other Financing Uses				
Advances Out	(6,755)	(6,755)	0	(6,755)
<i>Net Change in Fund Balance</i>	270,682	270,682	(485,846)	(756,528)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(51,732)</u>	<u>(51,732)</u>	<u>(51,732)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$218,950</u>	<u>\$218,950</u>	<u>(\$537,578)</u>	<u>(\$756,528)</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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$3,600	\$3,600	\$230,136	\$226,536
Intergovernmental	385,500	385,500	287,055	(98,445)
Contributions and Donations	240,000	240,000	86,276	(153,724)
<i>Total Revenues</i>	<u>629,100</u>	<u>629,100</u>	<u>603,467</u>	<u>(25,633)</u>
Expenditures				
Current:				
Public Health Services:				
Salaries	1,642,667	1,642,667	1,603,621	39,046
Fringe Benefits	558,097	558,097	536,761	21,336
Travel and Transportation	0	50	20	30
Professional Services	3,905	1,850	1,600	250
Communications	15,550	15,500	15,342	158
Contractual Services	2,800	2,357	2,088	269
Materials and Supplies	87,172	88,040	87,209	831
Capital Outlay	122,155	122,155	98,166	23,989
Other	94,625	96,255	95,974	281
<i>Total Expenditures</i>	<u>2,526,971</u>	<u>2,526,971</u>	<u>2,440,781</u>	<u>86,190</u>
<i>Excess of Revenues Under Expenditures</i>	(1,897,871)	(1,897,871)	(1,837,314)	60,557
Other Financing Sources				
Transfers In	1,708,100	1,708,100	1,683,100	(25,000)
<i>Net Change in Fund Balance</i>	(189,771)	(189,771)	(154,214)	35,557
<i>Fund Balance Beginning of Year</i>	202,029	202,029	202,029	0
<i>Prior Year Encumbrances Appropriated</i>	372	372	372	0
<i>Fund Balance End of Year</i>	<u>\$12,630</u>	<u>\$12,630</u>	<u>\$48,187</u>	<u>\$35,557</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,249,041	\$2,249,042	\$2,221,657	(\$27,385)
Licenses, Permits and Fees	110,000	110,000	105,477	(4,523)
Intergovernmental	76,250	100,187	90,331	(9,856)
Miscellaneous	313	312	620	308
<i>Total Revenues</i>	<u>2,435,604</u>	<u>2,459,541</u>	<u>2,418,085</u>	<u>(41,456)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Salaries	1,237,013	1,237,013	1,212,057	24,956
Fringe Benefits	276,467	276,467	278,619	(2,152)
Travel and Transportation	1,300	50	5	45
Professional Services	80,900	79,119	77,032	2,087
Communications	2,750	2,700	2,134	566
Materials and Supplies	47,673	45,743	40,333	5,410
Other	34,640	49,651	48,691	960
<i>Total Security of Persons and Property</i>	<u>1,680,743</u>	<u>1,690,743</u>	<u>1,658,871</u>	<u>31,872</u>
Public Health Services:				
Health				
Salaries	503,626	503,626	467,661	35,965
Fringe Benefits	165,840	165,840	157,478	8,362
Travel and Transportation	4,750	5,196	3,727	1,469
Professional Services	5,870	4,670	3,105	1,565
Communications	9,100	10,690	9,288	1,402
Contractual Services	11,500	8,000	5,480	2,520
Materials and Supplies	42,850	54,443	44,779	9,664
Capital Outlay	0	14,914	9,678	5,236
Other	93,998	91,092	87,495	3,597
<i>Total Public Health Services</i>	<u>837,534</u>	<u>858,471</u>	<u>788,691</u>	<u>69,780</u>
<i>Total Expenditures</i>	<u>2,518,277</u>	<u>2,549,214</u>	<u>2,447,562</u>	<u>(101,652)</u>
<i>Net Change in Fund Balance</i>	(82,673)	(89,673)	(29,477)	60,196
<i>Fund Balance Beginning of Year</i>	86,496	86,496	86,496	0
<i>Prior Year Encumbrances Appropriated</i>	3,339	3,339	3,339	0
<i>Fund Balance End of Year</i>	<u>\$7,162</u>	<u>\$162</u>	<u>\$60,358</u>	<u>\$60,196</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$3,024,047	\$3,024,047	\$3,042,564	\$18,517
Intergovernmental	353,523	353,523	378,967	25,444
Special Assessments	60,000	60,000	102,650	42,650
Interest	80,000	80,000	171,445	91,445
Miscellaneous	0	0	18,862	18,862
<i>Total Revenues</i>	<u>3,517,570</u>	<u>3,517,570</u>	<u>3,714,488</u>	<u>196,918</u>
Expenditures				
Current:				
General Government				
Professional Services	38,900	0	0	0
Debt Service				
Principal Retirement	6,632,402	11,402,125	11,402,125	0
Interest and Fiscal Charges	1,527,485	1,796,662	1,674,321	122,341
Issuance Costs	300,690	300,690	300,690	0
<i>Total Debt Service</i>	<u>8,460,577</u>	<u>13,499,477</u>	<u>13,377,136</u>	<u>122,341</u>
<i>Total Expenditures</i>	<u>8,499,477</u>	<u>13,499,477</u>	<u>13,377,136</u>	<u>122,341</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,981,907)</u>	<u>(9,981,907)</u>	<u>(9,662,648)</u>	<u>319,259</u>
Other Financing Sources (Uses)				
Bonds Issued	8,130,000	13,135,000	10,875,000	(2,260,000)
Notes Issued	0	0	2,751,000	2,751,000
Refunded Bond Escrow Agent	(4,844,725)	(4,844,725)	(4,844,725)	0
Premium on Notes	0	0	67,218	67,218
Transfers In	1,927,400	1,927,400	1,925,900	(1,500)
<i>Total Other Financing Sources</i>	<u>5,212,675</u>	<u>10,217,675</u>	<u>10,774,393</u>	<u>556,718</u>
<i>Net Change in Fund Balance</i>	230,768	235,768	1,111,745	875,977
<i>Fund Balance Beginning of Year</i>	<u>877,381</u>	<u>877,381</u>	<u>877,381</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,108,149</u>	<u>\$1,113,149</u>	<u>\$1,989,126</u>	<u>\$875,977</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,027,900	\$1,027,900	\$79,495	(\$948,405)
Interest	0	0	0	0
<i>Total Revenues</i>	<u>1,027,900</u>	<u>1,027,900</u>	<u>79,495</u>	<u>(948,405)</u>
Expenditures				
Current:				
General Government				
Capital Outlay	2,172,921	1,723,421	102,296	1,621,125
Security of Persons and Property				
Capital Outlay	339,271	339,271	353,927	(14,656)
Public Health				
Capital Outlay	58,076	58,076	56,419	1,657
Transportation				
Capital Outlay	2,668,952	3,118,452	3,007,979	110,473
Community Environment				
Capital Outlay	56,974	56,974	51,950	5,024
Basic Utility Services				
Capital Outlay	287,722	287,722	250,820	36,902
Leisure Time Activities				
Capital Outlay	1,103,943	1,103,943	197,932	906,011
Debt Service:				
Interest and Fiscal Charges	0	0	(4,847)	(4,847)
<i>Total Expenditures</i>	<u>6,687,859</u>	<u>6,687,859</u>	<u>4,016,476</u>	<u>2,656,842</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,659,959)</u>	<u>(5,659,959)</u>	<u>(3,936,981)</u>	<u>1,722,978</u>
Other Financing Sources (Uses)				
Notes Issued	2,675,877	2,675,877	2,623,000	(52,877)
Premium on Sale of Notes	0	0	8,820	8,820
Transfers Out	(750,000)	(750,000)	(750,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,925,877</u>	<u>1,925,877</u>	<u>1,881,820</u>	<u>(44,057)</u>
<i>Net Change in Fund Balance</i>	<u>(3,734,082)</u>	<u>(3,734,082)</u>	<u>(2,055,161)</u>	<u>1,678,921</u>
<i>Fund Balance Beginning of Year</i>	3,923,840	3,923,840	3,923,840	0
<i>Prior Year Encumbrances Appropriated</i>	833,245	833,245	833,245	0
<i>Fund Balance End of Year</i>	<u>\$1,023,003</u>	<u>\$1,023,003</u>	<u>\$2,701,924</u>	<u>\$1,678,921</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$44,931	\$44,931
Miscellaneous	1	1	0	(1)
<i>Total Revenues</i>	<u>1</u>	<u>1</u>	<u>44,931</u>	<u>44,930</u>
Expenditures				
Current:				
Capital Outlay	802,130	802,130	669,175	132,955
<i>Excess of Revenues Under Expenditures</i>	(802,129)	(802,129)	(624,244)	177,885
Other Financing Uses				
Transfers Out	(30,607)	(30,607)	0	(30,607)
<i>Net Change in Fund Balance</i>	(832,736)	(832,736)	(624,244)	208,492
<i>Fund Balance Beginning of Year</i>	390,561	390,561	390,561	0
<i>Prior Year Encumbrances Appropriated</i>	442,175	442,175	442,175	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$208,492</u>	<u>\$208,492</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$1,044,113	\$1,044,113
Charges for Services	10,081,705	10,081,705	9,998,291	(83,414)
Interest	200,000	200,000	294,624	94,624
Special Assessments	12,000	12,000	9,068	(2,932)
Bonds Issued	175,000	175,000	0	(175,000)
Notes Issued	330,000	330,000	175,000	(155,000)
Miscellaneous	13,000	13,000	12,777	(223)
<i>Total Revenues</i>	<u>10,811,705</u>	<u>10,811,705</u>	<u>11,533,873</u>	<u>722,168</u>
Expenses				
Salaries	969,398	969,398	952,116	17,282
Fringe Benefits	377,552	377,552	371,497	6,055
Travel and Transportation	3,050	3,550	1,371	2,179
Professional Services	126,397	128,257	97,216	31,041
Communications	69,195	69,195	54,008	15,187
Contractual Services	132,050	122,640	62,083	60,557
Materials and Supplies	86,734	86,079	61,515	24,564
Capital Outlay	7,677,251	7,674,941	4,504,163	3,170,778
Other	6,492,630	6,502,645	6,133,888	368,757
Debt Service:				
Principal Retirement	1,400,120	1,400,120	1,400,120	0
Interest and Fiscal Charges	608,126	608,126	611,508	(3,382)
<i>Total Expenses</i>	<u>17,942,503</u>	<u>17,942,503</u>	<u>14,249,485</u>	<u>3,693,018</u>
<i>Net Change in Fund Equity</i>	(7,130,798)	(7,130,798)	(2,715,612)	4,415,186
<i>Fund Equity Beginning of Year</i>	7,825,241	7,825,241	7,825,241	0
<i>Prior Year Encumbrances Appropriated</i>	981,452	981,452	981,452	0
<i>Fund Equity End of Year</i>	<u>\$1,675,895</u>	<u>\$1,675,895</u>	<u>\$6,091,081</u>	<u>\$4,415,186</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$1,742,967	\$1,742,967	\$1,753,636	\$10,669
Intergovernmental	203,759	203,759	218,425	14,666
Charges for Services	5,125,250	5,125,250	5,072,568	(52,682)
Bonds Issued	578,000	578,000	0	(578,000)
Notes Issued	0	0	574,000	574,000
Interest	250,000	250,000	352,960	102,960
Miscellaneous	0	0	4,741	4,741
<i>Total Revenues</i>	<u>7,899,976</u>	<u>7,899,976</u>	<u>7,976,330</u>	<u>76,354</u>
Expenses				
Salaries	1,932,982	1,932,982	1,875,441	57,541
Fringe Benefits	706,600	706,600	681,153	25,447
Travel and Transportation	7,550	7,340	1,705	5,635
Professional Services	62,080	61,790	50,971	10,819
Communications	7,760	10,760	8,977	1,783
Contractual Services	268,599	261,299	158,982	102,317
Materials and Supplies	280,980	269,730	208,666	61,064
Capital Outlay	11,257,509	11,257,509	8,738,850	2,518,659
Other	1,690,497	956,547	787,301	169,246
Debt Service:				
Principal Retirement	2,151,852	2,144,041	2,144,042	(1)
Interest and Fiscal Charges	1,042,438	1,050,249	1,055,790	(5,541)
<i>Total Expenses</i>	<u>19,408,847</u>	<u>18,658,847</u>	<u>15,711,878</u>	<u>2,946,969</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>(11,508,871)</u>	<u>(10,758,871)</u>	<u>(7,735,548)</u>	<u>3,023,323</u>
Transfers Out	<u>0</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	<u>(11,508,871)</u>	<u>(10,008,871)</u>	<u>(6,985,548)</u>	<u>3,023,323</u>
<i>Fund Equity Beginning of Year</i>	8,947,194	8,947,194	8,947,194	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,714,623</u>	<u>5,714,623</u>	<u>5,714,623</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$3,152,946</u></u>	<u><u>\$4,652,946</u></u>	<u><u>\$7,676,269</u></u>	<u><u>\$3,023,323</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Litter Control Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$2,100	\$2,100
Expenditures				
Current:				
Community Environment:				
Refuse				
Salaries	12,000	12,000	0	12,000
Fringe Benefits	1,836	1,836	0	1,836
Travel and Transportation	1,600	2,200	1,811	389
Professional Services	1,600	1,600	1,175	425
Communications	0	0	24	(24)
Materials and Supplies	3,590	4,590	3,105	1,485
Other	13,600	12,000	8,334	3,666
<i>Total Expenditures</i>	<u>34,226</u>	<u>34,226</u>	<u>14,449</u>	<u>19,777</u>
<i>Excess of Revenues Under Expenditures</i>	(34,226)	(34,226)	(12,349)	21,877
Other Financing Sources				
Transfers In	17,000	17,000	17,000	0
<i>Net Change in Fund Balance</i>	(17,226)	(17,226)	4,651	21,877
<i>Fund Balance Beginning of Year</i>	17,446	17,446	17,446	0
<i>Unexpended Prior Year Encumbrances</i>	45	45	45	0
<i>Fund Balance End of Year</i>	<u>\$265</u>	<u>\$265</u>	<u>\$22,142</u>	<u>\$21,877</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$3,000	\$3,000	\$4,000	\$1,000
Expenditures				
Current:				
General Government:				
Mayor's Office				
Salaries	10,000	10,000	5,366	4,634
Fringe Benefits	1,530	1,530	791	739
<i>Total Expenditures</i>	<u>11,530</u>	<u>11,530</u>	<u>6,157</u>	<u>5,373</u>
<i>Excess of Revenues Under Expenditures</i>	(8,530)	(8,530)	(2,157)	6,373
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(3,530)	(3,530)	2,843	6,373
<i>Fund Balance Beginning of Year</i>	8,101	8,101	8,101	0
<i>Fund Balance End of Year</i>	<u><u>\$4,571</u></u>	<u><u>\$4,571</u></u>	<u><u>\$10,944</u></u>	<u><u>\$6,373</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$12,000	\$12,000	\$12,514	\$514
Intergovernmental	15,000	15,000	0	(15,000)
Miscellaneous	25,000	25,000	39,491	14,491
<i>Total Revenues</i>	<u>52,000</u>	<u>52,000</u>	<u>52,005</u>	<u>5</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Salaries	0	20,000	12,428	7,572
Fringe Benefits	0	0	173	(173)
Travel and Transportation	16,000	16,000	3,995	12,005
Professional Services	39,656	39,656	28,325	11,331
Communications	4,000	4,000	262	3,738
Contractual Services	1,000	3,000	1,320	1,680
Materials and Supplies	38,170	41,070	16,258	24,812
Capital Outlay	108,427	79,427	6,036	73,391
Other	35,000	39,100	23,531	15,569
<i>Total Expenditures</i>	<u>242,253</u>	<u>242,253</u>	<u>92,328</u>	<u>149,925</u>
<i>Excess of Revenues Under Expenditures</i>	(190,253)	(190,253)	(40,323)	149,930
Other Financing Sources				
Sale of Assets	1,000	1,000	3,966	2,966
<i>Net Change in Fund Balance</i>	(189,253)	(189,253)	(36,357)	152,896
<i>Fund Balance Beginning of Year</i>	274,627	274,627	274,627	0
<i>Unexpended Prior Year Encumbrances</i>	1,656	1,656	1,656	0
<i>Fund Balance End of Year</i>	<u>\$87,030</u>	<u>\$87,030</u>	<u>\$239,926</u>	<u>\$152,896</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$11,735	\$11,735
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	11,735	11,735
<i>Fund Balance Beginning of Year</i>	<u>3,980</u>	<u>3,980</u>	<u>3,980</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,980</u>	<u>\$3,980</u>	<u>\$15,715</u>	<u>\$11,735</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$7,000	\$7,000	\$8,086	\$1,086
Intergovernmental	5,500	5,500	6,426	926
<i>Total Revenues</i>	<u>12,500</u>	<u>12,500</u>	<u>14,512</u>	<u>2,012</u>
Expenditures				
Current:				
General Government:				
Municipal Court:				
Professional Services	0	0	4,779	(4,779)
Contractual Services	151,263	151,263	1,740	149,523
<i>Total Expenditures</i>	<u>151,263</u>	<u>151,263</u>	<u>6,519</u>	<u>144,744</u>
<i>Net Change in Fund Balance</i>	(138,763)	(138,763)	7,993	146,756
<i>Fund Balance Beginning of Year</i>	<u>139,181</u>	<u>139,181</u>	<u>139,181</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>418</u>	<u>\$418</u>	<u>\$147,174</u>	<u>\$146,756</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$6,251	\$6,251	\$6,429	\$178
Miscellaneous	3,000	3,000	1,800	(1,200)
<i>Total Revenues</i>	<u>9,251</u>	<u>9,251</u>	<u>8,229</u>	<u>(1,022)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Professional Services	3,500	3,500	3,191	309
Contractual Services	1,000	1,000	100	900
Materials and Supplies	31,442	31,442	9,795	21,647
Capital Outlay	85,487	85,487	27,868	57,619
<i>Total Expenditures</i>	<u>121,429</u>	<u>121,429</u>	<u>40,954</u>	<u>80,475</u>
<i>Net Change in Fund Balance</i>	(112,178)	(112,178)	(32,725)	79,453
<i>Fund Balance Beginning of Year</i>	111,099	111,099	111,099	0
<i>Prior Year Encumbrances Appropriated</i>	1,080	1,080	1,080	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$79,454</u>	<u>\$79,453</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$2,500	\$2,500	\$4,007	\$1,507
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,500	2,500	4,007	1,507
<i>Fund Balance Beginning of Year</i>	<u>5,201</u>	<u>5,201</u>	<u>5,201</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,701</u></u>	<u><u>\$7,701</u></u>	<u><u>\$9,208</u></u>	<u><u>\$1,507</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Computer Research and Maintenance Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$30,000	\$30,000	\$29,992	(\$8)
Expenditures				
Current:				
General Government:				
Municipal Court				
Contractual Services	30,000	30,000	19,159	10,841
<i>Net Change in Fund Balance</i>	0	0	10,833	10,833
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$10,833</u>	<u>\$10,833</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$75,001	\$75,001	\$100,995	\$25,994
Expenditures				
Current:				
General Government:				
Municipal Court				
Capital Outlay	156,253	156,253	80,127	76,126
Other	0	0	49,529	(49,529)
<i>Total Expenditures</i>	<u>156,253</u>	<u>156,253</u>	<u>129,656</u>	<u>26,597</u>
<i>Net Change in Fund Balance</i>	(81,252)	(81,252)	(28,661)	52,591
<i>Fund Balance Beginning of Year</i>	<u>81,253</u>	<u>81,253</u>	<u>81,253</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$52,592</u>	<u>\$52,591</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$30,000	\$30,000	\$33,732	\$3,732
Expenditures				
Current:				
General Government:				
Municipal Court				
Professional Services	25,796	25,796	5,330	20,466
Materials and Supplies	0	0	114	(114)
<i>Total Expenditures</i>	<u>25,796</u>	<u>25,796</u>	<u>5,444</u>	<u>20,352</u>
<i>Net Change in Fund Balance</i>	4,204	4,204	28,288	24,084
<i>Fund Balance Beginning of Year</i>	<u>25,796</u>	<u>25,796</u>	<u>25,796</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,000</u></u>	<u><u>\$30,000</u></u>	<u><u>\$54,084</u></u>	<u><u>\$24,084</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Emergency Shelter Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$95,000	\$148,121	\$113,746	(\$34,375)
Expenditures				
Current:				
Community Environment:				
Planning and Development				
Salaries	24,730	24,730	18,198	6,532
Fringe Benefits	3,770	3,770	2,602	1,168
Contractual Services	66,500	119,621	96,324	23,297
<i>Total Expenditures</i>	<u>95,000</u>	<u>148,121</u>	<u>117,124</u>	<u>30,997</u>
<i>Net Change in Fund Balance</i>	0	0	(3,378)	(3,378)
<i>Fund Balance Beginning of Year</i>	4,016	4,016	4,016	0
<i>Fund Balance End of Year</i>	<u>\$4,016</u>	<u>\$4,016</u>	<u>\$638</u>	<u>(\$3,378)</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$850,000	\$850,000	\$415,000	(\$435,000)
Expenditures				
Current:				
Community Environment:				
Planning and Development				
Salaries	0	0	18,378	(18,378)
Fringe Benefits	0	0	2,870	(2,870)
Other	850,000	850,000	412,226	437,774
<i>Total Expenditures</i>	<u>850,000</u>	<u>850,000</u>	<u>433,474</u>	<u>416,526</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	(18,474)	(18,474)
Other Financing Sources				
Advances Out	0	0	(20,042)	20,042
<i>Net Change in Fund Balance</i>	0	0	(38,516)	38,516
<i>Fund Balance Beginning of Year</i>	<u>12,909</u>	<u>12,909</u>	<u>12,909</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$12,909</u>	<u>\$12,909</u>	<u>(\$25,607)</u>	<u>\$38,516</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lead-Based Paint Hazard Control Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$75,427	\$75,427	\$64,335	(\$11,092)
Expenditures				
Current:				
Community Environment:				
Planning and Development:				
Other	75,427	75,427	53,550	21,877
<i>Excess of Revenues Over Expenditures</i>	0	0	10,785	10,785
Other Financing Sources				
Advances Out	0	0	(10,783)	10,783
<i>Net Change in Fund Balance</i>	0	0	2	2
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$2	\$2

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Little Links Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$14,750	\$14,750	\$0	(\$14,750)
Miscellaneous	300	300	0	(300)
<i>Total Revenues</i>	<u>15,050</u>	<u>15,050</u>	<u>0</u>	<u>(15,050)</u>
Expenditures				
Current:				
Community Environment:				
Youth				
Salaries	11,700	11,700	0	11,700
Fringe Benefits	1,790	1,790	0	1,790
Materials and Supplies	2,145	2,145	0	2,145
Other	4,100	4,100	0	4,100
<i>Total Expenditures</i>	<u>19,735</u>	<u>19,735</u>	<u>0</u>	<u>19,735</u>
<i>Net Change in Fund Balance</i>	(4,685)	(4,685)	0	4,685
<i>Fund Balance Beginning of Year</i>	<u>6,156</u>	<u>6,156</u>	<u>6,156</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,471</u>	<u>\$1,471</u>	<u>\$6,156</u>	<u>\$4,685</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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$10,306	\$10,306	\$10,500	\$194
Intergovernmental	0	0	10,000	10,000
Miscellaneous	24,000	24,000	13,564	(10,436)
<i>Total Revenues</i>	<u>34,306</u>	<u>34,306</u>	<u>34,064</u>	<u>(242)</u>
Expenditures				
Current:				
Community Environment:				
Youth				
Salaries	23,700	26,390	26,374	16
Fringe Benefits	3,626	4,036	4,035	1
Professional Services	700	0	0	0
Communications	520	425	446	(21)
Materials and Supplies	4,050	2,282	2,288	(6)
Other	1,410	873	859	14
<i>Total Expenditures</i>	<u>34,006</u>	<u>34,006</u>	<u>34,002</u>	<u>4</u>
<i>Net Change in Fund Balance</i>	300	300	62	(238)
<i>Fund Balance Beginning of Year</i>	<u>2,007</u>	<u>2,007</u>	<u>2,007</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,307</u>	<u>\$2,307</u>	<u>\$2,069</u>	<u>(\$238)</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$18,000	\$18,320	\$18,000	(\$320)
Miscellaneous	5,000	5,000	3,340	(1,660)
<i>Total Revenues</i>	<u>23,000</u>	<u>23,320</u>	<u>21,340</u>	<u>(1,980)</u>
Expenditures				
Current:				
Public Health Services:				
Youth				
Salaries	19,948	19,948	12,261	7,687
Fringe Benefits	3,052	3,052	1,869	1,183
Materials and Supplies	0	320	345	(25)
<i>Total Expenditures</i>	<u>23,000</u>	<u>23,320</u>	<u>14,475</u>	<u>8,845</u>
<i>Net Change in Fund Balance</i>	0	0	6,865	6,865
<i>Fund Balance Beginning of Year</i>	<u>4,444</u>	<u>4,444</u>	<u>4,444</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,444</u>	<u>\$4,444</u>	<u>\$11,309</u>	<u>\$6,865</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Family Day Care Home Project Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$232,927	\$232,927	\$172,226	(\$60,701)
Miscellaneous	0	0	26	26
<i>Total Revenues</i>	<u>232,927</u>	<u>232,927</u>	<u>172,252</u>	<u>(60,675)</u>
Expenditures				
Current:				
Community Environment:				
Child Care				
Salaries	31,425	31,425	27,652	3,773
Fringe Benefits	4,809	4,809	4,258	551
Travel and Transportation	1,240	1,240	865	375
Professional Services	400	400	150	250
Communications	453	453	79	374
Contractual Services	192,000	192,000	139,002	52,998
Materials and Supplies	1,889	1,864	753	1,111
Other	712	737	274	463
<i>Total Expenditures</i>	<u>232,928</u>	<u>232,928</u>	<u>173,033</u>	<u>59,895</u>
<i>Net Change in Fund Balance</i>	(1)	(1)	(781)	(780)
<i>Fund Balance Beginning of Year</i>	<u>1,537</u>	<u>1,537</u>	<u>1,537</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,536</u>	<u>\$1,536</u>	<u>\$756</u>	<u>(\$780)</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$294,730	\$339,730	\$252,535	(\$87,195)
Expenditures				
Current:				
Community Environment:				
Child Care				
Salaries	234,171	242,671	233,385	9,286
Fringe Benefits	44,329	35,829	35,631	198
Travel and Transportation	200	2,625	1,965	660
Professional Services	19,182	16,365	14,337	2,028
Communications	2,280	2,198	2,224	(26)
Contractual Services	3,525	46,661	2,376	44,285
Materials and Supplies	18,223	21,141	12,836	8,305
Capital Outlay	6,200	1,550	1,527	23
Other	17,050	21,120	13,345	7,775
<i>Total Expenditures</i>	<u>345,160</u>	<u>390,160</u>	<u>317,626</u>	<u>72,534</u>
<i>Net Change in Fund Balance</i>	(50,430)	(50,430)	(65,091)	(14,661)
<i>Fund Balance Beginning of Year</i>	<u>50,430</u>	<u>50,430</u>	<u>50,430</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>(\$14,661)</u>	<u>(\$14,661)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$86,514	\$42,416	(\$44,098)
Expenditures				
Current:				
Professional Services	53,000	53,000	3,250	49,750
Capital	31,914	31,914	35,115	(3,201)
Other	1,600	1,600	1,534	66
<i>Total Expenditures</i>	<u>86,514</u>	<u>86,514</u>	<u>39,899</u>	<u>46,615</u>
<i>Net Change in Fund Balance</i>	(86,514)	0	2,517	2,517
<i>Fund Balance Beginning of Year</i>	<u>810</u>	<u>810</u>	<u>810</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$85,704)</u>	<u>\$810</u>	<u>\$3,327</u>	<u>\$2,517</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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$241,480	\$0	\$253	\$253
Payment in Lieu of Taxes	0	372,087	368,523	(3,564)
<i>Total Revenues</i>	<u>241,480</u>	<u>372,087</u>	<u>368,776</u>	<u>(3,311)</u>
Expenditures				
Current:				
Other	0	100,000	48,442	51,558
Debt Service:				
Principal Retirement	15,000	15,000	15,000	0
Interest and Fiscal Charges	257,087	257,087	257,086	1
<i>Total Expenditures</i>	<u>272,087</u>	<u>372,087</u>	<u>320,528</u>	<u>51,559</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(30,607)	0	48,248	48,248
Other Financing Sources				
Transfers In	30,607	0	0	0
<i>Net Change in Fund Balance</i>	0	0	48,248	48,248
<i>Fund Balance Beginning of Year</i>	110	110	110	0
<i>Fund Balance End of Year</i>	<u>\$110</u>	<u>\$110</u>	<u>\$48,358</u>	<u>\$48,248</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakehouse Breakwall Fund
For the Year Ended December 31, 2007

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

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers In	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	250,000	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>\$400,000</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$0	\$0	\$14,493	\$14,493
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	14,493	14,493
<i>Fund Balance Beginning of Year</i>	<u>14,960</u>	<u>14,960</u>	<u>14,960</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,960</u>	<u>\$14,960</u>	<u>\$29,453</u>	<u>\$14,493</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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$322,040	\$322,040	\$292,127	(\$29,913)
General Obligation Bonds Issued	355,000	355,000	355,000	0
Premium on Sale of Debt	25	25	2,428	2,403
Miscellaneous	600	600	2,569	1,969
<i>Total Revenues</i>	<u>677,665</u>	<u>677,665</u>	<u>652,124</u>	<u>(25,541)</u>
Expenses				
Salaries	138,987	145,487	143,477	2,010
Fringe Benefits	60,590	60,590	60,429	161
Professional Services	200	75	26	49
Communications	500	578	498	80
Contractual Services	0	43	43	0
Materials and Supplies	5,950	7,309	6,537	772
Capital	358,200	358,200	357,721	479
Other	118,002	115,492	105,950	9,542
Debt Service:				
Principal Retirement	350,000	350,000	350,000	0
Interest and Fiscal Charges	15,750	22,905	22,895	10
<i>Total Expenses</i>	<u>1,048,179</u>	<u>1,060,679</u>	<u>1,047,576</u>	<u>13,103</u>
<i>Excess of Revenues Under Expenses</i>	(370,514)	(383,014)	(395,452)	(12,438)
Advances In	0	0	30,000	\$30,000
<i>Net Change in Fund Equity</i>	(370,514)	(383,014)	(365,452)	17,562
<i>Fund Equity Beginning of Year</i>	26,172	26,172	26,172	0
<i>Prior Year Encumbrances Appropriated</i>	357,721	357,721	357,721	0
<i>Fund Equity End of Year</i>	<u>\$13,379</u>	<u>\$879</u>	<u>\$18,441</u>	<u>\$17,562</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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$782,750	\$782,780	\$796,435	\$13,655
Miscellaneous	100,030	100,000	0	(100,000)
<i>Total Revenues</i>	<u>882,780</u>	<u>882,780</u>	<u>796,435</u>	<u>(86,345)</u>
Expenses				
Salaries	328,070	328,070	307,993	20,077
Fringe Benefits	77,923	77,923	72,600	5,323
Travel and Transportation	525	506	507	(1)
Professional Services	11,155	10,225	8,924	1,301
Communications	3,450	3,419	2,707	712
Contractual Services	4,389	4,429	4,226	203
Materials and Supplies	11,137	11,467	11,081	386
Capital Outlay	6,758	6,758	2,215	4,543
Other	647,247	647,857	568,393	79,464
Debt Service:				
Principal Retirement	94,097	94,097	94,097	0
Interest and Fiscal Charges	69,997	69,997	70,446	(449)
<i>Total Expenses</i>	<u>1,254,748</u>	<u>1,254,748</u>	<u>1,143,189</u>	<u>111,559</u>
<i>Excess of Revenues Under Expenses</i>	(371,968)	(371,968)	(346,754)	25,214
Transfers In	355,000	355,000	400,000	(45,000)
<i>Net Change in Fund Equity</i>	(16,968)	(16,968)	53,246	70,214
<i>Fund Equity Beginning of Year</i>	19,228	19,228	19,228	0
<i>Prior Year Encumbrances Appropriated</i>	498	498	498	0
<i>Fund Equity End of Year</i>	<u>\$2,758</u>	<u>\$2,758</u>	<u>\$72,972</u>	<u>\$70,214</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$4,450,000	\$4,300,001	\$4,291,446	(\$8,555)
Miscellaneous	572,000	572,000	562,849	(9,151)
<i>Total Revenues</i>	<u>5,022,000</u>	<u>4,872,001</u>	<u>4,854,295</u>	<u>(17,706)</u>
Expenses				
Contractual Services	46,297	46,297	29,647	16,650
Claims	5,324,045	5,424,045	5,363,711	60,334
<i>Total Expenses</i>	<u>5,370,342</u>	<u>5,470,342</u>	<u>5,393,358</u>	<u>76,984</u>
<i>Excess of Revenues Under Expenses</i>	(348,342)	(598,341)	(539,063)	59,278
Transfers In	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(348,342)	(348,341)	(289,063)	59,278
<i>Fund Equity Beginning of Year</i>	285,924	285,924	285,924	0
<i>Prior Year Encumbrances Appropriated</i>	<u>74,579</u>	<u>74,579</u>	<u>74,579</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$12,161</u>	<u>\$12,162</u>	<u>\$71,440</u>	<u>\$59,278</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$800,000	\$776,352	\$654,065	(\$122,287)
Miscellaneous	\$0	\$0	\$37,420	\$37,420
<i>Total Revenues</i>	<u>\$800,000</u>	<u>\$776,352</u>	<u>\$691,485</u>	<u>(\$84,867)</u>
Expenses				
Professional Services	45,000	45,000	33,058	11,942
Workers' Compensation Premiums	443,000	443,000	359,531	83,469
Workers' Compensation Claims	460,000	460,000	489,511	(29,511)
<i>Total Expenses</i>	<u>948,000</u>	<u>948,000</u>	<u>882,100</u>	<u>65,900</u>
<i>Excess of Revenues Under Expenses</i>	(148,000)	(171,648)	(190,615)	(18,967)
Transfers In	0	23,648	23,648	0
<i>Net Change in Fund Equity</i>	(148,000)	(148,000)	(166,967)	(18,967)
<i>Fund Equity Beginning of Year</i>	190,192	190,192	190,192	0
<i>Fund Equity End of Year</i>	<u>\$42,192</u>	<u>\$42,192</u>	<u>\$23,225</u>	<u>(\$18,967)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
General Liability Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$98	\$98
Expenses				
Claim Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	0	0	98	98
<i>Fund Equity Beginning of Year</i>	<u>2,342</u>	<u>2,342</u>	<u>2,342</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,342</u>	<u>\$2,342</u>	<u>\$2,440</u>	<u>\$98</u>

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STATISTICAL SECTION

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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>
Financial Trends 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
Revenue Capacity 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
Debt Capacity 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
Demographic and Economic Information 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
Operating Information 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
Sources: 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 2003; schedules presenting government-wide information include information beginning in that year.	

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

	2007	2006	2005	2004	2003
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$17,864,648	\$16,735,176	\$15,964,667	\$17,763,254	\$17,327,755
Restricted:					
Capital Projects	3,092,758	5,935,384	4,895,203	165,163	2,912,382
Debt Service	1,543,403	587,899	1,128,628	1,621,445	1,630,679
Other Purposes	4,660,608	5,108,771	5,388,015	5,322,703	5,737,283
Unrestricted	2,938,295	4,117,183	6,551,993	7,853,008	9,193,124
<i>Total Governmental Activities Net Assets</i>	<u>30,099,712</u>	<u>32,484,413</u>	<u>33,928,506</u>	<u>32,725,573</u>	<u>36,801,223</u>
Business Type - Activities					
Invested in Capital Assets, Net of Related Debt	37,309,591	34,117,056	25,918,138	29,906,268	29,906,268
Restricted for Debt Service	1,109,163	923,400	0	0	0
Restricted for Replacement and Improvement	193,550	186,270	561,240	551,039	551,039
Unrestricted (Deficit)	5,422,785	7,311,753	15,625,642	10,302,691	10,302,691
<i>Total Business-Type Activities Net Assets</i>	<u>44,035,089</u>	<u>42,538,479</u>	<u>42,105,020</u>	<u>40,759,998</u>	<u>40,759,998</u>
Primary Government					
Invested in Capital Assets, Net of Related Debt	55,174,239	50,852,232	41,882,805	47,669,522	47,234,023
Restricted	10,599,482	12,741,724	11,973,086	7,660,350	10,831,383
Unrestricted	8,361,080	11,428,936	22,177,635	18,155,699	19,495,815
<i>Total Primary Government Net Assets</i>	<u>\$74,134,801</u>	<u>\$75,022,892</u>	<u>\$76,033,526</u>	<u>\$73,485,571</u>	<u>\$77,561,221</u>

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

	2007	2006	2005	2004	2003
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$4,228,572	\$2,881,832	\$2,785,961	\$2,778,441	\$3,024,746
Security of Persons and Property					
Police	214,450	177,258	126,981	60,864	297,746
Fire	2,249,911	2,233,708	2,170,604	2,181,841	2,162,227
Public Health Services	335,613	3,600	3,600	2,003	55,906
Community Environment	10,500	1,796,475	1,068,342	860,495	646,650
Basic Utility Services	0	0	0	13,181	20,127
Leisure Time Activities	0	0	0	20,470	6,663
Subtotal - Charges for Services	<u>7,039,046</u>	<u>7,092,873</u>	<u>6,155,488</u>	<u>5,917,295</u>	<u>6,214,065</u>
Operating Grants and Contributions:					
General Government	0	0	0	0	4,228,805
Security of Persons and Property					
Police	18,653	3,575	12,542	15,169	17,478
Fire	0	337,710	357,124	133,687	0
Public Health Services	468,559	833,675	685,267	68,250	470,837
Transportation	1,927,847	2,050,027	1,899,723	1,802,541	1,526,475
Community Environment	4,300,068	3,320,754	3,748,255	2,977,498	3,150,615
Subtotal - Operating Grants and Contributions	<u>6,715,127</u>	<u>6,545,741</u>	<u>6,702,911</u>	<u>4,997,145</u>	<u>9,394,210</u>
Capital Grants and Contributions:					
Community Environment	0	584,601	3,579	0	243,000
<i>Total Governmental Activities Program Revenues</i>	<u>13,754,173</u>	<u>14,223,215</u>	<u>12,861,978</u>	<u>10,914,440</u>	<u>15,851,275</u>
Business-Type Activities:					
Charges for Services:					
Water	10,143,589	8,395,321	8,661,772	8,494,114	8,470,922
Sewer	5,184,560	4,107,108	4,318,539	3,779,202	3,301,936
Parking	292,127	290,561	294,385	290,229	278,749
Winterhurst Ice Rink	793,387	686,619	725,506	714,895	703,880
Congregate Living	0	0	0	5,594	8,681
Subtotal - Charges for Services	<u>16,413,663</u>	<u>13,479,609</u>	<u>14,000,202</u>	<u>13,284,034</u>	<u>12,764,168</u>
Capital Grants and Contributions:					
Water	1,044,113	0	0	0	0
Sewer	310,993	0	0	0	294,659
Subtotal - Capital Grants and Contributions	<u>1,355,106</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>294,659</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>17,768,769</u>	<u>13,479,609</u>	<u>14,000,202</u>	<u>13,284,034</u>	<u>13,058,827</u>
<i>Total Primary Government Program Revenues</i>	<u>\$31,522,942</u>	<u>\$27,702,824</u>	<u>\$26,862,180</u>	<u>\$24,198,474</u>	<u>\$28,910,102</u>

(continued)

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

	2007	2006	2005	2004	2003
Expenses					
Governmental Activities:					
General Government	\$9,599,299	\$8,110,235	\$7,851,426	\$7,759,070	\$8,348,643
Security of Persons and Property					
Police	12,035,903	11,907,585	10,686,045	10,811,935	10,663,939
Fire	11,028,498	10,241,053	9,949,694	9,374,854	8,353,682
Public Health Services	4,211,759	4,784,768	4,310,861	4,361,672	3,455,966
Transportation	3,480,710	2,655,600	2,880,797	2,971,847	2,698,191
Community Environment	6,798,564	6,628,671	6,417,757	8,478,583	5,736,330
Basic Utility Services	5,450,051	5,026,300	4,340,798	4,470,994	4,428,339
Leisure Time Activities	2,159,191	1,955,303	2,097,492	2,158,300	2,049,816
Interest and Fiscal Charges	1,898,099	1,936,679	1,781,467	1,565,095	1,573,622
<i>Total Governmental Activities Expenses</i>	<u>56,662,074</u>	<u>53,246,194</u>	<u>50,316,337</u>	<u>51,952,350</u>	<u>47,308,528</u>
Business-Type Activities					
Water	9,612,007	8,403,497	8,539,662	8,252,561	7,658,226
Sewer	7,606,437	5,734,921	5,022,961	4,669,597	4,812,015
Parking	419,733	482,642	300,901	325,724	308,401
Winterhurst Ice Rink	732,973	1,257,948	969,391	969,745	1,080,250
Congregate Living	0	0	64,297	4,853	9,346
<i>Total Business-Type Activities Expenses</i>	<u>18,371,150</u>	<u>15,879,008</u>	<u>14,897,212</u>	<u>14,222,480</u>	<u>13,868,238</u>
<i>Total Primary Government Expenses</i>	<u>75,033,224</u>	<u>69,125,202</u>	<u>65,213,549</u>	<u>66,174,830</u>	<u>61,176,766</u>
Net (Expense)/Revenue					
Governmental Activities	(42,907,901)	(39,022,979)	(37,454,359)	(41,037,910)	(31,457,253)
Business-Type Activities	(602,381)	(2,399,399)	(897,010)	(938,446)	(809,411)
<i>Total Primary Government Net (Expense) Revenue</i>	<u>(\$43,510,282)</u>	<u>(\$41,422,378)</u>	<u>(\$38,351,369)</u>	<u>(\$41,976,356)</u>	<u>(\$32,266,664)</u>

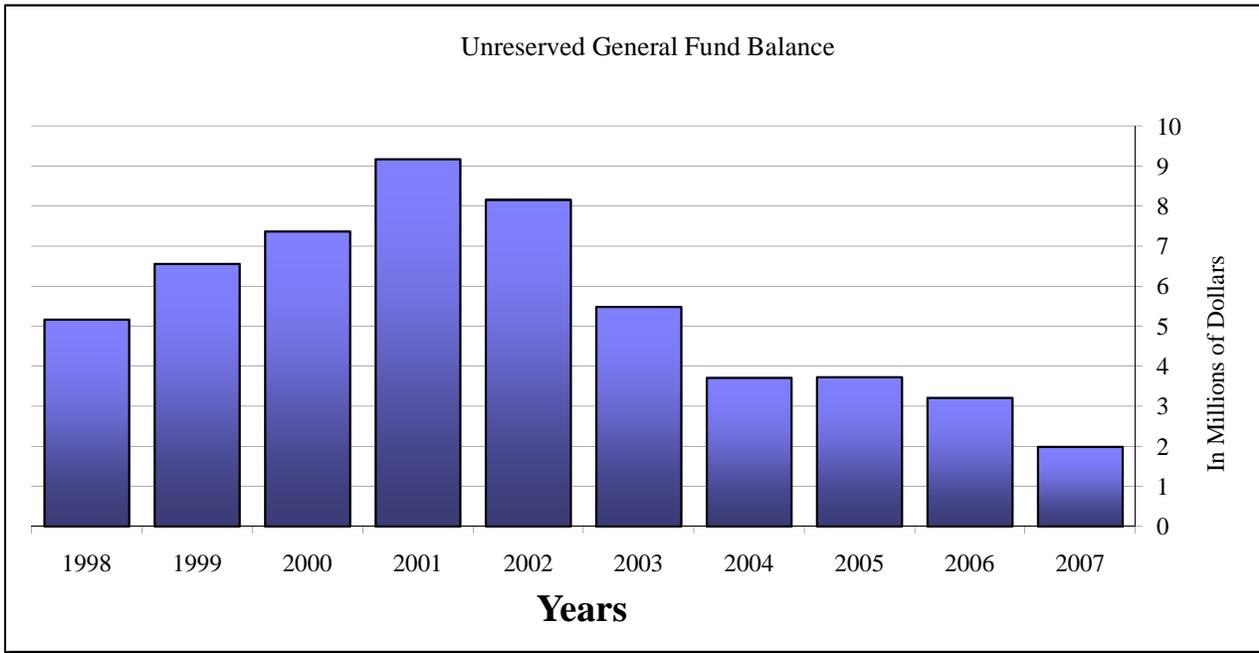
(continued)

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

	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property and Other Local Taxes Levied For:					
General Purposes	\$7,676,479	\$6,880,029	\$6,982,259	\$6,984,616	\$5,863,577
Police and Fire Pension	2,911,150	2,613,672	2,589,687	2,644,603	2,247,896
Debt Service	3,079,771	2,765,061	2,590,336	2,788,706	2,379,067
Payments in Lieu of Taxes	368,523	241,589	241,480	100,617	0
Municipal Income Taxes levied for:					
General Purposes	18,246,523	16,955,457	16,537,268	17,064,294	15,412,865
Grants and Entitlements not Restricted to					
Specific Programs	6,482,563	6,729,258	7,713,363	7,085,654	2,540,663
Investment Income	1,130,083	1,479,546	830,725	396,491	483,266
Miscellaneous	295,266	364,274	246,757	402,279	408,462
<i>Total Governmental Activities</i>	<u>40,190,358</u>	<u>38,028,886</u>	<u>37,731,875</u>	<u>37,467,260</u>	<u>29,335,796</u>
Business-Type Activities					
Property and Other Local Taxes Levied For:					
General Purposes	1,775,081	1,593,691	1,579,441	1,612,757	1,441,091
Grants and Entitlements not Restricted to					
Specific Programs	0	205,895	212,063	203,039	0
Gain on Sale of Capital Assets	0	0	180,250	0	0
Investment Income	636,665	565,729	230,974	92,690	47,433
Miscellaneous	20,087	17,543	2,113	26,408	3,802
<i>Total Business-Type Activities</i>	<u>2,431,833</u>	<u>2,382,858</u>	<u>2,204,841</u>	<u>1,934,894</u>	<u>1,492,326</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>42,622,191</u>	<u>40,411,744</u>	<u>39,936,716</u>	<u>39,402,154</u>	<u>30,828,122</u>
Transfers					
Governmental Activities	332,842	(450,000)	(37,191)	(505,000)	(200,000)
Business-Type Activities	(332,842)	450,000	37,191	505,000	200,000
Restatements					
Governmental Activities	0	0	962,608	0	(1,894,358)
Business-Type Activities	0	0	0	0	(118,139)
Change in Net Assets					
Governmental Activities	(2,384,701)	(1,444,093)	1,202,933	(4,075,650)	(4,215,815)
Business-Type Activities	1,496,610	433,459	1,345,022	1,501,448	764,776
<i>Total Primary Government Change in Net Assets</i>	<u>(\$888,091)</u>	<u>(\$1,010,634)</u>	<u>\$2,547,955</u>	<u>(\$2,574,202)</u>	<u>(\$3,451,039)</u>

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

	2007	2006	2005	2004
General Fund				
Reserved	\$69,864	\$94,715	\$294,921	\$124,134
Unreserved	1,986,309	3,212,313	3,724,852	3,713,592
Total General Fund	2,056,173	3,307,028	4,019,773	3,837,726
All Other Governmental Funds				
Reserved	3,823,391	3,237,102	3,771,588	6,034,201
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	1,773,409	2,514,850	2,489,614	1,371,018
Debt Service Funds	1,698,091	685,942	1,245,313	1,519,878
Capital Projects Funds	1,906,203	4,457,614	3,283,734	2,806,361
Total All Other Governmental Funds	9,201,094	10,895,508	10,790,249	11,731,458
Total Governmental Funds	\$11,257,267	\$14,202,536	\$14,810,022	\$15,569,184



2003	2002	2001	2000	1999	1998
\$102,195	\$348,721	\$787,171	\$586,170	\$670,945	\$677,000
5,479,860	8,157,458	9,168,341	7,370,180	6,559,127	5,163,843
5,582,055	8,506,179	9,955,512	7,956,350	7,230,072	5,840,843
3,832,595	4,680,406	5,532,769	5,908,464	4,871,298	4,938,665
2,159,101	3,682,507	2,270,464	1,669,091	1,179,124	257,993
1,162,940	868,636	784,864	1,353,785	1,978,231	1,099,474
2,196,372	(4,218,676)	(1,031,261)	(7,995)	(3,209,549)	(790,525)
9,351,008	5,012,873	7,556,836	8,923,345	4,819,104	5,505,607
<u>\$14,933,063</u>	<u>\$13,519,052</u>	<u>\$17,512,348</u>	<u>\$16,879,695</u>	<u>\$12,049,176</u>	<u>\$11,346,450</u>

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

	2007	2006	2005	2004
Revenues				
Property Taxes	\$13,502,272	\$12,316,987	\$12,388,236	\$12,388,112
Payments in Lieu of Taxes	368,523	241,589	241,480	100,617
Municipal Income Taxes	18,143,485	17,080,608	17,785,152	16,842,902
Charges for Services	3,494,517	3,597,914	3,479,982	3,432,921
Licenses, Permits and Fees	2,035,413	1,930,932	1,159,966	939,434
Fines and Forfeitures	1,458,771	1,535,840	1,385,746	1,478,391
Intergovernmental	13,239,249	13,184,935	13,989,782	12,359,013
Special Assessments	123,219	105,230	91,836	84,302
Interest	1,130,083	1,479,546	830,725	396,491
Contributions and Other	381,542	752,522	510,219	402,279
<i>Total Revenues</i>	<u>53,877,074</u>	<u>52,226,103</u>	<u>51,863,124</u>	<u>48,424,462</u>
Expenditures				
Current:				
General Government	8,607,515	7,261,972	7,215,127	7,601,675
Security of Persons and Property				
Police	11,678,468	11,484,234	10,598,682	10,662,735
Fire	10,567,772	10,080,039	9,573,450	9,304,473
Public Health Services	4,089,118	4,501,420	4,258,873	4,286,363
Transportation	2,617,950	1,770,566	2,057,427	2,175,057
Community Environment	6,787,327	6,619,518	6,359,746	5,656,644
Basic Utilities Services	5,089,792	4,661,348	4,094,876	4,328,373
Leisure Time Activities	1,944,398	1,809,858	1,912,849	1,962,346
Capital Outlay	4,525,704	3,838,417	6,132,047	5,422,606
Debt Service:				
Principal Retirement	11,230,978	2,905,047	9,353,547	5,652,579
Interest and Fiscal Charges	1,924,401	1,794,537	1,738,257	1,505,688
Bond Issuance Costs	300,690	0	225,403	306,388
<i>Total Expenditures</i>	<u>69,364,113</u>	<u>56,726,956</u>	<u>63,520,284</u>	<u>58,864,927</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(15,487,039)</u>	<u>(4,500,853)</u>	<u>(11,657,160)</u>	<u>(10,440,465)</u>
Other Financing Sources (Uses)				
Bonds Issued	10,520,000	0	6,495,637	4,265,000
Refunding Bonds Issued	0	0	7,335,000	0
Notes Issued	5,374,000	8,311,000	4,228,000	7,064,800
Loans Received	0	0	0	0
Premium	57,987	5,367	241,575	30,823
Sale of Assets	0	0	5,500	7,592
Inception of Capital Lease	1,375,314	0	10,137	0
Current Refunding	0	(3,973,000)	0	0
Payment to Refunded Bond Escrow Agent	(4,844,725)	0	(7,380,660)	0
Reimbursements Received	0	0	0	0
Transfers In	3,631,000	1,969,098	3,970,791	2,620,130
Transfers Out	(3,571,806)	(2,419,098)	(4,007,982)	(3,125,130)
<i>Total Other Financing Sources (Uses)</i>	<u>12,541,770</u>	<u>3,893,367</u>	<u>10,897,998</u>	<u>10,863,215</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,371</u>
<i>Net Change in Fund Balances</i>	<u>(\$2,945,269)</u>	<u>(\$607,486)</u>	<u>(\$759,162)</u>	<u>\$636,121</u>
Debt Service as a Percentage of Noncapital Expenditures	20.7%	9.3%	18.5%	13.6%

2003	2002	2001	2000	1999	1998
\$10,332,736	\$11,320,813	\$12,210,830	\$10,839,678	\$10,664,427	\$10,521,200
0	0	0	0	0	0
16,626,831	16,615,806	16,989,915	15,563,053	15,369,805	14,969,269
3,776,654	2,684,835	2,584,971	2,415,852	1,648,298	1,507,362
718,147	698,661	765,485	632,935	631,768	676,407
1,594,776	1,235,195	1,163,004	1,180,221	1,237,830	1,366,319
12,180,349	12,821,281	11,344,560	10,538,724	11,658,560	11,115,956
196,560	167,359	115,561	96,663	100,171	75,125
483,266	839,181	1,166,804	1,808,779	1,096,232	1,130,587
408,462	1,137,725	325,033	1,228,711	1,315,096	1,380,476
<u>46,317,781</u>	<u>47,520,856</u>	<u>46,666,163</u>	<u>44,304,616</u>	<u>43,722,187</u>	<u>42,742,701</u>
8,335,408	7,132,996	6,137,933	6,231,767	6,133,239	5,674,800
10,118,491	17,408,734	21,757,271	16,041,238	14,915,340	14,065,155
9,394,378					
3,532,193	3,137,717	3,074,905	3,667,836	3,475,385	3,515,540
2,337,498	1,912,861	2,252,170	2,018,050	1,892,215	1,783,005
6,060,535	6,420,753	5,519,228	4,356,872	5,663,246	5,535,532
4,340,840	4,172,822	3,840,908	4,000,709	4,004,465	3,478,201
1,930,211	1,904,606	1,869,277	1,801,349	1,628,933	1,599,116
2,848,800	3,510,525	3,810,178	3,087,475	3,021,957	2,783,019
2,007,312	1,737,223	4,230,000	1,312,600	1,228,000	4,970,390
1,597,061	1,633,780	1,494,977	1,386,699	1,223,751	1,268,227
110,619	0	0	0	0	0
<u>52,613,346</u>	<u>48,972,017</u>	<u>53,986,847</u>	<u>43,904,595</u>	<u>43,186,531</u>	<u>44,672,985</u>
<u>(6,295,565)</u>	<u>(1,451,161)</u>	<u>(7,320,684)</u>	<u>400,021</u>	<u>535,656</u>	<u>(1,930,284)</u>
5,219,000	0	8,225,000	0	0	4,281,323
0	0	0	0	0	9,060,000
3,555,500	0	0	2,921,000	0	1,286,800
0	0	232,560	0	0	616,000
120,589	0	0	0	0	0
0	0	70,447	0	0	0
173,991	474,393	353,690	132,516	167,070	118,968
0	0	0	0	0	0
0	0	0	0	0	(9,060,000)
0	0	1,020,332	0	0	0
2,127,437	2,464,843	3,527,402	7,530,330	3,303,856	2,759,709
<u>(2,327,437)</u>	<u>(5,479,086)</u>	<u>(6,189,198)</u>	<u>(7,530,330)</u>	<u>(3,303,856)</u>	<u>(2,759,709)</u>
<u>8,869,080</u>	<u>(2,539,850)</u>	<u>7,240,233</u>	<u>3,053,516</u>	<u>167,070</u>	<u>6,303,091</u>
<u>(1,159,504)</u>	<u>(2,285)</u>	<u>713,104</u>	<u>1,376,982</u>	<u>0</u>	<u>0</u>
<u>\$1,414,011</u>	<u>(\$3,993,296)</u>	<u>\$632,653</u>	<u>\$4,830,519</u>	<u>\$702,726</u>	<u>\$4,372,807</u>
7.5%	7.4%	11.0%	6.4%	5.9%	14.3%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
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
2001	616,008,110	146,210,580	2,177,767,686	21,740,390	24,704,989
2000	541,724,140	130,514,820	1,920,682,743	22,218,700	25,248,523
1999	541,774,800	132,533,220	1,926,594,343	24,235,630	27,540,489
1998	541,793,210	132,857,860	1,927,574,486	24,653,550	28,015,398

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 started being phased out in 2006. The listing percentage is 12.5 percent for 2007. The Percentage will be 6.25 percent for 2008, and zero for 2009.

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. Beginning in the 2006 collection year the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property		Total		Ratio	Tax Rate per \$1,000 of Assessed Value
General Business		Assessed	Estimated		
Assessed Value	Estimated Actual Value	Value	Value		
\$15,903,081	\$127,224,648	\$985,961,781	\$2,873,736,446	34.31 %	\$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
30,919,012	123,676,048	814,878,092	2,326,148,723	35.03	17.30
29,495,988	117,983,952	723,953,648	2,063,915,218	35.08	17.30
30,270,945	121,083,780	728,814,595	2,075,218,612	35.12	17.30
28,969,777	115,879,108	728,274,397	2,071,468,992	35.16	17.30

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

	2007	2006	2005	2004
Charter Millage				
Sinking Fund	\$3.4700	\$3.4700	\$3.4700	\$3.4700
1976 Charter/Current Expenses	8.6500	8.6500	8.6500	8.6500
1976 Charter/Fire	1.6800	1.6800	1.6800	1.6800
1976 Charter/Police	1.6000	1.6000	1.6000	1.6000
1976 Charter/Sewer	2.0000	2.0000	2.0000	2.0000
Total Charter Millage	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>
Overlapping Rates by Taxing District				
Lakewood City School District				
Residential/Agricultural Real	\$45.5754	\$49.5692	\$49.5065	\$43.6947
Commercial/Industrial and Public Utility Real	60.4273	65.9849	65.6697	59.6364
General Business and Public Utility Personal	106.9000	107.4000	107.4000	101.6000
Cuyahoga County Commissioners (1)				
Residential/Agricultural Real	15.1210	14.1728	13.4245	13.4429
Commercial/Industrial and Public Utility Real	14.3558	15.2977	14.6624	14.7364
General Business and Public Utility Personal	16.3500	16.4500	16.4500	16.4500
Special Taxing Districts (2)				
Residential/Agricultural Real	3.8656	4.2827	4.2776	3.5972
Commercial/Industrial and Public Utility Real	4.2874	4.7054	4.6776	4.1416
General Business and Public Utility Personal	5.3500	5.3500	5.3500	5.0500

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 and Cleveland-Cuyahoga County Port Authority

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

2003	2002	2001	2000	1999	1998
\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
8.6500	8.6500	8.6500	8.6500	8.6500	8.6500
1.6800	1.6100	1.6100	1.6100	1.6100	1.6100
1.6000	1.5700	1.5700	1.5700	1.5700	1.5700
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
<u>\$17.4000</u>	<u>\$17.3000</u>	<u>\$17.3000</u>	<u>\$17.3000</u>	<u>\$17.3000</u>	<u>\$17.3000</u>

\$47.5575	\$40.7340	\$40.8205	\$45.7827	\$40.9541	\$40.9319
61.6842	54.3405	54.4686	60.0498	54.8753	54.8293
100.2500	93.4500	93.5500	93.9500	89.1500	89.1500

12.4609	11.3814	11.3966	11.4113	11.4230	9.6597
12.8764	12.0023	11.9297	12.3735	12.4065	11.7001
14.6500	14.6500	14.6500	13.7500	13.7500	15.0500

2.8190	2.8193	2.8227	3.1795	3.1808	3.1819
3.1081	3.0767	3.0190	3.4678	3.4299	3.4287
3.8000	3.8000	3.8000	3.8000	3.8000	3.8000

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

<u>Collection Year</u>	<u>Current Tax Levy (2)</u>	<u>Current Tax Collections (2)</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (3)</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
2007	\$17,346,544	\$16,547,580	95.39%	\$1,122,078	6.47%
2006	16,052,661	15,078,364	93.93%	937,196	5.84
2005	16,053,584	15,305,464	95.34	564,880	3.52
2004	16,101,736	15,281,644	94.91	820,139	5.09
2003	14,158,214	13,011,236	91.90	786,456	5.55
2002	14,093,147	12,965,025	92.00	608,167	4.32
2001	14,025,782	13,088,922	93.32	585,260	4.17
2000	12,007,848	11,715,488	97.57	420,589	3.50
1999	12,587,879	11,630,669	92.40	436,824	3.47
1998	12,473,945	11,784,898	94.48	457,346	3.67

Source: Cuyahoga County, Ohio; County Auditor

- (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

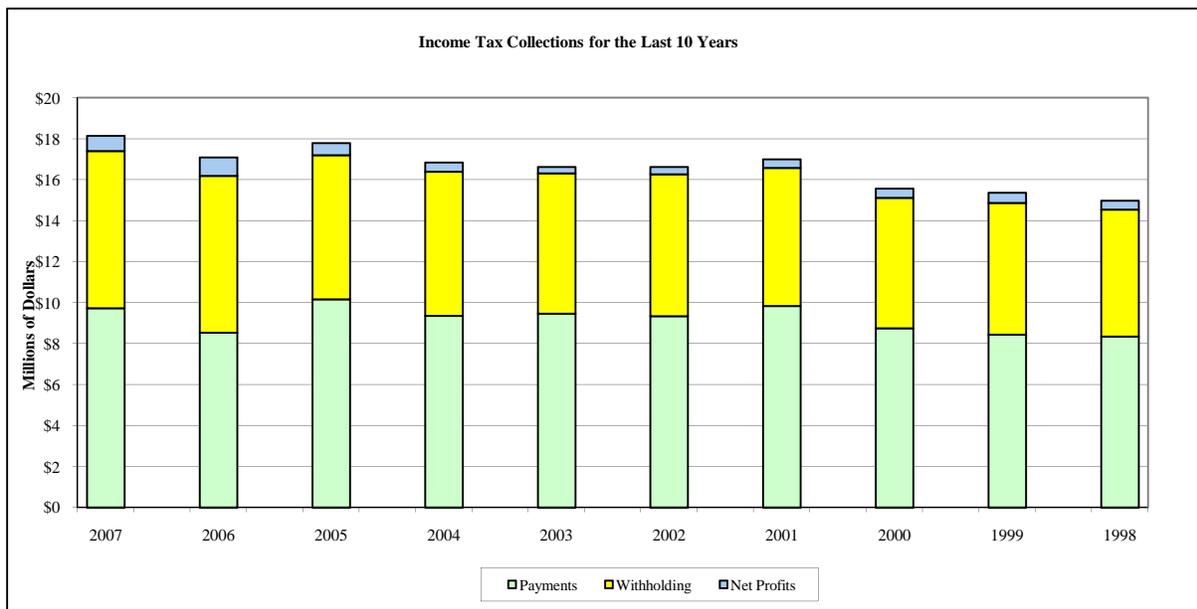
<u>2007</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$7,546,460	0.79 %
Tomorrow VIII	5,057,510	0.53
Lakewood Senior Citizens Inc.	3,166,430	0.33
Castlewood Association	2,240,530	0.23
Lakewood Senior Citizens Inc.	2,041,350	0.21
Marine Towers West	2,011,980	0.21
Fame-Midamco Co.	1,886,120	0.20
Krislaty Zenon	1,864,130	0.20
Lakewood Association Limited Partnership	1,750,700	0.18
Lake Shore Association	1,723,610	0.18
Total	<u>\$29,288,820</u>	<u>3.07 %</u>
Total Real Property Assessed Valuation	<u>\$955,481,300</u>	
<u>1998</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$11,548,580	1.71 %
Ohio Bell Telephone Company	7,608,160	1.13
Lakewood Operating Associates	4,245,570	0.63
East Ohio Gas Company	4,123,320	0.61
Castlewood Association	1,883,840	0.28
Lakewood Association Limited Partnership	1,866,240	0.28
Marine Towers West	1,697,500	0.25
Lakewood Senior Citizens Inc.	1,490,970	0.22
Harbour View Associates	1,470,000	0.22
Fame-Midamco Co.	1,456,000	0.22
Total	<u>\$37,390,180</u>	<u>5.54 %</u>
Total Real Property Assessed Valuation	<u>\$674,651,070</u>	

Source: Cuyahoga County, Ohio; County Auditor

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
2007	1.50%	\$18,143,485	\$9,719,465	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
2001	1.50	16,989,915	9,833,112	57.88	6,745,730	39.70	411,073	2.42
2000	1.50	15,563,053	8,740,976	56.16	6,366,305	40.91	455,772	2.93
1999	1.50	15,369,805	8,441,801	54.92	6,423,210	41.79	504,794	3.28
1998	1.50	14,969,269	8,347,802	55.77	6,184,203	41.31	437,264	2.92

(1) Modified Accrual Basis



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

Year	Governmental Activities			Other Governmental Activities Debt				
	General Obligation Bonds	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)	Special Assessment Bonds	OPWC Loans	Capital Leases	Bond Anticipation Notes	
2007	\$36,361,438	1.43 %	\$641.91	\$0	\$355,416	\$1,379,783	\$5,374,000	
2006	33,481,011	1.30	591.06	0	419,437	22,322	8,505,000	
2005	36,035,423	1.56	636.15	30,000	483,460	47,423	4,228,000	
2004	31,443,942	1.35	555.10	60,000	547,482	113,793	7,064,800	
2003	28,975,273	1.40	511.51	90,000	611,504	295,761	3,555,500	
2002	25,186,400	1.22	421.76	155,000	707,537	453,260	5,961,000	
2001	26,763,600	1.29	448.17	251,000	771,560	254,677	2,025,000	
2000	19,886,600	0.96	333.01	181,200	569,800	166,209	3,750,000	
1999	21,119,400	1.10	353.65	245,600	585,200	164,439	3,445,000	
1998	22,372,200	1.08	374.63	190,000	616,000	77,297	1,286,800	
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)
2007	\$12,317,624	\$28,203,885	\$749,000	\$287,579	\$4,991,951	\$90,020,676	6.63 %	\$1,589.18
2006	12,849,249	29,472,065	1,408,000	0	5,365,315	91,522,399	6.74	1,615.69
2005	13,701,254	5,612,903	11,509,000	0	5,737,611	77,385,074	5.70	1,366.12
2004	9,728,388	5,482,940	6,148,500	0	6,108,983	66,698,828	4.91	1,177.47
2003	10,337,311	5,943,360	1,155,000	0	6,418,862	57,382,571	0.47	1,013.00
2002	7,558,600	6,710,000	3,945,000	19,282	6,161,367	56,857,446	4.19	1,003.73
2001	8,030,400	5,835,000	4,050,000	37,995	5,677,025	53,696,257	3.96	947.93
2000	8,492,200	6,120,000	0	0	4,035,402	43,201,411	4.18	723.42
1999	9,055,000	6,390,000	0	0	2,901,773	43,906,412	4.25	735.23
1998	9,597,800	6,645,000	0	0	2,222,029	43,007,126	4.16	720.17

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 S24 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

	2007	2006	2005	2004
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$103,525,987	\$94,469,704	\$94,702,170	\$95,005,332
Net Debt Applicable to Debt Limit	42,039,762	41,051,785	48,932,958	41,781,567
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$61,486,225</u>	<u>\$53,417,919</u>	<u>\$45,769,212</u>	<u>\$53,223,765</u>
Legal Debt Margin as a Percentage of Debt Limit	59.39%	56.55%	48.33%	56.02%
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$54,227,898	\$49,484,131	\$49,605,898	\$49,764,698
Net Debt Applicable to Debt Limit	42,039,762	41,051,785	48,932,958	41,781,567
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$12,188,136</u>	<u>\$8,432,346</u>	<u>\$672,940</u>	<u>\$7,983,131</u>
Legal Debt Margin as a Percentage of Debt Limit	22.48%	17.04%	1.36%	16.04%

Legal Debt Margin Calculation for the Year Ended December 31, 2007

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$985,961,781</u>	<u>\$985,961,781</u>
Debt Limitation (percentage of assessed property value)	\$103,525,987	\$54,227,898
Gross Indebtedness:	89,410,468	89,410,468
Less: General Obligation Bonds	(4,635,000)	(4,635,000)
General Obligation Bonds - Enterprise Funds	(12,476,158)	(12,476,158)
Revenue Bonds	(28,536,941)	(28,536,941)
Debt Service Fund	<u>(1,722,607)</u>	<u>(1,722,607)</u>
Net Debt Applicable to Debt Limit	42,039,762	42,039,762
Legal Debt Margin Within Limitations	<u>\$61,486,225</u>	<u>\$12,188,136</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>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$84,487,541	\$85,094,577	\$85,562,200	\$76,015,133	\$76,525,532	\$76,468,812
<u>38,818,600</u>	<u>37,203,200</u>	<u>24,323,464</u>	<u>23,636,600</u>	<u>24,423,400</u>	<u>23,659,000</u>
<u>\$45,668,941</u>	<u>\$47,891,377</u>	<u>\$61,238,736</u>	<u>\$52,378,533</u>	<u>\$52,102,132</u>	<u>\$52,809,812</u>
54.05%	56.28%	71.57%	68.91%	68.08%	69.06%
\$44,255,379	\$44,573,350	\$44,818,295	\$39,817,451	\$40,084,803	\$40,055,092
<u>38,818,600</u>	<u>37,203,200</u>	<u>24,323,464</u>	<u>23,636,600</u>	<u>24,423,400</u>	<u>23,659,000</u>
<u>\$5,436,779</u>	<u>\$7,370,150</u>	<u>\$20,494,831</u>	<u>\$16,180,851</u>	<u>\$15,661,403</u>	<u>\$16,396,092</u>
12.29%	16.53%	45.73%	40.64%	39.07%	40.93%

City of Lakewood, Ohio

Computation of Direct and Overlapping Debt Attributable to Governmental Activities

December 31, 2007

	<u>Debt Attributable to Governmental Activities</u>	<u>Overlapping Percentage Applicable to Lakewood (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
<u>Direct:</u>			
City of Lakewood			
General Obligation Bonds	\$36,361,438	100.00 %	\$36,361,438
Notes Payable	5,374,000	100.00	5,374,000
Loans Payable	355,416	100.00	355,416
Capital Leases	<u>1,379,783</u>	100.00	<u>1,379,783</u>
 Total Direct Debt	 <u>43,470,637</u>		 <u>43,470,637</u>
<u>Overlapping Debt:</u>			
Lakewood City School District			
Payable from Property Taxes			
Cuyahoga County Bonds	188,814,000	2.97	5,607,777
Regional Transit Authority Bonds	149,463,059	2.97	4,439,053
Lakewood City School District Bonds	92,181,458	100.00	92,181,458
 Payable from Other Sources			
Cuyahoga County Capital Lease	4,268,000	2.97	126,760
Cuyahoga County Loans	7,293,000	2.97	216,602
Regional Transit Authority Loan	4,088,320	2.97	121,423
Lakewood City School District Capital Leases	<u>1,559,320</u>	100.00	<u>1,559,320</u>
 Total Overlapping Debt	 <u>447,667,157</u>		 <u>104,252,392</u>
 Total	 <u><u>\$491,137,794</u></u>		 <u><u>\$147,723,029</u></u>

Source: Cuyahoga County, Ohio; County Auditor

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

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City of Lakewood, Ohio

Pledged Revenue Coverage

Water

Last Ten Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Available Revenue:				
Gross Revenues (1)	\$11,484,184	\$8,803,103	\$8,857,697	\$8,584,588
Less: Operating Expenses (2)	<u>8,470,561</u>	<u>7,364,732</u>	<u>7,770,689</u>	<u>7,481,671</u>
Net Available Revenue	<u>\$3,013,623</u>	<u>\$1,438,371</u>	<u>\$1,087,008</u>	<u>\$1,102,917</u>
Debt Service OPWC Loans:				
Principal	313,230	313,229	313,229	301,113
OWDA Coverage	<u>9.62</u>	<u>4.59</u>	<u>3.47</u>	<u>3.66</u>
Debt Service - Revenue Bonds:				
Principal	876,890	550,998	510,000	490,000
Interest	598,677	249,923	251,585	251,785
Revenue Bond Coverage	<u>2.04</u>	<u>1.80</u>	<u>1.43</u>	<u>1.49</u>
Total Debt Service:				
Principal	1,190,120	864,227	823,229	791,113
Interest	598,677	249,923	251,585	251,785
Total Coverage	<u>1.68</u>	<u>1.29</u>	<u>1.01</u>	<u>1.06</u>

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

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

2003	2002	2001	2000	1999	1998
\$8,520,217	\$8,803,266	\$8,651,628	\$8,563,531	\$8,780,617	\$8,466,107
7,085,228	8,156,070	7,084,088	6,523,005	6,994,242	6,966,612
<u>\$1,434,989</u>	<u>\$647,196</u>	<u>\$1,567,540</u>	<u>\$2,040,526</u>	<u>\$1,786,375</u>	<u>\$1,499,495</u>
224,310	239,436	111,023	0	0	0
<u>6.40</u>	<u>2.70</u>	<u>14.12</u>	<u>0</u>	<u>0</u>	<u>0</u>
530,000	85,000	340,000	350,000	360,000	370,000
246,383	159,957	305,442	295,893	290,788	279,175
<u>1.85</u>	<u>2.64</u>	<u>2.43</u>	<u>3.16</u>	<u>2.74</u>	<u>2.31</u>
754,310	324,436	451,023	350,000	360,000	370,000
246,383	159,957	305,442	295,893	290,788	279,175
<u>1.43</u>	<u>1.34</u>	<u>2.07</u>	<u>3.16</u>	<u>2.74</u>	<u>2.31</u>

City of Lakewood, Ohio
Pledged Revenue Coverage
Sewer
Last Ten Years

	2007	2006	2005	2004	2003
Net Available Revenue:					
Gross Revenues (1)	\$7,628,335	\$6,081,419	\$6,145,671	\$5,620,370	\$5,037,686
Less: Operating Expenses (2)	5,900,144	5,217,728	4,242,885	4,191,193	4,339,808
Net Available Revenue	<u>\$1,728,191</u>	<u>\$863,691</u>	<u>\$1,902,786</u>	<u>\$1,429,177</u>	<u>\$697,878</u>
Debt Service OWDA Loans:					
Principal	25,647	24,578	23,555	22,573	22,573
Interest	7,811	8,879	9,902	10,884	10,884
OWDA Coverage	<u>51.65</u>	<u>25.81</u>	<u>56.87</u>	<u>42.72</u>	<u>20.86</u>
Debt Service - Revenue Bonds:					
Interest	34,487	0	0	0	0
Revenue Bond Coverage	<u>50.11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Service:					
Principal	25,647	24,578	23,555	22,573	22,573
Interest	42,298	8,879	9,902	10,884	10,884
Total Coverage	<u>25.44</u>	<u>25.81</u>	<u>56.87</u>	<u>42.72</u>	<u>20.86</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.

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
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
2001	56,646	1,357,351,452	23,962	40,527	34.2
1999	59,718	1,034,196,324	17,318	38,100	32.7
1998	59,718	1,034,196,324	17,318	38,100	32.7
1997	59,718	1,034,196,324	17,318	38,100	32.7

(1) Source: U. S. Census

(a) Years 2001 through 2006 - 2000 Federal Census

(b) Years 1995 through 1999 - 1990 Federal Census

(2) Source: Lakewood City School District

(3) Ohio Department of Job and Family Services

(4) Source: Cuyahoga County Auditor

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
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
35.9	6,730	5.0	814,878,092
N/A	N/A	5.0	723,953,648
N/A	N/A	N/A	728,814,595
N/A	N/A	N/A	728,274,397

City of Lakewood, Ohio

Principal Employers

2007 and 1998

2007

Employer	Employees	Percentage of Total City Employment
Lakewood Hospital	1,400	11.81%
Lakewood Board of Education	943	7.96
City of Lakewood	647	5.46
Aristocrat Lakewood	229	1.93
New York Life Insurance Company	189	1.59
First Federal Saving and Loan Association of Lakewood	162	1.37
Advanced Energy Tech, Incorporated	120	1.01
Galaxy Balloons	113	0.95
United Transportation Union	108	0.91
United States Post Office	101	0.85
Total	4,012	33.86%
Total Employment within the City	11,850	

1998

Employer	Employees
Lakewood Hospital	1,307
Lakewood Board of Education	923
City of Lakewood	667
Lake Erie Screw Corporation	310
Ameritech	199
United Transportation Union	175
Hinckley Lighting, Incorporated	165
Advanced Ceramic Corporation	155
United Readers Service, Incorporated	150
New York Life Insurance, Incorporated	120
Total	4,171
Total Employment within the City	n/a

Source: City of Lakewood; Community Development Department

n/a - not available

City of Lakewood, Ohio
Full-Time City Government Employees by Function/Program (1)
Last Five Years

Function/Program	2007	2006	2005	2004	2003
General Government					
Council	1.00	1.00	2.00	2.00	2.00
Court	22.00	19.00	19.00	23.00	20.00
Civil Service	1.00	1.00	1.00	1.00	1.00
Mayor's Office	2.00	2.00	2.00	3.00	3.00
Human Resources	3.00	4.00	4.00	3.00	4.00
Community Relations	2.00	2.00	1.00	1.00	2.00
Finance	7.00	7.00	6.00	8.00	8.00
Income Tax	6.00	7.00	5.00	2.00	3.00
Information System	6.00	6.00	6.00	6.00	5.00
Law	5.00	3.00	3.00	3.00	4.00
Planning & Development	3.00	3.00	3.00	2.00	2.00
Community Development	8.00	6.00	8.00	9.00	9.00
Security of Persons and Property					
Police	96.00	94.00	94.00	94.00	95.00
Police - Communications	12.00	11.00	10.00	11.00	12.00
Support of Prisoners	4.00	3.00	3.00	3.00	3.00
Fire	81.00	77.00	76.00	76.00	75.00
Emergency Medical Services	13.00	18.00	18.00	18.00	18.00
Housing & Building	19.00	22.00	21.00	19.00	21.00
Public Works					
Public Works Administration	3.00	3.00	3.00	3.00	3.00
Parking	3.00	3.00	3.00	3.00	3.00
Parks	16.00	16.00	16.00	15.00	18.00
Buildings & Facilities	4.00	5.00	5.00	5.00	5.00
Construction	4.00	4.00	5.00	8.00	6.00
Streets	16.00	17.00	19.00	21.00	21.00
Forestry	5.00	6.00	6.00	6.00	6.00
Traffic Signs	4.00	3.00	4.00	5.00	6.00
Refuse	46.00	52.00	51.00	53.00	55.00
Fleet	10.00	11.00	10.00	12.00	12.00
Communications	2.00	2.00	2.00	2.00	2.00
Water Administration	4.00	5.00	5.00	5.00	5.00
Water Distributions	9.00	8.00	6.00	8.00	7.00
Water Metering	6.00	6.00	6.00	7.00	6.00
Wastewater Collections	14.00	16.00	15.00	17.00	16.00
Wastewater Treatment	23.00	23.00	22.00	23.00	24.00
Engineering	6.00	6.00	5.00	5.00	7.00
Winterhurst	2.00	3.00	3.00	3.00	3.00
Human Services					
Human Services Administration	2.00	2.00	2.00	2.00	2.00
Office on Aging IIIB	25.00	25.00	26.00	27.00	27.00
Office on Aging IIIC	7.00	7.00	7.00	7.00	7.00
Health	8.00	11.00	10.00	13.00	11.00
Animal Control	3.00	3.00	3.00	3.00	3.00
Early Childhood	2.00	2.00	2.00	2.00	2.00
Youth	12.00	11.00	9.00	9.00	11.00
Totals:	<u>527.00</u>	<u>536.00</u>	<u>527.00</u>	<u>548.00</u>	<u>555.00</u>

Source: City of Lakewood, Finance Department

(1) This table includes full-time employees and excludes part-time and seasonal employees.

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

Function/Program	2007	2006	2005
General Government			
<i>Clerk of Council</i>			
Number of ordinances passed	95	98	126
Number of resolutions passed	73	102	103
<i>Civil Service</i>			
Number of police and fire entry application processed	0	340	n/a
<i>Finance Department</i>			
Number of checks/ vouchers issued	9,335	7,083	6,846
Interest earnings for fiscal year (cash basis)	\$1,763,496	\$2,004,475	\$908,127
<i>Income Tax</i>			
Number of Annual withholding forms processed	22,919	9,727	8,931
Number of Business net profit forms processed	2,065	1,405	1,072
Public Works			
<i>Engineering</i>			
Dollar amount of Construction overseen by Engineer	\$12,590,150	\$13,859,602	\$9,173,108
<i>Forestry</i>			
Number of trees planted	186	296	n/a
<i>Parking Enforcement</i>			
Number of parking tickets	3,174	5,062	5,251
<i>Refuse</i>			
Collection resident and business garbage in tons	21,026	22,137	21,868
<i>Water</i>			
Average (MCF) of water billed monthly (in thousands)	214,515	216,729	221,803
<i>Wastewater Collection</i>			
Average (MCF) of sewer billed monthly (in thousands)	214,515	216,729	221,803
<i>Wastewater Treatment</i>			
Influent flow millions of gallons per year	3,101	3,228	2,947
Bio-solids wet tons per year	5,348	5,643	5,209

(1) Information for some years is not available

2004	2003	2002	2001	2000	1999	1998
120	90	159	75	87	54	75
124	117	100	81	78	83	85
n/a						
7,039	7,013	7,142	7,616	7,259	7,210	n/a
\$322,705	\$420,188	\$876,738	\$1,462,784	\$1,455,183	\$1,164,683	n/a
7,546	6,871	6,490	n/a	n/a	n/a	n/a
741	845	901	n/a	n/a	n/a	n/a
\$2,874,226	\$4,386,804	\$6,509,178	\$4,502,448	\$1,365,975	\$2,604,815	\$2,019,233
n/a						
8,455	7,983	10,731	9,448	10,000	9,866	11,000
23,971	25,506	25,208	25,987	24,130	23,498	23,578
225,509	236,812	238,768	240,703	255,860	264,367	260,069
225,509	236,812	238,768	240,703	255,860	264,367	260,069
3,441	3,064	2,929	3,010	2,851	2,779	2,884
5,311	4,638	4,972	4,871	5,277	5,364	5,200

(continued)

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

Function/Program	2007	2006	2005
Security of Persons and Property			
<i>Police</i>			
Total calls for services	50,316	49,733	52,053
Number of citations issued	14,009	15,007	14,872
<i>Fire</i>			
Total calls for services-Fire	2,163	2,067	2,245
Total calls for services-EMS	5,006	5,111	5,028
Community Environment			
<i>Building Department</i>			
Estimated value of construction	\$44,249,478	\$73,425,066	\$44,324,510
Number of permits issued (all types)	2,724	2,781	3,011
Leisure Time Activities			
<i>Parks</i>			
Recreation Men's and Women's Leagues receipts	\$4,250	\$3,619	\$8,341
Recreation Youth Activities receipts	\$73,500	\$89,347	\$68,881

- (1) Information for some years is not available
(2) Lakewood Hospital paramedics join the City of Lakewood in October of 1999

2004	2003	2002	2001	2000	1999	1998
48,376	53,633	53,725	53,585	51,370	44,116	46,330
16,744	18,596	16,287	14,572	17,198	16,478	17,889
1,903	1,848	1,918	2,018	2,384	1,963	1,733
4,722	4,540	4,432	4,494	4,248	(2)	(2)
\$21,658,746	\$19,708,966	\$19,146,896	\$24,495,279	\$18,536,173	\$17,017,253	\$18,734,237
2,948	3,305	3,401	3,449	3,333	3,266	3,807
\$3,200	n/a	n/a	n/a	n/a	n/a	n/a
\$22,830	n/a	n/a	n/a	n/a	n/a	n/a

City of Lakewood, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years (1)

Function/Program	2007	2006	2005
Security of Persons and Property			
Police			
Stations	1	1	1
Vehicles	51	52	50
Fire			
Stations	3	3	3
Vehicles	17	18	18
Leisure Time Activities			
Parks			
Number of Parks	15	15	14
Number of Ice Rinks	2	2	2
Number of Skateboarding Areas	1	1	0
Number of Baseball Diamonds	5	5	5
Number of Soccer Fields	1	1	1
Transportation			
Service			
Streets (miles)	93	93	93
Street Lights	1,488	1,488	1,488
Water and Sewer			
Water Lines (miles)	112	112	111
Sanitary Sewers (miles)	75	75	75
Storm Sewers (miles)	66	66	66
Combined Sewers (miles)	25	25	25

(1) Information for some years is not available

2004	2003	2002	2001	2000	1999	1998
1	1	1	1	1	1	1
49	n/a	n/a	n/a	n/a	n/a	n/a
3	3	3	3	3	3	3
17	n/a	n/a	n/a	n/a	n/a	n/a
14	14	14	14	14	14	14
2	2	2	2	2	2	2
0	0	0	0	0	0	0
5	5	5	5	5	5	5
1	1	1	1	1	1	1
93	93	93	93	93	93	93
1,488	1,488	1,488	1,488	1,488	1,488	1,488
111	111	111	111	111	111	119
75	75	75	75	75	75	75
66	66	66	66	66	66	66
25	25	25	25	25	25	25

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Mary Taylor, CPA
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
OCTOBER 16, 2008**