

CITY OF ELYRIA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
December 31, 2004

Prepared by:

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

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City of Elyria, Ohio
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended, December 31, 2004

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TED M. PILESKE, CPA
City Auditor

JOHN T. FARRELL
Chief Deputy Auditor

June 3, 2005

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

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

GOVERNMENTAL STRUCTURE

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

The City provides a full range of services. These services include: police and fire protection, the construction and maintenance of highways, streets and infrastructure, recreational activities, family and child health care, community planning, zoning and development, and water, sewer

and sanitation services. In addition, the Elyria Municipal Court is included in the reporting entity. The Elyria City School District, the Elyria Memorial Hospital and the Elyria Public Library have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

ECONOMIC CONDITION & OUTLOOK

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

The City developed as an industrial community in the early 1800's. As the seat of Lorain County, the City's economy continued to diversify throughout the early 1900's. Another large industrial expansion took place during the late 1940's and early 1950's. In recent years, the face of Elyria's economy has begun to change. Throughout the 1980's and 1990's, the largest employers in the City were manufacturing firms such as Invacare, General Motors and York International. Today, Invacare Corporation is the only one of these companies that still remains in Elyria. As a result, a shift of the largest employers in the City from manufacturing to service oriented employers has taken place. Invacare Corporation remains the largest employer in regards to income tax revenues received by the City, while the EMH Regional Medical Center, Lorain County Government and Lorain County Community College follow. Despite the change in top employers, Elyria's economy remains diversified which, along with two major construction projects in downtown Elyria, namely the Lorain County Justice Center and the New City Hall, contributed to modest growth in income tax revenues in 2004. Income tax revenues in the General Fund rose 3.3% in 2004 to \$16,915,894 (cash basis), after modestly increasing 2.1% to \$16,379,960 (cash basis) in 2003.

In addition to the afore-mentioned construction projects, income tax revenues increased due to a Joint Economic Development District (JEDD) agreement approved by the voters of Elyria Township on May 6, 2003. This agreement between the City of Elyria and Elyria Township, which became effective July 1, 2003, calls for the City to provide access to sewer service within the JEDD and an income tax equal to the City's rate of 1.75% will be imposed on all salaries, wages, commissions and other compensation earned within the JEDD, and on net profits of all businesses located within the JEDD. Under the agreement, the City will receive 80% of the income tax collected and the Township will receive 20%. This agreement generated \$337,922 in additional revenue for the City in 2004.

MAJOR INITIATIVES

FOR THE YEAR:

The City addressed the following infrastructure problems in 2004.

The replacement of the State Route 57 Bridge over the Black River which began in 2002, was completed in 2004. This project was funded with federal and state monies.

The much anticipated completion of the new City Hall complex occurred in 2004. Construction of this building which involved new construction and adaptive reuse of the old City Hall and

Turner Block buildings began in May 2001. This jewel of the City's downtown area was funded with a combination of general obligation bonds, general obligation bond anticipation notes and contributions from the City's General Fund and Water, Sanitation and Wastewater Pollution Control Enterprise Funds.

The construction of two new elevated water storage tanks, installation of two new booster pumps and improvements to the water distribution lines to increase water pressure in the City's southeast and southwest sectors was also completed in 2004. These projects were funded with short-term general obligation notes.

FOR THE FUTURE:

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

The repair and reconstruction of Broad Street from West Avenue to East Bridge Street, portions of Lake Avenue, North Olive Street and Furnace Street and all of Defiance Avenue and Clemens Avenue, and West River Street from Second Street to State Route 57 are all scheduled to begin in 2005. All of these projects have been approved for 89% State Issue II grant funding, with the remaining 11% provided from City funds.

In addition, the repair and reconstruction of West Avenue from Oberlin Road to Parkview Court is scheduled to begin in 2005. This project has been approved for 64% State Issue II grant funding, 19% State Issue II 0% loan funding and the remaining 17% coming from City funds.

Construction of a new storm sewer on Third Street from Middle Avenue to West Avenue is scheduled to begin in 2005 as well. This project will be funded with a State Issue II non-interest bearing loan for 44% of the project cost, 40% by special assessments from property owners benefiting from the installation of the storm sewer and the remaining 16% coming from City funds.

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

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

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

Water, Special Parks and Recreation, Sanitation, and Wastewater Pollution Control.

Several of the City’s major initiatives listed previously are directly related to these operations. The City’s **Water Fund** continues to operate while keeping user rates at a minimum. The City is particularly proud of the fact that our system is able to provide plentiful amounts of water even in the worst conditions, such as the droughts experienced in the summers of recent years, and throughout the “blackout” of August 2003. Also, the City has recently completed construction of two new elevated water storage tanks, the addition of two new booster pumps and other improvements to the system to improve water pressure. This should keep the City’s water operations at a level citizens will appreciate long into the future.

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

The City’s **Sanitation Department** continues to provide its citizens with excellent trash collection services at the lowest possible price. In 2004, the City increased sanitation rates to keep up with increasing operating costs and to purchase two new trash packers.

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

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

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

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

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

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

The City had a number of debt issues outstanding at December 31, 2004. These issues include \$21,398,094 in general obligation bonds, \$13,300,000 in general obligation notes, \$1,581,906 in special assessment bonds, \$14,758,119 in Ohio Water Development Authority loans, a \$99,850 HUD 108 loan, and \$354,423 in Ohio Public Works Commission interest free loans. Under the Uniform Bond Act of the Ohio Revised Code, the City has a legal limitation on unvoted general obligation debt based on 5.5% of the assessed valuation of real and personal property. At December 31, 2004, the City’s net debt (as defined in the Ohio Revised Code) of \$32,755,730 was well below the legal limit of \$52,455,106.

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

<u>Years</u>	<u>Amount</u>
1995	1,293,466
1996	1,270,705
1997	1,778,733
1998	1,508,901
1999	1,229,010
2000	1,690,000
2001	1,620,592
2002	680,710
2003	431,678
2004	356,060

Returns have declined over recent years due to lower interest rates offered in the marketplace and fewer dollars to invest. The overall rate of return on the City’s investments for 2004 was approximately 1.69%. The City complied with the various provisions of the Ohio Revised Code and the City Charter and Codified Ordinances pertaining to types of investments held and institutions in which deposits were made. The City also complied with provisions of the Ohio Revised Code concerning security requirements. The Ohio Revised Code does not require security for its public deposits to be maintained in the City’s name. Instead, the investment institutions may pledge a pool of government securities, the face value of which is at least 105% of the total value of public monies on deposit. The City monitors compliance with the various statutes mentioned above and will continue to do so in future years.

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

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

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

During the year ended December 31, 2004, the City contributed approximately \$4.7 million to the two plans.

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

AWARDS

The Government Finance Officers Association of the United States and Canada (the “GFOA”) awarded a **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING** to the City of Elyria for its comprehensive annual financial report for the fiscal year ended December 31, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Elyria has received a Certificate of Achievement for the last **EIGHTEEN CONSECUTIVE YEARS** (fiscal years ended 1986-2003). We believe our

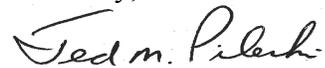
current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

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

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

Sincerely,

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

Ted M. Pileski, CPA
Elyria City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Elyria,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



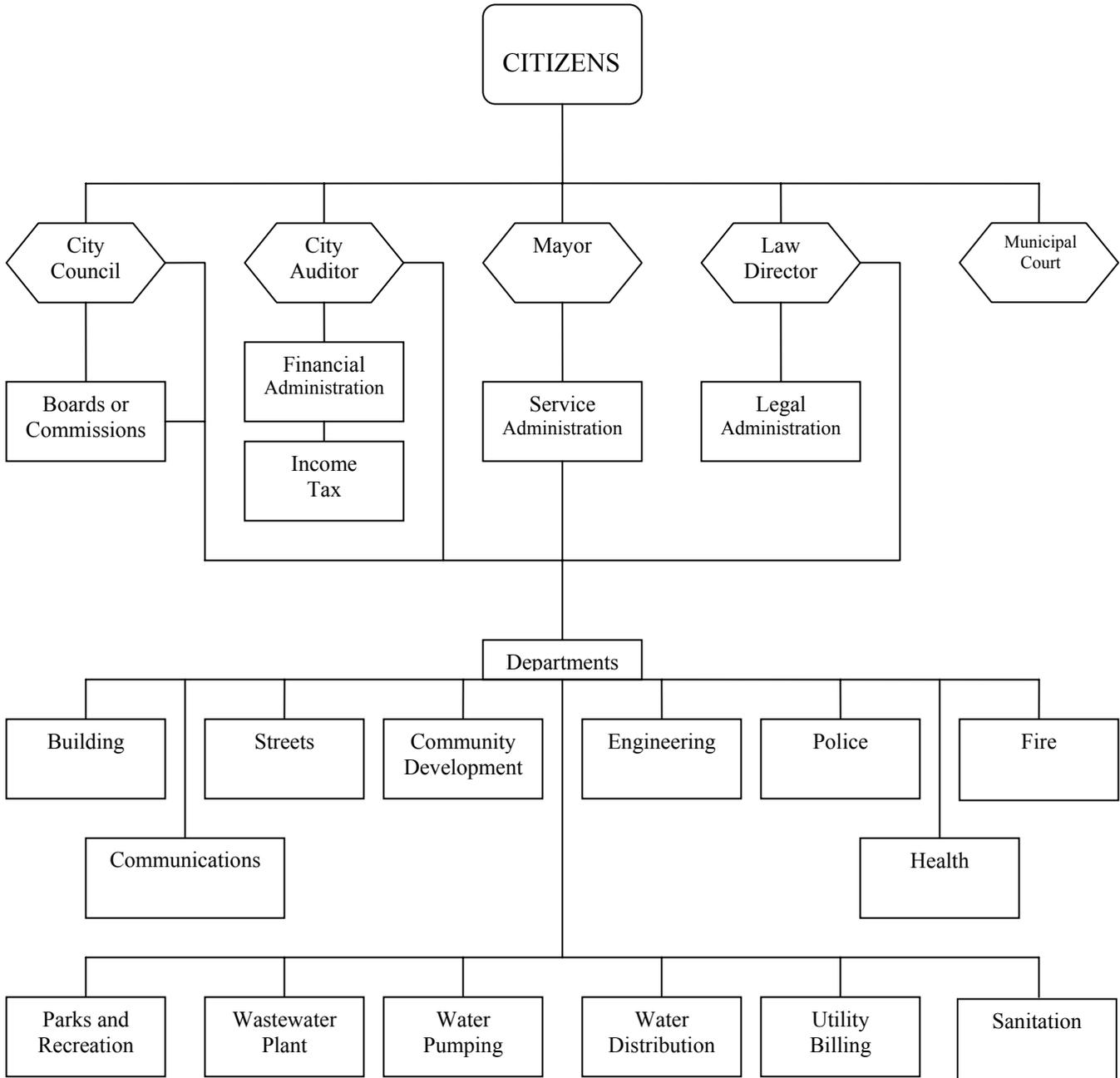
Nancy L. Zielle

President

Jeffrey R. Emery

Executive Director

City of Elyria, Ohio Organizational Chart



City of Elyria, Ohio
List of Elected and Appointed Officials
December 31, 2004

Elected Officials

Mayor
Auditor
Law Director
Judge
Judge
Court Clerk
Council Member – Ward 1
Council Member – Ward 2
Council Member – Ward 3
Council Member – Ward 4
Council Member – Ward 5
Council Member – Ward 6
Council Member – Ward 7
Council Member – At large
Council Member – At large
Council Member – At large
Council Member – At large

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

Appointed Officials

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

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

Department Heads

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

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



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2004, 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 that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financials statements that collectively comprise the City's basic financial statements. The introductory section, combining 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.

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

Betty Montgomery
Auditor of State

June 3, 2005

CITY OF ELYRIA, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

As management of the City of Elyria, we offer readers of the City of Elyria's financial statements this narrative overview and analysis of the financial activities of the City of Elyria for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 7 of this report.

Financial Highlights

- The assets of the City of Elyria exceeded its liabilities at the close of the most recent fiscal year by \$85,812,317 (*net assets*). Of this amount, \$68,996,138 or 80% represents investments in capital assets, net of related debt.
- The General Fund balance decreased \$154,518 or 3.6%. This decrease is the result of the overall sluggish economy, and increased personnel costs, particularly health care costs.
- The City of Elyria's short-term debt increased by \$100,000 as the City issued one-year general obligation bond anticipation notes for the following projects: \$1.8 million for the Industrial Parkway project, \$2.2 million to complete the new City Hall and \$2.8 million for the Chestnut Commons project. Principal retired on short term notes in 2004 amounted to \$6,700,000 resulting in the net increase of \$100,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Elyria's basic financial statements. The City of Elyria's basic financial statements comprise 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 statements* are designed to provide readers with a broad overview of the City of Elyria's finances, in a manner similar to a private-sector business.

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

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

CITY OF ELYRIA, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

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

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

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

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

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

The City of Elyria maintains forty-one (41) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, the Chestnut Commons/Ridge Improvement Fund and the Municipal Building Construction Fund, all of which are considered to be major funds. Data from the other thirty-eight (38) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Elyria adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund in the basic

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financial statements to demonstrate compliance with its budget. Budgetary comparison schedules for other funds are provided elsewhere in this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Special Parks and Recreation, Sanitation, and Wastewater Pollution Control operations, all of which are considered to be major funds of the City of Elyria. Conversely, our Employee Health Insurance and Worker's Compensation internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages 140-142 of this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-75 of this report.

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Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Elyria, assets exceeded liabilities by \$85,812,317 at the close of the most recent fiscal year.

By far, the largest portion of the City of Elyria's net assets (80 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Elyria's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A condensed statement of net assets follows in Table 1.

CITY OF ELYRIA'S
Condensed Statement of Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 30,206,706	\$ 35,173,797	\$ 7,489,750	\$ 10,023,634	\$ 37,696,456	\$ 45,197,431
Capital assets	58,692,166	54,044,234	58,330,255	59,762,135	117,022,421	113,806,369
Total assets	<u>88,898,872</u>	<u>89,218,031</u>	<u>65,820,005</u>	<u>69,785,769</u>	<u>154,718,877</u>	<u>159,003,800</u>
Current liabilities	15,848,920	17,745,251	8,138,030	8,683,311	23,986,950	26,428,562
Non-Current liabilities outstanding	27,193,615	28,141,080	17,725,995	19,046,907	44,919,610	47,187,987
Total liabilities	<u>43,042,535</u>	<u>45,886,331</u>	<u>25,864,025</u>	<u>27,730,218</u>	<u>68,906,560</u>	<u>73,616,549</u>
Net assets:						
Invested in capital assets, net of related debt	33,372,096	29,697,842	35,624,042	35,748,505	68,996,138	65,446,347
Restricted	8,379,971	9,750,809			8,379,971	9,750,809
Unrestricted	4,104,270	3,883,049	4,331,938	6,307,046	8,436,208	10,190,095
Total net assets	<u>\$ 45,856,337</u>	<u>\$ 43,331,700</u>	<u>\$ 39,955,980</u>	<u>\$ 42,055,551</u>	<u>\$ 85,812,317</u>	<u>\$ 85,387,251</u>

An additional portion of the City of Elyria's net assets [10 percent] represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* [\$8,436,208] may be used to meet the government's ongoing obligations to citizens and creditors.

Table 2 below indicates the changes in net assets for the year ended December 31, 2004.

Governmental activities. The net assets for the governmental activities of the City increased by \$2,524,637. Tax revenue accounts for \$27,814,217 of the \$41,227,978 total revenue for governmental activity, or 67%. The major recipients of intergovernmental revenue were the General Fund, receiving \$3,231,049, the Industrial Parkway fund receiving \$2,372,118 and Street Construction Maintenance and Repair fund receiving \$1,807,575.

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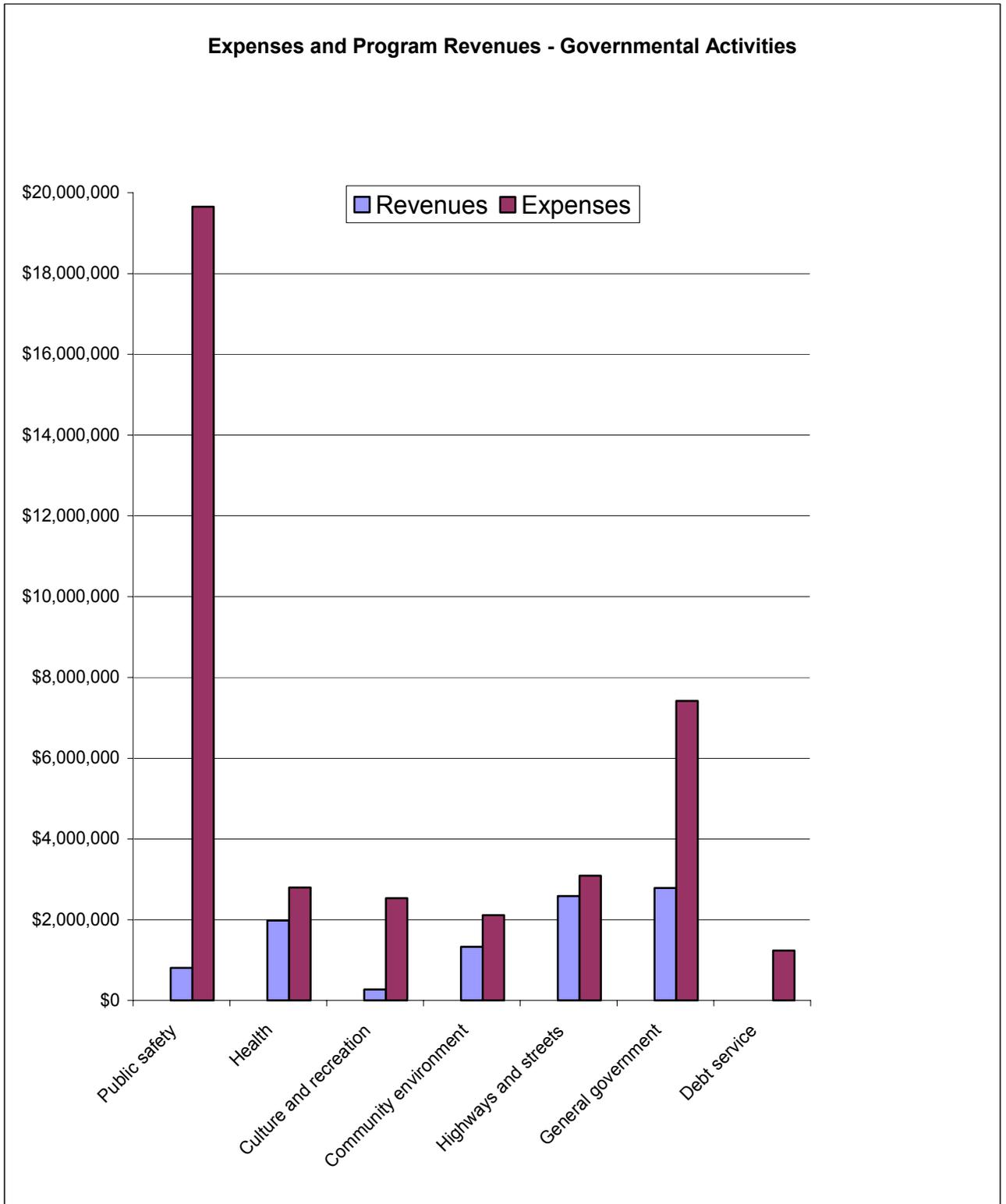
The City's direct charges to users of governmental services made up \$4,682,723 or 11% of total governmental revenue. These charges are for jail rental fees charged to other governmental entities, fees related to health department activities, fees related to parks and recreation activities, fines and forfeitures related to Elyria Municipal Court activities and various licenses and permits.

Public safety which includes police and fire protection, safety service, communications and the jail operations accounts for \$19,578,462 of the \$38,703,341 total expenses for governmental activities, or 51%. The next largest program is general government, which equals \$7,390,522, or 19% of total governmental expenses.

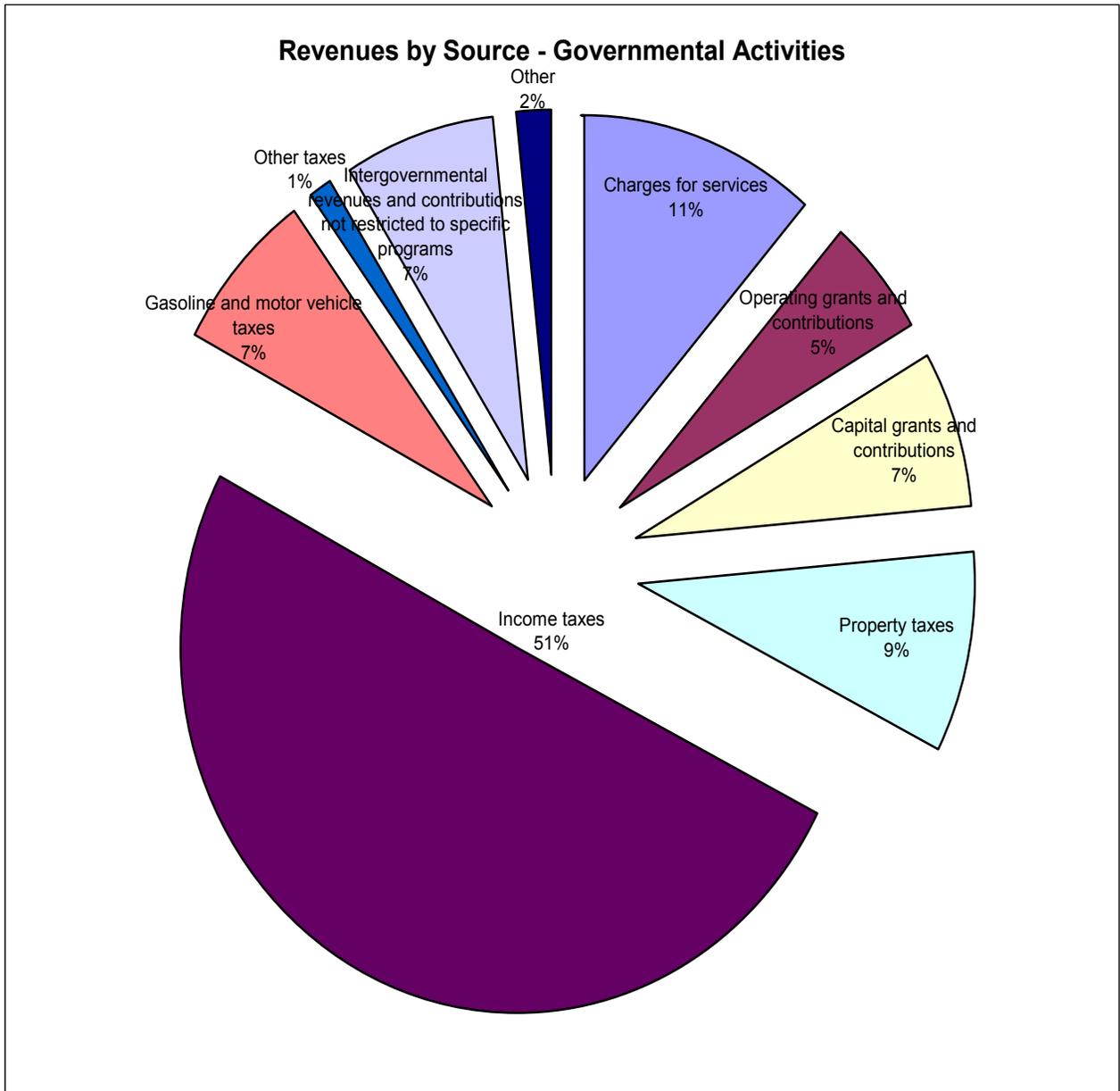
Table 2
CITY OF ELYRIA'S
Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 4,682,723	\$ 4,052,616	\$ 17,083,654	\$ 16,583,379	\$ 21,766,377	\$ 20,635,995
Operating grants and contributions	2,235,083	2,019,139	96,028	61,756	2,331,111	2,080,895
Capital grants and contributions	2,829,299	1,922,423	51,948	86,131	2,881,247	2,008,554
General revenues:						
Property taxes	3,699,197	3,554,126			3,699,197	3,554,126
Income taxes	20,722,890	21,401,274			20,722,890	21,401,274
Gasoline and motor vehicle taxes	2,879,983	2,805,188			2,879,983	2,805,188
Other taxes	512,147	472,301			512,147	472,301
Grants and contributions not restricted to specific programs	3,012,969	4,070,303			3,012,969	4,070,303
Other	653,687	370,438	233,174	365,360	886,861	735,798
Total revenues	<u>41,227,978</u>	<u>40,667,808</u>	<u>17,464,804</u>	<u>17,096,626</u>	<u>58,692,782</u>	<u>57,764,434</u>
Expenses:						
Public safety	19,578,462	19,808,236			19,578,462	19,808,236
Health	2,789,743	2,749,524			2,789,743	2,749,524
Culture and recreation	2,522,883	2,511,424			2,522,883	2,511,424
Community environment	2,105,014	1,976,381			2,105,014	1,976,381
Highways and streets	3,079,005	3,109,831			3,079,005	3,109,831
General government	7,390,522	7,568,158			7,390,522	7,568,158
Debt service	1,237,712	1,308,289			1,237,712	1,308,289
Water			5,933,824	5,630,930	5,933,824	5,630,930
Special Parks & Recreation			297,859	299,535	297,859	299,535
Sanitation			2,978,122	3,035,312	2,978,122	3,035,312
Wastewater			10,354,570	10,811,134	10,354,570	10,811,134
Total expenses	<u>38,703,341</u>	<u>39,031,843</u>	<u>19,564,375</u>	<u>19,776,911</u>	<u>58,267,716</u>	<u>58,808,754</u>
Increase (decrease) in net assets	2,524,637	1,635,965	(2,099,571)	(2,680,285)	425,066	(1,044,320)
Net assets - 1/1/2004	43,331,700	41,695,735	42,055,551	44,735,836	85,387,251	86,431,571
Net assets - 12/31/2004	<u>\$ 45,856,337</u>	<u>\$ 43,331,700</u>	<u>\$ 39,955,980</u>	<u>\$ 42,055,551</u>	<u>\$ 85,812,317</u>	<u>\$ 85,387,251</u>

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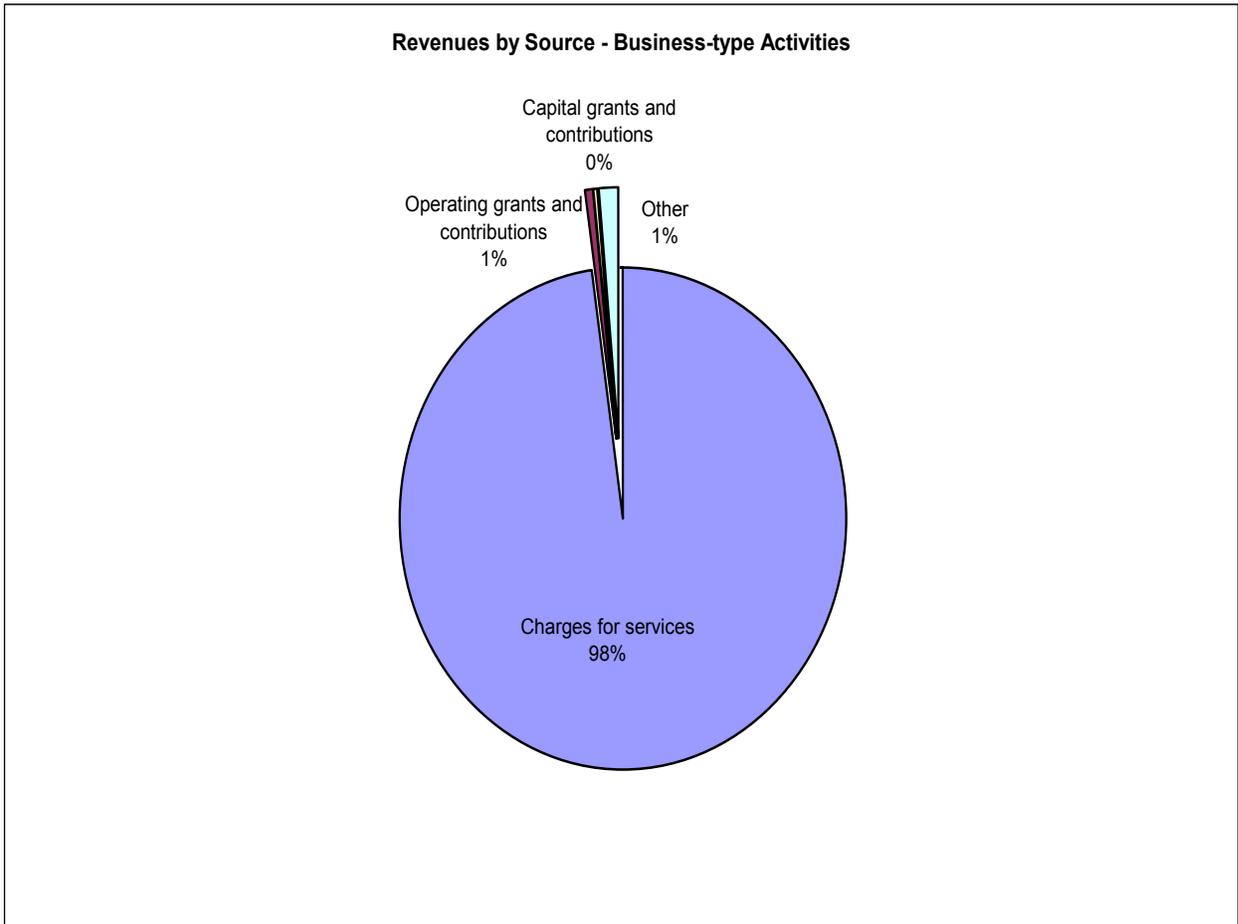
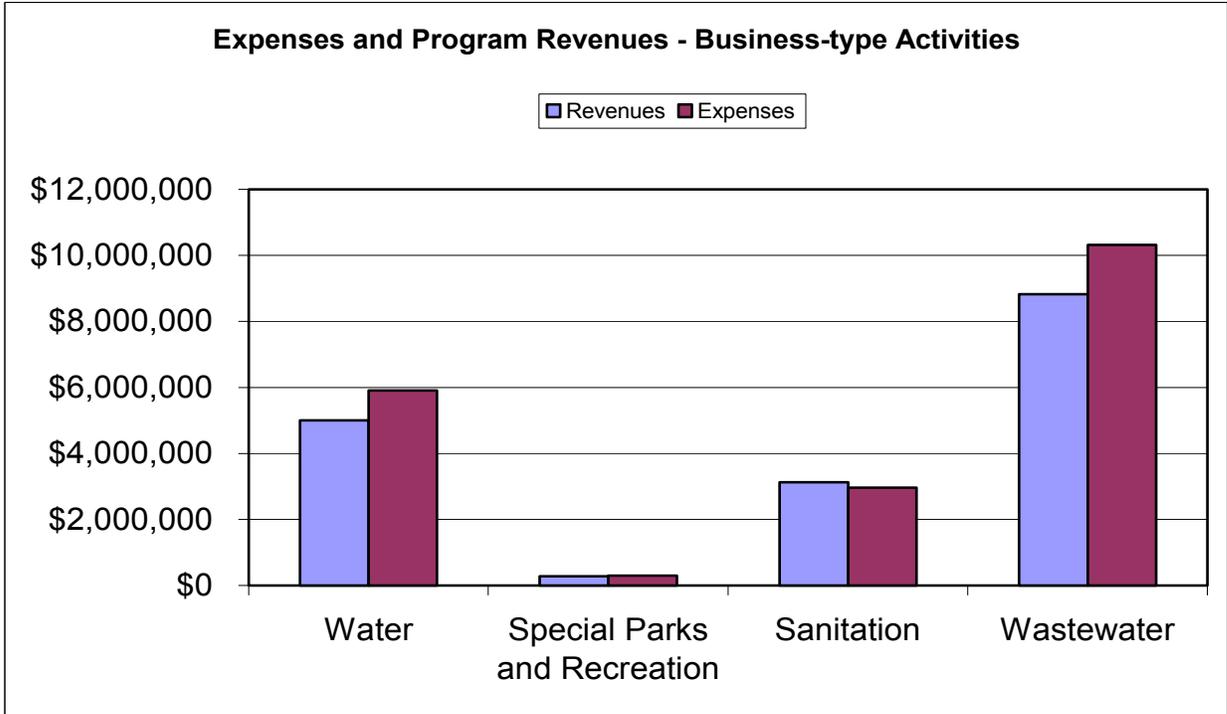


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Business-type activities. The net assets for the business-type activities of the City decreased by \$2,099,571, mainly because the user fees charged for these business-type activities have not been sufficient to meet the increasing expenses of these activities. Elyria City Council has enacted a series of rate increases to correct this difference. The first of these rate increases went into effect in April and May of 2004 which helped to decrease the reduction in net assets in 2004 by \$580,714 as compared to the reduction in net assets in 2003. Additional rate increases of 4.5% for water, sanitation and sewer services are scheduled and approved by Elyria City Council for January 1, 2005, 2006, 2007 and 2008. The major revenue source of the business-type activities was charges for services of \$17,083,654.

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Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,270,872, a decrease of \$2,809,383 in comparison with the prior year. Approximately 114% of this total amount is reserved to indicate that it is not readily available for new spending since it has already been committed to 1) liquidate contracts and purchase orders of \$4,369,578, 2) \$3,848,983 for rehabilitation loans under the Block Grant and C.H.I.P. Grant programs and 3) to pay debt service of \$1,942,362. The unreserved fund deficit of (\$8,233,670) is due to the one year general obligation bond anticipation notes that were issued for various capital projects and reported as a liability in the individual capital project funds and to the reservation of fund balances for encumbrances in the State Issue II Capital Projects fund and the Industrial Parkway fund. These negative fund balances will be eliminated in the capital project funds upon the issuance of long-term general obligation bonds, the proceeds of which will retire the short-term notes and the receipt of grant monies in the State Issue II Capital Projects fund and the Industrial Parkway fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund unreserved fund balance was \$3,807,061 while the total fund balance was \$4,118,833. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 14% of total General Fund expenditures, while total fund balance represents 16% of that same amount.

The General Fund balance decreased from \$4,273,351 at December 31, 2003 to \$4,118,833 at December 31, 2004. The following schedule presents a summary of General Fund revenues for the fiscal year ended December 31, 2004 and a comparison to prior year's revenues.

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<u>Revenues</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2003</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$ 19,761,364	75.18%	\$ 1,562,604	8.57%
Intergovernmental revenues	3,231,049	12.29%	(544,849)	-14.43%
Charges for services	1,492,988	5.68%	28,287	1.93%
Licenses and permits	499,897	1.90%	(80,696)	-13.90%
Investment income	41,975	0.16%	(7,981)	-15.98%
Fines and forfeitures	1,114,913	4.24%	(12,568)	-1.11%
Miscellaneous revenues	<u>142,473</u>	<u>0.55%</u>	<u>88,596</u>	164.44%
Totals	<u>\$ 26,284,659</u>	<u>100.00%</u>	<u>\$ 1,033,393</u>	4.09%

The increase in tax revenues is primarily due to an increase in the City's assessed valuation which resulted in increased property tax collections, the reduction of the tax credit given to residents of the City who work in and pay income tax to other municipalities and the Joint Economic Development District agreement between the City and Elyria Township, both of which resulted in increased income tax collections. The decrease in intergovernmental revenues is due to the reduction of local government revenue due to a lawsuit filed by the City of Lorain which challenged the formula used by Lorain County to allocate local funds and the reduction of grant monies received from the Environmental Protection Agency and the Ohio Department of Natural Resources as the projects funded by these grants were primarily completed in 2003. The reduction of licenses and permits is due to a drop in building, electrical and plumbing permits revenue which is a result of a sluggish local economy. The decrease in investment income was due to low interest rates offered in the marketplace and fewer dollars to invest. The increase in miscellaneous revenues is due to contributions received for the decorating of the new City Hall and a donation from Invacare Corporation to help in the costs of lighting the City parks for the Holiday season.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended December 31, 2004 and a comparison to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2003</u>	<u>Percent of Increase (Decrease)</u>
Current:				
Public safety	\$ 14,980,754	56.51%	\$ 267,304	1.82%
Health	1,603,867	6.05%	22,552	1.43%
Culture and recreation	2,068,996	7.80%	32,729	1.61%
Community environment	958,441	3.62%	36,570	3.97%
General government	6,541,833	24.68%	(96,291)	-1.45%
Capital outlay	<u>353,962</u>	<u>1.34%</u>	<u>(56,090)</u>	-13.68%
Total	<u>\$ 26,507,853</u>	<u>100.00%</u>	<u>\$ 206,774</u>	0.79%

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The increase in public safety, health, culture and recreation and community environment are all due to increased personnel costs, and associated fringe benefits and the rising costs of health care. The decrease in capital outlay was due to the improvements made to the West Falls Upper Trail in 2003.

The other major governmental funds of the City are Chestnut Commons/Ridge Improvement Fund and Municipal Building Construction Fund.

The fund balance for the Chestnut Commons/Ridge Improvement Fund decreased by \$1,512,427 in 2004 due to the expenditure of general bond anticipation note proceeds that were on hand at December 31, 2003.

The fund balance for the Municipal Building Construction Fund decreased by \$1,489,685 in 2004 due to the expenditure of general bond anticipation note proceeds that were on hand at December 31, 2003.

Enterprise funds. The City's enterprise funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water, Special Parks and Recreation, Sanitation and Wastewater Pollution Control funds at the end of the year amounted to \$240,421, \$269,786, \$1,266 and \$3,899,051, respectively. The increase / (decrease) in net assets for these funds were (\$888,452), \$34,814, \$139,356 and (\$1,429,985), respectively. Elyria City Council has approved rate increases for each of the next four years for users of the water and wastewater pollution control systems, as well as for garbage pick-up, to increase net assets in the future. Other factors concerning these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

As required by State statute, Elyria City Council adopts an annual appropriation (budget) ordinance for all city funds under its control. In addition to the City's General Fund, forty-six (46) funds representing various governmental, proprietary and fiduciary activities were included in the 2004 appropriation process.

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

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

<u>Function/Activity</u>	<u>2004 Annual Expended</u>	<u>% Expended</u>
Public Safety	\$15,707,565	55.03
Health	1,666,150	5.83
Culture and Recreation	2,174,539	7.62
Community Environment	956,400	3.35
General Government	<u>8,041,412</u>	<u>28.17</u>
Total Expenditures	<u>\$28,546,066</u>	<u>100.0</u>

The recording of General Fund revenue and expenditure transactions along with the review of the original budget necessitates adjustments to reflect estimated revenue to actual revenue received, and any effect these adjustments have on expenditures.

Net differences between the original budget amount of \$29,237,868 and the final budget amount of \$29,279,445 (\$41,577 increase in appropriation) were relatively minor in nature with the largest change being an increase in general government activities of \$149,257.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2004 amounts to \$117,022,421 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, utility distribution and collection systems, infrastructure, machinery and equipment and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$3,216,052 (an increase of \$4,647,932 for governmental activities and a decrease of \$1,431,880 for business-type activities).

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

- Construction of the new City Hall was completed with additional capitalized costs of \$2,078,098 in 2004.
- Construction of two new elevated water storage towers which began in 2003 was completed in 2004 with additional capitalized costs of \$230,176.
- Construction of new water distribution lines to improve water pressure in the southeast and southwest areas of Elyria were completed in 2004 with additional capitalized costs of \$304,813.
- Various improvements to the Water Pumping plant were completed in 2004 with additional capitalized costs of \$485,555.

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$22,980,000. Of this amount, \$19,950,000 comprises debt backed by the full faith and credit of the City, \$1,581,906 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$1,448,094 is business-type activity debt that is retired by user fees collected for business-type activities and also backed by the full faith and credit of the City.

At the end of the current fiscal year, the City also had total short-term bond anticipation general obligation notes outstanding of \$13,300,000. Of this amount, \$6,300,000 represents monies borrowed to finance various water projects, \$2,800,000 for the Chestnut Commons/Ridge project, \$2,200,000 for completion of the new City Hall, \$1,800,000 for the Industrial Parkway project and \$200,000 for the purchase of new garbage trucks. The City plans to issue long-term bonds to retire these short-term notes in 2005.

In addition to general obligation bonds and notes, the City also utilizes Ohio Water Development Authority loans to finance sewer projects and State Issue II Ohio Public Works Commission loans to finance various infrastructure projects.

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

State statutes limit the amount of unvoted general obligation debt the City may issue to 5.5% of its total assessed valuation. The current debt limitation for the City of Elyria is \$52,455,106 which is significantly in excess of the City's outstanding unvoted general obligation debt that is subject to the limitation of \$34,698,092.

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

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the City is currently 5.9%, which is a decrease from a rate of 7.9% a year ago. This compares favorably to the state's average unemployment rate of 6.1% and unfavorably to the national average rate of 5.5%.

During the current fiscal year, unreserved fund balance in the General Fund decreased \$154,518, leaving a fund balance at December 31, 2004 of \$4,118,833. The City has appropriated approximately \$1.3 million of this amount for spending in the 2005 fiscal year budget.

City Council voted to reduce the credit given to residents who pay municipal income tax to other cities from 100% to 50%. This reduced credit was in affect from July 1, 2004

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thru December 31, 2004. Elyria City Council sought voter approval in the November 2004 election to continue this reduced credit beyond December 31, 2004 but the measure was defeated.

The water, sanitation and sewer rates were all increased for the 2004 budget year. The water rate was increased 10% effective April 1, 2004, and was necessary to finance debt service on the new debt issued for the construction of two new elevated water storage tanks and other improvements to the water distribution system and water pumping plant and to meet increasing operating costs. The sanitation and sewer rates increased 4.5% effective May 1, 2004 and April 1, 2004, respectively, and were necessary to meet increasing operating costs.

All of these factors were considered in preparing the City's budget for the 2005 fiscal year.

Requests for Information

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

City of Elyria, Ohio
Statement of Net Assets
December 31, 2004

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 4,519,680	\$ 3,340,125	\$ 7,859,805
Cash with fiscal agents	1,344		1,344
Investments	6,717,859	1,993,800	8,711,659
Receivables:			
Property tax	3,073,269		3,073,269
Income tax	5,934,829		5,934,829
Other local tax	150,489		150,489
Accounts	193,382	1,169,074	1,362,456
Accrued interest	62,307	34,496	96,803
Rehabilitation loans	3,848,983	297,242	4,146,225
Settlements		237,000	237,000
Special assessments	1,944,177	48,402	1,992,579
Due from other funds	78,586		78,586
Due from other governments	3,465,022		3,465,022
Inventory of supplies		253,607	253,607
Prepaid expenses	216,779	116,004	332,783
Capital assets (net of accumulated depreciation):			
Land	6,144,923	656,488	6,801,411
Buildings and system	21,142,767	14,105,290	35,248,057
Improvements	967,494	5,465,354	6,432,848
Utility distribution and collection systems	6,020,107	35,414,302	41,434,409
Infrastructure	17,138,485		17,138,485
Machinery and equipment	1,796,411	2,688,821	4,485,232
Construction in progress	5,481,979		5,481,979
Total capital assets	<u>58,692,166</u>	<u>58,330,255</u>	<u>117,022,421</u>
Total assets	<u>88,898,872</u>	<u>65,820,005</u>	<u>154,718,877</u>
LIABILITIES			
Accounts payable	358,398	239,945	598,343
Contracts payable	431,333	405,124	836,457
Accrued wages and benefits	2,035,274	194,132	2,229,406
Compensated absences payable	385,318	72,818	458,136
Due to other funds		78,586	78,586
Accrued interest payable	138,653	548,238	686,891
Unearned revenue	5,600,094	99,187	5,699,281
General obligation notes payable	6,800,000	6,500,000	13,300,000
Construction loan payable	99,850		99,850
Non-current liabilities:			
Due within one year	1,313,624	1,795,812	3,109,436
Due in more than one year	25,879,991	15,930,183	41,810,174
Total liabilities	<u>43,042,535</u>	<u>25,864,025</u>	<u>68,906,560</u>
NET ASSETS			
Invested in capital assets, net of related debt	33,372,096	35,624,042	68,996,138
Restricted for:			
Expendable:			
Public safety	1,044,444		1,044,444
Health	226,439		226,439
Community environment	3,805,840		3,805,840
Highways and streets	808,622		808,622
Debt service	1,942,362		1,942,362
Other purposes	134,783		134,783
Nonexpendable:			
Health	417,481		417,481
Unrestricted	4,104,270	4,331,938	8,436,208
Total net assets	<u>\$ 45,856,337</u>	<u>\$ 39,955,980</u>	<u>\$ 85,812,317</u>

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

City of Elyria, Ohio
Statement of Activities
For the Year Ended December 31, 2004

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Public safety	\$ 19,578,462	\$ 564,170	\$ 239,597	\$	\$ (18,774,695)	\$	\$ (18,774,695)
Health	2,789,743	1,146,189	830,473		(813,081)		(813,081)
Culture and recreation	2,522,883	177,792	25,274	69,735	(2,250,082)		(2,250,082)
Community environment	2,105,014	10,176	1,139,739	179,043	(776,056)		(776,056)
Highways and streets	3,079,005			2,580,521	(498,484)		(498,484)
General government	7,390,522	2,784,396			(4,606,126)		(4,606,126)
Interest and fiscal charges	1,237,712				(1,237,712)		(1,237,712)
Total governmental activities	<u>38,703,341</u>	<u>4,682,723</u>	<u>2,235,083</u>	<u>2,829,299</u>	<u>(28,956,236)</u>		<u>(28,956,236)</u>
Business-type activities:							
Water	5,933,824	5,003,529			(930,295)		(930,295)
Special parks & recreation	297,859	283,979			(13,880)		(13,880)
Sanitation	2,978,122	2,975,839	96,028	51,948	145,693		145,693
Wastewater	10,354,570	8,820,307			(1,534,263)		(1,534,263)
Total business-type activities	<u>19,564,375</u>	<u>17,083,654</u>	<u>96,028</u>	<u>51,948</u>	<u>(2,332,745)</u>		<u>(2,332,745)</u>
Total primary government	<u>\$ 58,267,716</u>	<u>\$ 21,766,377</u>	<u>\$ 2,331,111</u>	<u>\$ 2,881,247</u>	<u>(28,956,236)</u>		<u>(31,288,981)</u>
General revenues:							
Property taxes					3,699,197		3,699,197
Municipal income taxes					20,722,890		20,722,890
Gasoline and motor vehicle taxes					2,879,983		2,879,983
Other local taxes					512,147		512,147
Intergovernmental revenues and contributions not restricted to specific programs					3,012,969		3,012,969
Investment earnings					210,665	82,040	292,705
Miscellaneous					160,670	151,134	311,804
Gain on sale of capital assets					282,352		282,352
Total general revenues					<u>31,480,873</u>	<u>233,174</u>	<u>31,714,047</u>
Change in net assets					<u>2,524,637</u>	<u>(2,099,571)</u>	<u>425,066</u>
Net assets - beginning					<u>43,331,700</u>	<u>42,055,551</u>	<u>85,387,251</u>
Net assets - ending					<u>\$ 45,856,337</u>	<u>\$ 39,955,980</u>	<u>\$ 85,812,317</u>

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

City of Elyria, Ohio
Balance Sheet
Governmental Funds
December 31, 2004

	<u>General</u>	<u>Chestnut Commons/Ridge Improvement</u>	<u>Municipal Building Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Equity in pooled cash and cash equivalents	\$ 1,259,792	\$ 250,081	\$ 148,892	\$ 2,406,095	\$ 4,064,860
Cash with fiscal agents		653,000		1,344	1,344
Investments	153,523			4,085,442	4,738,442
Accounts receivable				39,256	192,779
Rehabilitation loans receivable	1,386	1,649	19	3,848,983	3,848,983
Accrued interest receivable	47,047			32,637	35,691
Due from other funds	1,741,221			1,723,801	47,047
Due from other governments	5,125,358			809,471	3,465,022
Income tax receivable	1,256,464			1,816,805	5,934,829
Property tax receivable	150,489				3,073,269
Other local tax receivable				1,944,177	150,489
Special assessments receivable					1,944,177
Total assets	<u>\$ 9,735,280</u>	<u>\$ 904,730</u>	<u>\$ 148,911</u>	<u>\$ 16,708,011</u>	<u>\$ 27,496,932</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 317,404			\$ 30,227	\$ 347,631
Contracts payable	128,329	1,169	33,282	268,553	431,333
Accrued wages and benefits	974,152			226,574	1,200,726
Compensated absences payable	345,597			39,686	385,283
Matured interest payable				1,344	1,344
Due to other funds				47,047	47,047
Deferred revenue	3,850,965			5,061,881	8,912,846
Notes payable		2,800,000	2,200,000	1,800,000	6,800,000
Construction loan payable				99,850	99,850
Total liabilities	<u>\$ 5,616,447</u>	<u>\$ 2,801,169</u>	<u>\$ 2,233,282</u>	<u>\$ 7,575,162</u>	<u>\$ 18,226,060</u>
Fund balances:					
Reserved for:					
Encumbrances	\$ 311,772	\$ 643,779	\$ 108,206	\$ 3,305,821	\$ 4,369,578
Rehabilitation loans				3,848,983	3,848,983
Endowment				417,481	417,481
Debt service				1,942,362	1,942,362
Unreserved, reported in:					
General fund	3,807,061			3,119,077	3,807,061
Special revenue funds				(3,500,875)	3,119,077
Capital projects funds	4,118,833	(2,540,218)	(2,192,577)	9,132,849	(8,233,670)
Total fund balances	<u>\$ 9,735,280</u>	<u>\$ 904,730</u>	<u>\$ 148,911</u>	<u>\$ 16,708,011</u>	<u>\$ 27,496,932</u>
Total liabilities and fund balances					

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

City of Elyria, Ohio
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
December 31, 2004

Governmental Fund Balances	\$ 9,270,872
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	58,692,166
Other assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	3,312,752
Internal service funds are used by management to charge the costs of employee health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,694,692
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(27,193,615)
Accrued interest on long-term debt is not normally expected to be liquidated with available financial resources and therefore is not reported in the funds.	(137,309)
The expenditures for prepaid items are recognized immediately in the funds and therefore are not reported as an asset in the funds.	<u>216,779</u>
Net assets of governmental activities	<u>\$ 45,856,337</u>

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

City of Elyria, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	<u>General</u>	<u>Chestnut Commons/ Ridge Improvement</u>	<u>Municipal Building Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property	\$ 1,498,356	\$	\$	\$ 2,200,841	\$ 3,699,197
Income	17,750,861			3,117,398	20,868,259
Other Local	512,147				512,147
Intergovernmental revenues	3,231,049			7,722,363	10,953,412
Charges for service	1,492,988			331,897	1,824,885
Licenses and permits	499,897			64,229	564,126
Investment income	41,975	24,694	19	143,977	210,665
Special assessments				583,061	583,061
Fines and forfeitures	1,114,913			595,738	1,710,651
Contributions				84,021	84,021
Miscellaneous revenues	142,473			18,197	160,670
Total Revenues	<u>26,284,659</u>	<u>24,694</u>	<u>19</u>	<u>14,861,722</u>	<u>41,171,094</u>
EXPENDITURES					
Current:					
Public safety	14,980,754			3,899,908	18,880,662
Health	1,603,867			1,160,634	2,764,501
Culture and recreation	2,068,996			43,163	2,112,159
Community environment	958,441			917,940	1,876,381
Highways and streets				1,546,553	1,546,553
General government	6,541,833			328,968	6,870,801
Capital outlay	353,962	1,488,090	1,489,704	4,206,667	7,538,423
Debt service:					
Principal retirement				1,479,248	1,479,248
Interest and fiscal charges		49,031		1,194,125	1,243,156
Total expenditures	<u>26,507,853</u>	<u>1,537,121</u>	<u>1,489,704</u>	<u>14,777,206</u>	<u>44,311,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(223,194)</u>	<u>(1,512,427)</u>	<u>(1,489,685)</u>	<u>84,516</u>	<u>(3,140,790)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(107,345)			345,496	345,496
Premiums from sale of bonds/notes				(238,151)	(345,496)
Gain on sale of capital assets				49,055	49,055
Total other financing sources (uses)	176,021			106,331	282,352
Net change in fund balances	<u>68,676</u>	<u>(1,512,427)</u>	<u>(1,489,685)</u>	<u>347,247</u>	<u>(2,809,383)</u>
Fund balances - beginning	4,273,351	(384,012)	(594,686)	8,785,602	12,080,255
Fund balances - ending	<u>\$ 4,118,833</u>	<u>\$ (1,896,439)</u>	<u>\$ (2,084,371)</u>	<u>\$ 9,132,849</u>	<u>\$ 9,270,872</u>

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

City of Elyria, Ohio
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended December 31, 2004

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

Net change in fund balances - total governmental funds	\$	(2,809,383)
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures exceeded depreciation in the current period.		4,647,932
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until such amounts are measurable and available.		(225,468)
Repayment of bond principal and payment of other long-term liabilities such as compensated absences are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		767,615
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		31,136
Governmental funds report prepaid items such as insurance coverage as expenditures. However, in the Statement of Activities, the rest of those assets are expensed during the period to which the benefits relate.		(11,737)
Internal service funds are used by management to charge the costs of employees' health insurance and workers' compensation insurance. The net expense of certain activities of internal service funds is reported with governmental activities.		124,542
Change in net assets of governmental activities.	<u>\$</u>	<u>2,524,637</u>

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

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 18,754,000	\$ 18,866,500	\$ 18,770,398	\$ (96,102)
Intergovernmental revenues	3,241,885	3,225,462	3,363,650	138,188
Charges for services	1,851,600	1,851,600	1,936,395	84,795
Licenses and permits	590,500	490,500	499,897	9,397
Interest earnings	45,000	41,000	42,029	1,029
Special assessments	18,000	21,900	21,939	39
Fines and forfeitures	725,000	625,000	615,316	(9,684)
Miscellaneous revenues	297,000	397,000	397,921	921
TOTAL REVENUES	25,522,985	25,518,962	25,647,545	128,583
EXPENDITURES				
PUBLIC SAFETY				
Police				
Personal services	4,955,181	4,855,181	4,835,362	19,819
Fringe benefits	1,463,121	1,375,766	1,313,849	61,917
Operation and maintenance	343,740	343,740	335,229	8,511
Capital outlay	35,000	31,874	31,874	
Total Police	6,797,042	6,606,561	6,516,314	90,247
Fire				
Personal services	5,151,970	5,211,188	5,189,305	21,883
Fringe benefits	1,655,427	1,566,209	1,566,208	1
Operation and maintenance	359,200	396,200	394,899	1,301
Capital outlay	410,711	381,711	376,276	5,435
Total Fire	7,577,308	7,555,308	7,526,688	28,620
Communications				
Personal services	88,000	86,000	85,162	838
Fringe benefits	26,150	26,150	24,997	1,153
Operation and maintenance	22,005	24,005	21,982	2,023
Capital outlay	3,290	2,945	2,834	111
Total Communications	139,445	139,100	134,975	4,125
Safety Service				
Personal services	245,658	245,658	236,794	8,864
Fringe benefits	70,680	70,680	66,474	4,206
Operation and maintenance	16,700	16,700	14,709	1,991
Total Safety Service	333,038	333,038	317,977	15,061
Prisoner Support				
Personal services	735,119	750,119	744,190	5,929
Fringe benefits	241,261	248,261	237,923	10,338
Operation and maintenance	261,179	241,179	229,498	11,681
Total Prisoner Support	1,237,559	1,239,559	1,211,611	27,948
TOTAL PUBLIC SAFETY	16,084,392	15,873,566	15,707,565	166,001

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CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
HEALTH				
Health Center				
Personal services	800,483	782,504	777,504	5,000
Fringe benefits	242,079	219,549	214,969	4,580
Operation and maintenance	207,238	243,947	243,529	418
Capital outlay	12,000			
Total Health Center	<u>1,261,800</u>	<u>1,246,000</u>	<u>1,236,002</u>	<u>9,998</u>
NACCHO Grant				
Operation and maintenance		12,733	11,461	1,272
Total NACCHO Grant		<u>12,733</u>	<u>11,461</u>	<u>1,272</u>
Health - Solid Waste				
Personal services	37,678	39,828	37,554	2,274
Fringe benefits	11,217	11,819	11,223	596
Operation and maintenance	10,728	18,353	16,013	2,340
Total Health - Solid Waste	<u>59,623</u>	<u>70,000</u>	<u>64,790</u>	<u>5,210</u>
Health - ODJFS - Client Advocacy				
Personal services		19,185	18,284	901
Fringe benefits		10,395	10,155	240
Operation and maintenance		1,620	458	1,162
Total Health - ODJFS Client Advocacy		<u>31,200</u>	<u>28,897</u>	<u>2,303</u>
Cemetery				
Personal services	261,884	249,884	246,879	3,005
Fringe benefits	77,941	77,941	74,566	3,375
Operation and maintenance	3,130	4,130	3,555	575
Total Cemetery	<u>342,955</u>	<u>331,955</u>	<u>325,000</u>	<u>6,955</u>
TOTAL HEALTH	<u>1,664,378</u>	<u>1,691,888</u>	<u>1,666,150</u>	<u>25,738</u>
CULTURE AND RECREATION				
Parks and Recreation				
Personal services	1,185,096	1,185,096	1,163,120	21,976
Fringe benefits	348,967	328,967	324,050	4,917
Operation and maintenance	385,070	385,070	379,461	5,609
Capital outlay	10,000	10,000	8,373	1,627
Total Parks and Recreation	<u>1,929,133</u>	<u>1,909,133</u>	<u>1,875,004</u>	<u>34,129</u>
Swimming Pools				
Personal services	75,000	66,500	66,439	61
Fringe benefits	11,400	10,000	9,966	34
Operation and maintenance	79,700	79,700	74,695	5,005
Total Swimming Pools	<u>166,100</u>	<u>156,200</u>	<u>151,100</u>	<u>5,100</u>
Ice Rink				
Personal services	26,000	28,000	27,127	873
Fringe benefits	4,000	4,200	4,069	131
Operation and maintenance	117,400	117,400	117,239	161
Total Ice Rink	<u>147,400</u>	<u>149,600</u>	<u>148,435</u>	<u>1,165</u>
TOTAL CULTURE AND RECREATION	<u>2,242,633</u>	<u>2,214,933</u>	<u>2,174,539</u>	<u>40,394</u>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
COMMUNITY ENVIRONMENT				
Community Planning and Zoning				
Personal services	89,808	92,808	92,658	150
Fringe benefits	22,411	24,111	23,947	164
Operation and maintenance	63,875	43,875	41,553	2,322
Capital outlay	760			
Total Community Planning and Zoning	<u>176,854</u>	<u>160,794</u>	<u>158,158</u>	<u>2,636</u>
Community Development				
Personal services	17,835	17,835	17,570	265
Fringe benefits	5,545	5,545	5,485	60
Operation and maintenance	6,050	6,050	3,644	2,406
Total Community Development	<u>29,430</u>	<u>29,430</u>	<u>26,699</u>	<u>2,731</u>
Housing Code Enforcement				
Personal services	570,512	570,512	565,935	4,577
Fringe benefits	174,565	157,565	155,992	1,573
Operation and maintenance	56,122	53,122	46,117	7,005
Capital outlay	6,974	6,974	3,499	3,475
Total Housing Code Enforcement	<u>808,173</u>	<u>788,173</u>	<u>771,543</u>	<u>16,630</u>
TOTAL COMMUNITY ENVIRONMENT	<u>1,014,457</u>	<u>978,397</u>	<u>956,400</u>	<u>21,997</u>
GENERAL GOVERNMENT				
Mayor				
Personal services	139,523	143,523	142,149	1,374
Fringe benefits	32,745	33,645	33,333	312
Operation and maintenance	7,400	7,400	4,971	2,429
Total Mayor	<u>179,668</u>	<u>184,568</u>	<u>180,453</u>	<u>4,115</u>
Administrative Support				
Personal services	91,280	92,780	92,719	61
Fringe benefits	30,795	31,295	31,141	154
Operation and maintenance	31,900	26,900	18,116	8,784
Capital outlay	30,000			
Total Administrative Support	<u>183,975</u>	<u>150,975</u>	<u>141,976</u>	<u>8,999</u>
Elyria Historical Commission				
Operation and maintenance	3,500	3,500	416	3,084
Total Elyria Historical Commission	<u>3,500</u>	<u>3,500</u>	<u>416</u>	<u>3,084</u>
JEDD Income Tax Department				
Personal services	42,964	42,964	40,304	2,660
Fringe benefits	11,926	11,926	8,421	3,505
Operation and maintenance	193,000	193,000	48,992	144,008
Total JEDD Income Tax Department	<u>247,890</u>	<u>247,890</u>	<u>97,717</u>	<u>150,173</u>

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CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Finance Administration				
Personal services	491,738	491,738	483,592	8,146
Fringe benefits	133,184	133,184	132,281	903
Operation and maintenance	33,500	33,500	26,803	6,697
Total Finance Administration	658,422	658,422	642,676	15,746
Legal Administration				
Personal services	578,219	527,243	525,375	1,868
Fringe benefits	203,372	180,856	157,279	23,577
Operation and maintenance	46,165	46,165	42,305	3,860
Capital outlay	11,400	11,400	8,072	3,328
Total Legal Administration	839,156	765,664	733,031	32,633
Legislative Activity				
Personal services	260,869	260,869	254,869	6,000
Fringe benefits	92,614	87,614	84,051	3,563
Operation and maintenance	22,647	37,647	36,207	1,440
Capital outlay	10,000			
Total Legislative Activity	386,130	386,130	375,127	11,003
Presiding Judge				
Personal services	357,790	373,790	370,605	3,185
Fringe benefits	113,770	122,270	120,988	1,282
Operation and maintenance	37,050	38,050	37,816	234
Total Presiding Judge	508,610	534,110	529,409	4,701
Judge				
Personal services	404,636	410,636	407,777	2,859
Fringe benefits	117,855	117,855	114,212	3,643
Operation and maintenance	38,350	38,350	35,132	3,218
Total Judge	560,841	566,841	557,121	9,720
Clerk of Courts				
Personal services	1,023,024	1,024,024	1,015,333	8,691
Fringe benefits	333,000	319,500	314,516	4,984
Operation and maintenance	141,100	141,100	119,873	21,227
Total Clerk of Courts	1,497,124	1,484,624	1,449,722	34,902
Civil Service Commission				
Personal services	25,661	25,661	24,056	1,605
Fringe benefits	3,849	3,849	3,488	361
Operation and maintenance	31,800	11,800	8,983	2,817
Total Civil Service Commission	61,310	41,310	36,527	4,783

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CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Buildings and Lands				
Personal services	68,902	83,902	83,587	315
Fringe benefits	23,012	27,796	27,795	1
Operation and maintenance	260,500	335,316	329,717	5,599
Total Buildings and Lands	<u>352,414</u>	<u>447,014</u>	<u>441,099</u>	<u>5,915</u>
Engineering				
Personal services	243,097	238,097	227,741	10,356
Fringe benefits	62,799	62,799	61,601	1,198
Operation and maintenance	18,200	18,200	16,215	1,985
Capital outlay	10,000	9,190	9,190	
Total Engineering	<u>334,096</u>	<u>328,286</u>	<u>314,747</u>	<u>13,539</u>
Central Maintenance Garage				
Personal services	367,405	367,405	351,121	16,284
Fringe benefits	121,267	109,667	102,869	6,798
Operation and maintenance	468,200	478,704	476,246	2,458
Capital outlay	22,500			
Total Central Maintenance Garage	<u>979,372</u>	<u>955,776</u>	<u>930,236</u>	<u>25,540</u>
Miscellaneous General Government				
Operation and maintenance	1,424,500	1,611,155	1,611,155	
Total Miscellaneous General Government	<u>1,424,500</u>	<u>1,611,155</u>	<u>1,611,155</u>	
TOTAL GENERAL GOVERNMENT	<u>8,217,008</u>	<u>8,366,265</u>	<u>8,041,412</u>	<u>324,853</u>
TOTAL EXPENDITURES	<u>29,222,868</u>	<u>29,125,049</u>	<u>28,546,066</u>	<u>578,983</u>
Excess (deficiency) of revenues over expenditures	(3,699,883)	(3,606,087)	(2,898,522)	707,565
OTHER FINANCING SOURCES (USES)				
Transfers in	500	14,080	14,081	1
Transfers out	(15,000)	(154,396)	(154,395)	1
Other financing sources	1,023,000	1,055,020	1,057,733	2,713
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,008,500</u>	<u>914,704</u>	<u>917,419</u>	<u>2,715</u>
Net change in fund balances	(2,691,383)	(2,691,383)	(1,981,102)	710,281
Adjustment for prior year encumbrances	536,007	536,007	536,007	
FUND BALANCE AT BEGINNING OF YEAR	<u>2,155,924</u>	<u>2,155,924</u>	<u>2,155,924</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 548</u>	<u>\$ 548</u>	<u>\$ 710,829</u>	<u>\$ 710,281</u>

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

City of Elyria, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2004

Business-type Activities-Enterprise Funds

	<u>Water</u>	<u>Special Parks and Recreation</u>	<u>Sanitation</u>	<u>Wastewater Pollution Control</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS						
Current Assets:						
Equity in pooled cash and cash equivalents	\$ 798,532	\$ 264,498	\$ 86,122	\$ 2,190,973	\$ 3,340,125	\$ 454,820
Investments				1,993,800	1,993,800	1,979,417
Interest receivable	1,747	374	495	31,880	34,496	26,617
Accounts receivable (net of allowance for uncollectibles)	334,297		238,155	596,622	1,169,074	602
Rehabilitation loans				297,242	297,242	
Settlements receivable				237,000	237,000	
Special assessments	48,402				48,402	
Inventories	189,191	10,134		54,282	253,607	
Prepaid items	34,090		19,124	62,790	116,004	
Total current assets	<u>1,406,259</u>	<u>275,006</u>	<u>343,896</u>	<u>5,464,589</u>	<u>7,489,750</u>	<u>2,461,456</u>
Noncurrent Assets:						
Capital assets:						
Land	55,169		20,744	580,575	656,488	
Buildings	8,056,686	156,826	161,331	24,657,584	33,032,427	
Improvements other than buildings	5,159,483	113,005	48,000	20,627,818	25,948,306	
Utility distribution and collection systems	17,742,097			33,998,337	51,740,434	
Machinery and equipment	4,457,655		2,081,926	3,683,013	10,316,494	
Less accumulated depreciation	(18,533,015)	(182,028)	(1,785,758)	(42,863,093)	(63,363,894)	
Total capital assets (net of accumulated depreciation)	<u>16,938,075</u>	<u>181,703</u>	<u>526,243</u>	<u>40,684,234</u>	<u>58,330,255</u>	
Total assets	<u>18,344,334</u>	<u>456,709</u>	<u>870,139</u>	<u>46,148,823</u>	<u>65,820,005</u>	<u>2,461,456</u>

(Continued on subsequent page)

City of Elyria, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2004

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 119,220	1,707	\$ 24,923	94,095	\$ 239,945
Accrued wages and benefits	61,361	3,513	47,772	81,486	194,132
Compensated absences	22,623		9,546	40,649	72,818
Contracts payable	286,796		62,157	56,171	405,124
Accrued interest payable	4,929			543,309	548,238
Unearned revenue	48,402		50,785		99,187
General obligation notes - current	6,300,000		200,000	81,735	6,500,000
General obligation bonds - current	79,261			1,589,469	160,996
Construction loans payable - current				2,486,914	1,589,469
Total current liabilities	<u>6,922,592</u>	<u>5,220</u>	<u>395,183</u>	<u>2,486,914</u>	<u>9,809,909</u>
Noncurrent liabilities:					
General obligation bonds payable (net of unamortized discounts)	1,208,028			79,070	1,287,098
Compensated absences - long-term	622,507		147,447	749,828	1,519,782
Construction loans payable - long-term				13,168,650	13,168,650
Total noncurrent liabilities	<u>1,830,535</u>		<u>147,447</u>	<u>13,997,548</u>	<u>15,975,530</u>
Total liabilities	<u>8,753,127</u>	<u>5,220</u>	<u>542,630</u>	<u>16,484,462</u>	<u>25,785,439</u>
NET ASSETS					
Invested in capital assets, net of related debt	9,350,786	181,703	326,243	25,765,310	35,624,042
Unrestricted	240,421	269,786	1,266	3,899,051	4,410,524
Total net assets	<u>\$ 9,591,207</u>	<u>\$ 451,489</u>	<u>\$ 327,509</u>	<u>\$ 29,664,361</u>	<u>\$ 40,034,566</u>
				(78,586)	1,616,106
					<u>\$ 1,616,106</u>

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

Net assets of business-type activities

\$ 39,955,980

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

City of Elyria, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004

**Business-type Activities -
Enterprise Funds**

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals	Governmental Activities - Internal Service Funds
Operating revenues:						
Charges for sales and services	\$ 4,869,756	\$ 283,979	\$ 2,975,839	\$ 8,702,980	\$ 16,832,554	\$ 4,562,778
Tap fees	133,773			117,327	251,100	
Other	21,350	45,158		84,626	151,134	
Total operating revenues	<u>5,024,879</u>	<u>329,137</u>	<u>2,975,839</u>	<u>8,904,933</u>	<u>17,234,788</u>	<u>4,562,778</u>
Operating expenses:						
Personal services	2,461,662	111,136	1,268,546	3,650,631	7,491,975	16,954
Fringe benefits	706,440	16,645	415,474	1,036,891	2,175,450	4,364,542
Operating and maintenance	1,517,566	139,438	1,168,604	2,250,561	5,076,169	43,209
Depreciation	1,090,120	30,640	131,350	2,341,222	3,593,332	
Total operating expenses	<u>5,775,788</u>	<u>297,859</u>	<u>2,983,974</u>	<u>9,279,305</u>	<u>18,336,926</u>	<u>4,424,705</u>
Operating income (loss)	<u>(750,909)</u>	<u>31,278</u>	<u>(8,135)</u>	<u>(374,372)</u>	<u>(1,102,138)</u>	<u>138,073</u>
Nonoperating revenues (expenses) :						
Recycling grant			96,028		96,028	
Investment income	37,165	3,536	2,620	38,719	82,040	31,165
Interest expense	(174,708)		(3,105)	(1,094,332)	(1,272,145)	
Total nonoperating revenue (expenses)	<u>(137,543)</u>	<u>3,536</u>	<u>95,543</u>	<u>(1,055,613)</u>	<u>(1,094,077)</u>	<u>31,165</u>
Income (loss) before contributions and transfers	<u>(888,452)</u>	<u>34,814</u>	<u>87,408</u>	<u>(1,429,985)</u>	<u>(2,196,215)</u>	<u>169,238</u>
Capital contributions - recycling grant			51,948		51,948	
Changes in net assets	<u>(888,452)</u>	<u>34,814</u>	<u>139,356</u>	<u>(1,429,985)</u>	<u>(2,144,267)</u>	<u>169,238</u>
Total net assets - beginning	10,479,659	416,675	188,153	31,094,346		1,446,868
Total net assets - ending	<u>\$ 9,591,207</u>	<u>\$ 451,489</u>	<u>\$ 327,509</u>	<u>\$ 29,664,361</u>	<u>\$ 44,696</u>	<u>\$ 1,616,106</u>

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

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

City of Elyria, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

	Business-type Activities- Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 5,156,123	\$ 283,979	\$ 2,865,157	\$ 9,210,717	\$ 17,515,976
Cash payments to suppliers for goods and services	(1,981,846)	(155,296)	(1,658,774)	(3,779,224)	(7,575,140)
Cash payments to employees for services	(2,695,392)	(114,345)	(1,207,397)	(3,067,376)	(7,084,510)
Settlement proceeds				195,000	195,000
Other operating revenues	21,350	45,158		84,626	151,134
Net cash provided by (used for) operating activities	<u>500,235</u>	<u>59,496</u>	<u>(1,014)</u>	<u>2,643,743</u>	<u>(479,754)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the sale of notes	6,300,000		200,000		6,500,000
Capital grants received			147,976		147,976
Acquisition and construction of capital assets	(1,870,353)		(114,182)	(610,962)	(2,595,497)
Principal and interest paid on notes, bonds and loans payable	(6,256,461)		(233,105)	(2,689,841)	(9,179,407)
Net cash provided by (used for) capital and related financing activities	<u>(1,826,814)</u>		<u>689</u>	<u>(3,300,803)</u>	<u>(5,126,928)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	44,535	3,203	4,349	18,172	70,259
Short-term investments converted to cash				1,291,933	1,291,933
Purchase of short-term investments	(44,535)	(3,203)	(4,349)	(1,993,800)	(1,993,800)
Net cash provided by (used for) investing activities	<u>(44,535)</u>	<u>3,203</u>	<u>4,349</u>	<u>(683,695)</u>	<u>(631,608)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,282,044)</u>	<u>62,699</u>	<u>4,024</u>	<u>(1,340,755)</u>	<u>(2,556,076)</u>
Cash and cash equivalents, January 1	2,080,576	201,799	82,098	3,531,728	5,896,201
Cash and cash equivalents, December 31	<u>\$ 798,532</u>	<u>\$ 264,498</u>	<u>\$ 86,122</u>	<u>\$ 2,190,973</u>	<u>\$ 3,340,125</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (750,909)	\$ 31,278	\$ (8,135)	\$ (374,372)	\$ (1,102,138)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,090,120	30,640	131,350	2,341,222	3,593,332
Changes in assets and liabilities			(124,196)		(602)
Accounts receivable	168,257			390,410	434,471
Rehabilitation loans receivable				27,287	27,287
Settlements receivable				195,000	195,000
Inventory of supplies	(5,510)	(295)		(1,581)	(7,386)
Prepaid expenses	25,437			14,204	39,279
Accounts payable	42,452	978		(15,542)	49,636
Contracts payable relating to operating activities	(32,833)		(10,312)	2,273	(40,872)
Accrued wages and benefits	(80,998)	(2,838)	(43,202)	(86,440)	(213,478)
Compensated absences payable	59,930	(267)		151,282	229,526
Deferred revenue	(15,711)		13,514		(2,197)
Total adjustments	<u>1,251,144</u>	<u>28,218</u>	<u>7,121</u>	<u>3,018,115</u>	<u>4,304,598</u>
Net cash provided by (used for) operating activities	<u>\$ 500,235</u>	<u>\$ 59,496</u>	<u>\$ (1,014)</u>	<u>\$ 2,643,743</u>	<u>\$ 3,202,460</u>
Noncash investing, capital, and financing activities					
Unrealized appreciation (depreciation) in fair value of investments	\$	\$	\$	\$ (5,806)	\$ (8,666)

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

City of Elyria, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2004

ASSETS

Equity in pooled cash and cash equivalents	\$ 619,618
Cash and cash equivalents-segregated accounts	490,113
Investments	266,200
Receivables:	
Income taxes	12,980
Accrued interest	3,101
Total assets	<u>\$ 1,392,012</u>

LIABILITIES

Accounts payable	\$ 378,991
Due to other governments	80,222
Other liabilities	932,799
Total liabilities	<u>\$ 1,392,012</u>

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

**CITY OF ELYRIA, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND BASIS OF PRESENTATION

(A) THE CITY

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

(B) THE REPORTING ENTITY

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

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

The following entities which conduct their activities near or within the City’s boundaries for the benefit of the City and/or its residents are excluded from the accompanying financial statements

because they are legally separate from the City and the City is not financially accountable for their operations.

Elyria City School District
Elyria Memorial Hospital
Elyria Public Library

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

(C) BASIS OF PRESENTATION – FUND ACCOUNTING

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

Governmental Fund Types

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

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

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

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

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

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

Proprietary Fund Types

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

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

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

Fiduciary Fund Types

Private-purpose Trust Funds – Private-purpose trust funds are used to account for trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds. During 2004, the City did not utilize any such trust funds.

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

Other Fiduciary Funds – Other fiduciary funds include pension trust funds and investment trust funds. During 2004, the City did not utilize any such trust funds.

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

(D) GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

(E) FUND FINANCIAL STATEMENTS

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

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

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

The Municipal Building Construction Fund is used for monies restricted for the construction of a new City Hall building.

The City's four enterprise funds (Water Fund, Special Parks and Recreation Fund, Sanitation Fund, and Wastewater Pollution Control Fund) are the City's major proprietary funds. A description of these funds appears on page 132 of this report.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(A) BASIS OF ACCOUNTING

(1) Government-Wide Financial Statements

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

(2) Governmental Fund Financial Statements

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

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

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

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

(3) Proprietary Fund Financial Statements

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

(B) BUDGETARY ACCOUNTING AND CONTROL

The City adopts an annual operating budget for all funds except agency funds. During June of each year, the Mayor submits to Council a proposed operating budget for the upcoming fiscal year. This budget is kept on file for 30 days and must be passed by the City Council by July 15 for certification of the City's estimated financial resources for the upcoming year to the County Budget Commission as required by Ohio law. This budget is based on estimates of future cash revenues, cash expenditures and encumbrances for the next fiscal year for all non-agency funds and serves as the basis for the County Budget Commission's certification of the City's estimated financial resources for the upcoming year.

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

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

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

(1) Revenues recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);

(2) Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when the liability is incurred (GAAP);

(3) Encumbrances are recorded as expenditures (budget) as opposed to a reservation of fund balance (GAAP). In addition, encumbrances outstanding at year-end are included in the appropriation ordinance in the subsequent year and certain amounts shown as capital outlay and debt service expenditures on a GAAP basis are shown as public safety, health, culture and recreation, community environment, highways and streets and general government expenditures on a budgetary basis. A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis is shown below:

Net Change in Fund Balance

	General Fund
GAAP Basis	\$ (154,518)
Increase (decrease) due to:	
Changes in receivables and other assets not recognized on budgetary basis - January 1 to December 31	(849,960)
Changes in liabilities not recognized on budgetary basis - January 1 to December 31	(530,745)
Encumbrances recognized as expenditures on budgetary basis	(445,879)
Budget basis	\$ (1,981,102)

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

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

Cash balances of the City's funds, except for the Court, are pooled and invested in cash equivalents and other short-term investments in order to provide improved cash management. Cash equivalents consist of deposits in the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposit and money market accounts with an original maturity of 90 days or less. Other short-term investments consist of certificates of deposit and Federal Home Loan Bank notes with a maturity of more than 90 days but less than 1,096 days.

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

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

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

(2) Receivables

Receivables at December 31, 2004 consist of property taxes, income taxes withheld by employers, accounts (billings for user charged services), accrued interest on investments, rehabilitation loans (see Note 15 on page 73 for more detail), settlements (proceeds to be received per agreement by the City as a result of a lawsuit filed by the City against several parties involved in the design and installation of the Westside Interceptor sewer), special assessments, amounts due from other funds which represents the City's share of fine monies collected by the Elyria Municipal Court which is accounted for in the Municipal Court Agency Fund, and repayment of advances made by the General Fund to the Health Grant Fund, Block Grant Fund, Clean Ohio Grant (Tappan) Fund, and to the State Issue II Fund which are due from other governments.

(3) Inventories and Prepaid Items

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

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

(4) Capital Assets and Depreciation

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

Capital assets, which include property, plant, equipment, utility distribution and collection systems (sewers) and infrastructure (e.g., streets, roads and bridges, etc.) are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess

of two years. Such assets are recorded at historical cost or estimated historical cost where historical cost is not available. Estimated historical cost is based on replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

(5) Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate employees for the benefit through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

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

(6) Claims

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

(7) Long-term Obligations

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

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

(8) Encumbrances

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

(9) Fund equity / net assets

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

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

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

(A) ACCOUNTABILITY

At December 31, 2004, the following funds had a deficit fund or net assets balance:

	<u>Deficit Balance</u>
Capital Projects Funds –	
Chestnut Commons/Ridge Improvement	\$ 1,896,439
Municipal Building Construction	2,084,371
Industrial Parkway	954,605
Internal Service Fund –	
Employees’ Health Insurance	258,332

The deficit in the Chestnut Commons/Ridge Improvement Fund balance will be eliminated through the issuance of special assessment long-term bonds, the proceeds of which will be used to retire the outstanding general obligation notes in the City’s Chestnut Commons/ridge Fund. The deficit in the Municipal Building Construction Fund and the deficit in the Industrial Parkway Fund balance will be eliminated through the receipt of monies from the City’s General Bond Retirement Fund, and/or the issuance of general obligation long-term bonds, the proceeds of which will be used to retire the outstanding general obligation notes in the City’s Municipal Building Construction Fund and Industrial Parkway Fund. The Employees’ Health Insurance Fund deficit will be eliminated through increased charges to other City funds and increased contributions from employees.

The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

(B) LEGAL COMPLIANCE

Contrary to Section 5705.10 of the Ohio Revised Code, the City had negative cash fund balances at June 30, 2004 in the following funds:

Non-Major Funds	
State Highway	\$ 92,576
Block Grant	106,617
CHIP Grant	25,992

Management was able to reduce these negative cash balances to zero by year-end.

Contrary to Section 5705.41 of the Ohio Revised Code, the following funds had expenditures plus encumbrances exceeding appropriations at the legal level of budgetary control on June 30, 2004.

<u>Fund/Department/Major Account</u>	<u>Appropriations</u>	<u>Expenditures & Encumbrances</u>	<u>Excess</u>
Clean Ohio Grant (Tappan)			
Clean Ohio Grant (Tappan)			
Operation and maintenance	\$ 54,237	\$ 79,185	\$ 24,946
Transfers out	0	13,159	13,159
State Issue II Capital Projects			
Huron St./Hilliard Rd. Improvement			
Capital outlay	169,249	190,366	21,117
Municipal Building Construction			
Municipal Building Construction			
Capital outlay	1,895,440	2,457,993	562,553
Workers' Compensation			
Workers' Compensation			
Fringe benefits	253,445	406,012	152,567

Management was able to reduce the excess balances to zero by year-end.

NOTE 4 – RISK MANAGEMENT

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

- (A) The Employees' Health Insurance Fund is used to account for the operations of the City's self-insured health plan. All City funds are charged a premium amount per employee covered by the Employees' Health Insurance Fund. The premium amounts are set by union contract and City ordinance. Claims and administrative fees are then paid out of the Employee Health Insurance Fund. The City pays premiums for specific stop-loss insurance coverage to insure against catastrophic claims over \$75,000 per individual.
- (B) The Workers' Compensation Fund is used to account for the funding of the City's workers' compensation plan. During the period January 1, 1989 through December 31, 1997, the City was enrolled in a retrospective rating plan offered by the State of Ohio. Under the plan, the City is charged by the State of Ohio for claims paid, administrative fees, and a premium for individual claim limits and aggregate claim limits. All City funds are normally charged a premium amount per employee covered by the Workers' Compensation Fund. The premium amounts are set based on claims experience. Due to large refunds received by the City from the Bureau of Workers' Compensation of the State of Ohio in recent years, the City was able to forego charging these premiums to the City funds in 2004. Claims and administrative fees are paid to the State of Ohio. The City has a maximum yearly claim limit amount for all claims, which varies each policy year. Since January 1, 1998, the City has participated in the fully insured plan offered by the Bureau of Workers' Compensation of the State of Ohio.

(C) The City purchases insurance policies in varying amounts for general liability, vehicle liability, property damage, employee and public official's liability, professional liability for health department employees and errors and omissions. The City also pays unemployment claims to the State of Ohio as incurred. There were no significant changes in the City's insurance coverage during 2004.

(D) The changes in the liabilities for self-insured risks (included in accrued wages and other benefits) for the years ended December 31, 2004 and 2003 are as follows:

	Health Benefits	Workers' Compensation Benefits
Balance January 1, 2003	\$ 609,218	\$ 336,441
Incurred claims, net of changes in estimates	5,136,497	178,375
Payments	<u>(4,563,666)</u>	<u>(234,290)</u>
Balance December 31, 2003	1,182,049	280,526
Incurred claims, net of changes in estimates	3,985,680	378,862
Payments	<u>(4,574,022)</u>	<u>(407,745)</u>
Balance December 31, 2004	<u>\$ 593,707</u>	<u>\$ 251,643</u>

The liabilities above represent the City's best estimates based upon available information and the requirements of the GASB Statements No. 10 and No. 30, and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic factors.

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

NOTE 5 – CONTINGENCIES

(A) ENVIRONMENTAL MATTERS

- (1) The State of Ohio issued the City a new National Pollution Discharge Elimination System permit effective June 30, 2000. The City is currently appealing certain terms of the permit.
- (2) The City, as the lead agency, in cooperation with the City of Lorain, The City of North Ridgeville, and Republic Engineered Products completed the Black River Lacustary Discharger Integrated Water Quality Model. The submitted model has been approved by the Ohio Environmental Protection Agency.
- (3) The City continues to offer a sanitary lateral repair loan program to property owners with defective sanitary laterals, and continues to perform sanitary sewer rehabilitation under a bid maintenance contract.

- (4) The City has completed a Phase II environmental property assessment and a human health risk assessment for the former Tappan oven facility located at 208 Woodford Avenue in Elyria. The assessments were funded by the United States Environmental Protection Agency, the Ohio Department of Development, and the City.

(B) CONTINGENCIES UNDER GRANT PROGRAMS

The City participates in several federal grants which have been audited in accordance with the Single Audit Act (the "Act"). Provisions of the Act allow federal agencies to conduct any additional audit work necessary to carry out their responsibilities under federal law or regulations. Such federal audits could lead to a request for reimbursement to the grantor agency for any costs questioned as not being appropriate expenditures under the terms of the grants. At December 31, 2004, there were no questioned costs that had not been resolved with federal agencies. In the opinion of City officials, no material grant expenditures will be disallowed as a result of federal audits.

(C) JUDGMENTS AND CLAIMS

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

The City brought legal action against several companies that provided engineering services, materials and construction work on the Westside Interceptor sanitary sewer and one user of the sewer in 1997. The basis for the lawsuit was the deterioration of the sewer after only a few years of use. The City repaired the sewer in 1998 and 1999 and expensed the repairs. All of the companies that provided services and materials for the Westside Interceptor sewer settled with the City before going to trial resulting in settlements of \$3,815,503, of which \$237,000 remains outstanding at December 31, 2004. The settlement proceeds to be received in future years are recorded as settlements receivable in the Wastewater Pollution Control enterprise fund.

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

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

The investment and deposit of City monies is governed by the provisions of the Charter, Codified Ordinances of the City, and the Ohio Revised Code. Accordingly, only banks located in Ohio and domestic savings and loan associations are eligible to hold public deposits. The City may invest its monies in certificates of deposit, savings accounts, money market accounts, the

state treasurer's investment pool ("Star Ohio"), and obligations of the United States government or certain agencies thereof. The City may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days.

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

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

During 2004, the City complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made, as well as the provisions of the statutes concerning security deposits. The City will continue to monitor compliance with applicable statutes in the future pertaining to its deposits and investments. At December 31, 2004, all of the City's deposits and investments (excluding Star Ohio) were held by local banks or savings and loan institutions.

(A) DEPOSITS

At December 31, 2004, the carrying amount of the City's pooled and segregated deposits was \$11,374,967 and the bank balance was \$15,042,698. Of the bank balance, \$600,000 was covered by federal depository insurance and \$14,442,698 was uninsured and uncollateralized as defined by the Governmental Accounting Standards Board. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the City's name, as permitted under Ohio law.

(B) INVESTMENTS

Investments are generally categorized to give an indication of the level of credit risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust departments or agents in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties, or by their trust department or agents but not in the City's name. Star Ohio is an uncategorized investment since it represents

the State Treasurer's investment pool and is not evidenced by securities that exist in physical or book entry form. At December 31, 2004, the City's investments consisted of federal securities and amounts deposited in Star Ohio.

Description	Custodial Credit Risk Category 3	Fair Value / Carrying Amount
U.S. Agency Obligations	\$ 3,532,359	\$ 3,532,359
Repurchase Agreements	2,770,000	2,770,000
State Treasury Asset Reserve Fund (STAR Ohio)		271,413
Total Investments		<u>\$ 6,573,772</u>

STAROhio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. This investment is not classified by credit risk category because it does not exist in physical or book entry form. The fair value to the City's position in the investment pool is equal to the fair value of the underlying assets of the pool. 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.

(C) RECONCILIATION TO COMBINED BALANCE SHEET CLASSIFICATION

A summary of the deposits and investments as of December 31, 2004 follows:

Deposits	\$ 11,374,967
Investments	<u>6,573,772</u>
TOTAL	<u>\$ 17,948,739</u>

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

Government-wide Financial Statements

Unrestricted:

Equity in pooled cash and cash equivalents	\$ 7,859,805
Cash with fiscal agents	1,344
Investments	8,711,659
	<u>\$ 16,572,808</u>

Fund Financial Statements

Balance Sheet - Governmental Funds:

Equity in pooled cash and cash equivalents	\$ 4,064,860
Cash with fiscal agents	1,344
Investments	4,738,442

Statement of Net Assets - Proprietary Funds:

Cash and cash equivalents	3,794,945
Investments	3,973,217
Total Governmental and Proprietary Funds	<u>16,572,808</u>

Statement of Fiduciary Net Assets:

Equity in pooled cash and cash equivalents	619,618
Cash and cash equivalents - segregated accounts	490,113
Investments	266,200
	<u>\$ 17,948,739</u>

NOTE 7 – TAXES

(A) PROPERTY TAXES

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

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

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

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

The assessed value upon which the 2003 levy (collected in 2004) was based was approximately \$954 million. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of unvoted property tax is 4.2 mills of assessed value. The total property tax revenue recognized by the City during 2004 was \$3,699,197.

(B) INCOME TAXES

The City levies an income tax of 1.75% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside

the City; however, a 100% credit up to 1.75% is allowed for income taxes paid to other municipalities. Of the total income tax levy, 1.25% is a permanent tax levy, .25% of which is a special levy to be used only for law enforcement purposes. The remaining .5% of the total levy is a temporary levy enacted by a vote of the citizens which has been extended through June 2009. The proceeds from the special .25% levy are included in the Police Levy Special Revenue Fund. The remaining proceeds are included in the General Fund. Employers within the City are required to withhold income taxes on employee compensation and remit withholdings to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The total income tax revenue recognized by the City during 2004 in the fund financial statements was \$20,868,259.

NOTE 8 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2004 was as follows:

	Balance at December 31, 2003	Increases	Decreases	Balance at December 31, 2004
<u>Governmental activities</u>				
Not being depreciated:				
Land	\$ 6,110,879	\$ 78,698	\$ (44,654)	\$ 6,144,923
Construction in progress	9,989,623	5,255,918	(9,763,562)	5,481,979
Subtotal	<u>16,100,502</u>	<u>5,334,616</u>	<u>(9,808,216)</u>	<u>11,626,902</u>
Other capital assets:				
Buildings and systems	16,811,064	11,204,563		28,015,627
Improvements	2,324,731	6,715		2,331,446
Utility distribution and collection systems	13,428,982			13,428,982
Infrastructure	40,472,561	714,102		41,186,663
Machinery and equipment	10,931,994	478,315	(209,066)	11,201,243
Subtotal	<u>83,969,332</u>	<u>12,403,695</u>	<u>(209,066)</u>	<u>96,163,961</u>
Accumulated depreciation:				
Buildings and systems	(6,156,087)	(716,773)		(6,872,860)
Improvements	(1,218,281)	(145,671)		(1,363,952)
Utility distribution and collection systems	(7,179,015)	(229,860)		(7,408,875)
Infrastructure	(22,586,543)	(1,461,635)		(24,048,178)
Machinery and equipment	(8,885,674)	(728,224)	209,066	(9,404,832)
Subtotal	<u>(46,025,600)</u>	<u>(3,282,163)</u>	<u>209,066</u>	<u>(49,098,697)</u>
Net other capital assets	<u>37,943,732</u>	<u>9,121,532</u>		<u>47,065,264</u>
Net capital assets	<u>\$ 54,044,234</u>	<u>\$ 14,456,148</u>	<u>\$ (9,808,216)</u>	<u>\$ 58,692,166</u>

Depreciation was charged to the functions as follows:

Governmental activities:	
Public safety	\$ 609,877
Health	31,223
Culture and recreation	399,703
Community environment	205,210
Highways and streets	1,536,950
General government	499,200
TOTAL	<u>\$ 3,282,163</u>

	Balance at December 31, 2003	Increases	Decreases	Balance at December 31, 2004
<u>Business-type activities</u>				
Not being depreciated:				
Land	\$ 656,488	\$	\$	\$ 656,488
Construction in progress	6,508,166		(6,508,166)	
Subtotal	<u>7,164,654</u>		<u>(6,508,166)</u>	<u>656,488</u>
Other capital assets:				
Buildings	29,329,022	3,703,405		33,032,427
Improvements	25,902,339	45,967		25,948,306
Utility distribution and collection systems	48,035,533	3,704,901		51,740,434
Machinery and equipment	9,111,124	1,215,345	(9,975)	10,316,494
Subtotal	<u>112,378,018</u>	<u>8,669,618</u>	<u>(9,975)</u>	<u>121,037,661</u>
Accumulated depreciation:				
Buildings	(18,313,952)	(613,184)		(18,927,136)
Improvements	(19,120,995)	(1,361,958)		(20,482,953)
Utility distribution and collection systems	(15,535,336)	(790,796)		(16,326,132)
Machinery and equipment	(6,810,254)	(827,394)	9,975	(7,627,673)
Subtotal	<u>(59,780,537)</u>	<u>(3,593,332)</u>	<u>9,975</u>	<u>(63,363,894)</u>
Net other capital assets	<u>52,597,481</u>	<u>5,076,286</u>	<u>-</u>	<u>57,673,767</u>
Net capital assets	<u>\$ 59,762,135</u>	<u>\$ 5,076,286</u>	<u>\$ (6,508,166)</u>	<u>\$ 58,330,255</u>

Depreciation was charged to the functions as follows:

Business-type activities:	
Water	\$ 1,090,120
Special Parks & Recreation	30,640
Sanitation	131,350
Wastewater Pollution Control	2,341,222
TOTAL	<u>\$ 3,593,332</u>

Construction in progress - The City has active construction projects as of December 31, 2004 under governmental activities of \$641,848 for various street resurfacing projects, \$1,695,438 for the Chestnut Commons/Ridge project, \$3,093,846 for the Industrial Parkway Project and \$50,847 for various parks and recreation projects.

NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES

The following balances at December 31, 2004 represent interfund receivables and payables:

<u>GOVERNMENTAL FUNDS</u>	<u>Receivables</u>	<u>Payables</u>
GENERAL FUND	\$ 47,047	
SPECIAL REVENUE FUNDS:		
Health Grant		26,249
Block Grant		7,146
CAPITAL PROJECTS FUND:		
Clean Ohio Grant (Tappan)		11,117
State Issue II Projects		2,535
	<u>\$ 47,047</u>	<u>\$ 47,047</u>
<u>GOVERNMENT-WIDE</u>		
Governmental Activities	44,696	
Business-Type Activities		44,696

NOTE 10 – DEFINED BENEFIT PENSION PLANS

(A) EMPLOYEES AND PLANS

Full-time, permanent employees of the City and certain part-time employees belong to one of two state-operated, cost-sharing, multiple-employer pension plans. Non-uniformed employees are members of the Ohio Public Employees Retirement System (OPERS). Full-time police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). The Ohio Revised Code requires participation by the above mentioned employees. Elected officials participate in OPERS on a voluntary basis. The payrolls for employees covered by OPERS and OP&F for the year ended December 31, 2004 were \$18,590,468 and \$10,018,103, respectively. The City’s total payroll for 2004 was \$28,608,571.

(B) OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

Funding Policy – The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5% of their covered payroll to OPERS. The 2004 employer contribution rate for local government employer units was 13.55% of covered payroll including 4.00% that is used to fund postretirement health care benefits. The City's total contributions to OPERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2004, 2003, and 2002 were \$1,784,053, \$1,490,220, and \$1,372,720 respectively, which equaled the required contribution for each year.

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

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

Members of the OP&F become partially vested after 15 years of service and fully vested after 25 years of service. Members are eligible for normal retirement benefits at age 48 with 25 years of service credit or at age 62 with 15 years of service credit. The normal retirement benefit is equal to 2.5 percent of annual earnings for each of the first 20 years of service, 2.0 percent for each of the next five years of service, and 1.5 percent for each year of service thereafter; however, this normal retirement benefit is not to exceed 72 percent of the members' average annual salary for the three years during which total earnings were the greatest. Early retirement with reduced benefits is available to members with 15 years of service credit who have attained age 48 or 25 years from the date the member became a qualified employee. This reduced benefit is equal to 1.5% of the average annual salary multiplied by the number of complete years of service. Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively, for police officers and firefighters. The City's total contributions to OP&F for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2004, 2003, and 2002 were \$1,391,575, \$1,324,890 and \$1,318,685, respectively, which equaled the required contribution for each year.

(D) CONTRIBUTIONS TO THE PLANS

Contributions to the plans by State statute for the year ended December 31, 2004 are summarized as follows:

<u>Plan/Contributor</u>	<u>Statutorily Determined</u>	
	<u>Contribution Rate (%)</u>	<u>Contribution \$'s</u>
OP&F:		
Fire Personnel		
By City	24.00%	\$ 1,147,777
By Employees	10.00%	478,631
	<u>34.00%</u>	<u>1,626,408</u>
Police Personnel		
By City	19.50%	1,020,201
By Employees	10.00%	523,181
	<u>29.50%</u>	<u>1,543,382</u>
Less -		
Health Care Portion	(7.75%)	<u>(776,403)</u>
Total OP&F Contributions		<u>2,393,387</u>
OPERS:		
By City	13.55%	2,527,672
By Employees	8.50%	1,580,189
	<u>22.05%</u>	<u>4,107,861</u>
Less -		
Health Care Portion	(4.00%)	<u>(743,619)</u>
Total OPERS Contributions		<u>3,364,242</u>
TOTAL PENSION PLAN CONTRIBUTIONS		<u>\$ 5,757,629</u>

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

OPERS:

In addition to the pension benefits described in Note 9, OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credits. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an other postemployment benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer’s contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer

contributions. The total employer contribution rate for OPERS is 13.55% of covered payroll, of which 4.00% is the portion that is used to fund health care benefits under OPERS.

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

The principal assumptions used for the 2003 actuarial computations (latest available) were as follows:

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

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

Investment Return. The investment assumption rate for 2003 was 8.00 percent.

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

Health Care. Health care costs were assumed to increase 4.00 percent annually.

The number of benefit recipients eligible for OPEB at December 31, 2004 was 369,885. The City's actual contributions for 2004, which were used to fund postemployment benefits, were \$743,619. OPERS's net assets available for payment of other postemployment benefits at December 31, 2003 (latest information available) were \$10.5 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$26.9 billion and \$16.4 billion, respectively. The fund's total health care expenses for the year ended December 31, 2003 were \$910 million.

OP&F:

OP&F also provides health care coverage to any person who receives or is eligible to receive a monthly retirement benefit or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18, whether or not the child is attending school, or under the age of 22 if attending school full time or on a defined part-time basis. The Ohio Revised Code provides the statutory authority requiring the fund's board of trustees to provide health care coverage to all eligible individuals. The health care coverage provided by the retirement system is considered an other postemployment benefit as described in GASB Statement No. 12.

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

The portion of the City's actual contribution to OP&F for 2004 that was used to fund postemployment benefits was \$405,464 for police and \$370,939 for fire personnel. The fund's total health care expenses for the year ended December 31, 2003 (the latest information available) were \$150,853,148. The total number of participants in OP&F who were eligible to receive health care benefits at December 31, 2003 (the latest information available) was 13,662 police and 10,474 fire personnel.

NOTE 12 – DEFERRED COMPENSATION PROGRAMS

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

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

The amount on deposit in the plans is not reflected in the government-wide statement of net assets as of December 31, 2004 because it is held in trust for the exclusive benefit of plan participants and their beneficiaries.

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

The original issue date, maturity date, interest rate, and original issuance amount for each of the City's bonds, notes, and other long-term obligations outstanding as of December 31, 2004 is listed below:

GOVERNMENTAL ACTIVITIES	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Special Assessment Debt				
Street Improvement Bonds	1989	2004	6.200	2,680,000
East Broad Street Storm Sewer Bonds	1990	2006	6.100	1,045,000
Ford Road Improvement Bonds	1992	2013	6.350	850,000
Sewer Overflow Elimination Bonds	1994	2009	7.375	96,626
Murray Ridge Watermain Bonds	1994	2009	7.375	103,507
Griswold Road Improvement Bonds	1995	2015	5.875	475,000
Westway Garden Improvement Bonds	1996	2008	5.250	1,440,000
Weller Rd. State Issue II Loan	1997	2007	0.000	309,557
General Obligation Debt				
Griswold Road State Issue II Loan	1995	2006	0.000	245,271
Various Purpose Improvement Bonds	1997	2022	3.900	10,900,000
Recreational Facilities Bonds	1999	2009	3.150	1,870,000
Fire Station Construction Bonds	1999	2012	3.150	1,720,000
Police and Fire Pension Liability Bonds	1999	2023	3.150	1,285,000
City Hall Construction Bonds	2001	2026	2.200	8,200,000
Schaden Road State Issue II Loan	1999	2009	0.000	72,312
Middle Avenue State Issue II Loan	1999	2009	0.000	67,809
E. Broad St./St. Route 57 Issue II Loan	2000	2010	0.000	43,414
Murray Ridge Rd./Garford Ave. Issue II Loan	2001	2012	0.000	138,234
David Drive/Gulf Road State Issue II Loan	2002	2013	0.000	114,118
City Hall Construction Notes	2003	2004	1.350	2,200,000
City Hall Construction Notes	2004	2005	2.000	2,200,000
Chestnut Commons Construction Notes	2003	2004	2.000	2,500,000
Chestnut Commons Construction Notes	2004	2005	2.500	2,800,000
Industrial Parkway Improvement Notes	2003	2004	1.350	2,000,000
Industrial Parkway Improvement Notes	2004	2005	2.000	1,800,000
U.S. Department of Housing and Urban Development 108 Loan				
Block Grant 108 Loan	2000	2005	7.140	500,000
BUSINESS-TYPE ACTIVITIES				
	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Debt				
Wastewater Plant Improvement OWDA Loan	1986	2014	8.480	17,125,478
Westside Interceptor Sewer OWDA Loan	1987	2009	7.110	11,695,507
East Broad Street Storm Sewer Bonds	1990	2006	6.100	708,900
Water System Improvement Bonds	1999	2019	3.400	1,440,000
Murray Ridge Watermain Bonds	1994	2009	7.375	244,867
Samuel Street Watermain State Issue II Loan	1994	2004	0.000	246,994
Water Pumping Improvement Notes	2003	2004	1.350	800,000
Water Pumping Improvement Notes	2004	2005	2.000	800,000
Refuse Packer Notes	2003	2004	1.350	230,000
Refuse Packer Notes	2004	2005	2.000	200,000
Waterworks System Improvement Notes	2003	2004	2.000	5,200,000
Waterworks System Improvement Notes	2004	2005	2.000	5,500,000

A listing of changes in the bonds, notes and other long-term obligations of the City for the year ended December 31, 2004 are as follows:

GOVERNMENTAL ACTIVITIES

	Balance January 1, 2004	Additions (Reductions)	Balance December 31, 2004
<u>Special Assessment Debt:</u>			
6.20% - 7.00% 1989 Street Improvement Bonds	\$ 280,000	\$ (280,000)	\$
6.10% - 11.00% 1990 East Broad Street Storm Sewer Bonds Due 2006	75,880	(21,685)	54,195
6.35% 1992 Ford Road Improvement Bonds Due 2013	545,000	(40,000)	505,000
7.375% 1994 Sewer Overflow Elimination Bonds Due 2009	48,865	(6,512)	42,353
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	52,336	(6,978)	45,358
5.875% 1995 Griswold Road Improvement Bonds Due 2015	370,000	(15,000)	355,000
5.295% 1996 Westway Garden Improvement Bonds Due 2008	705,000	(125,000)	580,000
0.00% 1997 State Issue II Loan Weller Road Due 2007	92,866	(30,958)	61,908
	<u>2,169,947</u>	<u>(526,133)</u>	<u>1,643,814</u>
Total Special Assessment Debt	\$ 2,169,947	\$ (526,133)	\$ 1,643,814

**General Obligation Bonds
And Construction Loans:**

0.00% 1995 State Issue II Loan Griswold Road Due 2006	\$ 49,055	\$ (24,527)	\$ 24,528
5.247% 1997 Various Purpose Improvement Bonds Due 2022	9,230,000	(320,000)	8,910,000
3.15% - 4.25% 1999 Recreational Facilities Bonds Due 2009	1,170,000	(175,000)	995,000
3.15% - 4.45% 1999 Fire Station Construction Bonds Due 2012	1,480,000	(140,000)	1,340,000
3.15% - 5.00% 1999 Police and Fire Pension Liability Bonds Due 2023	1,140,000	(35,000)	1,105,000
4.75% 2001 City Hall Construction Bonds Due 2026	7,815,000	(215,000)	7,600,000
0.00% 1999 State Issue II Loan Schaden Road Due 2009	36,157	(7,231)	28,926
0.00% 1999 State Issue II Loan Middle Avenue Due 2009	33,904	(6,781)	27,123

(Continued on subsequent page)

GOVERNMENTAL ACTIVITIES (continued)

General Obligation Bonds And Construction Loans (continued):	<u>Balance January 1, 2004</u>	<u>Additions (Reductions)</u>	<u>Balance December 31, 2004</u>
0.00% 2000 State Issue II Loan E. Broad St. / State Rt. 57 Intersection Due 2010	28,220	(4,341)	23,879
0.00% 2001 State Issue II Loan Murray Ridge Rd. / Garford Ave. Due 2012	110,588	(13,823)	96,765
0.00% 2002 State Issue II Loan David Drive / Gulf Road Due 2013	<u>102,706</u>	<u>(11,412)</u>	<u>91,294</u>
Total General Obligation Bonds And Construction Loans	<u>\$ 21,195,630</u>	<u>\$ (953,115)</u>	<u>\$ 20,242,515</u>

General Obligation Bond Anticipation Notes

Capital Projects Notes Payable	<u>Balance January 1, 2004</u>	<u>Additions (Reductions)</u>	<u>Balance December 31, 2004</u>
1.35% 2003 City Hall Construction Notes	\$ 2,200,000	\$ (2,200,000)	\$
2.00% 2004 City Hall Construction Notes Due July 2005		2,200,000	2,200,000
2.00% 2003 Chestnut Commons Construction Notes	2,500,000	(2,500,000)	
2.50% 2004 Chestnut Commons Construction Notes Due October 2005		2,800,000	2,800,000
1.35% 2003 Industrial Parkway Improvement Notes	2,000,000	(2,000,000)	
2.00% 2004 Industrial Parkway Improvement Notes Due July 2005		<u>1,800,000</u>	<u>1,800,000</u>
Total Capital Projects Notes Payable	<u>\$ 6,700,000</u>	<u>\$ 100,000</u>	<u>\$ 6,800,000</u>

Other Obligations	<u>Balance January 1, 2004</u>	<u>Additions (Reductions)</u>	<u>Balance December 31, 2004</u>
Block Grant Fund U.S. Department of Housing and Urban Development 108 Loan	\$ 179,850	\$ (80,000)	\$ 99,850
Compensated absences - non-current portion	<u>4,595,653</u>	<u>711,633</u>	<u>5,307,286</u>
Total Other Obligations	<u>\$ 4,775,503</u>	<u>\$ 631,633</u>	<u>\$ 5,407,136</u>
TOTAL GOVERNMENTAL ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS	<u>\$ 34,841,080</u>	<u>\$ (747,615)</u>	<u>\$ 34,093,465</u>

(Continued on subsequent page)

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds And Construction Loans:	Balance January 1, 2004	Additions (Reductions)	Balance December 31, 2004
8.48% 1986 OWDA Loan			
Wastewater Plant Improvement Due 2014	\$ 11,312,285	\$ (711,295)	\$ 10,600,990
7.11% 1987 OWDA Loan			
Westside Interceptor Sewer Due 2009	4,920,697	(763,568)	4,157,129
6.10% - 11.00% 1990 East Broad Street Storm Sewer Bonds Due 2006	234,120	(73,315)	160,805
4.2275% 1999 Water System Improvement Bonds Due 2019	1,235,000	(55,000)	1,180,000
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	123,798	(16,509)	107,289
0.00% 1994 State Issue II Loan Samuel Street Watermain	9,991	(9,991)	
Total General Obligation Bonds And Construction Loans	\$ 17,835,891	\$ (1,629,678)	\$ 16,206,213
General Obligation Bond Anticipation Notes	Balance January 1, 2004	Additions (Reductions)	Balance December 31, 2004
1.35% 2003 Water Pumping Improvement Notes	\$ 800,000	(800,000)	\$
2.00% 2004 Water Pumping Improvement Notes Due July 2005		800,000	800,000
1.35% 2003 Refuse Packer Notes	230,000	(230,000)	
2.00% 2004 Refuse Packer Notes Due July 2005		200,000	200,000
2.00% 2003 Waterworks System Improvement Notes	5,200,000	(5,200,000)	
2.00% 2004 Waterworks System Improvement Notes Due July 2005		5,500,000	5,500,000
Total General Obligation Bond Anticipation Notes	\$ 6,230,000	\$ 270,000	\$ 6,500,000
Other Obligations			
Compensated absences - non-current portion	\$ 1,211,016	\$ 308,766	\$ 1,519,782
TOTAL BUSINESS ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS	\$ 25,276,907	\$ (1,050,912)	\$ 24,225,995

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

A summary of the City's future debt service requirements for its bond and note obligations as of December 31, 2004 follows:

GOVERNMENTAL ACTIVITIES

Due In	<u>Special Assessment Debt</u>		<u>Other Bonds, Notes and Construction Loans</u>	
	Principal	Interest	Principal	Interest
2005	\$ 269,961	\$ 105,278	\$ 7,898,116	\$ 1,110,905
2006	287,626	85,820	1,013,588	917,048
2007	242,988	65,215	1,043,588	878,383
2008	252,988	51,404	1,083,589	836,555
2009	105,237	36,256	1,119,576	792,083
Thereafter	<u>485,014</u>	<u>92,993</u>	<u>14,884,058</u>	<u>6,400,005</u>
TOTALS	<u>\$ 1,643,814</u>	<u>\$ 436,966</u>	<u>\$ 27,042,515</u>	<u>\$ 10,934,979</u>

BUSINESS-TYPE ACTIVITIES

Due In	<u>OWDA Loans</u>		<u>Other Bonds and Notes</u>	
	Principal	Interest	Principal	Interest
2005	\$ 1,589,469	\$ 1,033,068	\$ 6,660,996	\$ 189,145
2006	1,713,052	921,805	158,331	55,677
2007	1,846,317	801,892	82,012	52,160
2008	1,990,030	672,650	87,012	48,401
2009	1,588,528	36,172	94,764	44,383
Thereafter	<u>6,030,723</u>	<u>1,227,333</u>	<u>864,979</u>	<u>238,230</u>
TOTALS	<u>\$ 14,758,120</u>	<u>\$ 4,692,920</u>	<u>\$ 7,948,094</u>	<u>\$ 627,996</u>

All bonds and notes are backed by the full faith and credit of the City. While special assessments have been levied to pay the debt service of the special assessment bonds, the bonds are also backed by the full faith and credit of the City. No reserve or sinking fund has been established to cover defaults by property owners. Although the bonds and notes of the enterprise funds are general obligations of the City, the City's policy is to have the debt serviced by the

revenues of the respective enterprise funds. The Ohio Water Development Authority construction loans are secured by the revenues of the City's wastewater treatment operations. The loans require, among other things, that the City charge sufficient rates and fees for wastewater treatment services to enable the revenues to service the loan principal and interest payments and provide resources for the payment of the necessary operating and maintenance expenses of the facility. The City was not required to pledge the general resources or general credit of the City to secure the repayment of the loans.

Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2004, the City had the capacity to issue approximately \$ 19,699,376 of additional, unvoted general obligation debt.

Long-term liability activity excluding activity pertaining to short-term Capital Projects bond anticipation notes payable and the U.S. Department of Housing and Urban Renewal 108 Loan for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 20,835,000		\$ (885,000)	\$ 19,950,000	\$ 930,000
Special Assessment Bonds with Government Commitment	2,077,081		(495,175)	1,581,906	239,005
Total Bonds Payable	<u>22,912,081</u>		<u>(1,380,175)</u>	<u>21,531,906</u>	<u>1,169,005</u>
State Issue II					
Construction Loans	453,496		(99,073)	354,423	99,072
Compensated Absences	<u>4,595,653</u>	<u>1,188,928</u>	<u>(477,295)</u>	<u>5,307,286</u>	<u>45,547</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 27,961,230</u>	<u>\$ 1,188,928</u>	<u>\$ (1,956,543)</u>	<u>\$ 27,193,615</u>	<u>\$ 1,313,624</u>
Business-Type Activities					
General Obligation Bonds	\$ 1,592,918		\$ (144,824)	1,448,094	\$ 160,996
OWDA Loans	16,232,982		(1,474,863)	14,758,119	1,589,469
State Issue II					
Construction Loans	9,991		(9,991)		
Compensated Absences	<u>1,211,016</u>	<u>433,891</u>	<u>(125,125)</u>	<u>1,519,782</u>	<u>45,347</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 19,046,907</u>	<u>\$ 433,891</u>	<u>\$ (1,754,803)</u>	<u>\$ 17,725,995</u>	<u>\$ 1,795,812</u>

NOTE 14 – COMMITMENTS

The City has entered into a contract for the construction of a new street to provide access to a new retail development called Chestnut Commons as well as improvements to Chestnut Ridge Road which is the main thoroughfare that leads into the new development. Work began on this project in early 2004 and is estimated to cost \$2,165,104. The City initially will fund this project with short-term bond anticipation notes. Through an agreement with developer Forest City Enterprises, Incorporated, the City will ultimately issue special assessment bonds to retire the general obligation notes and the special assessment bonds will be repaid from tax increment financing payments and/or special assessments levied by the City on the properties in the development.

The City has also entered into contracts for the resurfacing and reconstruction of Defiance Avenue, Clemens Avenue, and portions of North Olive Street, Lake Avenue and Furnace Street, and Broad Street from West Avenue to East Bridge Street. Work began on all of these projects in 2005. The estimated cost of the Defiance Avenue/Clemens Avenue/North Olive Street/Lake Avenue and Furnace Street project is \$380,600 and the estimated cost of the Broad Street project is \$262,436. Both of these projects are being funded with 89% State Issue II grant funds and 11% City funds.

The City has also entered into a contract for the construction of the Industrial Parkway corridor which will connect the City's downtown area to the far west side of Elyria, opening up several hundred acres for possible future development. The estimated cost of this project is \$5,074,499 for construction and \$509,584 for land acquisition and is being funded with \$3,584,083 of Federal Highway Administration grant funds and \$2,000,000 of short-term general obligation bond anticipation notes that are expected to ultimately be replaced by general obligation bonds.

NOTE 15 – REHABILITATION LOANS

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

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

NOTE 16 – NEW ACCOUNTING STANDARDS

During March 2003, the GASB issued Statement No. 40, *Deposits and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*. This statement requires disclosures of common deposit and investment risks such as credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this statement also should be disclosed. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2004. The City has not determined the impact, if any, that this statement will have on its future footnote disclosures.

During November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement establishes accounting and financial reporting standards for impairment of capital assets. Under provisions of this statement, a capital asset is considered impaired when its service has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this statement are effective for fiscal periods beginning after December 15, 2004. The City has not determined the impact, if any, that this statement will have on its financial statements.

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

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

the impact, if any, this statement will have on the City's financial statements has not been determined.

NOTE 17 – SUBSEQUENT EVENTS

On May 12, 2005 the City of Elyria advance refunded all of the \$8,910,000 Various Purpose general obligation bonds outstanding which were originally issued in 1997. The total future reduction in debt service payments resulting from the refunding of these bonds amounts to \$605,823 over the life of the new bonds.

In addition, on May 12, 2005 the City issued \$6,355,000 in Water Improvements general obligation bonds, the proceeds of which will retire the outstanding general obligation notes in the Water Enterprise Fund and \$1,795,000 in Industrial Parkway general obligation bonds, the proceeds of which, along with \$5,000 existing cash will retire the general obligation notes in the Industrial Parkway Capital Projects Fund.

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

* * * * *

Street Construction, Maintenance and Repair

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

State Highway

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

Fire Pension

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

Police Pension

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

Health Grant

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

Municipal Motor Vehicle Tax

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

Block Grant

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

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

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

Muni Court Technology

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

Muni Court Security

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

SPECIAL REVENUE FUNDS (cont.)

Muni Court Construction and Improvement

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

Special Parking Fines

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

Legal Research and Court Computerization

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

Muni Court Special Collections

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

Food Service Operations

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

Dental Health Grant

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

Swimming Pool Inspection

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

Law Enforcement

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

Mandatory Drug Fine

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

Indigent Drivers Alcohol Treatment

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

Alcohol Enforcement and Education

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

SPECIAL REVENUE FUNDS (cont.)

Police Levy

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

Wagner Trust

To accumulate donations to provide for park and recreation expenditures.

Findley Trust

To accumulate donations to provide for park and recreation expenditures.

Cemetery Maintenance and Improvement

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

DEBT SERVICE FUNDS

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

* * * * *

General Bond Retirement

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

Special Assessment Bond Retirement

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

CAPITAL PROJECTS FUNDS

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

* * * * *

Bridge Projects

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

CAPITAL PROJECTS FUNDS (cont.)

Parks Improvement

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

Two Falls Trail Improvement

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

Clean Ohio Grant (Tappan)

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

Capital Improvement

To account for monies restricted for the purchase or construction of capital improvements.

Cascade / Elywood

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

State Issue II Capital Projects

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

Gulf Road Stabilization

To account for monies restricted for improvements to be made to Gulf Road.

South Recreation Construction

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

Industrial Parkway

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

PERMANENT FUND

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

* * * * *

Cemetery Trust

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

City of Elyria, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Special Revenue							
	Street Construction Maintenance and Repair	State Highway	Fire Pension	Police Pension	Health Grant	Municipal Motor Vehicle Tax	Block Grant	CHIP Grant
ASSETS								
Equity in pooled cash and cash equivalents	\$ 200,119	\$ 52,415	\$ 227	\$ 279	\$	\$ 373,704	\$ 4,495	\$ 93,451
Cash with fiscal agents			93,600	84,900			1,764,490	2,084,493
Rehabilitation loans receivable								
Accounts receivable	101	7	838	798		48		
Accrued interest receivable	880,270	71,321	29,248	29,248	324,751	136,034	6,424	
Due from other governments								
Income tax receivable			218,014	218,014				
Property tax receivable								
Special assessments receivable								
Total assets	\$ 1,080,490	\$ 123,743	\$ 341,927	\$ 333,239	\$ 324,751	\$ 509,786	\$ 1,775,409	\$ 2,177,944
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 15,272	\$	\$	\$	\$ 3,560	\$	\$	\$
Contracts payable		49,770				166,119	25,551	1,147
Accrued wages and benefits	38,545				14,537		9,984	
Compensated absences payable	8,334				3,995		3,299	536
Matured interest payable								
Due to other funds							7,146	
Deferred revenue	580,354	47,003	246,049	246,049	156,436			
General obligation notes payable								
Construction loan payable			246,049	246,049			99,850	
Total liabilities	642,505	96,773	246,049	246,049	204,777	166,119	145,830	1,683
FUND BALANCES								
Reserved for encumbrances	129,115				11,423	282,408	91,723	2,084,493
Reserved for rehab loans							1,764,490	
Reserved for endowment								
Reserved for debt service								
Unreserved, undesignated	308,870	26,970	95,878	87,190	108,551	61,259	(226,634)	91,768
Total fund balances	437,985	26,970	95,878	87,190	119,974	343,667	1,629,579	2,176,261
Total liabilities and fund balances	\$ 1,080,490	\$ 123,743	\$ 341,927	\$ 333,239	\$ 324,751	\$ 509,786	\$ 1,775,409	\$ 2,177,944

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City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2004

	Special Revenue							
	Muni Court Technology	Muni Court Security	Muni Court Construction and Improvement	Special Parking Fines	Legal Research and Court Computerization	Muni Court Special Collections	Food Service Operations	Dental Health Grant
ASSETS								
Equity in pooled cash and cash equivalents	\$ 65,944	\$ 118,331	\$ 156,113	\$ 24,079	\$ 131,038	\$ 75,564	\$ 4,193	\$ 31,812
Cash with fiscal agents			460,700	11,400				
Investments								
Rehabilitation loans receivable								
Accounts receivable	12,281	4,906	14,468	269	3,755	2,520		
Accrued interest receivable	225	74	3,599	5			1	
Due from other governments								15,000
Income tax receivable								
Property tax receivable								
Special assessments receivable								
Total assets	<u>\$ 78,450</u>	<u>\$ 123,311</u>	<u>\$ 634,880</u>	<u>\$ 35,753</u>	<u>\$ 134,793</u>	<u>\$ 78,084</u>	<u>\$ 4,194</u>	<u>\$ 46,812</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Contracts payable								
Accrued wages and benefits	1,535	1,181						1,655
Compensated absences payable	449	132					1,720	79
Matured interest payable								
Due to other funds								
Deferred revenue								7,500
General obligation notes payable								
Construction loan payable								
Total liabilities	<u>1,984</u>	<u>1,313</u>			<u>597</u>		<u>2,039</u>	<u>9,506</u>
FUND BALANCES								
Reserved for encumbrances			6,010	6,609	1,697			482
Reserved for rehab loans								
Reserved for endowment								
Reserved for debt service								
Unreserved, undesignated	50,437	121,998	628,870	29,144	132,499	78,084	2,155	36,824
Total fund balances	<u>76,466</u>	<u>121,998</u>	<u>634,880</u>	<u>35,753</u>	<u>134,196</u>	<u>78,084</u>	<u>2,155</u>	<u>37,306</u>
Total liabilities and fund balances	<u>\$ 78,450</u>	<u>\$ 123,311</u>	<u>\$ 634,880</u>	<u>\$ 35,753</u>	<u>\$ 134,793</u>	<u>\$ 78,084</u>	<u>\$ 4,194</u>	<u>\$ 46,812</u>

(Continued on subsequent page)

City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2004

	Special Revenue								Total Special Revenue Funds	
	Swimming Pool Inspection	Law Enforcement	Mandatory Drug Fine	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Police Levy	Wagner Trust	Findley Trust		Cemetery Maintenance and Improvement
ASSETS										
Equity in pooled cash and cash equivalents	\$ 1,227	\$ 1,426	\$ 20,347	\$ 222,227	\$ 56	\$ 453,267	\$ 4,933	\$ 44,910	\$ 32,237	\$ 2,112,394
Cash with fiscal agents			15,600	207,200	17,200			97,800	35,300	1,023,700
Rehabilitation loans receivable				1,054	3					3,848,983
Accounts receivable				1,001	30	58		687	148	39,256
Accrued interest receivable	1	1	15	691						7,637
Due from other governments						809,471				1,492,987
Income tax receivable										809,471
Property tax receivable										436,028
Special assessments receivable										
Total assets	<u>\$ 1,228</u>	<u>\$ 1,427</u>	<u>\$ 36,653</u>	<u>\$ 431,482</u>	<u>\$ 17,289</u>	<u>\$ 1,262,796</u>	<u>\$ 4,933</u>	<u>\$ 143,397</u>	<u>\$ 67,685</u>	<u>\$ 9,770,456</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable										
Contracts payable			1,400			6,478			1,265	\$ 30,227
Accrued wages and benefits	73					10,391				251,831
Compensated absences payable	30					148,698		8,458	424	226,574
Matured interest payable						22,396			117	39,686
Due to other funds										
Deferred revenue						250,137				33,395
General obligation notes payable										1,533,528
Construction loan payable										
Total liabilities	<u>103</u>		<u>1,400</u>			<u>438,100</u>		<u>8,458</u>	<u>1,806</u>	<u>99,850</u>
FUND BALANCES										
Reserved for encumbrances			700		630	26,430		1,847	2,202	587,305
Reserved for rehab loans										3,848,983
Reserved for endowment										
Reserved for debt service										
Unreserved, undesignated	1,125	1,427	34,553	431,482	16,659	798,266	4,933	133,092	63,677	3,119,077
Total fund balances	<u>1,125</u>	<u>1,427</u>	<u>35,253</u>	<u>431,482</u>	<u>17,289</u>	<u>824,696</u>	<u>4,933</u>	<u>134,939</u>	<u>65,879</u>	<u>7,555,365</u>
Total liabilities and fund balances	<u>\$ 1,228</u>	<u>\$ 1,427</u>	<u>\$ 36,653</u>	<u>\$ 431,482</u>	<u>\$ 17,289</u>	<u>\$ 1,262,796</u>	<u>\$ 4,933</u>	<u>\$ 143,397</u>	<u>\$ 67,685</u>	<u>\$ 9,770,456</u>

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City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2004

	Debt Service		Capital Projects					
	General Bond Retirement	Special Assessment Bond Retirement	Total Debt Service	Bridge Projects	Parks Improvement	Two Falls Trail Improvement	Clean Ohio Grant (Tappan)	Cascade/Elywood
ASSETS								
Equity in pooled cash and cash equivalents	\$ 110,772	\$	\$ 110,772	\$	\$	\$	\$	\$ 28,041
Cash with fiscal agents		1,344	1,344					
Investments	1,807,900		1,807,900					36,100
Rehabilitation loans receivable								
Accounts receivable								
Accrued interest receivable	16,005		16,005	1	367	25,850	17,858	149
Due from other governments	185,234		185,234					
Income tax receivable								
Property tax receivable	1,380,777		1,380,777					
Special assessments receivable		1,944,177	1,944,177					
Total assets	\$ 3,500,688	\$ 1,945,521	\$ 5,446,209	\$ 1,119	\$ 77,704	\$ 25,850	\$ 17,858	\$ 64,290
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Contracts payable								
Accrued wages and benefits								6,741
Compensated absences payable		1,344	1,344					
Matured interest payable								
Due to other funds								11,117
Deferred revenue	1,558,326	1,944,177	3,502,503			25,850		
General obligation notes payable								
Construction loan payable		1,945,521	1,945,521			25,850	17,858	
Total liabilities	\$ 1,558,326	\$ 1,945,521	\$ 3,503,847			25,850	17,858	
FUND BALANCES								
Reserved for encumbrances								
Reserved for rehab loans								
Reserved for endowment								
Reserved for debt service	1,942,362		1,942,362	1,119	77,704	25,850	(487)	64,290
Unreserved, undesignated				1,119	77,704	(25,850)		
Total fund balances	\$ 1,942,362	\$ 1,945,521	\$ 5,446,209	\$ 1,119	\$ 77,704	\$ 25,850	\$ 17,858	\$ 64,290
Total liabilities and fund balances	\$ 3,500,688	\$ 3,500,688	\$ 5,446,209	\$ 1,119	\$ 77,704	\$ 25,850	\$ 17,858	\$ 64,290

(Continued on subsequent page)

City of Elyria, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
	State Issue II Capital Projects	South Recreation Construction	Industrial Parkway	Total Capital Projects Funds		
ASSETS						
Equity in pooled cash and cash equivalents	\$ 29,592	\$ 200	\$ 66,363	\$ 165,651	\$ 17,278	\$ 2,406,095
Cash with fiscal agents				861,600	392,242	1,344
Investments			788,500			4,085,442
Rehabilitation loans receivable						3,848,983
Accounts receivable			513	1,034	7,961	39,256
Accrued interest receivable	4			45,580		1,723,801
Due from other governments	1,872					809,471
Income tax receivable						1,816,805
Property tax receivable						1,944,177
Special assessments receivable						
Total assets	\$ 31,468	\$ 200	\$ 855,376	\$ 1,073,865	\$ 417,481	\$ 16,708,011
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$	\$ 9,981	\$ 16,722	\$	\$ 30,227
Contracts payable						288,553
Accrued wages and benefits						226,574
Compensated absences payable						39,686
Matured interest payable				13,652		1,344
Due to other funds	2,535			25,850		47,047
Deferred revenue			1,800,000	1,800,000		5,061,881
General obligation notes payable						1,800,000
Construction loan payable			1,809,981	1,866,224		99,850
Total liabilities	2,535	200	1,809,981	1,866,224		7,575,162
FUND BALANCES						
Reserved for encumbrances	636,527		2,055,652	2,718,516		3,305,821
Reserved for rehab loans					417,481	3,848,983
Reserved for endowment						417,481
Reserved for debt service		200	(3,010,257)	(3,500,875)		1,942,362
Unreserved, undesignated	(607,594)	200	(954,609)	(782,359)	417,481	(381,798)
Total fund balances	28,933	200	(954,609)	(782,359)	417,481	9,132,849
Total liabilities and fund balances	\$ 31,468	\$ 200	\$ 855,376	\$ 1,073,865	\$ 417,481	\$ 16,708,011

City of Elyria, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2004

	Special Revenue									
	Street	State	Fire	Police	Health	Municipal	Block	CHIP	Muni Court	
	Construction	Highway	Pension	Pension	Grant	Motor	Grant	Grant	Technology	
	Maintenance					Vehicle Tax				
	and Repair									
REVENUES										
Taxes:										
Property Income			\$ 264,337	\$ 264,337	\$	\$	\$	\$	\$	\$
Intergovernmental revenues	1,807,575	146,560	28,804	28,804	682,963	925,848	805,420	367,571		
Charges for service					219,740		135			
Licenses and permits						6,212				334
Interest earnings	2,815	323	2,933	2,819						169,930
Special assessments										
Fines and forfeitures										
Contributions										
Miscellaneous revenues										
Total revenues	<u>1,810,390</u>	<u>146,883</u>	<u>296,074</u>	<u>295,960</u>	<u>902,703</u>	<u>932,060</u>	<u>805,555</u>	<u>367,916</u>	<u>345</u>	<u>170,264</u>
EXPENDITURES										
Current:										
Public safety	430,484		224,610	254,671	935,554					
Health										
Culture and recreation										
Community environment										
Highways and streets	1,267,800	243,441				35,312	748,459	169,481		158,054
General government										5,015
Capital outlay	16,085					659,339	46,982			
Debt service:										
Principal retirement			23,100	11,900			12,860			
Interest and fiscal charges			34,632	17,841			808,301			163,069
Total expenditures	<u>1,714,369</u>	<u>243,441</u>	<u>282,342</u>	<u>284,412</u>	<u>935,554</u>	<u>694,651</u>	<u>808,301</u>	<u>169,481</u>	<u>169,481</u>	<u>163,069</u>
Excess (deficiency) of revenues over (under) expenditures	96,021	(96,558)	13,732	11,548	(32,851)	237,409	(2,746)	198,435		7,195
OTHER FINANCING SOURCES (USES)										
Operating transfers in										
Operating transfers out		92,345								
Premiums from sale of notes										
Gain on sale of capital assets										
Total other financing sources (uses)		92,345								
Net change in fund balances	96,021	(4,213)	13,732	11,548	(32,851)	237,409	105,356	198,435		7,195
Fund balances - beginning	341,964	31,183	82,146	75,642	152,825	106,258	1,526,969	1,977,826	69,271	69,271
Fund balances - ending	<u>\$ 437,985</u>	<u>\$ 26,970</u>	<u>\$ 95,878</u>	<u>\$ 87,190</u>	<u>\$ 119,974</u>	<u>\$ 343,667</u>	<u>\$ 1,629,579</u>	<u>\$ 2,176,261</u>	<u>\$</u>	<u>\$ 76,466</u>

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City of Elyria, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2004

	Special Revenue							
	Mandatory Drug Fine	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Police Levy	Wagner Trust	Findley Trust	Cemetery Maintenance and Improvement	Total Special Revenue
REVENUES								
Taxes:								
Property Income		\$	\$	\$	\$	\$	\$	\$
Intergovernmental revenues				3,117,398				3,117,398
Charges for service								
Licenses and permits	454	6,787	278	11,715	67	2,375	95,140	315,677
Interest earnings								64,229
Special assessments			1,231				1,236	50,917
Fines and forfeitures	26,153	52,113			2,931	45,805		595,738
Contributions								48,736
Miscellaneous revenues								18,197
Total revenues	<u>26,607</u>	<u>58,900</u>	<u>1,509</u>	<u>3,129,113</u>	<u>2,998</u>	<u>48,180</u>	<u>96,376</u>	<u>9,586,969</u>
	16,240			2,946,836		43,163	101,063	3,899,908
EXPENDITURES								
Current:								
Public safety								1,160,634
Health								43,163
Culture and recreation								917,940
Community environment								1,546,553
Highways and streets								257,086
General government		22,689				5,000	13,133	808,198
Capital outlay								
Debt service:								
Principal retirement								35,000
Interest and fiscal charges								65,333
Total expenditures	<u>16,240</u>	<u>22,689</u>		<u>2,946,836</u>		<u>48,163</u>	<u>114,196</u>	<u>8,733,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,367</u>	<u>36,211</u>	<u>1,509</u>	<u>182,277</u>	<u>2,998</u>	<u>17</u>	<u>(17,820)</u>	<u>853,154</u>
							7,725	115,070
OTHER FINANCING SOURCES (USES)								
Operating transfers in								
Operating transfers out								
Premiums from sale of notes								
Gain on sale of capital assets								
Total other financing sources (uses)	<u>10,367</u>	<u>36,211</u>	<u>1,509</u>	<u>182,277</u>	<u>2,998</u>	<u>17</u>	<u>7,725</u>	<u>106,331</u>
Net change in fund balances	<u>24,866</u>	<u>395,271</u>	<u>15,780</u>	<u>642,419</u>	<u>1,935</u>	<u>134,922</u>	<u>75,974</u>	<u>6,480,810</u>
Fund balances - beginning	<u>35,253</u>	<u>431,482</u>	<u>17,289</u>	<u>824,696</u>	<u>4,933</u>	<u>134,939</u>	<u>65,879</u>	<u>7,555,365</u>
Fund balances - ending								

(Continued on subsequent page)

City of Elyria, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2004

	Debt Service		Capital Projects					
	General Bond Retirement	Special Assessment Bond Retirement	Total Debt Service	Bridge Projects	Parks Improvement	Two Falls Trail Improvement	Clean Ohio Grant (Tappan)	Capital Improvement
REVENUES								
Taxes:								
Property Income	\$ 1,672,167		\$ 1,672,167					
Intergovernmental revenues	182,338		182,338			34,450	77,652	
Charges for service								
Licenses and permits		3,755	57,385					
Interest earnings	53,630	583,061	583,061	18	1,240			161
Special assessments								
Fines and forfeitures								
Contributions								
Miscellaneous revenues								
Total revenues	<u>1,908,135</u>	<u>586,816</u>	<u>2,494,951</u>	<u>18</u>	<u>1,240</u>	<u>34,450</u>	<u>77,652</u>	<u>161</u>
EXPENDITURES								
Current:								
Public safety								
Health								
Culture and recreation								
Community environment								
Highways and streets								
General government								
Capital outlay								
Debt service:								
Principal retirement	1,007,213		1,444,248					
Interest and fiscal charges	1,002,004		1,128,792					
Total expenditures	<u>2,058,106</u>	<u>586,816</u>	<u>2,644,922</u>		139	34,450	77,652	
Excess (deficiency) of revenues over (under) expenditures	<u>(149,971)</u>		<u>(149,971)</u>	18	1,101			161
OTHER FINANCING SOURCES (USES)								
Operating transfers in								
Operating transfers out	(200,000)		(200,000)					
Premiums from sale of notes	49,055		49,055					
Gain on sale of capital assets								
Total other financing sources (uses)	<u>(150,945)</u>		<u>(150,945)</u>					
Net change in fund balances	<u>(300,916)</u>		<u>(300,916)</u>	18	1,101			(10,213)
Fund balances - beginning	2,243,278		2,243,278	1,101	76,603			10,052
Fund balances - ending	<u>\$ 1,942,362</u>	<u>\$ 1,942,362</u>	<u>\$ 1,942,362</u>	<u>\$ 1,119</u>	<u>\$ 77,704</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CHESTNUT COMMONS / RIDGE IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	CHESTNUT COMMONS / RIDGE IMPROVEMENT FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Interest earnings	\$ 1,000	\$ 20,000	\$ 23,091	\$ 3,091
TOTAL REVENUES	<u>1,000</u>	<u>20,000</u>	<u>23,091</u>	<u>3,091</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Chestnut Commons / Ridge Impr.				
Operating and maintenance	6,200	143,200	143,187	13
Debt service - principal retirement	500,000	2,500,000	2,500,000	
Interest	50,000	50,000	49,032	968
Capital outlay	1,867,380	2,062,003	2,061,998	5
Total Chestnut Commons / Ridge Impr.	<u>2,423,580</u>	<u>4,755,203</u>	<u>4,754,217</u>	<u>986</u>
TOTAL COMMUNITY ENVIRONMENT	<u>2,423,580</u>	<u>4,755,203</u>	<u>4,754,217</u>	<u>986</u>
TOTAL EXPENDITURES	<u>2,423,580</u>	<u>4,755,203</u>	<u>4,754,217</u>	<u>986</u>
Excess (deficiency) of revenues over expenditures	(2,422,580)	(4,735,203)	(4,731,126)	4,077
OTHER FINANCING SOURCES				
Proceed of notes	2,550,000	2,800,000	2,800,000	
TOTAL OTHER FINANCING SOURCES	<u>2,550,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	
Excess (deficiency) of revenues and other sources over expenditures	127,420	(1,935,203)	(1,931,126)	4,077
Adjustment for prior year encumbrances	1,873,481	1,873,481	1,873,481	
FUND BALANCE AT BEGINNING OF YEAR	<u>315,778</u>	<u>315,778</u>	<u>315,778</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 2,316,679</u>	<u>\$ 254,056</u>	<u>\$ 258,133</u>	<u>\$ 4,077</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNICIPAL BUILDING CONSTRUCTION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	MUNICIPAL BUILDING CONSTRUCTION FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Interest earnings	\$ 10,000	\$ 10,000	\$ 8,717	\$ (1,283)
TOTAL REVENUES	<u>10,000</u>	<u>10,000</u>	<u>8,717</u>	<u>(1,283)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Municipal Building Const/Imp				
Operation and maintenance	36,851	20,681	15,139	5,542
Capital outlay	1,895,440	1,911,610	1,908,464	3,146
Total Municipal Bldg Const/Imp	<u>1,932,291</u>	<u>1,932,291</u>	<u>1,923,603</u>	<u>8,688</u>
TOTAL COMMUNITY ENVIRONMENT	<u>1,932,291</u>	<u>1,932,291</u>	<u>1,923,603</u>	<u>8,688</u>
TOTAL EXPENDITURES	<u>1,932,291</u>	<u>1,932,291</u>	<u>1,923,603</u>	<u>8,688</u>
Excess (deficiency) of revenues over expenditures	(1,922,291)	(1,922,291)	(1,914,886)	7,405
OTHER FINANCING SOURCES				
Sale of notes	2,200,000	2,200,000	2,200,000	
TOTAL OTHER FINANCING SOURCES	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	
Excess (deficiency) of revenues and other sources over expenditures	277,709	277,709	285,114	7,405
Adjustment for prior year encumbrances	1,788,744	1,788,744	1,788,744	
FUND BALANCE AT BEGINNING OF YEAR	<u>133,547</u>	<u>133,547</u>	<u>133,547</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	<u>\$ 2,207,405</u>	<u>\$ 7,405</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 1,800,000	\$ 1,700,000	\$ 1,707,182	\$ 7,182
Interest earnings	1,000	2,700	2,722	22
Miscellaneous revenues	6,000	16,000	17,342	1,342
TOTAL REVENUES	<u>1,807,000</u>	<u>1,718,700</u>	<u>1,727,246</u>	<u>8,546</u>
EXPENDITURES				
PUBLIC SAFETY				
Traffic Lights				
Personal services	268,450	264,550	264,503	47
Fringe benefits	96,018	87,218	87,196	22
Operation and maintenance	99,220	92,620	92,568	52
Capital outlay	23,800	13,800	13,701	99
Total Traffic Lights	<u>487,488</u>	<u>458,188</u>	<u>457,968</u>	<u>220</u>
TOTAL PUBLIC SAFETY	<u>487,488</u>	<u>458,188</u>	<u>457,968</u>	<u>220</u>
HIGHWAYS AND STREETS				
Street				
Personal services	831,087	797,318	797,317	1
Fringe benefits	256,670	216,470	216,446	24
Operation and maintenance	331,900	327,400	327,349	51
Capital outlay	110,000	111,553	111,553	
Total Street	<u>1,529,657</u>	<u>1,452,741</u>	<u>1,452,665</u>	<u>76</u>
TOTAL HIGHWAYS AND STREETS	<u>1,529,657</u>	<u>1,452,741</u>	<u>1,452,665</u>	<u>76</u>
TOTAL EXPENDITURES	<u>2,017,145</u>	<u>1,910,929</u>	<u>1,910,633</u>	<u>296</u>
Excess (deficiency) of revenues over expenditures	(210,145)	(192,229)	(183,387)	8,842
OTHER FINANCING SOURCES				
Other sources			1	1
TOTAL OTHER FINANCING SOURCES			<u>1</u>	<u>1</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(210,145)	(192,229)	(183,386)	8,843
Adjustment for prior year encumbrances	38,273	38,273	38,273	
FUND BALANCE AT BEGINNING OF YEAR	<u>206,195</u>	<u>206,195</u>	<u>206,195</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 34,323</u>	<u>\$ 52,239</u>	<u>\$ 61,082</u>	<u>\$ 8,843</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STATE HIGHWAY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 147,000	\$ 147,000	\$ 138,420	\$ (8,580)
Interest earnings	100	100	318	218
TOTAL REVENUES	<u>147,100</u>	<u>147,100</u>	<u>138,738</u>	<u>(8,362)</u>
EXPENDITURES				
HIGHWAYS AND STREETS				
State Highway				
Operation and maintenance	205,200	302,206	276,299	25,907
Total State Highway	<u>205,200</u>	<u>302,206</u>	<u>276,299</u>	<u>25,907</u>
TOTAL HIGHWAYS AND STREETS	<u>205,200</u>	<u>302,206</u>	<u>276,299</u>	<u>25,907</u>
TOTAL EXPENDITURES	<u>205,200</u>	<u>302,206</u>	<u>276,299</u>	<u>25,907</u>
Excess (deficiency) of revenues over expenditures	(58,100)	(155,106)	(137,561)	17,545
OTHER FINANCING SOURCES				
Operating transfers in		92,345	92,345	
TOTAL OTHER FINANCING SOURCES		<u>92,345</u>	<u>92,345</u>	
Excess (deficiency) of revenues and other sources over expenditures and other uses	(58,100)	(62,761)	(45,216)	17,545
Adjustment for prior year encumbrances	20,000	20,000	20,000	
FUND BALANCE AT BEGINNING OF YEAR	<u>42,761</u>	<u>42,761</u>	<u>42,761</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 4,661</u>	<u>\$</u>	<u>\$ 17,545</u>	<u>\$ 17,545</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
FIRE PENSION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	FIRE PENSION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 244,900	\$ 277,900	\$ 264,344	\$ (13,556)
Intergovernmental revenues	24,900	14,900	28,803	13,903
Interest earnings	1,000	1,000	2,208	1,208
TOTAL REVENUES	270,800	293,800	295,355	1,555
EXPENDITURES				
PUBLIC SAFETY				
Fire Pension				
Fringe benefits	220,000	220,000	220,000	
Operation and maintenance	4,800	4,800	4,610	190
Debt service - principal retirement	23,100	23,100	23,100	
Interest	34,632	34,632	34,632	
Total Fire Pension	282,532	282,532	282,342	190
TOTAL PUBLIC SAFETY	282,532	282,532	282,342	190
TOTAL EXPENDITURES	282,532	282,532	282,342	190
Excess (deficiency) of revenues over expenditures	(11,732)	11,268	13,013	1,745
FUND BALANCE AT BEGINNING OF YEAR	80,818	80,818	80,818	
FUND BALANCE AT END OF YEAR	\$ 69,086	\$ 92,086	\$ 93,831	\$ 1,745

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
POLICE PENSION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	POLICE PENSION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 244,900	\$ 277,900	\$ 264,344	\$ (13,556)
Intergovernmental revenues	24,900	14,900	28,803	13,903
Interest earnings	2,000	2,000	2,135	135
TOTAL REVENUES	271,800	294,800	295,282	482
EXPENDITURES				
PUBLIC SAFETY				
Police Pension				
Fringe benefits	250,000	250,000	250,000	
Operation and maintenance	4,800	4,800	4,672	128
Debt service - principal retirement	11,900	11,900	11,900	
Interest	17,841	17,841	17,841	
Total Police Pension	284,541	284,541	284,413	128
TOTAL PUBLIC SAFETY	284,541	284,541	284,413	128
TOTAL EXPENDITURES	284,541	284,541	284,413	128
Excess (deficiency) of revenues over expenditures	(12,741)	10,259	10,869	610
FUND BALANCE AT BEGINNING OF YEAR	74,307	74,307	74,307	
FUND BALANCE AT END OF YEAR	\$ 61,566	\$ 84,566	\$ 85,176	\$ 610

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	HEALTH GRANT FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Intergovernmental revenues	\$ 599,265	\$ 694,270	\$ 636,532	\$ (57,738)
Charges for services	217,200	230,150	219,740	(10,410)
TOTAL REVENUES	<u>816,465</u>	<u>924,420</u>	<u>856,272</u>	<u>(68,148)</u>
EXPENDITURES				
HEALTH				
Child and Family Health Services				
Personal services	141,425	146,425	144,517	1,908
Fringe benefits	41,193	41,193	39,952	1,241
Operation and maintenance	163,209	163,209	161,451	1,758
Total Child and Family Health Services	<u>345,827</u>	<u>350,827</u>	<u>345,920</u>	<u>4,907</u>
Infant Mortality Program				
Personal services	92,516	88,516	87,663	853
Fringe benefits	37,779	35,979	35,316	663
Operation and maintenance	19,705	31,705	29,802	1,903
Total Infant Mortality Program	<u>150,000</u>	<u>156,200</u>	<u>152,781</u>	<u>3,419</u>
CFHS Project Income				
Personal services	192,154	199,154	197,895	1,259
Fringe benefits	58,428	56,164	54,768	1,396
Operation and maintenance	47,018	47,582	47,440	142
Total CFHS Project Income	<u>297,600</u>	<u>302,900</u>	<u>300,103</u>	<u>2,797</u>
Infrastructure (Disease/Bioterrorism)				
Personal services	28,220	37,500	37,413	87
Fringe benefits	9,660	14,805	14,724	81
Operation and maintenance	10,850	26,305	15,081	11,224
Total Infrastructure (Disease/Bioterrorism)	<u>48,730</u>	<u>78,610</u>	<u>67,218</u>	<u>11,392</u>
Womens' Health Grant				
Personal services	15,360	40,496	40,010	486
Fringe benefits	5,921	15,532	14,579	953
Operation and maintenance	23,746	45,277	45,277	
Total Womens' Health Grant	<u>45,027</u>	<u>101,305</u>	<u>99,866</u>	<u>1,439</u>
Tobacco Grant				
Personal services		3,461	3,460	1
Fringe benefits		608	608	
Operation and maintenance		1,228	204	1,024
Total Tobacco Grant		<u>5,297</u>	<u>4,272</u>	<u>1,025</u>
TOTAL HEALTH	<u>887,184</u>	<u>995,139</u>	<u>970,160</u>	<u>24,979</u>
TOTAL EXPENDITURES	<u>887,184</u>	<u>995,139</u>	<u>970,160</u>	<u>24,979</u>

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CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

HEALTH GRANT FUND				
	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive (Negative)
Excess (deficiency) of revenues over expenditures	(70,719)	(70,719)	(113,888)	(43,169)
OTHER FINANCING SOURCES				
Operating transfers in			26,249	26,249
TOTAL OTHER FINANCING SOURCES			26,249	26,249
Excess (deficiency) of revenues and other sources over expenditures and other uses	(70,719)	(70,719)	(87,639)	(16,920)
Adjustment for prior year encumbrances	15,879	15,879	15,879	
FUND BALANCE AT BEGINNING OF YEAR	54,840	54,840	54,840	
FUND BALANCE AT END OF YEAR	\$	\$	\$ (16,920)	\$ (16,920)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNICIPAL MOTOR VEHICLE TAX FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	MUNICIPAL MOTOR VEHICLE TAX FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 963,000	\$ 907,000	\$ 893,033	\$ (13,967)
Interest earnings	5,989	5,989	6,165	176
TOTAL REVENUES	<u>968,989</u>	<u>912,989</u>	<u>899,198</u>	<u>(13,791)</u>
EXPENDITURES				
HIGHWAYS AND STREETS				
Municipal Motor Vehicle Tax				
Operation and maintenance		1,374	1,374	
Capital outlay	700,000	941,673	837,539	104,134
Total Municipal Motor Vehicle Tax	<u>700,000</u>	<u>943,047</u>	<u>838,913</u>	<u>104,134</u>
TOTAL HIGHWAYS & STREETS	<u>700,000</u>	<u>943,047</u>	<u>838,913</u>	<u>104,134</u>
TOTAL EXPENDITURES	<u>700,000</u>	<u>943,047</u>	<u>838,913</u>	<u>104,134</u>
Excess (deficiency) of revenues over expenditures	268,989	(30,058)	60,285	90,343
Adjustment for prior year encumbrances	18,104	18,104	18,104	
FUND BALANCE AT BEGINNING OF YEAR	<u>12,907</u>	<u>12,907</u>	<u>12,907</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 300,000</u>	<u>\$ 953</u>	<u>\$ 91,296</u>	<u>\$ 90,343</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BLOCK GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	BLOCK GRANT FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 1,277,708	\$ 1,214,308	\$ 857,704	\$ (356,604)
Charges for services			135	135
Special assessments	5,000	5,000		(5,000)
Miscellaneous revenues	50,000	50,000	126,171	76,171
TOTAL REVENUES	<u>1,332,708</u>	<u>1,269,308</u>	<u>984,010</u>	<u>(285,298)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Administration				
Personal services	97,946	102,946	102,361	585
Fringe benefits	25,115	25,115	24,078	1,037
Operation and maintenance	228,300	183,300	174,861	8,439
Debt service - principal retirement	80,000	80,000	80,000	
Interest	13,000	13,000	12,860	140
Capital outlay	319,000	269,000	207,576	61,424
Total Administration	<u>763,361</u>	<u>673,361</u>	<u>601,736</u>	<u>71,625</u>
Rehab/Operations				
Personal services	288,704	286,904	286,584	320
Fringe benefits	90,135	79,335	78,677	658
Operation and maintenance	131,000	171,000	159,534	11,466
Total Rehab/Operations	<u>509,839</u>	<u>537,239</u>	<u>524,795</u>	<u>12,444</u>
TOTAL COMMUNITY ENVIRONMENT	<u>1,273,200</u>	<u>1,210,600</u>	<u>1,126,531</u>	<u>84,069</u>
TOTAL EXPENDITURES	<u>1,273,200</u>	<u>1,210,600</u>	<u>1,126,531</u>	<u>84,069</u>
Excess (deficiency) of revenues over expenditures	59,508	58,708	(142,521)	(201,229)
OTHER FINANCING SOURCES				
Operating transfers in			7,146	7,146
Other financing sources			105,356	105,356
TOTAL OTHER FINANCING SOURCES			<u>112,502</u>	<u>112,502</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	59,508	58,708	(30,019)	(88,727)
Adjustment for prior year encumbrances	182,011	182,011	182,011	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>(239,750)</u>	<u>(239,750)</u>	<u>(239,750)</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 1,769</u>	<u>\$ 969</u>	<u>\$ (87,758)</u>	<u>\$ (88,727)</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
C.H.I.P. GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	C.H.I.P. GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 464,551	\$ 419,551	\$ 402,761	\$ (16,790)
Miscellaneous revenues	75,000	75,000	90,817	15,817
TOTAL REVENUES	<u>539,551</u>	<u>494,551</u>	<u>493,578</u>	<u>(973)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
C.H.I.P. Grant				
Personal services	45,148	45,148	44,681	467
Fringe benefits	11,765	11,765	11,137	628
Operation and maintenance	371,600	346,600	332,340	14,260
Total C.H.I.P. Grant	<u>428,513</u>	<u>403,513</u>	<u>388,158</u>	<u>15,355</u>
TOTAL COMMUNITY ENVIRONMENT	<u>428,513</u>	<u>403,513</u>	<u>388,158</u>	<u>15,355</u>
TOTAL EXPENDITURES	<u>428,513</u>	<u>403,513</u>	<u>388,158</u>	<u>15,355</u>
Excess (deficiency) of revenues over expenditures	111,038	91,038	105,420	14,382
Adjustment for prior year encumbrances	91,378	91,378	91,378	
FUND BALANCE AT BEGINNING OF YEAR	<u>(105,929)</u>	<u>(105,929)</u>	<u>(105,929)</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 96,487</u>	<u>\$ 76,487</u>	<u>\$ 90,869</u>	<u>\$ 14,382</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT TECHNOLOGY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	MUNI COURT TECHNOLOGY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 109	\$ 109
Fines and forfeitures	190,000	190,000	171,807	(18,193)
TOTAL REVENUES	<u>190,000</u>	<u>190,000</u>	<u>171,916</u>	<u>(18,084)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Muni Court Technology				
Personal services	60,100	60,100	56,587	3,513
Fringe benefits	17,302	17,302	17,126	176
Operation and maintenance	131,600	131,600	97,974	33,626
Capital outlay	40,000	40,000	20,015	19,985
Total Muni Court Technology	<u>249,002</u>	<u>249,002</u>	<u>191,702</u>	<u>57,300</u>
TOTAL GENERAL GOVERNMENT	<u>249,002</u>	<u>249,002</u>	<u>191,702</u>	<u>57,300</u>
TOTAL EXPENDITURES	<u>249,002</u>	<u>249,002</u>	<u>191,702</u>	<u>57,300</u>
Excess (deficiency) of revenues over expenditures	(59,002)	(59,002)	(19,786)	39,216
Adjustment for prior year encumbrances	31,459	31,459	31,459	
FUND BALANCE AT BEGINNING OF YEAR	<u>28,029</u>	<u>28,029</u>	<u>28,029</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 486</u>	<u>\$ 486</u>	<u>\$ 39,702</u>	<u>\$ 39,216</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT SECURITY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	MUNI COURT SECURITY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 1,300	\$ 1,300	\$ 1,799	\$ 499
Fines and forfeitures	75,000	69,000	68,537	(463)
TOTAL REVENUES	<u>76,300</u>	<u>70,300</u>	<u>70,336</u>	<u>36</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Muni Court Security				
Personal services	45,000	45,000	40,027	4,973
Fringe benefits	8,103	8,103	5,992	2,111
Operation and maintenance	21,100	21,100	10,319	10,781
Capital outlay	30,000	30,000	23,975	6,025
Total Muni Court Security	<u>104,203</u>	<u>104,203</u>	<u>80,313</u>	<u>23,890</u>
TOTAL GENERAL GOVERNMENT	<u>104,203</u>	<u>104,203</u>	<u>80,313</u>	<u>23,890</u>
TOTAL EXPENDITURES	<u>104,203</u>	<u>104,203</u>	<u>80,313</u>	<u>23,890</u>
Excess (deficiency) of revenues over expenditures	(27,903)	(33,903)	(9,977)	23,926
OTHER FINANCING SOURCES				
Other sources		19,500	19,519	19
TOTAL OTHER FINANCING SOURCES		<u>19,500</u>	<u>19,519</u>	<u>19</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(27,903)	(14,403)	9,542	23,945
FUND BALANCE AT BEGINNING OF YEAR	<u>108,349</u>	<u>108,349</u>	<u>108,349</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 80,446</u>	<u>\$ 93,946</u>	<u>\$ 117,891</u>	<u>\$ 23,945</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT CONSTRUCTION AND IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>MUNI COURT CONSTRUCTION AND IMPROVEMENT FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 5,000	\$ 5,000	\$ 6,559	\$ 1,559
Fines and forfeitures	160,000	160,000	172,870	12,870
TOTAL REVENUES	<u>165,000</u>	<u>165,000</u>	<u>179,429</u>	<u>14,429</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Muni Court Constr/Imp				
Operation and maintenance	25,000	25,000	16,352	8,648
Capital outlay		37,000	500	36,500
Total Muni Court Constr/Imp	<u>25,000</u>	<u>62,000</u>	<u>16,852</u>	<u>45,148</u>
TOTAL GENERAL GOVERNMENT	<u>25,000</u>	<u>62,000</u>	<u>16,852</u>	<u>45,148</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>62,000</u>	<u>16,852</u>	<u>45,148</u>
Excess (deficiency) of revenues over expenditures	140,000	103,000	162,577	59,577
FUND BALANCE AT BEGINNING OF YEAR	<u>451,914</u>	<u>451,914</u>	<u>451,914</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 591,914</u>	<u>\$ 554,914</u>	<u>\$ 614,491</u>	<u>\$ 59,577</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SPECIAL PARKING FINES FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>SPECIAL PARKING FINES FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 500	\$ 500	\$ 710	\$ 210
Fines and forfeitures	15,000	15,000	12,613	(2,387)
TOTAL REVENUES	<u>15,500</u>	<u>15,500</u>	<u>13,323</u>	<u>(2,177)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Special Parking Fine				
Operation and maintenance	18,500	14,000	10,347	3,653
Capital outlay	30,000	34,500	23,809	10,691
Total Special Parking Fine	<u>48,500</u>	<u>48,500</u>	<u>34,156</u>	<u>14,344</u>
TOTAL GENERAL GOVERNMENT	<u>48,500</u>	<u>48,500</u>	<u>34,156</u>	<u>14,344</u>
TOTAL EXPENDITURES	<u>48,500</u>	<u>48,500</u>	<u>34,156</u>	<u>14,344</u>
Excess (deficiency) of revenues over expenditures	(33,000)	(33,000)	(20,833)	12,167
Adjustment for prior year encumbrances	5,819	5,819	5,819	
FUND BALANCE AT BEGINNING OF YEAR	<u>43,884</u>	<u>43,884</u>	<u>43,884</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 16,703</u>	<u>\$ 16,703</u>	<u>\$ 28,870</u>	<u>\$ 12,167</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
LEGAL RESEARCH & COURT COMPUTERIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>LEGAL RESEARCH & COURT COMPUTERIZATION FUND</u>			
	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 55,000	\$ 55,000	\$ 52,687	\$ (2,313)
TOTAL REVENUES	<u>55,000</u>	<u>55,000</u>	<u>52,687</u>	<u>(2,313)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Legal Research & Court Computerization				
Operation and maintenance	25,000	33,000	26,811	6,189
Capital outlay	10,000	23,000	21,496	1,504
Total Legal Research & Court Comp.	<u>35,000</u>	<u>56,000</u>	<u>48,307</u>	<u>7,693</u>
TOTAL GENERAL GOVERNMENT	<u>35,000</u>	<u>56,000</u>	<u>48,307</u>	<u>7,693</u>
TOTAL EXPENDITURES	<u>35,000</u>	<u>56,000</u>	<u>48,307</u>	<u>7,693</u>
Excess (deficiency) of revenues over expenditures	20,000	(1,000)	4,380	5,380
Adjustment for prior year encumbrances	7,650	7,650	7,650	
FUND BALANCE AT BEGINNING OF YEAR	<u>117,310</u>	<u>117,310</u>	<u>117,310</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 144,960</u>	<u>\$ 123,960</u>	<u>\$ 129,340</u>	<u>\$ 5,380</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT SPECIAL COLLECTIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

	MUNI COURT SPECIAL COLLECTIONS			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Fines and forfeitures	\$ 27,000	\$ 27,000	\$ 34,213	\$ 7,213
TOTAL REVENUES	27,000	27,000	34,213	7,213
Excess (deficiency) of revenues over expenditures	27,000	27,000	34,213	7,213
FUND BALANCE AT BEGINNING OF YEAR	41,350	41,350	41,350	
FUND BALANCE AT END OF YEAR	\$ 68,350	\$ 68,350	\$ 75,563	\$ 7,213

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
FOOD SERVICE OPERATIONS FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	FOOD SERVICE OPERATIONS FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 56,300	\$ 59,900	\$ 60,489	\$ 589
Interest earnings	500	500	290	(210)
TOTAL REVENUES	56,800	60,400	60,779	379
EXPENDITURES				
HEALTH				
Food Service				
Personal services	61,049	61,049	60,907	142
Fringe benefits	20,889	20,456	20,309	147
Operation and maintenance	3,062	3,890	3,890	
Total Food Service	85,000	85,395	85,106	289
TOTAL HEALTH	85,000	85,395	85,106	289
TOTAL EXPENDITURES	85,000	85,395	85,106	289
Excess (deficiency) of revenues over expenditures	(28,200)	(24,995)	(24,327)	668
OTHER FINANCING SOURCES				
Operating transfers in	15,000	15,000	15,000	
TOTAL OTHER FINANCING SOURCES	15,000	15,000	15,000	
Excess (deficiency) of revenues and other sources over expenditures and other uses	(13,200)	(9,995)	(9,327)	668
Adjustment for prior year encumbrances	976	976	976	
FUND BALANCE AT BEGINNING OF YEAR	12,276	12,276	12,276	
FUND BALANCE AT END OF YEAR	\$ 52	\$ 3,257	\$ 3,925	\$ 668

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
DENTAL HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	DENTAL HEALTH GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 56,000	\$ 56,000	\$ 53,858	\$ (2,142)
Charges for services	1,000	1,000	662	(338)
TOTAL REVENUES	57,000	57,000	54,520	(2,480)
EXPENDITURES				
HEALTH				
Dental Sealant Program				
Personal services	26,825	16,825	15,181	1,644
Fringe benefits	4,292	2,592	2,277	315
Operation and maintenance	14,527	14,527	4,515	10,012
Total Dental Sealant Program	45,644	33,944	21,973	11,971
Pediatric Dental Care				
Personal services	5,596	5,596	5,304	292
Fringe benefits	895	895	796	99
Operation and maintenance	15,509	15,509	9,382	6,127
Total Pediatric Dental Care	22,000	22,000	15,482	6,518
TOTAL HEALTH	67,644	55,944	37,455	18,489
TOTAL EXPENDITURES	67,644	55,944	37,455	18,489
Excess (deficiency) of revenues over expenditures	(10,644)	1,056	17,065	16,009
Adjustment for prior year encumbrances	168	168	168	
FUND BALANCE AT BEGINNING OF YEAR	14,021	14,021	14,021	
FUND BALANCE AT END OF YEAR	\$ 3,545	\$ 15,245	\$ 31,254	\$ 16,009

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SWIMMING POOL INSPECTION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	SWIMMING POOL INSPECTION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 3,800	\$ 3,800	\$ 3,740	\$ (60)
Interest earnings	50	50	16	(34)
TOTAL REVENUES	<u>3,850</u>	<u>3,850</u>	<u>3,756</u>	<u>(94)</u>
EXPENDITURES				
HEALTH				
Swimming Pool Inspection				
Personal services	2,794	2,994	2,905	89
Fringe benefits	534	534	522	12
Operation and maintenance	672	472	48	424
Total Swimming Pool Inspection	<u>4,000</u>	<u>4,000</u>	<u>3,475</u>	<u>525</u>
TOTAL HEALTH	<u>4,000</u>	<u>4,000</u>	<u>3,475</u>	<u>525</u>
TOTAL EXPENDITURES	<u>4,000</u>	<u>4,000</u>	<u>3,475</u>	<u>525</u>
Excess (deficiency) of revenues over expenditures	(150)	(150)	281	431
FUND BALANCE AT BEGINNING OF YEAR	<u>954</u>	<u>954</u>	<u>954</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 804</u>	<u>\$ 804</u>	<u>\$ 1,235</u>	<u>\$ 431</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
LAW ENFORCEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	LAW ENFORCEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 1,500	\$ 150	\$ 136	\$ (14)
Miscellaneous revenues	<u>150,000</u>	<u>19,000</u>	<u>18,827</u>	<u>(173)</u>
TOTAL REVENUES	<u>151,500</u>	<u>19,150</u>	<u>18,963</u>	<u>(187)</u>
EXPENDITURES				
PUBLIC SAFETY				
Law Enforcement				
Personal services	60,000			
Fringe benefits	13,170			
Operation and maintenance	47,600	26,067	26,067	
Capital outlay	<u>24,373</u>	<u>6,500</u>	<u>6,500</u>	
Total Law Enforcement	<u>145,143</u>	<u>32,567</u>	<u>32,567</u>	
TOTAL PUBLIC SAFETY	<u>145,143</u>	<u>32,567</u>	<u>32,567</u>	
TOTAL EXPENDITURES	<u>145,143</u>	<u>32,567</u>	<u>32,567</u>	
Excess (deficiency) of revenues over expenditures	6,357	(13,417)	(13,604)	(187)
Adjustment for prior year encumbrances	8,612	8,612	8,612	
FUND BALANCE AT BEGINNING OF YEAR	<u>6,418</u>	<u>6,418</u>	<u>6,418</u>	
FUND BALANCE AT END OF YEAR	<u><u>\$ 21,387</u></u>	<u><u>\$ 1,613</u></u>	<u><u>\$ 1,426</u></u>	<u><u>\$ (187)</u></u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MANDATORY DRUG FINE FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	MANDATORY DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 400	\$ 400	\$ 440	\$ 40
Fines and forfeitures	7,000	26,100	26,186	86
Miscellaneous revenues			102	102
TOTAL REVENUES	7,400	26,500	26,728	228
EXPENDITURES				
PUBLIC SAFETY				
Mandatory Drug Fine				
Operation and maintenance	15,100	15,100	9,816	5,284
Capital outlay	14,219	14,219	7,824	6,395
Total Mandatory Drug Fine	29,319	29,319	17,640	11,679
TOTAL PUBLIC SAFETY	29,319	29,319	17,640	11,679
TOTAL EXPENDITURES	29,319	29,319	17,640	11,679
Excess (deficiency) of revenues over expenditures	(21,919)	(2,819)	9,088	11,907
Adjustment for prior year encumbrances	9,624	9,624	9,624	
FUND BALANCE AT BEGINNING OF YEAR	15,136	15,136	15,136	
FUND BALANCE AT END OF YEAR	\$ 2,841	\$ 21,941	\$ 33,848	\$ 11,907

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
INDIGENT DRIVERS ALCOHOL TREATMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>INDIGENT DRIVERS ALCOHOL TREATMENT FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 4,000	\$ 4,000	\$ 5,933	\$ 1,933
Fines and forfeitures	50,000	39,000	52,916	13,916
TOTAL REVENUES	<u>54,000</u>	<u>43,000</u>	<u>58,849</u>	<u>15,849</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Indigent Drivers Alcohol Treatment				
Operation and maintenance	65,075	65,075	22,689	42,386
Total Indigent Drivers Alcohol Treatment	<u>65,075</u>	<u>65,075</u>	<u>22,689</u>	<u>42,386</u>
TOTAL GENERAL GOVERNMENT	<u>65,075</u>	<u>65,075</u>	<u>22,689</u>	<u>42,386</u>
TOTAL EXPENDITURES	<u>65,075</u>	<u>65,075</u>	<u>22,689</u>	<u>42,386</u>
Excess (deficiency) of revenues over expenditures	(11,075)	(22,075)	36,160	58,235
Adjustment for prior year encumbrances	216	216	216	
FUND BALANCE AT BEGINNING OF YEAR	<u>393,052</u>	<u>393,052</u>	<u>393,052</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 382,193</u>	<u>\$ 371,193</u>	<u>\$ 429,428</u>	<u>\$ 58,235</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALCOHOL ENFORCEMENT AND EDUCATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>ALCOHOL ENFORCEMENT AND EDUCATION FUND</u>				
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Interest earnings	\$ 100	\$ 100	\$ 269	\$ 169
Fines and forfeitures	2,500	2,500	1,376	(1,124)
TOTAL REVENUES	<u>2,600</u>	<u>2,600</u>	<u>1,645</u>	<u>(955)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Alcohol Enforcement and Education				
Operation and maintenance	6,000	6,000	630	5,370
Total Alcohol Enforcement and Education	<u>6,000</u>	<u>6,000</u>	<u>630</u>	<u>5,370</u>
TOTAL GENERAL GOVERNMENT	<u>6,000</u>	<u>6,000</u>	<u>630</u>	<u>5,370</u>
TOTAL EXPENDITURES	<u>6,000</u>	<u>6,000</u>	<u>630</u>	<u>5,370</u>
Excess (deficiency) of revenues over expenditures	(3,400)	(3,400)	1,015	4,415
FUND BALANCE AT BEGINNING OF YEAR	<u>15,614</u>	<u>15,614</u>	<u>15,614</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 12,214</u>	<u>\$ 12,214</u>	<u>\$ 16,629</u>	<u>\$ 4,415</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
POLICE LEVY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	POLICE LEVY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,850,000	\$ 3,015,000	\$ 3,015,914	\$ 914
Interest earnings	4,000	4,000	7,638	3,638
Miscellaneous revenues	15,000	11,000	10,726	(274)
TOTAL REVENUES	2,869,000	3,030,000	3,034,278	4,278
EXPENDITURES				
PUBLIC SAFETY				
Police Levy				
Personal services	2,168,105	2,118,105	2,086,401	31,704
Fringe benefits	691,462	691,462	652,264	39,198
Operation and maintenance	425,668	390,668	350,901	39,767
Capital outlay	21,828	21,828	614	21,214
Total Police Levy	3,307,063	3,222,063	3,090,180	131,883
TOTAL PUBLIC SAFETY	3,307,063	3,222,063	3,090,180	131,883
TOTAL EXPENDITURES	3,307,063	3,222,063	3,090,180	131,883
Excess (deficiency) of revenues over expenditures	(438,063)	(192,063)	(55,902)	136,161
OTHER FINANCING SOURCES				
Other financing sources			45	45
TOTAL OTHER FINANCING SOURCES			45	45
Excess (deficiency) of revenues and other sources over expenditures and other uses	(438,063)	(192,063)	(55,857)	136,206
Adjustment for prior year encumbrances	51,498	51,498	51,498	
FUND BALANCE AT BEGINNING OF YEAR	422,556	422,556	422,556	
FUND BALANCE AT END OF YEAR	\$ 35,991	\$ 281,991	\$ 418,197	\$ 136,206

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WAGNER TRUST FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>WAGNER TRUST FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 100	\$ 100	\$ 67	\$ (33)
Miscellaneous revenues	4,000	4,000	2,931	(1,069)
TOTAL REVENUES	<u>4,100</u>	<u>4,100</u>	<u>2,998</u>	<u>(1,102)</u>
Excess (deficiency) of revenues over expenditures	4,100	4,100	2,998	(1,102)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,935</u>	<u>1,935</u>	<u>1,935</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 6,035</u>	<u>\$ 6,035</u>	<u>\$ 4,933</u>	<u>\$ (1,102)</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
FINDLEY TRUST FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>FINDLEY TRUST FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 1,200	\$ 1,200	\$ 1,774	\$ 574
Miscellaneous revenues	40,000	40,000	45,805	5,805
TOTAL REVENUES	<u>41,200</u>	<u>41,200</u>	<u>47,579</u>	<u>6,379</u>
EXPENDITURES				
Findley Trust				
Personal services	20,000	5,419	5,418	1
Fringe benefits	3,200	813	813	
Operation and maintenance	51,450	50,918	39,885	11,033
Capital outlay	30,000	5,000	5,000	
Total Findley Trust	<u>104,650</u>	<u>62,150</u>	<u>51,116</u>	<u>11,034</u>
TOTAL EXPENDITURES	<u>104,650</u>	<u>62,150</u>	<u>51,116</u>	<u>11,034</u>
Excess (deficiency) of revenues over expenditures	(63,450)	(20,950)	(3,537)	17,413
Adjustment for prior year encumbrances	13,454	13,454	13,454	
FUND BALANCE AT BEGINNING OF YEAR	<u>123,484</u>	<u>123,484</u>	<u>123,484</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 73,488</u>	<u>\$ 115,988</u>	<u>\$ 133,401</u>	<u>\$ 17,413</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CEMETERY MAINTENANCE AND IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>CEMETERY MAINTENANCE AND IMPROVEMENT FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Interest earnings	\$ 1,000	\$ 1,000	\$ 1,097	\$ 97
Miscellaneous revenues	76,000	92,000	95,141	3,141
TOTAL REVENUES	<u>77,000</u>	<u>93,000</u>	<u>96,238</u>	<u>3,238</u>
EXPENDITURES				
Cemetery Maintenance and Improvement				
Personal services	55,000	45,000	42,166	2,834
Fringe benefits	8,251	8,251	6,325	1,926
Operation and maintenance	64,900	64,900	54,822	10,078
Capital outlay	15,500	15,500	14,578	922
Total Cemetery Maintenance and Improvement	<u>143,651</u>	<u>133,651</u>	<u>117,891</u>	<u>15,760</u>
TOTAL EXPENDITURES	<u>143,651</u>	<u>133,651</u>	<u>117,891</u>	<u>15,760</u>
Excess (deficiency) of revenues over expenditures	(66,651)	(40,651)	(21,653)	18,998
OTHER FINANCING SOURCES				
Operating transfers in	8,000	8,000	7,726	(274)
TOTAL OTHER FINANCING SOURCES	<u>8,000</u>	<u>8,000</u>	<u>7,726</u>	<u>(274)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(58,651)	(32,651)	(13,927)	18,724
Adjustment for prior year encumbrances	4,374	4,374	4,374	
FUND BALANCE AT BEGINNING OF YEAR	<u>74,969</u>	<u>74,969</u>	<u>74,969</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 20,692</u>	<u>\$ 46,692</u>	<u>\$ 65,416</u>	<u>\$ 18,724</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL BOND RETIREMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,588,000	\$ 1,762,900	\$ 1,672,210	\$ (90,690)
Intergovernmental revenues	160,000	91,600	182,338	90,738
Interest earnings	50,000	35,800	35,762	(38)
TOTAL REVENUES	1,798,000	1,890,300	1,890,310	10
EXPENDITURES				
DEBT SERVICE				
General Bond Retirement				
Operation and maintenance	35,000	50,600	48,889	1,711
Principal retirement	1,133,594	1,204,501	1,204,501	
Interest	1,050,464	1,050,464	1,004,528	45,936
Total General Bond Retirement	2,219,058	2,305,565	2,257,918	47,647
TOTAL DEBT SERVICE	2,219,058	2,305,565	2,257,918	47,647
TOTAL EXPENDITURES	2,219,058	2,305,565	2,257,918	47,647
Excess (deficiency) of revenues over expenditures	(421,058)	(415,265)	(367,608)	47,657
OTHER FINANCING SOURCES				
Sale of notes		49,000	49,055	55
TOTAL OTHER FINANCING SOURCES		49,000	49,055	55
Excess (deficiency) of revenues and other sources over expenditures and other uses	(421,058)	(366,265)	(318,553)	47,712
FUND BALANCE AT BEGINNING OF YEAR	2,213,837	2,213,837	2,213,837	
FUND BALANCE AT END OF YEAR	\$ 1,792,779	\$ 1,847,572	\$ 1,895,284	\$ 47,712

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SPECIAL ASSESSMENT BOND RETIREMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	SPECIAL ASSESSMENT BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 1,000	\$ 1,000	\$ 3,754	\$ 2,754
Special assessments	612,000	585,816	583,061	(2,755)
TOTAL REVENUES	<u>613,000</u>	<u>586,816</u>	<u>586,815</u>	<u>(1)</u>
EXPENDITURES				
DEBT SERVICE				
Special Assessment Bond Retirement				
Operation and maintenance	27,000	22,993	22,993	
Principal retirement	510,654	488,477	488,476	1
Interest	75,346	75,346	75,346	
Total Special Assessment Bond Retirement	<u>613,000</u>	<u>586,816</u>	<u>586,815</u>	
TOTAL DEBT SERVICE	<u>613,000</u>	<u>586,816</u>	<u>586,815</u>	
TOTAL EXPENDITURES	<u>613,000</u>	<u>586,816</u>	<u>586,815</u>	
Excess (deficiency) of revenues over expenditures				
FUND BALANCE AT BEGINNING OF YEAR				
FUND BALANCE AT END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
 BRIDGE PROJECTS FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2004

BRIDGE PROJECTS FUND			
	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>with Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Interest earnings	\$	\$	\$
	<u>17</u>	<u>17</u>	<u>17</u>
TOTAL REVENUES			
	<u>17</u>	<u>17</u>	<u>17</u>
Excess (deficiency) of revenues over expenditures			
		17	17
FUND BALANCE AT BEGINNING OF YEAR	<u>1,101</u>	<u>1,101</u>	<u>1,101</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,101</u>	<u>\$ 1,101</u>	<u>\$ 1,118</u>
	<u>17</u>	<u>17</u>	<u>17</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
PARKS IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	PARKS IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 960	\$ 960
Miscellaneous revenues				
TOTAL REVENUES			<u>960</u>	<u>960</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Parks Improvement				
Operating and maintenance	<u>5,100</u>	<u>5,100</u>	<u>2,543</u>	<u>2,557</u>
Total Parks Improvement	<u>5,100</u>	<u>5,100</u>	<u>2,543</u>	<u>2,557</u>
TOTAL COMMUNITY ENVIRONMENT	<u>5,100</u>	<u>5,100</u>	<u>2,543</u>	<u>2,557</u>
TOTAL EXPENDITURES	<u>5,100</u>	<u>5,100</u>	<u>2,543</u>	<u>2,557</u>
Excess (deficiency) of revenues over expenditures	(5,100)	(5,100)	(1,583)	3,517
Adjustment for prior year encumbrances	5,059	5,059	5,059	
FUND BALANCE AT BEGINNING OF YEAR	<u>73,860</u>	<u>73,860</u>	<u>73,860</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 73,819</u>	<u>\$ 73,819</u>	<u>\$ 77,336</u>	<u>\$ 3,517</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
TWO FALLS TRAIL IMPROVEMENT PROJECT-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

TWO FALLS TRAIL IMPROVEMENT PROJECT FUND				
	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
REVENUES				
Intergovernmental grants	\$	\$ 60,300	\$ 34,450	\$ (25,850)
TOTAL REVENUES		60,300	34,450	(25,850)
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Two Falls Trail Improvement Project				
Operation and maintenance		60,300	60,300	
Total Two Falls Trail Improvement Project		60,300	60,300	
TOTAL Community Environment		60,300	60,300	
TOTAL EXPENDITURES		60,300	60,300	
Excess (deficiency) of revenues over expenditures			(25,850)	(25,850)
FUND BALANCE AT BEGINNING OF YEAR				
FUND BALANCE AT END OF YEAR	\$	\$	\$ (25,850)	\$ (25,850)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CLEAN OHIO GRANT (TAPPAN) FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	CLEAN OHIO GRANT (TAPPAN) FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental grants	\$ 82,319	\$ 92,705	\$ 74,359	\$ (18,346)
TOTAL REVENUES	<u>82,319</u>	<u>92,705</u>	<u>74,359</u>	<u>(18,346)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Clean Ohio Grant (Tappan)				
Operation and maintenance	12,239	79,185	79,185	
Total Clean Ohio Grant (Tappan)	<u>12,239</u>	<u>79,185</u>	<u>79,185</u>	
TOTAL COMMUNITY ENVIRONMENT	<u>12,239</u>	<u>79,185</u>	<u>79,185</u>	
TOTAL EXPENDITURES	<u>12,239</u>	<u>79,185</u>	<u>79,185</u>	
Excess (deficiency) of revenues over expenditures	70,080	13,520	(4,826)	(18,346)
OTHER FINANCING SOURCES (USES)				
Operating transfers in			11,117	11,117
Operating transfers out		(13,520)	(13,519)	1
TOTAL OTHER FINANCING (USES)		<u>(13,520)</u>	<u>(2,402)</u>	<u>11,118</u>
Excess (deficiency) of revenues over expenditures and other uses	70,080		(7,228)	(7,228)
Adjustment for prior year encumbrances	12,238	12,238	12,238	
FUND BALANCE AT BEGINNING OF YEAR	<u>(12,238)</u>	<u>(12,238)</u>	<u>(12,238)</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 70,080</u>	<u>\$</u>	<u>\$ (7,228)</u>	<u>\$ (7,228)</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CAPITAL IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest earnings	\$	162	\$ 161	\$ (1)
TOTAL REVENUES	\$	162	161	(1)
 OPERATING TRANSFERS OUT		10,214	10,213	1
Excess (deficiency) of revenues over expenditures and other uses		(10,052)	(10,052)	
FUND BALANCE AT BEGINNING OF YEAR	10,052	10,052	10,052	
FUND BALANCE AT END OF YEAR	\$ 10,052	\$	\$	\$

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CASCADE/ELYWOOD FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	CASCADE/ELYWOOD FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 856	\$ 856
Miscellaneous revenues	103,432	93,432	35,285	(58,147)
TOTAL REVENUES	<u>103,432</u>	<u>93,432</u>	<u>36,141</u>	<u>(57,291)</u>
EXPENDITURES				
CULTURE AND RECREATION				
Cascade/Elywood				
Capital outlay	136,880	136,880	15,447	121,433
Total Cascade/Elywood	<u>136,880</u>	<u>136,880</u>	<u>15,447</u>	<u>121,433</u>
TOTAL CULTURE AND RECREATION	<u>136,880</u>	<u>136,880</u>	<u>15,447</u>	<u>121,433</u>
TOTAL EXPENDITURES	<u>136,880</u>	<u>136,880</u>	<u>15,447</u>	<u>121,433</u>
Excess (deficiency) of revenues over expenditures	(33,448)	(43,448)	20,694	64,142
Adjustment for prior year encumbrances	10,002	10,002	10,002	
FUND BALANCE AT BEGINNING OF YEAR	<u>33,446</u>	<u>33,446</u>	<u>33,446</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 10,000</u>	<u>\$</u>	<u>\$ 64,142</u>	<u>\$ 64,142</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STATE ISSUE II CAPITAL PROJECTS FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	STATE ISSUE II CAPITAL PROJECTS FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 462,487	\$ 1,238,328	\$ 607,755	\$ (630,573)
Interest earnings		198	263	65
TOTAL REVENUES	<u>462,487</u>	<u>1,238,526</u>	<u>608,018</u>	<u>(630,508)</u>
EXPENDITURES				
HIGHWAYS AND STREETS				
Defiance, Furnace and Other Improvement				
Personal services		2,805	107	2,698
Fringe benefits		560	16	544
Operation and maintenance		1,115	1,115	
Capital outlay		<u>377,291</u>	<u>377,291</u>	
Total Defiance, Furnace and Other Improvement		<u>381,771</u>	<u>378,529</u>	<u>3,242</u>
Broad St. - West Ave. to E. Bridge				
Personal services		1,747	107	1,640
Fringe benefits		380	16	364
Operation and maintenance		1,073	1,073	
Capital outlay		<u>259,236</u>	<u>259,236</u>	
Total Broad St. - West Ave. to E. Bridge		<u>262,436</u>	<u>260,432</u>	<u>2,004</u>
West River Rd. - Infirmary to 2nd St.				
Personal services		1,259	706	553
Fringe benefits		212	96	116
Operation and maintenance		541	541	
Capital outlay		<u>125,834</u>	<u>111,053</u>	<u>14,781</u>
Total West River Rd. - Infirmary to 2nd St.		<u>127,846</u>	<u>112,396</u>	<u>15,450</u>
Winckles St./Woodford Ave. Improvement				
Capital outlay	147,538	142,647	142,647	
Total Winckles St./Woodford Ave. Improvement	<u>147,538</u>	<u>142,647</u>	<u>142,647</u>	
Huron St./Hilliard Rd. Improvement				
Capital outlay	169,249	190,367	190,366	1
Total Huron St./Hilliard Rd. Improvement	<u>169,249</u>	<u>190,367</u>	<u>190,366</u>	<u>1</u>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STATE ISSUE II CAPITAL PROJECTS FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	STATE ISSUE II CAPITAL PROJECTS FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Foster Ave./E. Broad St. Improvement				
Capital outlay	160,094	164,360	164,360	
Total Foster Ave./E. Broad St. Improvement	160,094	164,360	164,360	
TOTAL HIGHWAYS AND STREETS	476,881	1,269,427	1,248,730	20,697
TOTAL EXPENDITURES	476,881	1,269,427	1,248,730	20,697
Excess (deficiency) of revenues over expenditures	(14,394)	(30,901)	(640,712)	(609,811)
OTHER FINANCING SOURCES (USES)				
Operating transfers in		30,426	32,964	2,538
Operating transfers out		(14,607)	(14,605)	2
TOTAL OTHER FINANCING SOURCES (USES)		15,819	18,359	2,540
Excess (deficiency) of revenues and other sources over expenditures and other uses	(14,394)	(15,082)	(622,353)	(607,271)
Adjustment for prior year encumbrances	476,879	476,879	476,879	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(461,792)	(461,792)	(461,792)	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 693	\$ 5	\$ (607,266)	\$ (607,271)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GULF ROAD STABILIZATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	GULF ROAD STABILIZATION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	61	\$ 60	\$ (1)
TOTAL REVENUES	\$	61	\$ 60	(1)
EXPENDITURES				
HIGHWAYS AND STREETS				
Gulf Road Stabilization				
Transfers out		5,608	5,607	1
Total Gulf Road Stabilization		5,608	5,607	1
TOTAL HIGHWAYS AND STREETS		5,608	5,607	1
TOTAL EXPENDITURES		5,608	5,607	1
Excess (deficiency) of revenues over expenditures		(5,547)	(5,547)	
FUND BALANCE AT BEGINNING OF YEAR	5,547	5,547	5,547	
FUND BALANCE AT END OF YEAR	\$ 5,547	\$	\$	\$

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SOUTH RECREATION CONSTRUCTION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	SOUTH RECREATION CONSTRUCTION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 85	\$ 85
TOTAL REVENUES			85	85
EXPENDITURES				
COMMUNITY ENVIRONMENT				
South Recreation Construction				
Capital outlay	14,314	14,314	14,227	87
Total South Recreation Construction	14,314	14,314	14,227	87
TOTAL Community Environment	14,314	14,314	14,227	87
TOTAL EXPENDITURES	14,314	14,314	14,227	87
Excess (deficiency) of revenues over expenditures	(14,314)	(14,314)	(14,142)	172
FUND BALANCE AT BEGINNING OF YEAR	14,342	14,342	14,342	
FUND BALANCE AT END OF YEAR	\$ 28	\$ 28	\$ 200	\$ 172

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
INDUSTRIAL PARKWAY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	INDUSTRIAL PARKWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental grants	\$ 5,890,000	\$ 3,584,083	\$ 2,372,118	\$ (1,211,965)
Interest earnings	10,000	10,000	20,610	10,610
TOTAL REVENUES	5,900,000	3,594,083	2,392,728	(1,201,355)
EXPENDITURES				
HIGHWAYS AND STREETS				
Industrial Parkway				
Operation and maintenance	650,398	653,398	652,832	566
Capital outlay	4,422,686	4,427,285	4,427,285	
Principal retirement	2,600,000	1,800,000	1,800,000	
Total Industrial Parkway	7,673,084	6,880,683	6,880,117	566
TOTAL HIGHWAYS AND STREETS	7,673,084	6,880,683	6,880,117	566
TOTAL EXPENDITURES	7,673,084	6,880,683	6,880,117	566
Excess (deficiency) of revenues over expenditures	(1,773,084)	(3,286,600)	(4,487,389)	(1,200,789)
OTHER FINANCING SOURCES				
Proceeds of notes	1,800,000	1,800,000	1,800,000	
TOTAL OTHER FINANCING SOURCES	1,800,000	1,800,000	1,800,000	
Excess (deficiency) of revenues and other sources over expenditures	26,916	(1,486,600)	(2,687,389)	(1,200,789)
Adjustment for prior year encumbrances	650,396	650,396	650,396	
FUND BALANCE AT BEGINNING OF YEAR	836,206	836,206	836,206	
FUND BALANCE AT END OF YEAR	\$ 1,513,518	\$ 2	\$ (1,200,787)	\$ (1,200,789)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CEMETERY TRUST FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>CEMETERY TRUST FUND</u>			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest earnings	\$ 8,000	\$ 8,000	\$ 7,853	\$ (147)
Miscellaneous revenues	9,200	15,700	16,220	520
TOTAL REVENUES	<u>17,200</u>	<u>23,700</u>	<u>24,073</u>	<u>373</u>
OPERATING TRANSFERS OUT	<u>(8,000)</u>	<u>(8,000)</u>	<u>(7,726)</u>	<u>274</u>
Net income	9,200	15,700	16,347	647
FUND BALANCE AT BEGINNING OF YEAR	<u>394,110</u>	<u>394,110</u>	<u>394,110</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 403,310</u>	<u>\$ 409,810</u>	<u>\$ 410,457</u>	<u>\$ 647</u>

PROPRIETARY FUNDS

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

* * * * *

Water

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

Special Parks and Recreation

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

Sanitation

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

Wastewater Pollution Control

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

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WATER FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	WATER FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for service	\$ 4,943,000	\$ 4,943,000	\$ 4,926,120	\$ (16,880)
Licenses and permits	132,000	132,000	144,123	12,123
Interest earnings	40,000	40,000	41,892	1,892
Special assessments	11,000	11,000	11,173	173
Fines and forfeitures	20,000	20,000	37,334	17,334
Miscellaneous revenues	10,000	10,000	13,339	3,339
TOTAL REVENUES	5,156,000	5,156,000	5,173,981	17,981
EXPENSES				
Public Utility Services				
Personal services	872,146	826,146	811,631	14,515
Fringe benefits	276,200	265,200	263,295	1,905
Operation and maintenance	241,600	267,600	264,299	3,301
Total Public Utilities	1,389,946	1,358,946	1,339,225	19,721
Water Pumping				
Personal services	1,262,652	1,195,652	1,184,899	10,753
Fringe benefits	351,011	316,011	308,420	7,591
Operation and maintenance	1,017,652	1,017,652	965,577	52,075
Capital outlay	653,647	553,647	508,595	45,052
Total Water Pumping	3,284,962	3,082,962	2,967,491	115,471
Water Distribution				
Personal services	501,033	463,033	453,613	9,420
Fringe benefits	148,027	142,027	139,493	2,534
Operation and maintenance	136,785	162,785	151,598	11,187
Total Water Distribution	785,845	767,845	744,704	23,141
Water Miscellaneous				
Personal services	224,535	246,535	245,249	1,286
Fringe benefits	64,809	71,109	70,118	991
Operation and maintenance	169,000	316,406	294,342	22,064
Capital outlay	1,801,588	1,828,182	1,782,426	45,756
Debt service:				
Principal retirement	6,097,313	6,097,313	6,084,411	12,902
Interest	176,988	176,988	174,961	2,027
Reimbursements	230,000	230,000	218,865	11,135
Total Water Miscellaneous	8,764,233	8,966,533	8,870,372	96,161
TOTAL EXPENSES	14,224,986	14,176,286	13,921,792	254,494

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CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WATER FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	WATER FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Operating loss	(9,068,986)	(9,020,286)	(8,747,811)	272,475
NONOPERATING REVENUES				
Proceeds of notes	6,300,000	6,300,000	6,300,000	
Other sources	691,000	691,000	664,068	(26,932)
TOTAL NONOPERATING REVENUES	6,991,000	6,991,000	6,964,068	(26,932)
OPERATING TRANSFERS IN	1,000	1,000	2,598	1,598
Net income (loss)	(2,076,986)	(2,028,286)	(1,781,145)	247,141
Adjustment for prior year encumbrances	1,813,708	1,813,708	1,813,708	
FUND BALANCE AT BEGINNING OF YEAR	273,466	273,466	273,466	
FUND BALANCE AT END OF YEAR	\$ 10,188	\$ 58,888	\$ 306,029	\$ 247,141

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SPECIAL PARKS AND RECREATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	SPECIAL PARKS AND RECREATION FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Charges for service	\$ 200,000	\$ 208,500	\$ 218,669	\$ 10,169
Interest earnings	2,000	2,000	3,203	1,203
Miscellaneous revenues	73,000	118,000	122,195	4,195
TOTAL REVENUES	<u>275,000</u>	<u>328,500</u>	<u>344,067</u>	<u>15,567</u>
EXPENSES				
Special Parks and Recreation				
Personal services	122,600	117,600	114,345	3,255
Fringe benefits	19,616	18,216	17,152	1,064
Operation and maintenance	197,170	167,170	156,687	10,483
Capital outlay	7,000	7,000	1,931	5,069
Total Special Parks and Recreation	<u>346,386</u>	<u>309,986</u>	<u>290,115</u>	<u>19,871</u>
TOTAL EXPENSES	<u>346,386</u>	<u>309,986</u>	<u>290,115</u>	<u>19,871</u>
Net income	(71,386)	18,514	53,952	35,438
Adjustment for prior year encumbrances	8,771	8,771	8,771	
FUND BALANCE AT BEGINNING OF YEAR	<u>193,017</u>	<u>193,017</u>	<u>193,017</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 130,402</u>	<u>\$ 220,302</u>	<u>\$ 255,740</u>	<u>\$ 35,438</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SANITATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

SANITATION FUND				
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 150,000	\$ 150,000	\$ 147,976	\$ (2,024)
Charges for services	2,840,000	2,840,000	2,836,920	(3,080)
Interest earnings	3,000	3,000	1,680	(1,320)
Miscellaneous revenues			430	430
TOTAL REVENUES	<u>2,993,000</u>	<u>2,993,000</u>	<u>2,987,006</u>	<u>(5,994)</u>
EXPENSES				
Sanitation				
Personal services	1,211,489	1,207,397	1,207,397	
Fringe benefits	381,824	394,116	394,115	1
Operation and maintenance	1,043,637	1,064,017	1,064,016	1
Capital outlay	81,234	62,234	62,234	
Debt service:				
Principal retirement	230,000	230,000	230,000	
Interest	3,105	3,105	3,105	
Reimbursements	180,000	187,387	187,387	
Total Sanitation	<u>3,131,289</u>	<u>3,148,256</u>	<u>3,148,254</u>	<u>2</u>
Recycling				
Operation and maintenance	59,100	57,174	54,251	2,923
Capital outlay	85,000	93,043	93,043	
Total Recycling	<u>144,100</u>	<u>150,217</u>	<u>147,294</u>	<u>2,923</u>
TOTAL EXPENSES	<u>3,275,389</u>	<u>3,298,473</u>	<u>3,295,548</u>	<u>2,925</u>
Operating loss	<u>(282,389)</u>	<u>(305,473)</u>	<u>(308,542)</u>	<u>(3,069)</u>
NON-OPERATING REVENUES				
Proceeds of notes	200,000	200,000	200,000	
Other sources		23,084	27,987	4,903
TOTAL NON-OPERATING REVENUES	<u>200,000</u>	<u>223,084</u>	<u>227,987</u>	<u>4,903</u>
OPERATING TRANSFERS IN	<u>1,000</u>	<u>1,000</u>	<u>2,598</u>	<u>1,598</u>
Net loss	(81,389)	(81,389)	(77,957)	3,432
Adjustment for prior year encumbrances	19,586	19,586	19,586	
FUND EQUITY AT BEGINNING OF YEAR	<u>61,803</u>	<u>61,803</u>	<u>61,803</u>	
FUND EQUITY AT END OF YEAR			<u>\$ 3,432</u>	<u>\$ 3,432</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WASTEWATER POLLUTION CONTROL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

WASTEWATER POLLUTION CONTROL FUND				
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 8,888,000	\$ 8,888,000	\$ 9,004,130	\$ 116,130
Fees, licenses and permits	125,000	125,000	117,327	(7,673)
Interest earnings	70,000	70,000	66,537	(3,463)
Miscellaneous revenues	300,000	300,000	310,089	10,089
TOTAL REVENUES	<u>9,383,000</u>	<u>9,383,000</u>	<u>9,498,083</u>	<u>115,083</u>
EXPENSES				
Wastewater Pollution Control				
Personal services	2,710,130	2,710,130	2,703,089	7,041
Fringe benefits	825,502	825,502	810,941	14,561
Operation and maintenance	1,688,250	1,588,004	1,580,547	7,457
Capital outlay	508,000	308,246	308,245	1
Total Wastewater Pollution Control	<u>5,731,882</u>	<u>5,431,882</u>	<u>5,402,822</u>	<u>29,060</u>
Wastewater Pollution Control Miscellaneous				
Personal services	350,832	370,832	364,287	6,545
Fringe benefits	100,599	100,599	88,206	12,393
Operation and maintenance	421,700	451,700	433,788	17,912
Capital outlay	2,686,456	786,456	730,380	56,076
Debt service:				
Principal retirement	1,548,178	1,548,178	1,548,177	1
Interest	1,141,664	1,141,664	1,141,664	
Reimbursement	1,000,000	1,000,000	953,010	46,990
Total Wastewater Pollution Control Miscellaneous	<u>7,249,429</u>	<u>5,399,429</u>	<u>5,259,512</u>	<u>139,917</u>
TOTAL EXPENSES	12,981,311	10,831,311	10,662,334	168,977
Operating loss	<u>(3,598,311)</u>	<u>(1,448,311)</u>	<u>(1,164,251)</u>	<u>284,060</u>

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CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WASTEWATER POLLUTION CONTROL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	WASTEWATER POLLUTION CONTROL FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
NONOPERATING REVENUES				
Other financing sources			92,092	92,092
TOTAL NONOPERATING REVENUES			92,092	92,092
OPERATING TRANSFERS IN	1,000	1,000	2,598	1,598
Net loss	(3,597,311)	(1,447,311)	(1,069,561)	377,750
Adjustment for prior year encumbrances	685,474	685,474	685,474	
FUND EQUITY AT BEGINNING OF YEAR	4,091,423	4,091,423	4,091,423	
FUND EQUITY AT END OF YEAR	\$ 1,179,586	\$ 3,329,586	\$ 3,707,336	\$ 377,750

INTERNAL SERVICE FUNDS

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

* * * * *

Employees' Health Insurance

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

Workers' Compensation

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

City of Elyria, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2004

	<u>Employees' Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 334,738	\$ 120,082	\$ 454,820
Investments		1,979,417	1,979,417
Accounts receivable	602	26,582	602
Interest receivable	35	2,126,081	2,461,456
Total current assets	<u>335,375</u>	<u>2,126,081</u>	<u>2,461,456</u>
Total assets	<u>335,375</u>	<u>2,126,081</u>	<u>2,461,456</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,517	6,250	10,767
Accrued wages and benefits	589,190	245,358	834,548
Compensated absences payable		35	35
Total current liabilities	<u>593,707</u>	<u>251,643</u>	<u>845,350</u>
NET ASSETS			
Unrestricted	(258,332)	1,874,438	1,616,106
Total net assets	<u>\$ (258,332)</u>	<u>\$ 1,874,438</u>	<u>\$ 1,616,106</u>

City of Elyria, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2004

	Employees'	Workers'	Total
	Health Insurance	Compensation	
Operating revenues:			
Charges for services	\$ 4,562,778		\$ 4,562,778
Total operating revenues	4,562,778		4,562,778
Operating expenses:			
Personal services		16,954	16,954
Fringe benefits	3,985,680	378,862	4,364,542
Operating and maintenance	14,909	28,300	43,209
Total operating expenses	4,000,589	424,116	4,424,705
Operating income (loss)	562,189	(424,116)	138,073
Nonoperating revenues (expenses)			
Investment income	3,726	27,439	31,165
Change in net assets	565,915	(396,677)	169,238
Total net assets - beginning of year	(824,247)	2,271,115	1,446,868
Total net assets - end of year	\$ (258,332)	\$ 1,874,438	\$ 1,616,106

City of Elyria, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2004

	Employees' Health Insurance	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 4,562,176		\$ 4,562,176
Cash payments to suppliers for goods and services	(4,588,931)	(435,540)	(5,024,471)
Cash paid to employees for services		(17,459)	(17,459)
Net cash provided by (used for) operating activities	(26,755)	(452,999)	(479,754)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	3,701	12,419	16,120
Short-term investments converted to cash		2,213,900	2,213,900
Purchase of short-term investments		(1,979,417)	(1,979,417)
Net cash provided by investing activities	3,701	246,902	250,603
Net increase in cash and cash equivalents	(23,054)	(206,097)	(229,151)
Cash and cash equivalents - January 1, 2004	357,792	326,179	683,971
Cash and cash equivalents - December 31, 2004	334,738	120,082	\$ 454,820
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 562,189	\$ (424,116)	\$ 138,073
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
Accounts receivable	(602)		(602)
Accounts payable	2,924	6,250	9,174
Accrued wages and benefits	(591,266)	(35,134)	(626,400)
Compensated absences payable		1	1
Total adjustments	(588,944)	(28,883)	(617,827)
Net cash provided by (used for) operating activities	\$ (26,755)	\$ (452,999)	\$ (479,754)
Noncash investing, capital and financing activities:			
Unrealized appreciation (depreciation) in fair value of investments		\$ (8,666)	\$ (8,666)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
EMPLOYEES' HEALTH INSURANCE FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>EMPLOYEES' HEALTH INSURANCE FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 4,732,000	\$ 4,567,000	\$ 4,562,778	\$ (4,222)
Interest earnings	3,000	3,000	3,700	700
TOTAL REVENUES	<u>4,735,000</u>	<u>4,570,000</u>	<u>4,566,478</u>	<u>(3,522)</u>
EXPENSES				
GENERAL GOVERNMENT				
Employees' Health Insurance				
Fringe benefits	4,700,000	4,700,000	4,574,586	125,414
Operation and maintenance	25,000	25,000	14,947	10,053
Total Employees' Health Insurance	<u>4,725,000</u>	<u>4,725,000</u>	<u>4,589,533</u>	<u>135,467</u>
TOTAL GENERAL GOVERNMENT	<u>4,725,000</u>	<u>4,725,000</u>	<u>4,589,533</u>	<u>135,467</u>
TOTAL EXPENSES	<u>4,725,000</u>	<u>4,725,000</u>	<u>4,589,533</u>	<u>135,467</u>
Net income	10,000	(155,000)	(23,055)	131,945
FUND EQUITY AT BEGINNING OF YEAR	<u>357,794</u>	<u>357,794</u>	<u>357,794</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 367,794</u>	<u>\$ 202,794</u>	<u>\$ 334,739</u>	<u>\$ 131,945</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WORKERS' COMPENSATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2004

	WORKERS' COMPENSATION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 30,000	\$ 46,500	\$ 47,673	\$ 1,173
TOTAL REVENUES	<u>30,000</u>	<u>46,500</u>	<u>47,673</u>	<u>1,173</u>
EXPENSES				
FUND OPERATIONS				
Workers' Compensation				
Personal services	16,200	17,700	17,459	241
Fringe benefits	253,445	408,445	407,851	594
Operation and maintenance	32,720	31,220	28,300	2,920
Total Workers' Compensation	<u>302,365</u>	<u>457,365</u>	<u>453,610</u>	<u>3,755</u>
TOTAL FUND OPERATIONS	<u>302,365</u>	<u>457,365</u>	<u>453,610</u>	<u>3,755</u>
TOTAL EXPENSES	<u>302,365</u>	<u>457,365</u>	<u>453,610</u>	<u>3,755</u>
Excess (deficiency) of revenues over expenditures	(272,365)	(410,865)	(405,937)	4,928
NONOPERATING REVENUES				
Other financing sources			580	580
TOTAL NONOPERATING REVENUES			<u>580</u>	<u>580</u>
Excess (deficiency) of revenues and other sources over expenditures	(272,365)	(410,865)	(405,357)	5,508
FUND BALANCE AT BEGINNING OF YEAR	<u>2,513,609</u>	<u>2,513,609</u>	<u>2,513,609</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 2,241,244</u>	<u>\$ 2,102,744</u>	<u>\$ 2,108,252</u>	<u>\$ 5,508</u>

AGENCY FUNDS

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

* * * * *

Consumer Deposits

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

Excavating Permits

Security deposits held by the City for excavating projects.

State Health Fees

Fees collected by the City for the State of Ohio.

Unclaimed Monies

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

Municipal Court

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

Land Purchase Deposits

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

Lorain County Utility Charges

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

Payroll Revolving

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

Fire Damage Deposits

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

Police Department Deposit

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

State Building Fees

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

Lower Black River Water Quality

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

AGENCY FUNDS (cont.)

Contractors' Deposits

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

Employee Cafeteria Plan

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

Elyria Township JEDD Income Tax Fund

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

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
CONSUMER DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 92,657	\$ 678,362	\$ 571,694	\$ 199,325
Other short-term investments	516,100	220,000	516,100	220,000
Accrued interest receivable	1,083	3,094	1,083	3,094
Total assets	<u>\$ 609,840</u>	<u>\$ 901,456</u>	<u>\$ 1,088,877</u>	<u>\$ 422,419</u>
Liabilities:				
Other liabilities	\$ 609,840	\$ 164,273	\$ 351,694	\$ 422,419
EXCAVATING PERMITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,150	\$ 1,400	\$ 1,465	\$ 8,085
Liabilities:				
Other liabilities	\$ 8,150	\$ 1,400	\$ 1,465	\$ 8,085
STATE HEALTH FEES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,771	\$ 71,682	\$ 72,204	\$ 12,249
Liabilities:				
Due to other governments	\$ 12,771	\$ 71,682	\$ 72,204	\$ 12,249
UNCLAIMED MONIES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 47,527	\$ 60,325	\$ 60,264	\$ 61
Other short-term investments	2	46,200	47,527	46,200
Accrued interest receivable	7	7	2	7
Total assets	<u>\$ 47,529</u>	<u>\$ 106,532</u>	<u>\$ 107,793</u>	<u>\$ 46,268</u>
Liabilities:				
Other liabilities	\$ 47,529	\$ 12,803	\$ 14,064	\$ 46,268
MUNICIPAL COURT FUND				
Assets:				
Cash and cash equivalents-segregated accounts	\$ 434,058	\$ 3,708,876	\$ 3,652,821	\$ 490,113
Liabilities:				
Accounts payable	\$ 119,040	\$ 124,221	\$ 119,040	\$ 124,221
Due to other funds	315,018	365,892	315,018	365,892
Other liabilities	434,058	490,113	434,058	490,113
Total liabilities	<u>\$ 868,116</u>	<u>\$ 979,226</u>	<u>\$ 868,116</u>	<u>\$ 979,226</u>
LAND PURCHASE DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,385	\$	\$	\$ 1,385
Liabilities:				
Other liabilities	\$ 1,385	\$	\$	\$ 1,385

(Continued on subsequent page)

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
LORAIN COUNTY UTILITY CHARGES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 35,088	\$ 249,583	\$ 253,400	\$ 31,271
Liabilities:				
Due to other governments	\$ 35,088	\$ 249,583	\$ 253,400	\$ 31,271
PAYROLL REVOLVING FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 108,802	\$ 29,627,143	\$ 29,549,205	\$ 186,740
Liabilities:				
Accounts payable	\$ 108,752	\$ 3,781,491	\$ 3,703,990	\$ 186,253
Due to other governments	50	5,074,039	5,073,602	487
Total liabilities	\$ 108,802	\$ 8,855,530	\$ 8,777,592	\$ 186,740
FIRE DAMAGE DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 62,310	\$ 44,625	\$ 39,135	\$ 67,800
Liabilities:				
Accounts payable	\$ 62,310	\$ 44,625	\$ 39,135	\$ 67,800
POLICE DEPARTMENT DEPOSIT FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 63,538	\$	\$	\$ 63,538
Liabilities:				
Other liabilities	\$ 63,538	\$	\$	\$ 63,538
STATE BUILDING FEES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,200	\$ 6,581	\$ 5,796	\$ 4,985
Liabilities:				
Due to other governments	\$ 4,200	\$ 6,581	\$ 5,796	\$ 4,985
LOWER BLACK RIVER WATER QUALITY FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 23,970	\$	\$ 23,253	\$ 717
Liabilities:				
Accounts payable	\$ 23,970	\$	\$ 23,253	\$ 717

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**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
CONTRACTORS' DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 14,465	\$ 19,825	\$ 19,965	\$ 14,325
Liabilities:				
Other liabilities	\$ 14,465	\$ 19,825	\$ 19,965	\$ 14,325
EMPLOYEE CAFETERIA PLAN FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,936	\$ 38,274	\$ 35,323	\$ 10,887
Liabilities:				
Other liabilities	\$ 7,936	\$ 38,274	\$ 35,323	\$ 10,887
ELYRIA TOWNSHIP JEDD INCOME TAX FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,139	\$ 84,597	\$ 78,486	\$ 18,250
Income tax receivable	\$ 5,780	\$ 12,980	\$ 5,780	\$ 12,980
Total assets	\$ 17,919	\$ 97,577	\$ 84,266	\$ 31,230
Liabilities:				
Due to other governments	\$ 17,919	\$ 97,577	\$ 84,266	\$ 31,230
TOTAL AGENCY FUNDS				
Assets:				
Equity in pooled cash and cash equivalents	\$ 447,411	\$ 30,882,397	\$ 30,710,190	\$ 619,618
Cash and cash equivalents-segregated accounts	434,058	3,708,876	3,652,821	490,113
Investments	563,627	266,200	563,627	266,200
Income tax receivable	5,780	12,980	5,780	12,980
Accrued interest receivable	1,085	3,101	1,085	3,101
Total assets	\$ 1,451,961	\$ 34,873,554	\$ 34,933,503	\$ 1,392,012
Liabilities:				
Accounts payable	\$ 195,032	\$ 3,950,337	\$ 3,766,378	\$ 378,991
Due to other funds	119,040		119,040	
Due to other governments	70,028	5,499,462	5,489,268	80,222
Other liabilities	1,067,861	602,467	737,529	932,799
Total Liabilities	\$ 1,451,961	\$ 10,052,266	\$ 10,112,215	\$ 1,392,012

City of Elyria, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
Before Accumulated Depreciation
December 31, 2004

	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Utilities Distribution and Collection Systems	Infrastructure	Construction in Progress	Total
Function and Activity								
Public safety	\$ 1,445,314	\$ 10,231,720	\$ 90,683	\$ 6,248,229	\$	\$	\$	\$ 18,015,946
Health	37,068	151,026	117,208	611,018				916,320
Culture and recreation	616,373	5,452,419	1,161,831	929,465			50,847	8,210,935
Community environment	429,924	30,340	410,264	188,492	23,916			1,082,936
Highways and streets	1,279,128	27,738		1,688,374		41,186,663	5,431,132	49,613,035
General government	2,337,116	12,122,384	551,460	1,535,665	13,405,066			29,951,691
Total governmental fund capital assets	<u>\$ 6,144,923</u>	<u>\$ 28,015,627</u>	<u>\$ 2,331,446</u>	<u>\$ 11,201,243</u>	<u>\$ 13,428,982</u>	<u>\$ 41,186,663</u>	<u>\$ 5,481,979</u>	<u>\$ 107,790,863</u>

City of Elyria, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Before Accumulated Depreciation
For the Fiscal Year Ended December 31, 2004

	Governmental Funds Capital Assets January 1, 2004	Additions	Deductions	Governmental Funds Capital Assets December 31, 2004
Function and Activity				
Public safety	\$ 17,794,247	\$ 364,236	\$ (142,537)	\$ 18,015,946
Health	903,187	13,133		916,320
Culture and recreation	8,095,163	115,772		8,210,935
Community environment	1,120,401	7,189	(44,654)	1,082,936
Highways and streets	44,176,586	5,937,502	(501,053)	49,613,035
General government	27,980,250	11,300,479	(9,329,038)	29,951,691
Total	<u>\$ 100,069,834</u>	<u>\$ 17,738,311</u>	<u>\$ (10,017,282)</u>	<u>\$ 107,790,863</u>

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

Fiscal Year	Public Safety	Health	Culture & Recreation	Community Environment	General Government	Total (1)
1995	\$ 11,675,132	\$ 820,871	\$ 1,639,909	\$ 604,661	\$ 4,763,608	\$ 19,504,181
1996	12,313,487	919,244	1,842,942	607,872	5,164,729	20,848,274
1997	12,077,021	1,047,259	1,991,904	621,052	5,060,306	20,797,542
1998	12,194,712	1,055,016	1,927,025	648,110	5,568,544	21,393,407
1999	13,060,557	1,337,812	2,615,917	672,576	5,541,966	23,228,828
2000	13,849,756	1,521,251	2,183,968	701,736	5,820,754	24,077,465
2001	14,227,350	1,557,719	1,986,733	768,354	5,814,895	24,355,051
2002	15,164,257	1,522,250	2,113,008	817,160	6,356,140	25,972,815
2003	14,870,702	1,590,671	2,108,540	929,707	6,801,459	26,301,079
2004	15,325,616	1,603,867	2,068,996	958,441	6,550,933	26,507,853

Source: Annual audited financial statements of the City.

NOTE:

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

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

Fiscal Year	Taxes (1)	Intergovernmental (1)	Charges for Services	Licenses & Permits	Investment Income	Fines & Forfeitures	Miscellaneous Revenues	Total
1995	\$ 17,882,343	\$ 279,078	\$ 400,093	\$ 439,322	\$ 244,017	\$ 1,378,694	\$ 134,686	\$ 20,758,233
1996	19,025,880	250,424	423,589	432,727	210,874	1,372,815	107,680	21,823,989
1997	18,646,493	202,842	568,146	410,859	219,627	1,319,272	80,559	21,447,798
1998	19,690,620	449,784	692,196	443,879	256,008	1,377,144	96,399	23,006,030
1999	21,380,874	366,157	862,012	413,692	254,481	1,576,407	94,097	24,947,720
2000	21,525,719	281,397	1,061,440	440,160	245,386	1,435,765	81,751	25,071,618
2001	22,319,733	324,748	1,230,862	653,022	189,646	1,188,660	65,570	25,972,241
2002	17,494,375	4,704,524	1,478,621	770,671	88,552	1,245,362	24,583	25,806,688
2003	18,228,760	3,775,898	1,464,701	580,593	49,956	1,127,481	53,877	25,281,266
2004	19,761,364	3,231,049	1,492,988	499,897	41,975	1,114,913	142,473	26,284,659

Source: Annual audited financial statements of the City.

NOTE:

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

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1995	\$ 2,114,439	\$ 2,038,009	96.4%	\$ 73,513	\$ 2,111,522	99.9%	\$ 117,879	5.6%
1996	2,132,334	2,071,973	97.2%	72,532	2,144,505	100.6%	94,170	4.4%
1997	2,131,157	2,059,683	96.7%	58,436	2,118,119	99.4%	94,616	4.4%
1998	2,442,132	2,354,220	96.4%	62,784	2,417,004	99.0%	114,687	4.7%
1999	2,711,525	2,614,812	96.4%	73,834	2,688,646	99.2%	135,307	5.0%
2000	2,761,298	2,659,149	96.3%	79,967	2,739,116	99.2%	142,766	5.2%
2001	3,195,744	3,082,725	96.5%	94,646	3,177,371	99.4%	159,358	5.0%
2002	3,207,572	3,083,848	96.1%	84,844	3,168,692	98.8%	184,434	5.7%
2003	3,258,706	3,149,562	96.7%	124,685	3,274,247	100.5%	185,923	5.7%
2004	3,452,984	3,340,625	96.7%	119,191	3,459,816	100.2%	172,612	5.0%

Source: Lorain County Auditor's Office

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

Tax Year	Collection Year	REAL PROPERTY		PUBLIC UTILITY PROPERTY		TANGIBLE PERSONAL PROPERTY		TOTAL	
		Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value
1994	1995	\$ 326,363	\$ 932,466	\$ 219,603	\$ 627,438	\$ 115,361	\$ 461,444	\$ 661,327	\$ 2,021,348
1995	1996	333,403	952,580	218,838	625,251	122,146	488,584	674,387	2,066,415
1996	1997	339,108	968,880	216,724	619,212	133,573	534,292	689,405	2,122,384
1997	1998	403,302	1,152,291	234,595	670,271	135,854	543,416	773,751	2,365,978
1998	1999	408,310	1,166,600	237,244	677,840	137,173	548,692	782,727	2,393,132
1999	2000	418,460	1,195,600	242,705	693,443	140,810	563,240	801,975	2,452,283
2000	2001	508,046	1,451,460	255,037	728,677	150,928	603,712	914,011	2,783,849
2001	2002	511,474	1,461,354	260,310	743,743	150,857	603,428	922,641	2,808,525
2002	2003	514,777	1,470,791	259,606	741,731	152,252	609,008	926,635	2,821,530
2003	2004	546,966	1,562,760	272,645	778,986	134,118	536,472	953,729	2,878,218

Source: Lorain County Auditor's Office

NOTE:

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

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

CITY OF ELYRIA

Tax Year	Collection Year	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Total	Elyria School District	Lorain County Vocational School	Lorain County	Total
1994	1995	\$ 2.30	\$ 1.30	\$ 0.30	\$ 0.30	\$ 4.20	\$ 53.68	\$ 2.45	\$ 12.69	\$ 73.02
1995	1996	2.30	1.30	0.30	0.30	4.20	53.58	2.45	12.69	72.92
1996	1997	1.90	1.70	0.30	0.30	4.20	53.58	2.45	12.69	72.92
1997	1998	1.90	1.70	0.30	0.30	4.20	52.81	2.45	10.79	70.25
1998	1999	1.90	1.70	0.30	0.30	4.20	52.71	2.45	10.79	70.15
1999	2000	1.90	1.70	0.30	0.30	4.20	57.11	2.45	10.79	74.55
2000	2001	1.90	1.70	0.30	0.30	4.20	57.11	2.45	10.79	74.55
2001	2002	1.70	1.90	0.30	0.30	4.20	56.81	2.45	12.89	76.35
2002	2003	1.70	1.90	0.30	0.30	4.20	56.73	2.45	12.89	76.27
2003	2004	1.70	1.90	0.30	0.30	4.20	56.73	2.45	12.89	76.27

Source: Lorain County, County Treasurer

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

Fiscal Year	Current Assessments Billed	Current Assessments Collected (1)	Collections As A Percentage Of Amount Due
1995	\$ 387,216	\$ 372,889	96.3%
1996	496,597	471,089	94.9%
1997	722,926	660,467	91.4%
1998	613,055	576,301	94.0%
1999	683,552	636,400	93.1%
2000	583,095	513,012	88.0%
2001	670,914	669,458	99.8%
2002	612,665	590,037	96.3%
2003	787,582	640,006	81.3%
2004	773,932	616,173	79.6%

Source: Lorain County Auditor

NOTE:

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

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

Fiscal Year	Population	Assessed Value	General Gross Bonded Debt (1)	Debt Service Monies Available (3)	Debt Payable From Enterprise Revenues	Net Bonded Debt	Net Bonded Debt As A Percentage Of Assessed Values	Net Bonded Debt Per Capita
1995	56,746 (2)	\$ 661,326,463	\$ 10,374,498	\$ 872,614	\$ 2,289,498	\$ 7,212,386	1.09%	\$127.10
1996	56,746 (2)	674,386,318	11,745,177	1,019,819	2,130,177	8,595,181	1.27	151.47
1997	56,746 (2)	689,404,520	18,005,856	1,452,787	2,565,856	13,987,213	2.03	246.49
1998	56,746 (2)	773,751,630	16,728,784	1,378,661	2,113,784	13,236,339	1.71	233.26
1999	56,746 (2)	782,727,713	20,576,712	1,656,849	5,096,712	13,823,151	1.77	243.60
2000	55,953 (2)	801,974,850	19,079,639	1,993,416	4,184,639	12,901,584	1.61	230.58
2001	55,953 (2)	914,011,190	27,152,566	2,533,386	4,062,566	20,556,614	2.25	367.39
2002	55,953 (2)	912,696,530	30,457,742	2,424,827	1,732,742	26,300,173	2.88	470.04
2003	55,953 (2)	926,635,030	35,357,918	2,243,278	1,592,918	31,521,722	3.40	563.36
2004	55,953 (2)	953,729,200	34,698,094	1,942,362	7,948,094	24,807,638	2.60	443.37

NOTES:

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

**CITY OF ELYRIA, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2004**

**CITY OF ELYRIA, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2004**

OVERALL DEBT LIMITATION	
10 1/2 % of assessed valuation	\$ 100,141,566
Gross indebtedness - outstanding	\$ 51,492,392
Less: Debt exempt from limitation	<u>(16,794,300)</u>
Debt subject to 10 1/2 % limitation	34,698,092
Less: Applicable debt service fund balance	<u>(1,942,362)</u>
Net debt within 10 1/2 % limitation	<u>32,755,730</u>
LEGAL DEBT MARGIN WITHIN 10 1/2 % LIMITATION	<u>\$ 67,385,836</u>
UNVOTED DEBT LIMITATION	
5 1/2 % OF ASSESSED VALUATION	\$ 52,455,106
Gross indebtedness - outstanding	\$ 51,492,392
Less: Debt exempt from limitation	<u>(16,794,300)</u>
Debt subject to 5 1/2% limitation	34,698,092
Less: Applicable debt service fund balance	<u>(1,942,362)</u>
Net debt within 5 1/2 % limitation	<u>32,755,730</u>
LEGAL DEBT MARGIN WITHIN 5 1/2 % LIMITATION	<u>\$ 19,699,376</u>

Jurisdiction	Debt Outstanding (1)	Percentage Applicable To City of Elyria (2)	Amount Applicable To City of Elyria
City of Elyria	\$ 26,750,000	100.00%	\$ 26,750,000
Elyria City School District	720,000	93.55%	673,560
Lorain County	28,165,000	16.00%	4,506,400
TOTAL- OVERLAPPING DEBT	<u>28,885,000</u>		<u>5,179,960</u>
TOTAL- ALL DEBT	<u>\$ 55,635,000</u>		<u>\$ 31,929,960</u>

NOTES:

(1) Source: Individual Jurisdictions (general obligation bonds reported in the business-type activities and special assessment debt have been excluded)

(2) The percentage of net debt outstanding applicable to the City was determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

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

FISCAL YEAR	PRINCIPAL (1)	INTEREST (1)	TOTAL DEBT SERVICE (1)	TOTAL GENERAL FUND EXPENDITURES	DEBT SERVICE AS A PERCENTAGE OF TOTAL GENERAL FUND EXPENDITURES
1995	\$ 4,425,000	\$ 463,083	\$ 4,888,083	\$ 19,504,181	25.06%
1996	3,940,000	444,451	4,384,451	20,848,274	21.03%
1997	12,575,000	741,491	13,316,491	20,797,542	64.03%
1998	825,000	973,303	1,798,303	21,393,407	8.41%
1999	775,000	714,188	1,489,188	23,228,828	6.41%
2000	585,000	746,102	1,331,102	24,077,465	5.53%
2001	605,000	722,783	1,327,783	24,355,051	5.45%
2002	795,000	1,108,974	1,903,974	25,972,815	7.33%
2003	1,433,293	1,184,030	2,617,323	26,301,079	9.95%
2004	7,585,000	1,093,278	8,678,278	26,507,853	32.74%

Source: Annual audited financial statements of the City.

NOTE:

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

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

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	
1995	\$ 9,466,744	\$ 5,075,414	\$ 4,391,330	\$ 790,484	\$ 2,099,111	\$ 2,889,595	1.52
1996	9,254,816	5,423,182	3,831,634	849,358	2,037,037	2,886,395	1.33
1997	9,739,476	6,048,454	3,691,022	917,815	1,970,329	2,888,144	1.28
1998	9,742,854	9,131,441	611,413	766,402	1,891,744	2,658,146	0.23
1999	9,960,677	5,306,248	4,654,429	944,858	1,921,282	2,866,140	1.62
2000 (3)	12,948,897	6,240,652	6,708,245	1,142,078	1,721,912	2,863,990	2.34
2001	9,934,251	5,981,175	3,953,076	1,236,880	1,629,409	2,866,289	1.38
2002	9,544,225	6,852,152	2,692,073	1,333,311	1,532,139	2,865,450	0.94
2003	9,112,363	6,983,835	2,128,528	1,436,889	1,427,357	2,864,246	0.74
2004	8,943,652	6,938,083	2,005,569	1,543,177	1,148,234	2,691,411	0.75

Source: Annual audited financial statements of the City.

NOTES:

- (1) Gross revenue includes operating revenue plus interest income.
- (2) Direct operating expenses include total operating expenses exclusive of depreciation.
- (3) The large increase in gross revenue is due to settlement proceeds. See Note 4(C) in the accompanying notes to the financial statements.

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

Year	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		BANK DEPOSITS (AMOUNTS IN 000'S)		PROPERTY VALUE (AMOUNTS IN 000'S)	
	Number of Permits (1)	Value (1)	Number of Permits (1)	Value (1)	Amount (2)	Industrial / Commercial (3)	Residential (3)	
1995	161	\$ 28,695,067	1,242	\$ 19,325,057	\$ 1,237,991	\$ 219,603	\$ 326,363	
1996	198	37,777,498	1,422	17,200,726	1,329,795	218,838	333,403	
1997	199	39,150,586	1,599	17,236,096	920,050	216,724	339,108	
1998	367	40,662,114	1,580	20,528,636	444,974	234,595	403,302	
1999	308	27,867,892	1,357	20,870,414	483,871	237,244	408,310	
2000	255	21,241,393	1,482	18,755,518	513,102	269,710	508,046	
2001	267	39,872,060	1,462	23,057,586	555,591	260,310	511,474	
2002	240	54,770,652	1,590	25,109,046	614,592	255,118	506,721	
2003	185	23,737,258	1,488	24,163,319	741,024	258,973	515,410	
2004	186	16,014,850	1,351	21,356,400	685,900	272,102	547,509	

NOTES:

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

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

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

NOTES:

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

**CITY OF ELYRIA, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2004**

Taxpayer	Type of Business	2004 Assessed Valuation	Percent of Total Assessed Valuation
WEA Midway LLC	Property Management	\$ 14,522,380	1.52%
Ohio Edison	Electric Utility	13,038,660	1.37%
Alltel Ohio	Telephone Utility	10,288,000	1.08%
New Plan of Midway Inc.	Retail Store	6,870,810	0.72%
First Interstate	Retail Store	6,018,100	0.63%
Sears Roebuck & Company	Retail Store	4,121,320	0.43%
Elyria United Methodist Village	Retirement / Assisted Living	3,141,700	0.33%
Holiday Inn of Elyria	Hotel	3,092,780	0.32%
Midway Realty Company	Property Management	3,060,160	0.32%
Comprehensive Ventures	Medical	<u>3,000,800</u>	0.31%
TOTAL PRINCIPAL TAXPAYERS		<u>\$ 67,154,710</u>	7.04%
TOTAL CITY ASSESSED VALUATION		<u><u>\$ 953,729,200</u></u>	

Source: Lorain County Treasurer's Office

CITY OF ELYRIA, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2004

Date of incorporation.....	February 23, 1833
Form of government.....	Mayor-Council
Current population.....	55,953
Area.....	20.12 square miles
Miles of streets	192.0
Number of street lights.....	5,226
Fire protection:	
Number of stations.....	4
Number of firefighters and officers.....	67
Police protection:	
Number of stations.....	1
Number of policepersons and officers.....	86
Education (elementary only):	
Attendance centers.....	14
Number of classrooms.....	241
Number of teachers.....	231
Number of students.....	4,549
Municipal water department:	
Active accounts.....	22,823
Average daily consumption.....	9.6 million gallons
Miles of water mains.....	220 miles (approximately)
Sewers:	
Miles of sanitary sewers.....	184.0 miles (approximately)
Miles of storm sewers.....	113.0 miles (approximately)
Building permits issued.....	1,537
Recreation and culture:	
Number of parks.....	18
Number of libraries.....	2
Number of library volumes.....	376,241 (approximately)
Employees (full time):	
Classified service.....	525
Exempt.....	6