

***CITY OF FAIRVIEW PARK, OHIO***

***AUDIT REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2003***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants**





**Auditor of State  
Betty Montgomery**

Honorable Mayor and Members of City Council  
City of Fairview Park  
20777 Lorain Road  
Fairview Park, Ohio 44126-2018

We have reviewed the Independent Auditor's Report of the City of Fairview Park, Cuyahoga County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

October 14, 2004

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**CITY OF FAIRVIEW PARK, OHIO**  
**AUDIT REPORT**  
**For the Year Ended December 31, 2003**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

**The Honorable Mayor and Members of City Council  
City of Fairview Park  
Fairview Park, Ohio**

We have audited the basic financial statements of the City of Fairview Park, Ohio as of and for the year ended December 31, 2003 wherein we noted the City adopted Governmental Accounting Standards Board Statements No. 34 and GASB Interpretation 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as items 2003-FP-001. We also noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated August 31, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated August 31, 2004.**

**This report is intended for the information and use of management, the Honorable Mayor and Members of Council and is not intended to be and should not be used by anyone other than these specified parties.**

*Charles E. Harris & Associates, Inc.*  
August 31, 2004



**CITY OF FAIRVIEW PARK  
SCHEDULE OF FINDINGS**

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

**Finding Number : 2003-FP-001**

**Section 5705.41 (D), Revised Code, requires in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.**

**The City did not properly certify the availability of funds for 32 of 40 non-payroll expenditures tested for the audit period.**

**We recommend the City Finance Director certify the availability of funds prior to the commitment for the expenditure of City money. The City should consider the use of blanket purchase orders and “then and now” certificates to assist in complying with the above requirement.**

**CITY OF FAIRVIEW PARK  
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: Per ADAM 2001-10-disclose the current year finding in this schedule</b>
2002-FP-001	Ohio Revised Code Section 5705.41 (D)- Failure to certify funds	No	Not corrected See Finding 2003-FP-001
2002-FP-002	Ohio Revised Code Section 5705.41 (A)- Appropriations exceeded estimated resources	Yes	Corrected except for one fund. It is now an immaterial finding on the Management Letter

***CITY OF FAIRVIEW PARK, OHIO***

***Comprehensive Annual Financial Report***

***For the year ended December 31, 2003***

Prepared By:  
Theodore R. Kowal ski , Finance Di rector  
Department of Fi nance



**CITY OF FAIRVIEW PARK, OHIO**  
 Comprehensive Annual Financial Report  
 December 31, 2003  
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## Introductory Section



# City of Fairview Park

- Established in 1910 -

Department of Finance

20777 Lorain Road • Fairview Park, Ohio 44126-2018 • [www.fairviewpark.org](http://www.fairviewpark.org)  
440-356-4401 Fax 440-356-9077 City Hall 440-333-2200

**Eileen Ann Patton**  
Mayor

**T. R. Kowalski**  
Finance Director

August 25, 2004

The Honorable Mayor Eileen A. Patton  
and Members of City Council  
20777 Lorain Road  
Fairview Park, OH 44126

It gives me great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Fairview Park. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the City for the year ended December 31, 2003. In addition, this report includes the early implementation of the new reporting model as promulgated by Governmental Accounting Standards Board (GASB) Statement No. 34 for the first year. Note 2 to the basic financial statements provides additional information concerning this implementation.

The information contained in this report will assist City officials in making management decisions and will provide the taxpayers of the City of Fairview Park with comprehensive financial data in such a format as to enable them to gain a true understanding of the City's financial affairs. The general public, as well as investors, will be able to compare the financial position of the City of Fairview Park and the results of its operations with other governmental entities.

Responsibility for the accuracy, completeness, and fairness of the presentation, including all disclosures, lies with the management of the City of Fairview Park and, in particular, the City's Finance Department. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities and status are included herein.

This is the Sixth Comprehensive Annual Financial Report issued by the City. The report is prepared in accordance with Generally Accepted Accounting Principles, as set forth by the Governmental Accounting Standards Board and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA).

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, a list of public officials, the City's organizational chart and the 2002 Certificate of Achievement for Excellence in Financial Reporting. The financial section, which begins with the Report of Independent Accountants, includes the basic financial statements, notes that provide an overview of the City's financial position and operating results, and the combining statements for non-major funds and other schedules that provide detailed information relative to the basic financial statements. The statistical section includes financial and demographic information, which is generally presented on a multi-year basis. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Fairview Park's MD&A can be found immediately following the Report of Independent Accountants.

## **REPORTING ENTITY**

For financial purposes, the City includes all funds, account groups, agencies, boards, and commissions making up the City of Fairview Park (the Primary Government) and its potential component units in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity". The primary government comprises all activities and services, which are not legally, separate for the City. The City provides various services including public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

The City participates in the Rocky River Wastewater Treatment Plan, which is a joint venture, discussed in Note 16 of the notes to the basic financial statements. The City is associated with the Westshore Council of Governments and Tri-City Park, which are identified as jointly governed organizations. These organizations are presented in Note 17 of the notes to the basic financial statements.

A complete discussion of the City's reporting entity is provided in Note 1 of the notes to basic financial statements.

## **THE CITY AND THE FORM OF GOVERNMENT**

### *The City*

The City is located in Cuyahoga County in northeastern Ohio, approximately 10 miles west of the downtown area of the City of Cleveland. It was incorporated as a village in 1910 and became a city in 1951. In 1967, the Village of Parkview was merged into the City.

In the 2000 Census classifications, the City was in the Cleveland Primary Metropolitan Statistical Area (PMSA), comprised of the four counties of Cuyahoga, Geauga, Lake and Medina. It was also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area (CMSA). Effective in 1994, the PMSA was redefined to include Ashtabula and Lorain Counties. Only limited statistics are now available for the new PMSA and, unless otherwise noted, PMSA statistics are for the former PMSA.

The City's 2003 population was 17,572. The City's Area is approximately 4.77 square miles, broken down by land use as follows:

	<u>Area</u>	<u>Percent of Assessed Valuation of Real Property</u>
Residential	54.5%	81.03%
Commercial/Industrial	9.7	18.97
Public Utility	0.1	0
Governmental (including parks) and Other Tax Exempt	34.3	(a)
Agricultural	0	0
Undeveloped	1.4	(b)

(a) Not applicable. Exempt from property taxation.

(b) Included in above categories.

Sources: City Building Department and County Auditor.

The City is served by diversified transportation facilities, including three States and U.S. highways and interstate highway I-480. It is adjacent to areas served by Conrail and Amtrak, and is served by passenger air services at Cleveland Hopkins International Airport located within two and one-half miles of the City, and by Burke lakefront Airport located within thirteen miles of the City in the County. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Banking and financial services are provided to the City area by offices of local commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

One daily newspaper and two weekly newspapers serve the City. The City is within the broadcast area of seven television stations and 30 AM and FM radio stations. Multi-channel cable TV service, including educational, governmental and public access channels, is provided by Cox Cable Communications, Inc. and Ameritech New Media.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Baldwin-Wallace College, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Ursuline College, Notre Dame College, Oberlin College, and The University of Akron.

City residents are served by five hospitals within a ten-mile radius of the City – Fairview General Hospital, Lakewood Hospital, the Metrohealth Medical Center, Southwest General Hospital and St. John West Shore Hospital – and by numerous other hospitals in the County, including The Cleveland Clinic Foundation Hospital and University Hospitals of Cleveland, two tertiary care facilities.

The City is served by varied recreational facilities. The City operates a system of parks with a total of 54.2 acres which offer playgrounds, ball diamonds and other athletic fields, playing courts, nature and jogging trails, The Bain Park Community Cabin and picnic areas. The City's Recreation Department, in cooperation with the Fairview Park City School District, provides various recreational programs and activities for City residents in those parks and indoor swimming, tennis and skating facilities. The City also participated (with the Cities of Rocky River and Westlake) in the operation of the 14-acre Tri-City Park which offers a baseball diamond, soccer field, basketball court, playground area, parking facility and four tennis courts. A portion of the City lies within the Rocky River Reservation of the Cleveland Metropolitan Park District.

### City Government

The City operates under and is governed by its Charter, first adopted by the voters in 1958 and which has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a Council-Mayor form of government.

Legislative authority is vested in a seven-member Council, of whom two are elected at-large and five are elected from wards, for two-year terms. The presiding officer is the President of Council, who is one of the Council members elected at-large, but has no vote except if necessary to break a tie. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The Charter establishes certain administrative departments; the Council may establish divisions of those departments, and additional departments. In the November 2000 election, the voters voted to reduce the size of Council by two at-large members to seven members.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term.

The Mayor appoints, subject to the approval of Council, the directors of the City departments. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

### **ECONOMIC CONDITION AND OUTLOOK**

Phase II of the Lorain Road Revitalization Program was completed with the opening of West Valley medical in July, 2003, a 43,000 square foot Georgian style colonial office building. This entire project is now finished and includes two new colonial office buildings totaling 90,000 square feet on a total of 9 acres of redeveloped property. Both of these facilities are now each providing the City with well in excess of \$100,000 in annual income tax. Total revenue is expected to be over \$450,000 per year.

In 2003, construction began on the new Metroparks Ranger Station and Service Garage at the bottom of Wooster Hill. This 10 million dollar construction project, when opened in August 2004, will bring 97 full time jobs and 53 part time positions to the income tax base of the City.

During the year, the Zaremba office condominium project began at W. 227<sup>th</sup> and Brookpark with the construction of the first of six office buildings. This building was subsequently owner occupied by the CPA firm Strang Klubnick. This project, when completed will encompass 6 buildings totaling approximately 106,000 square feet and will employ upwards of 400.

In addition to these new facilities, 14 new business opened in the City in 2003 including a new Laser Car Wash at W. 210<sup>th</sup> and Lorain. Finally, during the year the City continued work on the establishment of a Dunkin Donuts/Baskin Robbins facility on the opposite corner of W. 210 and Lorain (which will open in September 2004), the renovation and grand reopening of the Westgate Medical Arts Building, the maintenance of NASA in the community with its 635 employees and working closely with the Jacobs Group, assisted in the development of a plan for the eventual complete renovation and revitalization of Westgate Mall.

## **FIRST RING CONSORTIUM**

Fairview Park continues to be deeply involved in the First Ring Consortium, an organization comprised of 15 mature cities that surround Cleveland whose objective is to foster community and economic development through the identification of common problems and the implementation of common solutions. Current projects in process include support for a future County Development Levy, identification of sources of gap financing and advocacy at the regional, State and County levels.

## **SERVICE**

The 2004 Street resurfacing program will begin in July 2004. Ten streets will be repaired at a cost of \$745,000. The resurfacing of Lorain Road, which began in 2003, was completed in 2004 at a cost of \$980,647, 80% of which is payable from ODOT.

The joint Fairview Park/Rocky River Wooster Road Sewer Rehabilitation project began in March 2004. The actual cost of the contract with Fabrizi Construction is \$2,143,866. Each City will share 50% of the expenses less \$423,000 received in the form of a grant from State Issue 2 funds and \$500,000 from the County Engineer for related road reconstruction costs. Between last fall and the spring of 2004, the pumping station at W. 220<sup>th</sup> was completely upgraded to include the installation of new pumps and generator equipment. The West 227<sup>th</sup> Street station will be done this year.

The Lorain Road Sidewalk and Apron Program began this year in the area between W. 223<sup>rd</sup> and Wooster Rd. This project is being funded by a \$106,000 grant from the County and \$81,000 match by the City. Project costs will be billed to the property owner. These receipts will eventually provide for a revolving fund for repair and replacement of sidewalks, as needed, in other areas of the City.

The four columns under the front portico of City Hall were replaced this spring at a cost of \$21,000. In addition, Service Garage parking areas were resurfaced with proceeds from the Cleveland Water Department in the amount of \$63,000.

## **BUILDING**

In calendar year 2003, 1,866 permits were issued and residential and commercial construction for the year was valued at \$4,150,630 in addition to the Zaremba and West Valley Medical Projects. During the year, the department continued with the special summer property maintenance program to continue to ensure the viability and improvement of property values. Finally, the apartment inspection ordinance was expanded to allow for the annual inspection of up to 25% of all apartment units in addition to common areas as a condition of licensing renewal.

## **FINANCIAL INFORMATION**

### *Basis of Accounting*

The City of Fairview Park's accounting system is organized on a "fund basis". Each fund or account group is a self-balancing set of accounts. General government operations are reported on a modified accrual basis in the fund level statements. Revenues are recognized when measurable and available. Expenditures are recognized when measurable and incurred. The City's proprietary funds, as well as the government-wide statements are reported on the accrual basis. Revenues are recognized when earned. Expenses are recognized when incurred.

### *Internal Accounting Controls*

In developing the City's accounting system, consideration was given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss and misuse, and assurance regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived from their implementation.

The City utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

### *Budgetary Controls*

By statute, City Council adopts a temporary appropriation measure for the City on or about the first day of January. The City Council adopts a permanent appropriation measure by the first day of April. All disbursements and transfers of cash among funds require appropriation authority from City Council. Budgets are controlled at the department level in the General Fund, and the fund level in all other funds.

Additional information regarding the City's budgetary accounting can be found in Note 2 of the basic financial statements.

## CASH MANAGEMENT

The City of Fairview Park continued to maintain its strong financial reserves during 2003. The City's general fund unencumbered cash balance at year-end was \$2,062,773. This represents 23.5% of general fund expenditures. The General Fund unencumbered cash balance increased by \$222,310 (12.1%) during the year 2003.

Cash management is a vital component of the City's overall financial strategy. The Finance Director maintains an aggressive cash management program. Major considerations are cash flows necessary to pay City liabilities and available interest rates. As City funds become available, they are invested immediately in sweep accounts maintained at the City approved depository banks, short-term federal agencies or other securities authorized by state statutes. During 2003, \$43,902 of interest was deposited in the General Fund, \$14,221 in the Capital Projects Fund, \$1,100 in the Recreation Fund, \$1,662 in the Cable TV Fund, \$1,711 in the Permanent Improvement Fund, \$836 in the Lorain Road Revitalization Fund and \$14,127 in the Sanitary Sewer Fund in accordance with City ordinances. The decrease from the previous year was due to continuing low interest rates.

## RISK MANAGEMENT

In fiscal year 2003, the City of Fairview Park purchased insurance policies from two carriers to manage the risks that the City was exposed. The coverage limits on December 31, 2003 for all types of coverage are as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Clarendon National Insurance	General Liability	
	Bodily Injury and Property Damage Limit	\$1,000,000
	Personal Injury and Advertising Injury Limit	\$1,000,000
	Employee Benefits Injury Limit	\$1,000,000
	Fire, Lighting or Explosion Limit	\$500,000
	Medical Payments	\$500
	Products & Completed Operations Aggregate	\$2,000,000
	General Aggregate Limit	\$2,000,000
	Law Enforcement Liability	
	For Each Person	\$1,000,000
	For Law Enforcement Wrongful Act	\$1,000,000
	For Annual Aggregate	\$2,000,000
	Public Officials Liability	
	For Each Public Official Wrongful Act	\$1,000,000
	For Annual Aggregate	\$2,000,000
Automobile Liability	\$1,000,000	
Commercial Crime	\$5,000-\$25,000	
Great American Insurance	Blanket Building and Contents	\$7,714,000



The City pays the State Worker's Compensation System a premium for the worker compensation coverage. In addition, the City also provides employees medical, prescription, vision and dental benefits through a minimum premium self-insurance program. Medical Mutual of Ohio was utilized as a third party administrator to review and pay all claims. Additional information on the City's risk management activity can be found in Note 10 of the basic financial statements.

## **DEBT MANAGEMENT**

The City maintains an A2 credit rating from Moody's Investors Service, Inc. All bonds of the City are backed by its full faith and credit.

Under current state statutes, the total voted net debt of the City, less the same exempt debt, shall never exceed 10.5% of the total assessed property valuation. The total unvoted debt less the same exempt debt, shall never exceed 5.5% of the assessed valuation. At December 31, 2003, the total legal debt margin was \$33,663,762 with an unvoted debt margin of \$14,940,840.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Fairview Park for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2002. This was the fifth (5<sup>th</sup>) consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievements Program's requirements and we are submitting it to GFOA to determine eligibility for another certificate.

The city submitted a Popular Annual Financial Report (PAFR) to the GFOA for the in 2003. A PAFR is a condensed a user friendly overview of this report. The City received two consecutive Awards for Outstanding Achievement from the GFOA for the 2001 & 2002 reports. The City has issued a PAFR for 2003 and is available by contacting the Finance Director's office.

## **INDEPENDENT AUDIT**

Included in this report is an unqualified audit opinion rendered on the City's Financial Statements as of December 31, 2003, by our independent auditor, Charles E. Harris & Associates, Inc. Their audit was conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

City management plans to continue to subject the City's Financial Statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit also serves to maintain and strengthen the City's accounting and budgetary controls.

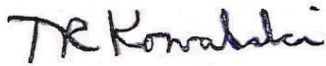
## ACKNOWLEDGMENTS

The publication of this CAFR represents an important achievement in the ability of the City of Fairview Park provide significantly enhanced financial information and accountability to the citizens of the City, its elected officials, City management, and investors. This report continues the aggressive program of the Finance Department to improve the City's overall financial accounting, management, and reporting capabilities.

I would like to acknowledge the efforts of the entire staff of the Finance Department, especially the Assistant Finance Director Merlyn Santiago, for their contributions to this report. Special thanks are extended to Mayor Eileen A. Patton and Members of City Council for their enthusiastic support of this project. The guidance and assistance provided by the accounting firm of Charles E. Harris & Associates, and in particular John J. Phillips, Vice-President and K.C. Chang, Senior Auditor was greatly appreciated. They provided valuable assistance in a most professional manner.

I would also like to thank all of the department heads, and their staffs for their assistance and cooperation with the preparation of this CAFR. I ask for their continued support of this project and of my efforts toward continuing the sound financial management for the City of Fairview Park.

Sincerely,

A handwritten signature in blue ink that reads "T.R. Kowalski". The signature is written in a cursive style with a large initial "T" and "K".

T.R. Kowalski, C.P.A.  
Finance Director

**City of Fairview Park, Ohio  
Public Officials  
For the Year Ended December 31, 2003**

**ELECTED OFFICIALS**

**Mayor**

Eileen Ann Patton

**Council**

Timothy M. Needham, President

William Gluvna

Kenneth J. Wolf

John Cooney

Jeanine L. Minek

Frederic Gauthier

William B. Westfall

**APPOINTED OFFICIALS**

**Director of Law**

Lucian C. Rego

**Director of Finance**

Theodore Kowalski

**Police Chief**

Patrick Nealon

**Fire Chief**

David Simon

**Director of Public Service**

James M. Kennedy

**Recreation Director**

Timothy J. Pinchek

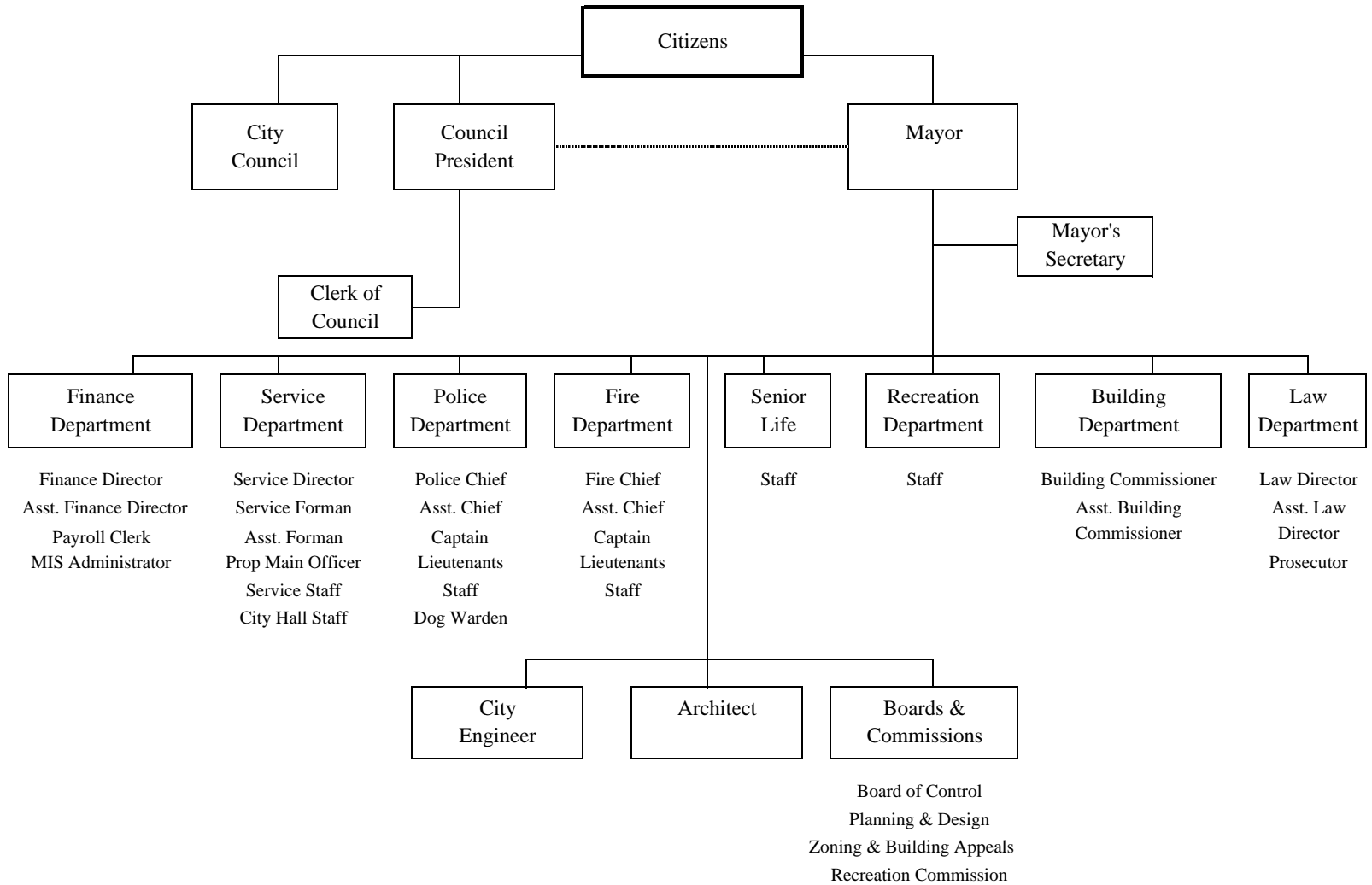
**Building Commissioner**

Steve Polinski

**Senior Life Director**

Nell Ellis

**City of Fairview Park, Ohio**  
 Organizational Chart  
 December 31, 2003



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairview Park,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

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.



A handwritten signature in cursive script, appearing to read "Edward Haney".

President

A handwritten signature in cursive script, appearing to read "Jeffrey R. Emen".

Executive Director

## Financial Section

**Charles E. Harris & Associates, Inc.**  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

**REPORT OF INDEPENDENT ACCOUNTANTS**

**The Honorable Mayor and City Council  
City of Fairview Park  
Fairview Park, Ohio**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Fairview Park (the City), as of and for the year ended December 31, 2003, 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 an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended December 31, 2003, the City implemented a new financial reporting model, as required by the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Interpretation No. 6.

The management's discussion and analysis on pages 1 through 15 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables are presented for the purpose of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



*Charles E. Harris & Associates, Inc.*  
August 31, 2004



**City of Fairview Park**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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This discussion and analysis of The City of Fairview Park's (the City's) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key Financial highlights for 2003 are as follows:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$59.4 million (*net assets*). Of this amount, \$8.1 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased \$1 million or 1.7% over 2002. The increase was primarily due to infrastructure improvements.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4.3 million, an increase of \$90 thousand, or 2.2%, in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2.3 million, or 26% of the total general fund expenditures.
- The City's total long-term debt obligations increased \$82 thousand, or 1.2%, during the current fiscal year. The key factor in this increase was the issuance of \$505,126 capital leases for the City's service department.

**Overview of the Financial Statements**

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

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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**Government-wide Financial Statements.** The *government-wide financial statements* are designated to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses. The *statement of net assets* and *statement of activities* provides information about the activities of the whole city, presenting both an aggregate view of the City's finances and longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds in total in one column.

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

The *statement of activities* presents information showing how the government's net assets changed during the 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 cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government security of persons and property, public health services, transportation, leisure time activities, and community environment.

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

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

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

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
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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 expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Fairview Park maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund and Capital Projects Fund; which are considered to be major funds. Data from the other non-major 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 adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement (non-GAAP basis) has been provided for each major and nonmajor fund to demonstrate budgetary compliance.

*Proprietary Funds* The City of Fairview Park 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 uses enterprise funds to account for its sewer operation and the lease activity to the Fairview Park City School District. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance of health related employee benefits and employee section 125 contribution. Because these services predominately benefit governmental rather than business-type functions, they have been included with the 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 sewer operation and lease activity. Only sewer operation is considered to be the major fund of the City. Conversely, both 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 statement elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 26 to 29 of this report.

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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*Notes to the Basic Financial Statements* The notes to provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 to 61 of this report.

*Other Information* In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found on pages 63 to 109 of this report.

### **Government-Wide Financial Analysis**

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How well did the City perform financially during 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

**The City of Fairview Park as a Whole**

Recall that the Statement of Net Assets looks at the City as a whole. The table 1 provides a summary of the City's net assets for 2003. Since this is the first year the City has prepared financial statements following GASB Statement No. 34, net asset comparisons to the prior year are not available.

Net Assets  
Table 1

	Governmental Activities	Business-type Activities	Total
	2003	2003	2003
Current and other assets	\$ 11,799,848	\$ 6,558,550	\$ 18,358,398
Capital assets	43,686,619	12,273,636	55,960,255
<b>Total assets</b>	<b>55,486,467</b>	<b>18,832,186</b>	<b>74,318,653</b>
Current liabilities	6,078,562	217,550	6,296,112
Long-term liabilities	7,731,415	879,832	8,611,247
<b>Total liabilities</b>	<b>13,809,977</b>	<b>1,097,382</b>	<b>14,907,359</b>
Invested in capital assets, net of related debt	37,934,123	11,521,701	49,455,824
Restricted net assets	1,898,694	-	1,898,694
Unrestricted net assets	1,843,673	6,213,103	8,056,776
<b>Total net assets</b>	<b>\$ 41,676,490</b>	<b>\$ 17,734,804</b>	<b>\$ 59,411,294</b>

The City's restricted net assets (3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$8,056,776) may be used to meet the City's on going obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balance in all three categories of the net assets, both for the government as a whole, as well as for separated governmental and business-type activities.

Table 2 provides a summary of the City's changes in net assets for 2003. Since this is the first year the City has prepared financial statements following GASB Statement No. 34, changes in net assets comparison to the prior year are not available.

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

Changes in Net Assets  
Table 2

	Governmental Activities	Business-type Activities	Total
	2003	2003	2003
<b>Revenues:</b>			
<b>Program revenue:</b>			
Charges for services	\$ 1,253,754	\$ 1,830,953	\$ 3,084,707
Operating grants and contribution	538,662	-	538,662
<b>General revenue:</b>			
Income taxes	5,821,810	-	5,821,810
Property taxes	3,867,538	-	3,867,538
Grant and entitlement not restricted to specific programs	2,596,571	-	2,596,571
Investment earnings	63,432	14,127	77,559
Miscellaneous	195,583	-	195,583
<b>Total revenue</b>	<b>14,337,350</b>	<b>1,845,080</b>	<b>16,182,430</b>
<b>Expenses:</b>			
General government	2,632,827	-	2,632,827
Security of persons and property	6,003,528	-	6,003,528
Public health and welfare	49,447	-	49,447
Transportation	1,980,401	-	1,980,401
Community environment	1,760,877	-	1,760,877
Leisure time activities	693,544	-	693,544
Interest and fiscal charges	275,893	-	275,893
Sewer	-	1,779,785	1,779,785
Gilles-sweet	-	7,871	7,871
<b>Total expenses</b>	<b>13,396,517</b>	<b>1,787,656</b>	<b>15,184,173</b>
<b>Increase (decrease) in net assets</b>	<b>940,833</b>	<b>57,424</b>	<b>998,257</b>
<b>Net assets at 1/1/03</b>	<b>40,735,657</b>	<b>17,677,380</b>	<b>58,413,037</b>
<b>Net assets at 12/31/03</b>	<b>\$ 41,676,490</b>	<b>\$ 17,734,804</b>	<b>\$ 59,411,294</b>

**Governmental Activities** Governmental activities increased the City's net assets by \$940,833, thereby accounting for 94 percent of the total growth in the net assets of the City.

Charges for services were the largest program revenues, accounting for \$1,253,754 or 8.7 percent of total governmental revenues. The major charges for services were the special assessments, ambulance service, fines, licenses and permits of the City.

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
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Income tax revenues accounted for \$5,821,810 or 40.6 percent of total governmental revenues. Another major component of governmental revenues was property taxes, which accounted for \$3,867,538 or 27 percent of the total governmental revenues. The income tax rate was 1.5% for 2003. Both residents of the City and non-residents who work in the City are subject to the income tax. However if residents work in another locality that has a municipal income tax, the City provides 75% credit up to 1.25% for those who pay income tax to another city. City Council could, by ordinance, choose to vary that income tax credit and create additional revenues for the City. Due to our recent history of income tax collection increases, we have been able to realize an increase in our net assets making such a consideration unnecessary, but a future option.

Intergovernmental revenues not related to specific programs amount to \$2,596,571 or 18.1 percent of the total governmental revenues. The majority of these revenues consisted of rollback credits, local government funds, and estate tax.

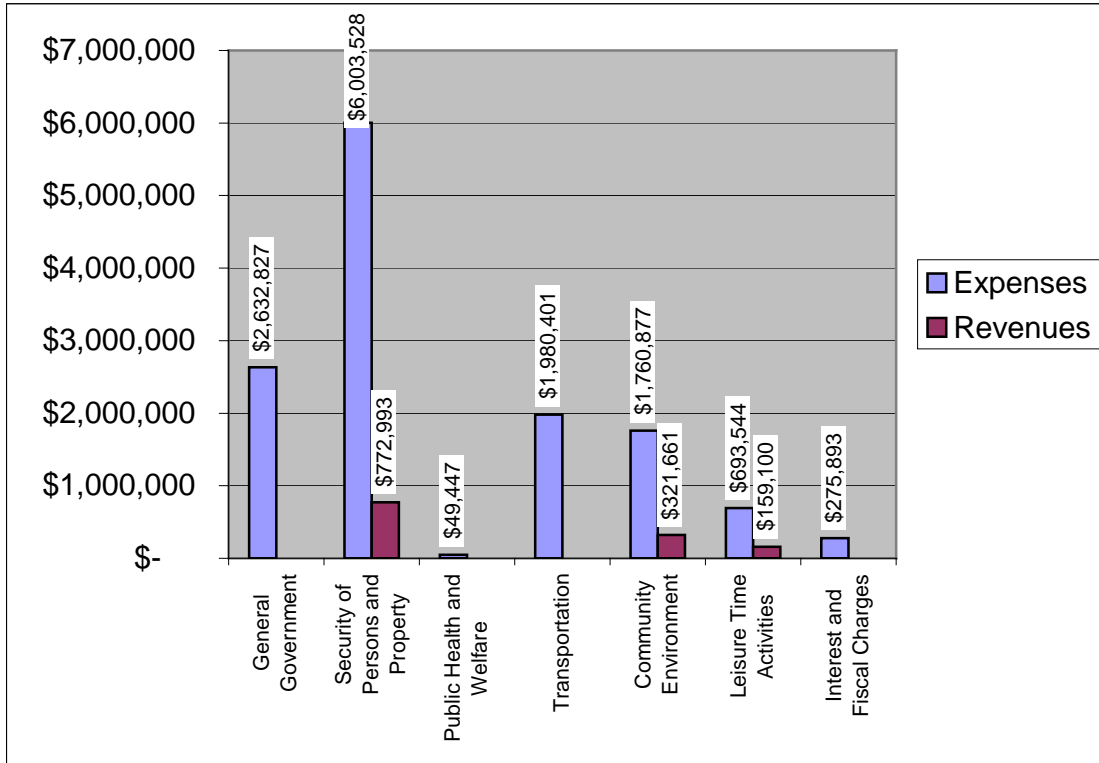
Security of persons and property was the largest program expense in 2003, which accounted for \$6,003,528, or 44.8 percent of the total governmental expenses. The majority of these expenses included operation for police, fire, and emergency medical system.

The next largest function was general government, which accounted for 19.7 percent of the expenses in 2003. 14.8% of the expenses were spent for transportation, while community environment accounted for 13.2%.

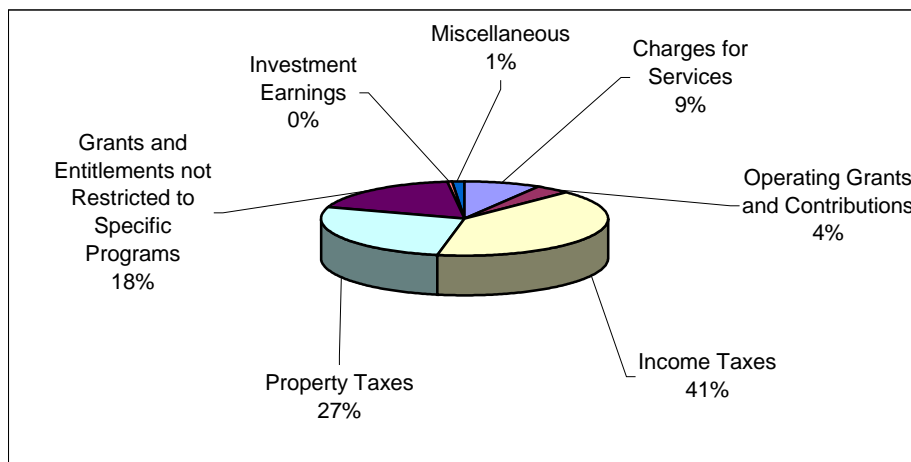
Most of the increase in expenses for 2003 was due to salaries and fringes. 2003 was the first year of a three-year agreement with the City's unions as well as a salary ordinance covering non-elected administrative personnel. These agreements generally called for 3.0% increases in 2003. In 2003, wages to employees increased approximately 3% with a corresponding increase for fringe benefits directly and incrementally related to the amount of salary paid to the employee, such as Medicare taxes, Worker's Compensation premiums and employer contributions to the retirement systems. While the health care costs continued to skyrocket nationally, the City's health care expenses also increased in 2003. Increases in most other expenses closely paralleled inflation and growth in the demand for services.

**City of Fairview Park**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

Expenses and Program Revenues  
 Governmental Activities  
 Graph 1



Revenues by Source  
 Governmental Activities  
 Graph 2



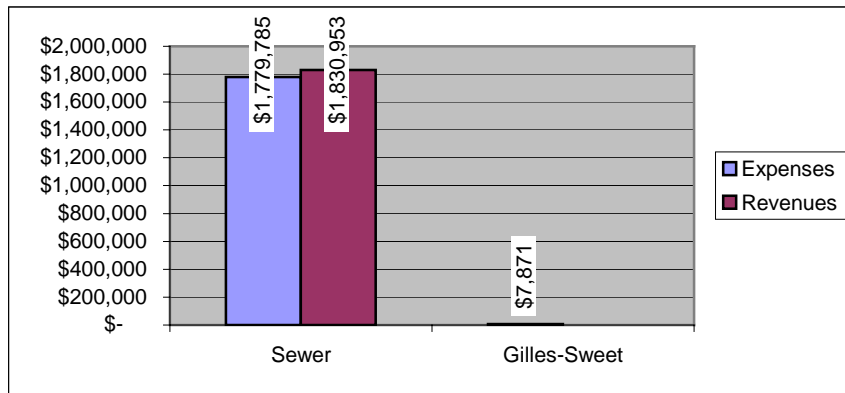


**City of Fairview Park**  
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*For the Year Ended December 31, 2003*  
*Unaudited*

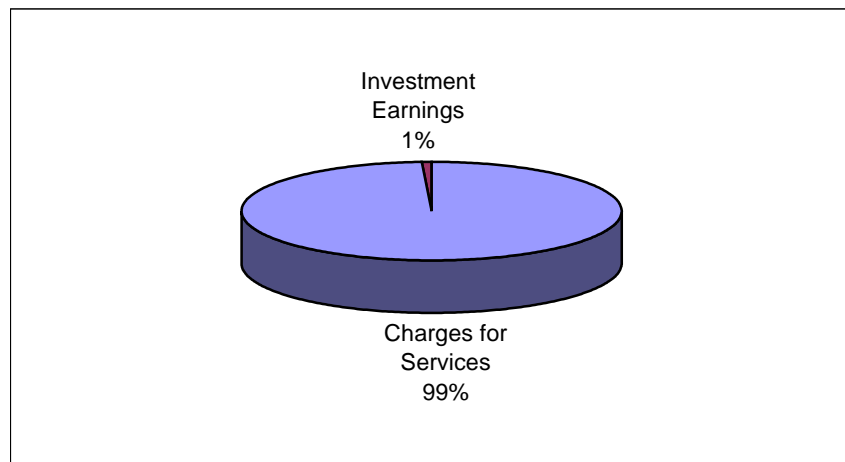
**Business-type Activities** The net assets for business-type increased \$57,424 during 2003, which accounted for 6% of the growth in net assets in the City.

Charges for services were the largest program revenue in the business-type activities, accounting for \$1,830,953 or 99 percent of the total business-type revenues. The majority of the receipts were used to fund the sewer operations and capital improvements of the sewer infrastructure.

Expenses and Program Revenues  
 Business-type Activities  
 Graph 3



Revenues by Source  
 Business-type Activities  
 Graph 4



**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

As of December 31, 2003, the City's governmental funds reported combined ending fund balances of \$4,267,907. Of the amount, \$2,917,692 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period (\$850,619); reserved for contingencies (\$460,000) and inventory (\$39,596).

All governmental funds had total revenues of \$13,434,435 and expenditures of \$13,491,362, leaving a current year operating surplus of \$414,794.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance for the General Fund was \$2,767,862 of which \$2,304,194 was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to the sum of total fund expenditures and other financing uses. Unreserved fund balance represents 26.1% of total General Fund expenditures and other financing uses, while total fund balance represents 31.4% of that same amount. These numbers are an important representation of the City's solid financial performance and condition.

During the current fiscal year, the fund balance of the City's General Fund increased by \$571,073. The 2003 increase was better than the decrease of \$252,094 reported in 2002. The City had a modest gain in income tax receipts during 2003. The City's Capital Projects Fund experienced an increase in fund balance of \$26,938 mostly due to unspent construction cost.

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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*General Fund Budgeting Highlights*

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2003 the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City allows small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of our major activities such as our Police Department and Fire Department as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original budgeted revenues were \$8.3 million. The final budgeted amount was \$8.8 million. The City increased the projected revenues for intergovernmental in participation of the increase funding on a road resurfacing project from Cuyahoga County and Ohio Department of Transportation.

The final budgeted appropriations increased to \$8.9 million from the original budget appropriations of \$8.6 million. The majority of the increase was in general government, which accounted for \$175,429, and security of persons and property, which accounted for \$106,444.

**Capital Assets**

At the end of the fiscal year 2003, the City had \$56 million (net of accumulated depreciation) invested in land, buildings, equipment and furniture, infrastructure, land improvements and vehicles.

Table 3 shows fiscal year capital assets balances for governmental type activities and business-type activities (net of depreciation) compared to the prior year.

**City of Fairview Park**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

Capital Assets at December 31, 2003  
(Net Accumulated Depreciation)

Table 4

	Governmental Activities		Business-type Activities		Total	
	2002	2003	2002	2003	2002	2003
Land	\$ 275,202	\$ 275,202	\$ -	\$ -	\$ 275,202	\$ 275,202
Construction in Progress	3,332,235	-	-	-	3,332,235	-
Building	1,958,989	1,897,478	27,650	26,070	1,986,639	1,923,548
Equipment and Furniture	466,487	568,413	360	280	466,847	568,693
Infrastructure	36,109,160	39,140,496	11,515,767	11,802,921	47,624,927	50,943,417
Land Improvements	901,000	882,214	-	444,365	901,000	1,326,579
Vehicles	517,018	922,816	-	-	517,018	922,816
<b>Total</b>	<b>\$ 43,560,091</b>	<b>\$ 43,686,619</b>	<b>\$ 11,543,777</b>	<b>\$ 12,273,636</b>	<b>\$ 55,103,868</b>	<b>\$ 55,960,255</b>

The most significant increases in our capital assets came as a result of infrastructure improvements to Wooster Road, and the capital leases of the vehicles for the service department in 2003.

Additional information on the City's capital assets can be found in Note 7 of the basic financial statements.

**Debt Administration**

As of December 31, 2003, the City had \$6,688,559 in bonds, notes, capital leases, and capital charges agreement outstanding.

Outstanding Debt  
General Obligation Bonds, Long-term Notes, Capital Leases  
and Capital Charges Agreement

Table 5

	Governmental Activities		Business-type Activities		Total	
	2002	2003	2002	2003	2002	2003
General Obligation Bonds	\$ 3,655,000	\$ 3,450,000	\$ 460,000	\$ 345,000	\$ 4,115,000	\$ 3,795,000
Long-term Notes	1,767,500	1,767,500	443,067	406,933	2,210,567	2,174,433
Capital Leases	164,944	644,996	-	-	164,944	644,996
Capital Charges Agreement	-	-	115,807	74,130	115,807	74,130
<b>Total</b>	<b>\$ 5,587,444</b>	<b>\$ 5,862,496</b>	<b>\$ 1,018,874</b>	<b>\$ 826,063</b>	<b>\$ 6,606,318</b>	<b>\$ 6,688,559</b>

The City retired \$320,000 general obligation bonds, and \$36,134 OPWC notes in 2003. Additional information concerning the City's debt can be found at Note 12 of the basic financial statements.

**City of Fairview Park**  
*Manangement's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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The City also acquired \$505,216 of capital leases in 2003. Additional information concerning the City's capital leases can be found at Note 11 of the basic financial statements.

**Contacting the City's Finance Department**

This financial report is designed to provide our citizens, tax payers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information, contact Director of Finance, Theodore R. Kowalski, CPA, City of Fairview Park, 20777 Lorain, Fairview Park, Ohio 44126-2018, telephone 440-356-4400, or email [diroffinance@FairviewPark.org](mailto:diroffinance@FairviewPark.org).

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**City of Fairview Park, Ohio**

Statement of Net Assets

December 31, 2003

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 4,523,932	\$ 1,810,601	\$ 6,334,533
Receivables:			
Taxes	6,021,621	-	6,021,621
Accounts	126,739	171,815	298,554
Intergovernmental	860,796	-	860,796
Special Assessments	227,164	-	227,164
Materials and Supplies Inventory	39,596	349	39,945
Investment in Joint Venture	-	4,575,785	4,575,785
Nondepreciable Capital Assets	275,202	-	275,202
Depreciable Capital Assets, Net	43,411,417	12,273,636	55,685,053
<i>Total Assets</i>	<u>55,486,467</u>	<u>18,832,186</u>	<u>74,318,653</u>
<b>Liabilities</b>			
Accounts Payable	725,892	168,858	894,750
Accrued Wages and Benefits	238,367	15,297	253,664
Compensated Absences Payable	50,811	1,312	52,123
Intergovernmental Payable	250,543	15,027	265,570
Pension Obligation Payable	335,947	15,043	350,990
Deferred Revenue	4,406,498	-	4,406,498
Claims Payable	46,909	-	46,909
Accrued Interest Payable	23,595	2,013	25,608
Long-Term Liabilities:			
Due Within One Year	2,423,312	223,148	2,646,460
Due Within More Than One Year	5,308,103	656,684	5,964,787
<i>Total Liabilities</i>	<u>13,809,977</u>	<u>1,097,382</u>	<u>14,907,359</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	37,934,123	11,521,701	49,455,824
Restricted for:			
Capital Projects	1,088,946	-	1,088,946
Debt Service	(109,849)	-	(109,849)
Other Purposes	919,597	-	919,597
Unrestricted (Deficit)	1,843,673	6,213,103	8,056,776
<i>Total Net Assets</i>	<u>\$ 41,676,490</u>	<u>\$ 17,734,804</u>	<u>\$ 59,411,294</u>

See accompanying notes to the basic financial statements

**City of Fairview Park, Ohio**  
Statement of Activities  
For the Year Ended December 31, 2003

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 2,632,827	\$ -	\$ -
Security of persons and property	6,003,528	772,993	20,903
Public health and welfare	49,447	-	-
Transportation	1,980,401	-	517,759
Community environment	1,760,877	321,661	-
Leisure time activities	693,544	159,100	-
Interest and fiscal charges	275,893	-	-
<i>Total governmental activities</i>	<u>13,396,517</u>	<u>1,253,754</u>	<u>538,662</u>
Business-type activities:			
Sewer	1,779,785	1,830,953	-
Gilles-Sweet	7,871	-	-
<i>Total business-type activities</i>	<u>1,787,656</u>	<u>1,830,953</u>	<u>-</u>
<i>Total primary government</i>	<u>\$ 15,184,173</u>	<u>\$ 3,084,707</u>	<u>\$ 538,662</u>

General revenues:

Income taxes  
Property taxes  
Grants and entitlements not restricted to specific programs  
Investment earnings  
Miscellaneous

*Total general revenues*

Changes in net assets

*Net assets beginning of year - as restated (See Note 20)*

*Net assets end of year*

See accompanying notes to the basic financial statements



Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,632,827)	\$ -	\$ (2,632,827)
(5,209,632)	-	(5,209,632)
(49,447)	-	(49,447)
(1,462,642)	-	(1,462,642)
(1,439,216)	-	(1,439,216)
(534,444)	-	(534,444)
(275,893)	-	(275,893)
<u>(11,604,101)</u>	<u>-</u>	<u>(11,604,101)</u>
-	51,168	51,168
-	(7,871)	(7,871)
-	43,297	43,297
<u>\$ (11,604,101)</u>	<u>\$ 43,297</u>	<u>\$ (11,560,804)</u>
\$ 5,821,810	\$ -	\$ 5,821,810
3,867,538	-	3,867,538
2,596,571	-	2,596,571
63,432	14,127	77,559
195,583	-	195,583
<u>12,544,934</u>	<u>14,127</u>	<u>12,559,061</u>
940,833	57,424	998,257
<u>40,735,657</u>	<u>17,677,380</u>	<u>58,413,037</u>
<u>\$ 41,676,490</u>	<u>\$ 17,734,804</u>	<u>\$ 59,411,294</u>

**City of Fairview Park, Ohio**

Balance Sheet

Governmental Funds

December 31, 2003

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,073,596	\$ 1,394,900	\$ 911,688	\$ 4,380,184
Receivables:				
Taxes	4,296,182	433,552	1,291,887	6,021,621
Accounts	-	-	126,739	126,739
Intergovernmental	620,459	-	240,337	860,796
Interfund	535,913	-	50,299	586,212
Special Assessments	-	-	227,164	227,164
Materials and Supplies Inventory	3,668	-	35,928	39,596
<i>Total Assets</i>	<u>7,529,818</u>	<u>1,828,452</u>	<u>2,884,042</u>	<u>12,242,312</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities</b>				
Accounts Payable	158,916	497,503	69,473	725,892
Accrued Wages and Benefits	209,729	-	28,108	237,837
Compensated Absences Payable	48,184	-	2,627	50,811
Interfund Payable	-	-	586,212	586,212
Intergovernmental Payable	227,724	-	22,819	250,543
Deferred Revenue	4,117,403	258,967	1,746,740	6,123,110
<i>Total Liabilities</i>	<u>4,761,956</u>	<u>756,470</u>	<u>2,455,979</u>	<u>7,974,405</u>
<b>Fund Balance (Deficit)</b>				
Reserved for Encumbrances	-	793,286	57,333	850,619
Reserved for Inventory	3,668	-	35,928	39,596
Reserved for Contingencies	460,000	-	-	460,000
Unreserved:				
Undesignated, Reported in:				
General Fund	2,304,194	-	-	2,304,194
Special Revenue Funds	-	-	714,769	714,769
Debt Service Funds	-	-	(91,812)	(91,812)
Capital Projects Funds	-	278,696	(288,155)	(9,459)
<i>Total Fund Balances</i>	<u>2,767,862</u>	<u>1,071,982</u>	<u>428,063</u>	<u>4,267,907</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 7,529,818</u>	<u>\$ 1,828,452</u>	<u>\$ 2,884,042</u>	<u>\$ 12,242,312</u>

See accompanying notes to the basic financial statements

*City of Fairview Park, Ohio*  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2003

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**Total Governmental Fund Balances** \$ 4,267,907

*Amount 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 43,686,619

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

Taxes	1,033,177
Intergovernmental	397,044
Special Assessments	227,164
Charges for Services	59,227

Total 1,716,612

An internal service fund is used by management to charge the costs  
 of insurance to individual funds. The assets and liabilities of the internal  
 service fund are included in the governmental activities in the statement  
 of net assets 96,237

Pension obligation payable is pension contributions not expected to be paid  
 with available resources, and therefore, are not reported in the funds (335,875)

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

General Obligation Bonds	3,450,000
Long-term Notes	1,767,500
Compensated Absences	1,868,919
Capital Leases	644,996
Accrued Interest Payable	23,595

Total (7,755,010)

**Net Assets of Governmental Activities** \$ 41,676,490

See accompanying notes to the basic financial statements

**City of Fairview Park, Ohio**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2003

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Income Taxes	\$ 3,683,822	\$ 1,274,764	\$ -	\$ 4,958,586
Property Taxes	2,762,970	-	1,094,855	3,857,825
Intergovernmental	2,392,109	82,110	690,263	3,164,482
Interest	43,902	14,221	5,309	63,432
Special Assessments	-	-	230,971	230,971
Charges for Services	18,363	-	522,817	541,180
Licenses and Permits	216,904	-	86,394	303,298
Fines and Forfeitures	116,232	-	2,846	119,078
Miscellaneous	182,506	-	13,077	195,583
<i>Total Revenues</i>	<u>9,416,808</u>	<u>1,371,095</u>	<u>2,646,532</u>	<u>13,434,435</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	4,155,086	-	1,605,564	5,760,650
Public Health and Welfare	49,447	-	-	49,447
Transportation	341,286	-	591,687	932,973
Community Environment	1,593,359	-	-	1,593,359
General Government	1,864,716	-	7,186	1,871,902
Leisure Time Activities	289,320	-	424,279	713,599
Capital Outlay	-	1,344,157	720,680	2,064,837
Debt Service:				
Principal Retirement	25,074	-	205,000	230,074
Interest and Fiscal Charges	7,447	-	267,074	274,521
<i>Total Expenditures</i>	<u>8,325,735</u>	<u>1,344,157</u>	<u>3,821,470</u>	<u>13,491,362</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,091,073</u>	<u>26,938</u>	<u>(1,174,938)</u>	<u>(56,927)</u>
<b>Other Financing Sources (Uses):</b>				
Inception of Capital Lease	-	-	505,126	505,126
Transfers In	-	-	1,082,074	1,082,074
Transfers Out	(520,000)	-	(562,074)	(1,082,074)
<i>Total Other Financing Sources (Uses)</i>	<u>(520,000)</u>	<u>-</u>	<u>1,025,126</u>	<u>505,126</u>
<i>Net Change in Fund Balances</i>	571,073	26,938	(149,812)	448,199
<i>Fund Balances at Beginning of Year, as Restated, See Note 20</i>	2,207,810	1,045,044	552,615	3,805,469
<i>Increase (Decrease) in Reserved of Inventory</i>	<u>(11,021)</u>	<u>-</u>	<u>25,260</u>	<u>14,239</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$ 2,767,862</u>	<u>\$ 1,071,982</u>	<u>\$ 428,063</u>	<u>\$ 4,267,907</u>

See accompanying notes to the basic financial statements.

*City of Fairview Park, Ohio*  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2003

Net Change in Fund Balances - Governmental Funds		\$ 448,199
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period		
Capital Asset Additions	2,150,215	
Current Year Depreciation	<u>(2,023,687)</u>	126,528
Total		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund		
Taxes	872,937	
Intergovernmental	(29,249)	
Charges for Services	<u>59,227</u>	902,915
Total		
Repayment of principal an expenditure in the governmental funds, but the repayment reduces long-term liabilities		
General Obligation Bonds	205,000	
Capital Lease	<u>25,074</u>	
Total		230,074
Inventory and prepaid items are reported as an asset when purchased and defer the recognition of an expenditure until the period in which the inventory and prepaid items are consumed. However, the net effect of the transaction involving inventory and prepaid items is to increase (decrease) expenses in governmental activities.		
		14,239
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.		
		(1,372)
Inception of capital leases are reported as other financing sources in the governmental funds, but the inception increases long-term liabilities on the statement of activities		
		(505,126)
Compensated absences, pension obligation payable, accrued interest payable and intergovernmental payable reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds		
Pension Obligation	(11,991)	
Compensated Absences	<u>(256,874)</u>	
Total		(268,865)
The internal service fund used by management to charge the costs of insurance to the individual funds is not reported in the statement of activities governmental fund expenditures and the related internal service fund revenues are eliminated. The net expenses of the internal service fund is allocated among governmental activities		
		<u>(5,759)</u>
Change in Net Assets of Governmental Activities		<u>\$ 940,833</u>

See accompanying notes to the basic financial statements

**City of Fairview Park**  
Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal Income Tax	\$ 3,519,500	\$ 3,519,500	\$ 3,497,084	(22,416)
Property and Other Taxes	3,100,517	3,100,517	2,762,970	(337,547)
Charges for Services	5,600	5,600	18,363	12,763
Licenses and Permits	137,800	137,800	216,904	79,104
Fines and Forfeitures	126,100	126,100	115,712	(10,388)
Intergovernmental	1,212,283	1,670,237	2,154,914	484,677
Interest	60,000	60,000	45,435	(14,565)
Other	144,400	144,400	184,993	40,593
<b>Total Revenues</b>	<b>8,306,200</b>	<b>8,764,154</b>	<b>8,996,375</b>	<b>232,221</b>
<b>Expenditures:</b>				
Current:				
General Government:				
Board of Appeals	1,057	1,057	1,382	(325)
Mayor Office	127,204	129,450	126,712	2,738
Service Director	212,725	256,871	254,302	2,569
Finance Department	337,547	366,161	368,233	(2,072)
Legal Department	103,774	120,787	118,880	1,907
Engineering	34,058	34,814	34,720	94
Municipal Land and Building	251,722	293,880	294,397	(517)
Civil Service	1,925	1,925	830	1,095
County and State Fees	306,495	336,995	322,223	14,772
Legislative	90,633	92,981	93,252	(271)
Other Administrative	137,100	144,748	137,181	7,567
Total General Government	1,604,240	1,779,669	1,752,112	27,557
Security of Persons and Property:				
Police Department	2,375,740	2,427,980	2,394,580	33,400
Traffic Control	140,893	148,233	149,393	(1,160)
Fire Department	1,589,868	1,636,732	1,629,516	7,216
Total Security of Persons and Property	4,106,501	4,212,945	4,173,489	39,456
Public Health and Welfare:				
Public Health	57,000	57,000	49,274	7,726
Total Public Health and Welfare	57,000	57,000	49,274	7,726
Community Environment:				
Planning and Design Commission	5,733	7,716	7,407	309
Building Department	247,792	251,894	253,937	(2,043)
Recycling and Solid Waste Disposal	1,030,311	1,050,598	1,100,357	(49,759)
Senior Life Office	275,676	283,638	247,100	36,538
Total Community Environment	1,559,512	1,593,846	1,608,801	(14,955)
Transportation:				
Motor Vehicle Maintenance	328,347	359,892	352,630	7,262
Total Transportation	328,347	359,892	352,630	7,262

**City of Fairview Park**  
Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund (Continued)  
For the Fiscal Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities:				
Parks and Property Maintenance	276,023	282,734	280,938	1,796
<b>Total Leisure Time Activities</b>	<b>276,023</b>	<b>282,734</b>	<b>280,938</b>	<b>1,796</b>
Debt Service:				
Principal Retirement	25,074	25,074	25,074	-
Interest and Fiscal Charges	7,447	7,447	7,447	-
<b>Total Expenditures</b>	<b>7,964,144</b>	<b>8,318,607</b>	<b>8,249,765</b>	<b>68,842</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	342,056	445,547	746,610	301,063
<b>Other Financing Sources (Uses):</b>				
Advance In	16,000	16,000	16,000	-
Advance Out	(20,300)	(20,300)	(20,300)	-
Transfer Out	(570,000)	(570,000)	(520,000)	50,000
<b>Total Other Financing Sources (Uses)</b>	<b>(574,300)</b>	<b>(574,300)</b>	<b>(524,300)</b>	<b>50,000</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(232,244)	(128,753)	222,310	351,063
Fund Balances (Deficit) at Beginning of Year	1,752,720	1,752,720	1,752,720	-
Prior Year Encumbrances Appropriated	87,743	87,743	87,743	-
Fund Balances (Deficit) at End of Year	<b>\$ 1,608,219</b>	<b>\$ 1,711,710</b>	<b>\$ 2,062,773</b>	<b>\$ 351,063</b>

*City of Fairview Park, Ohio*  
Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2003

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Sewer</u>	<u>Gilles-Sweet</u>	<u>Total</u>	
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,804,567	\$ 6,034	\$ 1,810,601	\$ 143,748
Receivables:				
Accounts	171,815	-	171,815	-
Materials and Supplies Inventory	349	-	349	-
<i>Total Current Assets</i>	<u>1,976,731</u>	<u>6,034</u>	<u>1,982,765</u>	<u>143,748</u>
Non-current Assets:				
Investment in Joint Venture	4,575,785	-	4,575,785	-
Depreciable Capital Assets, Net	12,273,636	-	12,273,636	-
<i>Total Assets</i>	<u>16,849,421</u>	<u>-</u>	<u>16,849,421</u>	<u>-</u>
<i>Total Assets</i>	<u>18,826,152</u>	<u>6,034</u>	<u>18,832,186</u>	<u>143,748</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	165,227	3,631	168,858	530
Accrued Wages and Benefits	15,297	-	15,297	-
Compensated Absences Payable	1,312	-	1,312	72
Intergovernmental Payable	15,027	-	15,027	-
Pension Obligation Payable	15,043	-	15,043	-
Claims Payable	-	-	-	46,909
Accrued Interest Payable	2,013	-	2,013	-
Current Portion of OPWC Loans Payable	36,134	-	36,134	-
Current Portion of General Obligation Bonds Payable	115,000	-	115,000	-
Current Portion of Intergovernmental Payable	32,975	-	32,975	-
<i>Total Current Liabilities</i>	<u>398,028</u>	<u>3,631</u>	<u>401,659</u>	<u>47,511</u>
Long-Term Liabilities:				
Compensated Absences	53,769	-	53,769	-
OPWC Loans Payable (Net of Current Portion)	370,799	-	370,799	-
General Obligation Bonds Payable (Net of Current Portion)	230,000	-	230,000	-
Intergovernmental Payable (Net of Current Portion)	41,155	-	41,155	-
<i>Total Long-Term Liabilities</i>	<u>695,723</u>	<u>-</u>	<u>695,723</u>	<u>-</u>
<i>Total Liabilities</i>	<u>1,093,751</u>	<u>3,631</u>	<u>1,097,382</u>	<u>47,511</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	11,521,701	-	11,521,701	-
Unrestricted (Deficit)	6,210,700	2,403	6,213,103	96,237
<i>Total Net Assets</i>	<u>\$ 17,732,401</u>	<u>\$ 2,403</u>	<u>\$ 17,734,804</u>	<u>\$ 96,237</u>

See accompanying notes to the basic financial statements



**City of Fairview Park, Ohio**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2003

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Gilles-Sweet	Total	
<b>Operating Revenues</b>				
Charges for Services	\$ 1,830,953	\$ -	\$ 1,830,953	\$ 1,026,087
Other Operating Revenues	-	-	-	6,212
<i>Total Operating Revenues</i>	1,830,953	-	1,830,953	1,032,299
<b>Operating Expenses</b>				
Personal Services	523,813	-	523,813	13,178
Contractual Services	661,751	7,871	669,622	-
Materials and Supplies	35,706	-	35,706	-
Claims	-	-	-	1,024,880
Depreciation	358,767	-	358,767	-
<i>Total Operating Expenses</i>	1,580,037	7,871	1,587,908	1,038,058
<i>Operating Income (Loss)</i>	250,916	(7,871)	243,045	(5,759)
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	14,127	-	14,127	-
Interest and Fiscal Charges	(30,659)	-	(30,659)	-
Loss on Equity in Joint Venture	(169,089)	-	(169,089)	-
<i>Total Non-Operating Revenues (Expenses)</i>	(185,621)	-	(185,621)	-
<i>Changes in Net Assets</i>	65,295	(7,871)	57,424	(5,759)
Net Assets (Deficit) Beginning of Year, as Restated (See Note 20)	17,667,106	10,274	17,677,380	101,996
Net Assets (Deficit) End of Year	<u>\$ 17,732,401</u>	<u>\$ 2,403</u>	<u>\$ 17,734,804</u>	<u>\$ 96,237</u>

See accompanying notes to the basic financial statements

**City of Fairview Park, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	Business-Type Activities			Governmental
	Sewer	Gilles-Sweet	Total	Activities - Internal Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 1,838,437	\$ -	\$ 1,838,437	\$ 1,026,087
Cash received from other revenues	-	-	-	6,212
Cash payments for employee service and benefits	(516,072)	-	(516,072)	(12,576)
Cash payments to goods and services	(598,426)	(4,240)	(602,666)	(1,052,247)
<b>Net Cash Provided by Operating Activities</b>	723,939	(4,240)	719,699	(32,524)
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Payments for capital acquisition	(1,088,626)	-	(1,088,626)	-
Payments for investment in joint venture	(73,640)	-	(73,640)	-
Principal paid on capital charges agreement	(41,677)	-	(41,677)	-
Principal paid on general obligation bonds	(115,000)	-	(115,000)	-
Principal paid on OWDA loans	(36,134)	-	(36,134)	-
Interest paid on bonds and OWDA loans	(32,200)	-	(32,200)	-
<b>Net Cash Provided by Capital and Related Financing Activities</b>	(1,387,277)	-	(1,387,277)	-
<b>Cash Flows from Investing Activities:</b>				
Interest income	14,127	-	14,127	-
<b>Net Cash Provided by Investing Activities</b>	14,127	-	14,127	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(649,211)	(4,240)	(653,451)	(32,524)
<b>Cash and Cash Equivalents at Beginning of Year</b>	2,453,778	10,274	2,464,052	176,272
<b>Cash and Cash Equivalents at End of Year</b>	\$ 1,804,567	\$ 6,034	\$ 1,810,601	\$ 143,748

(Continued)

**City of Fairview Park, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds - Continued**  
**For the Year Ended December 31, 2003**

	Business-Type Activities			Governmental Activities -
	Sewer	Gilles-Sweet	Total	Internal Service Fund
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income	\$ 250,916	\$ (7,871)	\$ 243,045	\$ (5,759)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
Depreciation	358,767	-	358,767	-
<b>Total Adjustments</b>	358,767	-	358,767	-
<b>Changes in Assets and Liabilities</b>				
(Increase) Decrease in accounts receivable	7,484	-	7,484	-
(Increase) Decrease in inventory	(164)	-	(164)	-
Increase (Decrease) in accounts payable	165,227	3,631	168,858	(4,712)
Increase (Decrease) in contract payable	(66,032)	-	(66,032)	-
Increase (Decrease) in accrued wages	(84)	-	(84)	530
Increase (Decrease) in compensated absences	(5,574)	-	(5,574)	-
Increase (Decrease) in due to other governments	15,027	-	15,027	-
Increase (Decrease) in pension obligation payable	(1,628)	-	(1,628)	72
Increase (Decrease) in claims payable	-	-	-	(22,655)
<b>Total Adjustments</b>	114,256	3,631	117,887	(26,765)
<b>Net Cash Provided by Operating Activities</b>	\$ 723,939	\$ (4,240)	\$ 719,699	\$ (32,524)

See accompanying notes to the basic financial statements

*City of Fairview Park, Ohio*  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
December 31, 2003

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**Assets**

Equity in Pooled Cash and Cash Equivalents \$ 91,731

*Total Assets* \$ 91,731

**Liabilities**

Accounts Payable 5,650

Intergovernmental Payable 110

Undistributed Monies 70,392

Refundable Deposits 15,579

*Total Liabilities* \$ 91,731

*City of Fairview Park, Ohio*  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note 1 – Description of the City**

The City of Fairview Park (the City) is a home rule municipal corporation established under the laws of the State of Ohio, which operates under its own Charter. The current Charter, which provides for a Mayor/Council form of government, was adopted in 1959.

The Mayor, elected by the voters for a four-year term, is the head of the municipal government for ceremonial, administrative, and executive purposes. As the chief conservator of the peace, she oversees the enforcement of all laws and ordinances. She also appoints all department heads, subject to the approval of Council, and executes all contracts, conveyances, and evidences of indebtedness of the City.

Legislative authority is vested in a seven-member council with five members elected by ward and two members elected at large for two-year staggered terms. Council enacts ordinances and resolutions relating to tax levies, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes.

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

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standard Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standard Board (“FASB”) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the City’s accounting policies are described below.

**A. Reporting Entity**

In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Fairview Park and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity."

The primary government comprises all activities and services which are not legally separate for the City. The City provides various services including public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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

The Rocky River Wastewater Treatment Plant is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a management board consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The board has complete authority over all aspects of the plant's operation. The City has an explicit and measurable equity interest in the Rocky River Wastewater Treatment Plant. There exists a residual interest in the assets upon venture's liabilities (See Note 16).

The City is associated with the Westshore Council of Governments and Tri-City Park, which are identified as jointly governed organizations. These organizations are presented in Note 17 to the basic financial statements.

**B. Basis of Presentation**

The City's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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

**C. Fund Accounting**

The City accounting system is organized and operated on the basis of funds. The operation of each fund is accounted for within a set of self-balancing 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. Funds are classified into three categories: governmental, proprietary, and fiduciary.

*Governmental Funds* – Governmental funds are those through which most governmental functions typically are financed. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The following are the City's major governmental funds:

*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 general laws of Ohio.

*Capital Projects Fund* This fund is used to account for that portion of income tax collection of the City and expenditures in regards to street maintenance and new construction within the City.

*Proprietary Funds* – Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this approach, the focus is upon the determination of net income, financial position and cash flows. Proprietary funds are classified either enterprise or internal service:

*Enterprise Funds* The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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*Sanitary Sewer Fund* This fund accounts for the receipt of funds from water and sewer service to the residents of the City, and to account for expenditures in regards to water and sewer service and capital improvement of these services.

*Gilles-Sweet Fund* This fund accounts for the receipts and expenditures of the Gilles-Sweet Building, which was leased from the Fairview Park School District for Senior Center Activities. The lease expired and the Senior Center relocated in July 2000. This fund is now used to pay residual expenses for the past activities.

*Internal Service Fund* The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

*Health Insurance Reserved Fund* This fund accounts for revenues of the healthcare premium and the expenditures sent to the City's third party administrator to cover health insurance claims incurred by employees of the City.

*Employee Section 125 Contributions Fund* This fund accounts for deductions from employee incomes for 125 contributions to their payment to the City's third party administrator.

*Fiduciary Funds* – Fiduciary funds reporting focuses on net assets and changes in net assets. The fiduciary fund category is spilt into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement if results of operations. The City's agency funds account for donations to Senior Life Program and Special Holding Account, collections from assessment of building due to the State of Ohio, and deposits held for contractors, architect, and others for street cleaning, street opening, sidewalk, grade deposits, architect review, and engineering review.

**D. Measurement Focus**

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



**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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

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

Agency funds do not report a measurement focus as they do not report operations.

**E. Basis of Accounting**

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, including income taxes, estate taxes, motel-hotel taxes, property taxes, estate taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes, estate taxes, and motel-hotel taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from the non-exchange transactions must also be available before it can be recognized.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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

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

Delinquent property taxes and property taxes for which there is an enforcement legal claim as of December 31, 2003, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met also recorded as deferred revenue.

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

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

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

**F. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year with the legal restriction that the appropriations cannot exceed estimated resources as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. Even though annual budgets are legally adopted, proprietary budgetary statements have not been presented since they are not required under GAAP.

All disbursements require appropriation authority. The legal level of budgetary control is at the fund level with the exception of the General Fund, which is at the department level. Any budgetary modifications at this level may only be made by resolution of the City Council.

Advances in and Advances out are not required to be budgeted, since they represent a temporary cash advance and are intended to be repaid.

*Tax Budget* - During the first Council meeting in July, the City Finance Director presents the annual operating budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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*Estimated Resources* - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized property taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2003.

*Appropriations* - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund level with the exception of the General Fund, which is at the department level. The appropriation ordinance may be amended during the year as new information becomes available. Total fund appropriations may not exceed current estimated resources as certified. The allocation of appropriations among departments within a fund, with the exception of the General Fund, may be modified during the year by Management. Appropriations among departments within the General Fund may be modified during the year only by ordinance of Council. During the year, several supplemental appropriation measures were passed. However, none were significant in amount. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

*Encumbrances* - Encumbrances outstanding at year end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed. On a GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent year expenditures in the governmental funds and reported in the notes to the basic financial statements for proprietary funds.

*Lapsing of Appropriations* - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

**G. Cash and Cash Equivalents**

Cash received by the City is deposited into several bank accounts. Monies from all funds, including the proprietary funds, are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the City's records.

The City has invested funds in the State Treasurer's Asset Reserve of Ohio (STAROhio) during the fiscal year 2003. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with an original maturity of three months or less are considered to be cash equivalents. Interest earnings accrue to the general fund except that relate to certain special revenue, capital projects and enterprise funds.

Interest revenue credited to the General Fund during 2003 amounted to \$43,902, Capital Projects Fund amounted to \$14,221, Recreation Fund amounted to \$1,100, Cable TV Franchise Fee Fund amounted to \$1,662, Permanent Improvement Fund amounted to \$1,711, Lorain Road Revitalization Fund amounted to \$836, and Sewer Fund amounted to \$14,127.

***H. Materials and Supplies Inventory***

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost, on the first-in, first-out basis. Cost of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

***I. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2003 are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***J. Investment in Joint Venture***

The investment in the joint venture is reported using the equity method of accounting.

***K. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Capital assets were initially determined at December 31, 1989 by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not practicably determinable, estimated historical costs were developed. For certain capital assets, the estimates were calculated by indexing estimated current costs back to the estimated year of acquisition. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of roads, guardrails, bridges, water lines, sewer lines and storm water drainage. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Interest incurred during the construction of capital assets is also capitalized for business-type activities. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2003, interest costs incurred on construction projects were not material.

All reported capital assets are depreciated except for land and construction in progress. Depreciation is determined by allocating the cost of capital assets over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives are as follows:

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Buildings	50 Years	50 Years
Equipment and Furniture	5-20 Years	15 Years
Land Improvement	20 Years	20 Years
Infrastructure	10-75 Years	50 Years
Vehicles	8 Years	8 Years

**L. *Compensated Absences***

Compensated absences of the City consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In accordance with the provision of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if 1) employees' rights to receive compensation are attributable to services already rendered; and 2) it is probable that the City will compensate the employees for the benefits through paid time off or some other means. A liability for sick leave is based on the sick leave accumulated at December 31, 2003. Sick leave benefits are accrued as a liability using the vesting method. An accrual for sick leave is made when it is expected to be liquidated with available financial resources are recorded as an expenditure and fund liability of the governmental fund that will pay it.

*City of Fairview Park, Ohio*  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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The entire compensated absences liability is reported on the government-wide statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

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

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

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

***O. Interfund Transactions***

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

During the normal course of operations, the City has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in the governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the City are treated similarly when involving other funds of the City.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivable/interfund payable” for the current portion of interfund loans or advances to/from other funds for the non-current portion of interfund loans. These amounts are eliminated in the Statement of Net Assets, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as “internal balances”.

Long-term advances between funds, as reported in the governmental fund financial statements, are often offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

*City of Fairview Park, Ohio*  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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***P. Fund Balance Reserves and Designations***

Reserved or designated fund balances indicate that portion of fund balance which is not available for current appropriation or use. The unreserved or undesignated portions of fund balance reflected in the governmental funds are available for use within the specific purposes of funds. The City reports amounts representing encumbrances outstanding, inventory and contingencies in the governmental funds.

***Q. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the water, sewer, and self-insurance program. Operating expenses are necessary costs incurred to provide the good and service that is primary activity of the fund.

***R. Capital Contributions***

Capital contributions in statement of activities and proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

***S. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net accumulated depreciation, reduced by outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

***T. Estimates***

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

***U. Extraordinary and Special Items***

Extraordinary items are transactions and events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2003.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note 3 - Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute.

The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).
4. Proceeds and principal payments on short-term note obligations are reported on the operating statement (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis financial statements to the budgetary basis financial statements for the major governmental funds.

Net Change in Fund Balances Major Governmental Fund	
	General
GAAP Basis	\$571,073
Net Adjustment for Revenue Accruals	(404,433)
Net Adjustment for Expenditures Accrual	6,278
Encumbrances	49,392
Budget Basis	\$222,310

**Note 5 – Deposits and Investments**

State statutes classify monies held by the City into three categories.

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



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

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

Interim monies may be invested in the following securities:

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

Besides the above six statutory requirements, the City's investment policy of November 20, 1989, states that the City may invest in the following categories:

1. Commercial paper note issues of United States corporations having assets that exceed \$500 million. Such notes are to be rated "prime" (P-1) by Moody's Investor's Service and (A-1) by Standard & Poor's and must mature no later than 180 days after the date of purchase by the City; and

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2. Bankers acceptances from members of the Federal Deposit Insurance Corporation which are eligible for purchase by the Federal Reserve System and which mature no later than 180 days after the date of purchase by the City.

The City's investment policy also states that investments in government securities may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

During 2003, investments were limited to STAROhio. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.

GASB Statement 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements" requires disclosures to help assess actual and potential future deposit and investment market and credit risks. The following information regarding deposits and investments is presented using the categories of risk identified in GASB Statement 3.

*Deposits* - At year-end, the carrying amount of the City's deposits was \$24,147 and the bank balance was \$29,147. Of the bank balance, all was covered by federal depository insurance.

*Investments* - Investments are classified under the guidelines of GASB Statement No. 3 into three categories, Category 1 includes investments that are insured or registered or are held by the city or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name.

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	Carrying Value	Fair Value
STAR Ohio	\$6,401,742	\$6,401,742
Total Investments	\$6,401,742	\$6,401,742

The City has investments in The State Treasurer's Investment Pool (STAR OHIO) is not a categorized investment because it is not evidenced by the securities that exist.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with original maturities of three months or less and cash and investments of the cash management pool.

A reconciliation between the classification of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposit	Investments
GASB Statement 9	\$6,426,264	\$0
Cash on Hand	(375)	0
Investments:		
Star Ohio	(6,401,742)	6,401,742
GASB Statement 3	\$24,147	\$6,401,742

**Note 6 – 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 by October 1 in the preceding calendar year on assessed values as of January 1 of the preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2003. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, payment is due December 31 with the remainder payable by June 20, unless extended.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent 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.

**City of Fairview Park, Ohio**  
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Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible property currently is assessed at varying percentages of its true value. Public utility property taxes are assessed and payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Fairview Park. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measureable at December 31, 2003. Although total property tax collections for the next fiscal year are measureable, amounts to be received during the availability period are not subject to reasonable estimate at December 31, 2003 nor are they intended to finance 2003 operations. The receivable is, therefore, offset by deferred revenue.

The full tax rate for all City operations for the year ended December 31, 2003 was \$11.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based was as follows:

	Assessed Value
Real Property	\$356,530,290
Public Utility Personal Property	6,690,510
Tangible Personal Property	11,237,049
Total Assessed Value	\$374,457,849

**B. Income Taxes**

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 75 percent of the tax paid to another municipality to a maximum of the total amount assessed with a limit to the credit of 1.25 percent.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

**Note 7 – Capital Assets**

In fiscal year 2003, the City performed an inventory count of its capital assets for the implementation of GASB 34. The result was the prior year ending balance of capital assets for the governmental activities was understated by \$34,230,218. The beginning balance of capital assets for governmental activities was restated at \$43,560,091 for fiscal year 2003. For business-type activities, the capital assets were understated by \$9,100,411. The result was an increase of the beginning balance of the capital asset to \$11,543,777 for the business-type activities.

**City of Fairview Park, Ohio**  
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Capital asset activity for the fiscal year end December 31, 2003 was as follows:

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 275,202	\$ -	\$ -	\$ 275,202
Construction in Progress	3,332,235	-	(3,332,235)	-
Total capital assets, not depreciated:	<u>3,607,437</u>	<u>-</u>	<u>(3,332,235)</u>	<u>275,202</u>
Capital assets, being depreciated:				
Buildings	3,222,016	-	-	3,222,016
Equipment and Furniture	1,175,680	173,580	-	1,349,260
Infrastructure	44,640,578	4,676,392	-	49,316,970
Land Improvement	1,387,842	44,518	-	1,432,360
Vehicles	2,904,010	587,960	-	3,491,970
Total capital assets, being depreciated:	<u>53,330,126</u>	<u>5,482,450</u>	<u>-</u>	<u>58,812,576</u>
Less accumulated depreciation for:				
Buildings	(1,263,027)	(61,511)	-	(1,324,538)
Equipment and Furniture	(709,193)	(71,654)	-	(780,847)
Infrastructure	(8,531,418)	(1,645,056)	-	(10,176,474)
Land Improvement	(486,842)	(63,304)	-	(550,146)
Vehicles	(2,386,992)	(182,162)	-	(2,569,154)
Total accumulated depreciation	<u>(13,377,472)</u>	<u>(2,023,687)</u>	<u>-</u>	<u>(15,401,159)</u>
Total capital assets, being depreciated, net	<u>39,952,654</u>	<u>3,458,763</u>	<u>-</u>	<u>43,411,417</u>
Governmental activities capital assets, net	<u>\$ 43,560,091</u>	<u>\$ 3,458,763</u>	<u>\$ (3,332,235)</u>	<u>\$ 43,686,619</u>

**City of Fairview Park, Ohio**  
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	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Buildings	79,000	-	-	79,000
Equipment and Furniture	52,122	-	-	52,122
Land Improvement	10,296	444,365	-	454,661
Infrastructure	19,102,871	644,261	-	19,747,132
Total capital assets, being depreciated:	<u>19,244,289</u>	<u>1,088,626</u>	<u>-</u>	<u>20,332,915</u>
Less accumulated depreciation for:				
Buildings	(51,350)	(1,580)	-	(52,930)
Equipment and Furniture	(51,762)	(80)	-	(51,842)
Land Improvement	(10,296)	-	-	(10,296)
Infrastructure	(7,587,104)	(357,107)	-	(7,944,211)
Total accumulated depreciation	<u>(7,700,512)</u>	<u>(358,767)</u>	<u>-</u>	<u>(8,059,279)</u>
Business-type activities capital assets, net	<u>\$ 11,543,777</u>	<u>\$ 729,859</u>	<u>\$ -</u>	<u>\$ 12,273,636</u>

Depreciation expense was charged to the functions/program of the governmental activities as followed:

Governmental Activities	
General government	\$ 705,344
Security of persons and property	87,824
Community Environment	138,652
Leisure time activities	14,723
Transportation	<u>1,077,144</u>
Total depreciation expense - governmental activities	<u>\$ 2,023,687</u>

**Note 8 - Receivables**

Receivables at December 31, 2003 primarily consisted of taxes, accounts (billings for user charged services), intergovernmental receivables, entitlement or shared revenues and special assessments. All receivables are considered fully collectible.

**City of Fairview Park, Ohio**  
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A summary of the principal items of intergovernmental receivables follows:

	Governmental Activities
Estate Tax	\$235,721
Recycling Grant	1,436
Project Reimbursement	128,105
Court Fines	11,562
Gasoline Tax	142,394
Local Government	47,924
Hotel-Motel Tax	1,015
Permissive Tax	7,592
Motor Vehicle Registration	6,538
Rollback/Homestead	269,322
FEMA Grant	9,187
Total	\$860,796

**Note 9 – Internal Balances**

The interfund payable for the year ended December 31, 2003 consisted of the following:

Fund	Interfund Receivable	Interfund Payable
Governmental Major Fund:		
General	\$ 535,913	\$ -
Other Non-major Governmental Funds:		
Street Construction, Maintenance and Repair	-	1,300
Recreation	-	19,000
Police and Fire Pension	5,299	-
State Grants	-	6,100
Bond Retirement	-	91,812
Senior Center	45,000	-
Lorain Road Revitalization	-	468,000
Total	\$ 586,212	\$ 586,212

The interfund payable in the other non-major governmental funds, except for Bond Retirement Fund, was mainly to fund the various programs and projects before the receipts of grants. The interfund payable in the Bond Retirement Fund was a result of the excess amounts that transferred to the Bond Retirement Fund for the debt payment in fiscal year 2001.

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Interfund transfers for the year ended December 31, 2003 consisted of the following:

Fund	Transfer In	Transfer Out
Governmental Major Fund:		
General	\$ -	\$ 520,000
Other Non-major Governmental Funds:		
Recreation	-	177,608
Police and Fire Pension	510,000	10,178
Cable TV Franchise Fee	-	90,000
Bond Retirement	472,074	-
Permanent Improvement	-	195,685
Senior Center	100,000	-
Lorain Road Revitalization	-	88,603
Total	\$ 1,082,074	\$ 1,082,074

The above mentioned Transfers From/To were used to move unrestricted revenues collected in the General Fund and Cable TV Franchise to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, monies were also moved to pay debt obligations in the Bond Retirement Fund from the funds where the property taxes were paid.

**Note 10 - Risk Management**

The City of Fairview Park is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

During 2003, the City contracted for various types of insurance as follows:

Company	Type of Coverage	Deductible
Clerendon National Insurance	General Liability	\$7,500
	Automobile Liability	\$500
	Commercial Crime	None
Great American Insurance	Commercial Property	\$5,000
	Commercial Inland Marine	\$5,000
	Commercial Boiler and Machinery	\$5,000

Settled claims have not exceeded commercial coverage in any of the past three years. Also, the City did not significantly reduce its limits of liability during 2003.

All employees of the City are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.



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Workers' compensation coverage is provided by the State. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City provides employees medical, prescription, and dental benefits through a self-insurance program. All funds of the City participate in the program and make payments to the health insurance reserve internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The medical self-insurance fund provides coverage for up to a maximum of \$50,000 for each individual. The City utilizes a third party administrator, Medical Mutual, Inc., to review all claims which are then paid by the City. The City purchases stop-loss coverage from Medical Mutual Insurance Company at a cost of \$101,000 annually. Stop-loss coverage provides the amount for the total claims in excess of 110% of projected claims liabilities. During 2003, a total of \$1,030,882 was paid in benefits and administrative costs. Changes in the internal service fund's claim liability amount in 2002 and 2003 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2002	\$45,491	974,410	(950,337)	\$69,564
2003	\$69,564	1,024,880	(1,047,535)	\$46,909

**Note 11 - Capital Lease**

The City has entered into a lease agreement for financing the acquisition of capital equipment and vehicles. This lease qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at December 31, 2003:

	Honeywell Conservation Projects	Vehicle Lease-Purchase Agreement	Total
Year			
2004	\$ 32,521	\$ 83,976	\$ 116,497
2005	32,521	83,976	116,497
2006	32,521	83,976	116,497
2007	32,521	83,976	116,497
2008	27,101	83,976	111,077
2009	-	83,976	83,976
2010	-	83,976	83,976
Total Minimum Lease Payments	157,185	587,832	745,017
Less: Amount Representing Interest	(17,315)	(82,706)	(100,021)
Present Value of Minimum Lease Payments	\$ 139,870	\$ 505,126	\$ 644,996

**City of Fairview Park, Ohio**  
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**Note 12 - Long-Term Obligations**

The City's long-term obligations at year-end and a schedule of current year activity follows:

	Interest Rate	1/1/2003 Balance	Addition	Deletion	12/31/2003 Balance	Due within One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
1999 Various Purpose Bonds	3.7-5.3%	\$ 3,655,000	\$ -	\$ (205,000)	\$ 3,450,000	\$ 210,000
Long-term Notes:						
Lorain Road Revitalization	4.6-6.6%	1,767,500	-	-	1,767,500	1,420,920
Capital Leases:						
Honeywell Conservation Projects	4.9%	164,944	-	(25,074)	139,870	26,317
Vehicle Lease-Purchase Agreement	4.2%	-	505,126	-	505,126	63,523
Total Capital Leases		164,944	505,126	(25,074)	644,996	89,840
Other Long-term Obligation:						
Compensated Absences Payable		1,612,045	827,321	(570,447)	1,868,919	703,182
Total Long-term Liabilities in Governmental Activities		<u>\$ 7,199,489</u>	<u>\$1,332,447</u>	<u>\$ (800,521)</u>	<u>\$ 7,731,415</u>	<u>\$ 2,423,942</u>
<b>Business-type Activities:</b>						
General Obligation Bonds:						
1986 Sewer Improvement Bonds	7.0%	\$ 460,000	\$ -	\$ (115,000)	\$ 345,000	\$ 115,000
Long-term Notes:						
OPWC Notes	0.0%	443,067	-	(36,134)	406,933	36,134
Other Long-term Obligations:						
Capital Charges Agreement		115,807	-	(41,677)	74,130	32,975
Compensated Absences Payable		59,271	35,668	(41,170)	53,769	39,039
Total Other Long-term Obligations		175,078	35,668	(82,847)	127,899	72,014
Total Long-term Liabilities in Business-type Activities		<u>\$ 1,078,145</u>	<u>\$ 35,668</u>	<u>\$ (233,981)</u>	<u>\$ 879,832</u>	<u>\$ 223,148</u>

The 1999 Various Purpose General Obligation Bonds and Lorain Road Revitalization Notes will be paid from the Bond Retirement fund. The proceeds of the bonds were used to refund the general obligation bond anticipation notes used to improve and expand the City's park and recreational facilities, construct the senior center, acquire equipment and vehicles and pay the unfunded pension liability. The proceeds of the notes were used to purchase properties on Lorain Road. Compensated absences reported in the "compensated absences payable" account will be paid from the funds from which the employees' salaries are paid. The business-type activities related general obligation bonds and Ohio Public Works Commission loans will be paid from user charges.

**City of Fairview Park, Ohio**  
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The City's overall legal debt margin was \$33,663,762 at December 31, 2003, and the unvoted legal debt margin was \$14,940,870. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2003 are as follows:

Years	General Obligation Bonds	Lorain Road Revitalization Notes	Sewer Improvement Bonds	OWPC Loans	Capital Charges Agreement
2004	\$379,860	\$1,467,503	\$139,150	\$36,134	\$32,975
2005	340,830	44,784	131,100	36,134	30,775
2006	342,910	44,784	123,050	36,134	10,380
2007	344,360	44,784	0	36,134	0
2008	345,160	44,784	0	36,134	0
2009-2013	1,511,640	223,921	0	180,671	0
2014-2018	1,474,010	88,855	0	45,592	0
2019-2023	289,575	0	0	0	0
Totals	<u>\$5,028,345</u>	<u>\$1,959,415</u>	<u>\$393,300</u>	<u>\$406,933</u>	<u>\$74,130</u>

**Note 13 - Other Employee Benefits**

*Compensated Absences*

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates which are also affected by length of service. Vacation can be carried over at different rates depending on the department and only with the Mayor's approval. The carry over vacation must be taken by February 28 of the following year. Sick leave accrual is continuous, without limit. Overtime worked is always paid to employees on the paycheck for the period in which it was worked.

Upon retirement, an employee can be paid for one half of their accumulated hours of sick leave up to 960 hours, except fire department employees, who are paid for one half of their accumulated sick leave up to 1,196 hours. Upon retirement, termination, or death of the employee, accrued vacation is paid for time the employees have earned but not used.

As of December 31, 2003, the liability for unpaid compensated absences was \$1,922,688 for the entire City.

*City of Fairview Park, Ohio*  
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**Note 14 - Defined Benefit Pension Plans**

*A. Ohio Public Employees Retirement System*

All City full-time employees, other than Police and Firemen, participate in the Ohio Public Employees Retirement System (OPERS) which administered by the Ohio Public Employees Retirement Board. OPERS administers three separate pension plans. The Traditional Pension Plan (TP) is a cost-sharing multiple-employer defined benefit pension plan. The Member-Direct Plan (MD) is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five year at 20% per year). Under the Member-Direct Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The Combined Plan (CO) is a cost-sharing multiple-employer defined pension plan. Under the Combined Plan, employer contribution are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement and disability benefits, survivor and death benefits and annual cost of living adjustments to Traditional Plan and Combined Plan members and beneficiaries. 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 which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215-4642, or by calling (614)466-2085 or 1-800-222-PERS(7377).

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 13.55 percent. The City's required contributions to OPERS for the years ended December 31, 2003, 2002, and 2001 were \$418,927, \$413,766, and \$356,312 respectively. The full amount has been contributed for 2002 and 2001, and 67.8 percent has been contributed for 2003. \$134,708 representing the unpaid contribution for 2003 is recorded as a liability within the government-wide statements.

*B. Police and Firemen's Disability and Pension*

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

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Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations, while the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters to fund pension obligations. Contributions are authorized by State statute. The City's contributions to the PFDPF for police and firefighters were \$338,586 and \$421,281 for the year ended December 31, 2003, \$327,033, and \$402,565 for 2002 and \$306,358 and \$393,439 for 2001. The full amount has been contributed for 2002 and 2001. 71.5 percent respectively, have been contributed for 2003. \$216,282 representing the unpaid contribution for 2003 is reported as a liability within the government-wide statements.

**Note 15 - Postemployment Benefits**

*A. Ohio Public Employees Retirement System*

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) - a defined contribution plan; and the Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment 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 post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2003 employer contribution rate for local government employer units was 13.55% of covered payroll, of which 5.00% was used to fund health care for the year. The Ohio Revised Code provides the statutory authority to require public employers to fund post retirement health care through their contributions to OPERS.

The assumptions and calculations below were based on the System's latest actuarial review performed as of December 31, 2002. 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. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2002 was 8.00%. An annual increase of 4.00%, 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% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase 4.00% annually.

*City of Fairview Park, Ohio*  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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OPEBs are advance-funded on an actuarially determined basis. At year-end 2003, the number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The rates stated above are the actuarially determined contribution requirements for OPERS. The portion of employer contributions that were used to fund post employment benefits was \$154,584. \$10.0 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The plan will also offer a spending account feature, enabling the benefit recipient to apply his or her allowance toward specific medical expenses, much like a Medical Spending Account.

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003, considered extending "Choices" type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

*B. Police and Firemen's Disability Pension Fund*

The Ohio Police and Fire Pension Fund (the "OP&F") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll. The Ohio Revised Code provides the statutory authority allowing OP&F Board of Trustees to provide health care coverage to all eligible individual.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expense. The board defined allocation was 7.75 percent of covered payroll in 2002 and 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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The City's actual contributions for 2003 that were used to fund postemployment benefits were \$134,419 for police and \$136,074 for firefighter. The number of participants eligible to receive health care benefits as of December 31, 2002 (the latest information available) was 13,527 for police and 10,396 for firefighters. The Fund's total health care expenses for the year ending December 31, 2002 (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875.

**Note 16 - Joint Venture - Rocky River Wastewater Treatment Plant**

The Rocky River Wastewater Treatment Plant (the "Plant") is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The Plant is governed by a management board consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The board has complete authority over all aspects of the Plant's operations. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage liens located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City's continued participation, and the City has an equity interest in the Plant. The City's equity interest is \$4,575,785 which represents 18.41 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Ave., Rocky River, Ohio 44116.

**Note 17 - Jointly Governed Organizations**

A. *Westshore Council of Governments*

The Westshore Council of Governments (the "Council") is comprised the Cities of Bay Village, Fairview Park, Lakewood, North Olmsted, Rocky River and Westlake. The Council helps foster cooperation between municipalities in areas effecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board.

In 2003, the City contributed \$64,270 to the Council, which represented 10.5 percent of total contributions. The Council has established two subsidiary organizations, the Westshore Hazardous Materials Committee ("HAZMAT") which provides hazardous material protection and assistance, and the Westshore Enforcement Bureau which provides extra assistance to cities in the form of a SWAT Team. Complete financial statements can be obtained from the City of Rocky River, P.O. Box 16088, Rocky River, Ohio 44146-0088.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**B. Tri-City Park**

The Tri-City Park (the "Park") provides a recreational park to the cities of Rocky River, Westlake and Fairview Park. The Park is governed by a board consisting of the elected mayors of the three cities. The board exercises total control over the operation of the Park including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each city's degree of control is limited to its representation on the board. In 2003 the City contributed \$1,000 to the Park. Complete financial statements can be obtained from the City of Westlake, 27216 Hilliard, Westlake, Ohio 44145.

**Note 18 – Contingencies**

The City of Fairview Park may be a party to legal proceedings seeking damages. The City management is of the opinion that the ultimate disposition of the claims and legal proceedings will not have material effect, if any, on the financial condition of the City.

**Note 19 – Accountability and Compliance**

**A. Fund Deficits**

The following funds had a deficit fund balance or deficit net assets as of December 31, 2003.

<u>Fund</u>	<u>Deficit Fund Balance</u>
<u>Special Revenue Fund:</u>	
State Grants	\$4,110
<u>Debt Service Fund:</u>	
Bond Retirement Fund:	\$91,812
<u>Capital Project Fund:</u>	
Lorain Road Revitalization	\$466,763

The deficit in the State Grant special revenue fund and Lorain Road Revitalization capital project fund are largely the result of the recognition of liabilities in accordance with general accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**B. Compliance**

*Appropriation Exceeding Estimated Resources:* Section 5705.41(A), Revised Code, prohibits the City from making a fund appropriation in excess of the estimated revenue available for expenditure from that fund. The Street Construction, Maintenance and Repair, and State Grant Funds were found to have appropriations in excess of the amount certified as available by the county budget commission.



**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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*Expenditures Exceeding Appropriations:* Section 5705.41(A), Revised Code, states that no subdivision shall make any expenditure of money unless it has been properly appropriated. The Bain Park and Dare Funds were found to have expenditures exceeding appropriations.

*Expenditures and Encumbrances Exceeding Appropriation:* Section 5705.41(D), Revised Code, requires that encumbrances be charged against proper appropriations. Section 5704.41(B), Revised Code, prohibits the City from making expenditure unless it has been properly appropriated. The DUI Education and P.O.P.A.S Funds were found to have expenditures plus encumbrances in excess of appropriations. In addition, Auditor of State Audit Bulletin 97-10 requires the expenditures stay within the appropriations at the legal level of control. Incidents of expenditures plus encumbrances in excess of appropriations at the legal level of control were found during the fiscal year.

Section 5705.41(D), Revised Code, requires in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

The City did not properly certify the availability of funds for 32 of 40 non-payroll expenditures tested for the audit period.

**Note 20 – Changes in Accounting Principles and Restatement of Fund Balance**

*Changes in Accounting Principles* For the fiscal year 2003, the City has implemented GASB No. 34, “Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments”, GASB No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB No. 38, “Certain Financial Statement Note Disclosures”, GASB No. 41, “Budgetary Comparison Schedules – Perspective Differences – an amendment of GASB Statement No. 34”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.” At December 31, 2002, there was no effect on fund balances as a result of implementing GASB Statements No. 37, 38, and 41.

*Restatement of Fund Balances* The restatements of fund balance for correction of prior year assets and liabilities, and fund reclassification had the following effect on the fund balances of the major and non-major funds of the City as they were previously reported.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund Balances at December 31, 2002	\$ 2,339,392	\$ 1,045,044	\$ 733,481	\$ 4,117,917
Restated Assets	16,000	-	-	16,000
Restated Liabilities	(147,582)	-	(180,866)	(328,448)
Fund Balances at January 1, 2003	<u>\$ 2,207,810</u>	<u>\$ 1,045,044</u>	<u>\$ 552,615</u>	<u>\$ 3,805,469</u>

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

The government-wide financial statements split the City's programs between business-type and governmental activities. The beginning net asset amount for governmental activities reflects the changes in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

The transition from governmental fund balance to net assets of the governmental activities is presented as follow:

	General Fund	Construction Project Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances at January 1, 2003	<u>\$ 2,207,810</u>	<u>\$ 1,045,044</u>	<u>\$ 552,615</u>	<u>\$ 3,805,469</u>
Adjustments:				
GASB No. 34				
Capital Assets				43,560,091
GASB Interpretation No. 6				
Compensated Absences Payable				(1,612,045)
Deferred Revenue				813,697
Pension Obligation Payable				(323,884)
Accrued Interest Payable				(22,223)
Internal Service Fund				101,996
Long-term Liabilities				<u>(5,587,444)</u>
Governmental Activities Net Assets at January 1, 2003				<u>\$ 40,735,657</u>

The beginning net asset amount for business-type activities reflects the changes in fund equity for Enterprise funds at December 31, 2002, caused by the restatement of the prior year capital assets.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

The transition from enterprise fund equities to net assets of the business-type activities is presented as follow:

	Sewer Fund	Gilles-Sweet Fund	Total Enterprise Funds
Fund Equity at December 31, 2002	\$ 8,566,695	\$ 10,274	\$ 8,576,969
Adjustments:			
GASB No. 34			
Capital Assets			9,100,411
Business-type Activities Net Assets at January 1, 2003			\$ 17,677,380

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## Combining Statements and Individual Fund Schedules

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**City of Fairview Park, Ohio**  
Fund Descriptions

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**Non-major Special Revenue Funds**

Special Revenue funds are established to account for the proceeds of specific revenue sources (other than major trust and capital projects) that are restricted by law and administrative action to expenditures for specific purposes. The following are the descriptions of the City's non-major special revenue funds.

*Street Construction, Maintenance and Repair Fund* To account for the receipts of restricted funds and expenditures use in the maintenance and repair of City streets.

*State Highway Fund* To account for the receipt of restricted funds and expenditures use in the maintenance of state highways located in the City of Fairview Park.

*Recreation Fund* To provide for the receipt of recreation funds from recreation programs and recreation millage and account for recreation expenditures.

*Police and Fire Pension Fund* To account for receipt of millage collected for police & fire pensions and account for expenditures in regards to police and fire pensions.

*S.A.V.E. Fund* Stop A Vandal Easily funded from general fund, to be used for reward for information in regards to solving crimes.

*Street Lighting Fund* To account for the receipt of special assessment monies levied for the providing of street lighting of City roads.

*Fire Operating Levy Fund* To account for the receipt of millage collected to pay salaries and fringe benefits of the fire department.

*Federal Grants Fund* To account for the receipt and expenditures of Federal Projects.

*State Grants Fund* To account for the receipt and expenditures of State Projects.

*Fairview Park Sidewalk Fund* To account for the transfer of general fund monies used in the improvement of City sidewalks.

*Bain Park Restoration Fund* To receipt rental income and donations for funds used in Bain Cabin.

*Law Enforcement Trust Fund* To receipt funds seized in the commitment of a felony and awarded to the City of Fairview Park and to be used in purchases of capital equipment for use in the Police Department.

*D.U.I. Education Fund* To receipt funds received Federal Government, State of Ohio or Cuyahoga County to be used in D.U.I. education and equipment used in D.U.I. enforcement.

*P.O.P.A.S. Fund* To receipt funds received from traffic violations issued by Auxiliary Police and impound fees from motor vehicles. These funds are to be used for the purchases of police equipment.

**City of Fairview Park, Ohio**  
Fund Descriptions  
(Continued)

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*Civil Reimbursement Fund* To account for revenue received from the Civil Service Department and to record expenses for civil service testing.

*New Levy/Project Fund* To account for revenue received from the levy for a specific project.

*Cable TV Franchise Fee Fund* To account for revenue received from the cable franchises and record those expenses allowed by City Council.

*DARE Fund* To account for donations and Federal Grants received and expenditures made for drug education.

*Emergency Medical Systems* To record fees charged for ambulance service and to record expenditures made for Fire Department equipment.

**Non-major Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs on general long-term debts. Since there is only one debt service fund, no combining statement is presented.

**Non-major Capital Project Funds**

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

*Recreation Construction Fund* To record a portion of the property tax collection from the Recreation Special Revenue Fund and record expenditures for new construction of parks within the City of Fairview Park.

*Permanent Improvement Fund* To record transfers from general fund, receipt of millage or borrowing for capital equipment and to record expenditures in regard to that equipment.

*Lorain Road Revitalization Project Fund* To receipt transfers, donations and proceeds from borrowings. These funds are used to purchase property in the revitalization project.

*Senior Center Construction Fund* To receipt transfers, donations and proceeds from borrowings. These funds are used in the construction of a new senior center.



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**City of Fairview Park, Ohio**  
Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2003

	Non-Major Special Revenue Funds	Non-Major Debt Service Fund	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 755,015	\$ -	\$ 156,673	\$ 911,688
Receivables:				
Taxes	945,842	-	346,045	1,291,887
Accounts	126,739	-	-	126,739
Intergovernmental	220,119	-	20,218	240,337
Interfund	5,299	-	45,000	50,299
Special Assessments	227,164	-	-	227,164
Materials and Supplies Inventory	35,928	-	-	35,928
<b>Total Assets</b>	<b>2,316,106</b>	<b>-</b>	<b>567,936</b>	<b>2,884,042</b>
<b>Liabilities</b>				
Accounts Payable	66,607	-	2,866	69,473
Accrued Wages	28,108	-	-	28,108
Compensated Absences Payable	2,627	-	-	2,627
Interfund Payable	26,400	91,812	468,000	586,212
Intergovernmental Payable	22,819	-	-	22,819
Deferred Revenue	1,380,477	-	366,263	1,746,740
<b>Total Liabilities</b>	<b>1,527,038</b>	<b>91,812</b>	<b>837,129</b>	<b>2,455,979</b>
<b>Fund Balance (Deficit)</b>				
Reserved for Encumbrances	38,371	-	18,962	57,333
Reserved for Inventory	35,928	-	-	35,928
Unreserved:				
Undesignated, Reported In:				
Special Revenue Funds	714,769	-	-	714,769
Debt Service Fund	-	(91,812)	-	(91,812)
Capital Projects Funds	-	-	(288,155)	(288,155)
<b>Total Fund Balance (Deficit)</b>	<b>789,068</b>	<b>(91,812)</b>	<b>(269,193)</b>	<b>428,063</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,316,106</b>	<b>\$ -</b>	<b>\$ 567,936</b>	<b>\$ 2,884,042</b>

**City of Fairview Park, Ohio**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended December 31, 2003

	Non-Major Special Revenue Funds	Non-Major Debt Service Fund	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
<b>Revenues</b>				
Property Taxes	\$ 807,769	\$ -	\$ 287,086	\$ 1,094,855
Intergovernmental	651,891	-	38,372	690,263
Interest	2,762	-	2,547	5,309
Special Assessments	230,971	-	-	230,971
Charges for Services	522,817	-	-	522,817
Licenses and Permits	86,394	-	-	86,394
Fines and Forfeitures	2,846	-	-	2,846
Miscellaneous	11,627	-	1,450	13,077
<b>Total Revenues</b>	<b>2,317,077</b>	<b>-</b>	<b>329,455</b>	<b>2,646,532</b>
<b>Expenditures</b>				
-----				
<b>Current:</b>				
Security of Persons and Property	1,605,564	-	-	1,605,564
Transportation	591,687	-	-	591,687
General Government	7,186	-	-	7,186
Leisure Time Activities	424,279	-	-	424,279
Capital Outlay	-	-	720,680	720,680
<b>Debt Service:</b>				
Principal Retirement	-	205,000	-	205,000
Interest and Fiscal Charges	-	267,074	-	267,074
<b>Total Expenditures</b>	<b>2,628,716</b>	<b>472,074</b>	<b>720,680</b>	<b>3,821,470</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(311,639)</u>	<u>(472,074)</u>	<u>(391,225)</u>	<u>(1,174,938)</u>
<b>Other Financing Sources (Uses)</b>				
Inception of Capital Lease	-	-	505,126	505,126
Transfers In	510,000	472,074	100,000	1,082,074
Transfers Out	(277,786)	-	(284,288)	(562,074)
<b>Total Other Financing Sources (Uses)</b>	<b>232,214</b>	<b>472,074</b>	<b>320,838</b>	<b>1,025,126</b>
<b>Net Change in Fund Balances</b>	<b>(79,425)</b>	<b>-</b>	<b>(70,387)</b>	<b>(149,812)</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>843,233</b>	<b>(91,812)</b>	<b>(198,806)</b>	<b>552,615</b>
<b>Increase (Decrease) in Reserve for Inventory</b>	<u>25,260</u>	<u>-</u>	<u>-</u>	<u>25,260</u>
<b>Fund Balances (Deficit) at End of Year</b>	<u><u>\$ 789,068</u></u>	<u><u>\$ (91,812)</u></u>	<u><u>\$ (269,193)</u></u>	<u><u>\$ 428,063</u></u>

*City of Fairview Park, Ohio*

**Combining Balance Sheet  
Non-major Special Revenue Funds**

**December 31, 2003**

	Street Construction, Maintenance and Repair	State Highway	Recreation	Police and Fire Pension
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,861	\$ 4,453	\$ 82,768	\$ 27,759
Receivables:				
Taxes	-	-	394,306	236,582
Accounts	-	-	-	-
Intergovernmental	144,877	11,647	23,239	13,956
Interfund	-	-	-	5,299
Special Assessments	-	-	-	-
Materials and Supplies Inventory	35,917	-	11	-
<i>Total Assets</i>	<u>182,655</u>	<u>16,100</u>	<u>500,324</u>	<u>283,596</u>
<b>Liabilities:</b>				
Accounts Payable	33,262	38	3,238	-
Accrued Wages	17,714	-	5,169	-
Compensated Absences Payable	768	-	-	-
Interfund Payable	1,300	-	19,000	-
Intergovernmental Payable	12,536	-	8,102	-
Deferred Revenue	85,820	6,959	417,545	250,538
<i>Total Liabilities</i>	<u>151,400</u>	<u>6,997</u>	<u>453,054</u>	<u>250,538</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	-	-	-	-
Reserved for Inventory	35,917	-	11	-
Unreserved:				
Undesignated	(4,662)	9,103	47,259	33,058
<i>Total Fund Balance</i>	<u>31,255</u>	<u>9,103</u>	<u>47,270</u>	<u>33,058</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 182,655</u>	<u>\$ 16,100</u>	<u>\$ 500,324</u>	<u>\$ 283,596</u>

SAVE	Street Lighting	Fire Operating Levy	Federal Grants	State Grants	Fairview Park Sidewalk
\$ 400	\$ 295,754	\$ 7,189	\$ 6,685	\$ 1,990	\$ 4,924
-	-	314,954	-	-	-
-	-	18,270	-	-	-
-	-	-	-	-	-
-	227,164	-	-	-	-
-	-	-	-	-	-
400	522,918	340,413	6,685	1,990	4,924
-	30,069	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,100	-
-	-	-	-	-	-
-	227,164	333,224	-	-	-
-	257,233	333,224	-	6,100	-
-	15,979	-	-	-	-
-	-	-	-	-	-
400	249,706	7,189	6,685	(4,110)	4,924
400	265,685	7,189	6,685	(4,110)	4,924
\$ 400	\$ 522,918	\$ 340,413	\$ 6,685	\$ 1,990	\$ 4,924

(Continued)

*City of Fairview Park, Ohio*

**Combining Balance Sheet  
Non-major Special Revenue Funds - Continued**

**December 31, 2003**

	Bain Park Restoration	Law Enforcement Trust	DUI Education	POPAS
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 9,313	\$ 11,973	\$ 2,259	\$ 28,901
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	-	-	505	7,625
Interfund	-	-	-	-
Special Assessments	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
<i>Total Assets</i>	<u>9,313</u>	<u>11,973</u>	<u>2,764</u>	<u>36,526</u>
<b>Liabilities:</b>				
Accounts Payable	-	-	-	-
Accrued Wages	-	-	-	2,124
Compensated Absences Payable	-	-	-	-
Interfund Payable	-	-	-	-
Intergovernmental Payable	-	-	-	2,181
Deferred Revenue	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,305</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	-	-	337	22,055
Reserved for Inventory	-	-	-	-
Unreserved:				
Undesignated	9,313	11,973	2,427	10,166
<i>Total Fund Balance</i>	<u>9,313</u>	<u>11,973</u>	<u>2,764</u>	<u>32,221</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 9,313</u>	<u>\$ 11,973</u>	<u>\$ 2,764</u>	<u>\$ 36,526</u>

Civic Reimbursement	New Levy/Project	Cable TV Franchise Fee	DARE	Emergency Medical System	Total
\$ 1,061	\$ 1	\$ 240,514	\$ 15,673	\$ 11,537	\$ 755,015
-	-	-	-	-	945,842
-	-	39,286	-	87,453	126,739
-	-	-	-	-	220,119
-	-	-	-	-	5,299
-	-	-	-	-	227,164
-	-	-	-	-	35,928
1,061	1	279,800	15,673	98,990	2,316,106
-	-	-	-	-	66,607
-	-	-	-	3,101	28,108
-	-	-	-	1,859	2,627
-	-	-	-	-	26,400
-	-	-	-	-	22,819
-	-	-	-	59,227	1,380,477
-	-	-	-	64,187	1,527,038
-	-	-	-	-	38,371
-	-	-	-	-	35,928
1,061	1	279,800	15,673	34,803	714,769
1,061	1	279,800	15,673	34,803	789,068
\$ 1,061	\$ 1	\$ 279,800	\$ 15,673	\$ 98,990	\$ 2,316,106

*City of Fairview Park, Ohio*

**Combining Statement of Revenue, Expenditures and  
Changes in Fund Balances  
Non-major Special Revenue Funds**

**For the Year Ended December 31, 2003**

	Street Construction, Maintenance and Repair	State Highway	Recreation	Police and Fire Pension
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ 329,984	\$ 197,990
Intergovernmental	481,142	39,204	44,105	26,464
Interest	-	-	1,100	-
Special Assessments	-	-	-	-
Charges for Services	-	-	159,100	-
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	6,874	-
<i>Total Revenues</i>	481,142	39,204	541,163	224,454
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	-	-	-	700,958
Transportation	516,649	75,038	-	-
General Government	-	-	-	-
Leisure Time Activities	-	-	424,279	-
<i>Total Expenditures</i>	516,649	75,038	424,279	700,958
<i>Excess of Revenues Over (Under) Expenditures</i>	(35,507)	(35,834)	116,884	(476,504)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	510,000
Transfers Out	-	-	(177,608)	(10,178)
<i>Total Other Financing Sources (Uses)</i>	-	-	(177,608)	499,822
<i>Changes in Fund Balance</i>	(35,507)	(35,834)	(60,724)	23,318
<i>Fund Balance (Deficit) at Beginning of Year</i>	33,574	52,876	107,983	9,740
<i>Increase (Decrease) in Reserve for Inventory</i>	33,188	(7,939)	11	-
<i>Fund Balance (Deficit) at End of Year</i>	\$ 31,255	\$ 9,103	\$ 47,270	\$ 33,058



SAVE	Street Lighting	Fire Operating Levy	Federal Grants	State Grants	Fairview Park Sidewalk
\$ -	\$ -	\$ 279,795	\$ -	\$ -	\$ -
-	-	40,073	5,229	-	-
-	-	-	-	-	-
-	230,971	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	403	-
-	230,971	319,868	5,229	403	-
-	170,910	314,433	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	170,910	314,433	-	-	-
-	60,061	5,435	5,229	403	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	60,061	5,435	5,229	403	-
400	205,624	1,754	1,456	(4,513)	4,924
-	-	-	-	-	-
\$ 400	\$ 265,685	\$ 7,189	\$ 6,685	\$ (4,110)	\$ 4,924

(Continued)

*City of Fairview Park, Ohio*

**Combining Statement of Revenue, Expenditures and  
Changes in Fund Balances  
Non-major Special Revenue Funds - Continued**

**December 31, 2003**

	Bain Park Restoration	Law Enforcement Trust	DUI Education	POPAS
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	95,747
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	2,846	-
Miscellaneous	4,350	-	-	-
<i>Total Revenues</i>	4,350	-	2,846	95,747
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	-	-	4,216	100,243
Transportation	-	-	-	-
General Government	7,186	-	-	-
Leisure Time Activities	-	-	-	-
<i>Total Expenditures</i>	7,186	-	4,216	100,243
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,836)	-	(1,370)	(4,496)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-
<i>Changes in Fund Balance</i>	(2,836)	-	(1,370)	(4,496)
<i>Fund Balance (Deficit) at Beginning of Year</i>	12,149	11,973	4,134	36,717
<i>Increase (Decrease) in Reserve for Inventory</i>	-	-	-	-
<i>Fund Balance (Deficit) at End of Year</i>	\$ 9,313	\$ 11,973	\$ 2,764	\$ 32,221

Civic Reimbursement	New Levy/Project	Cable TV Franchise Fee	DARE	Emergency Medical System	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 807,769
-	-	-	15,674	-	651,891
-	-	1,662	-	-	2,762
-	-	-	-	-	230,971
-	-	-	-	267,970	522,817
-	-	86,394	-	-	86,394
-	-	-	-	-	2,846
-	-	-	-	-	11,627
-	-	88,056	15,674	267,970	2,317,077
-	-	-	15,800	299,004	1,605,564
-	-	-	-	-	591,687
-	-	-	-	-	7,186
-	-	-	-	-	424,279
-	-	-	15,800	299,004	2,628,716
-	-	88,056	(126)	(31,034)	(311,639)
-	-	-	-	-	510,000
-	-	(90,000)	-	-	(277,786)
-	-	(90,000)	-	-	232,214
-	-	(1,944)	(126)	(31,034)	(79,425)
1,061	1	281,744	15,799	65,837	843,233
-	-	-	-	-	25,260
\$ 1,061	\$ 1	\$ 279,800	\$ 15,673	\$ 34,803	\$ 789,068

*City of Fairview Park, Ohio*

**Combining Balance Sheet  
Non-major Capital Project Funds**

**December 31, 2003**

	Recreation Construction	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Total
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 51,620	\$ 92,958	\$ 1,237	\$ 10,858	\$ 156,673
Receivables:					
Taxes	-	346,045	-	-	346,045
Intergovernmental	-	20,218	-	-	20,218
Interfund	-	-	-	45,000	45,000
<i>Total Assets</i>	<u>51,620</u>	<u>459,221</u>	<u>1,237</u>	<u>55,858</u>	<u>567,936</u>
<b>Liabilities:</b>					
Accounts Payable	50	2,816	-	-	2,866
Interfund Payable	-	-	468,000	-	468,000
Deferred Revenue	-	366,263	-	-	366,263
<i>Total Liabilities</i>	<u>50</u>	<u>369,079</u>	<u>468,000</u>	<u>-</u>	<u>837,129</u>
<b>Fund Balance:</b>					
Reserved for Encumbrances	18,962	-	-	-	18,962
Unreserved:					
Undesignated	32,608	90,142	(466,763)	55,858	(288,155)
<i>Total Fund Balance</i>	<u>51,570</u>	<u>90,142</u>	<u>(466,763)</u>	<u>55,858</u>	<u>(269,193)</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 51,620</u>	<u>\$ 459,221</u>	<u>\$ 1,237</u>	<u>\$ 55,858</u>	<u>\$ 567,936</u>

*City of Fairview Park, Ohio*

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Non-major Capital Project Funds**

**For the Year Ended December 31, 2003**

	Recreation Construction	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Total
<b>Revenues:</b>					
Property Taxes	\$ -	\$ 287,086	\$ -	\$ -	\$ 287,086
Intergovernmental	-	38,372	-	-	38,372
Interest	-	1,711	836	-	2,547
Miscellaneous	-	1,450	-	-	1,450
<i>Total Revenues</i>	-	328,619	836	-	329,455
<b>Expenditures:</b>					
Capital Outlay	74,070	633,299	13,311	-	720,680
<i>Total Expenditures</i>	74,070	633,299	13,311	-	720,680
<i>Excess of Revenues Over (Under) Expenditures</i>	(74,070)	(304,680)	(12,475)	-	(391,225)
<b>Other Financing Sources (Uses):</b>					
Inception of Capital Lease	-	505,126	-	-	505,126
Transfers In	-	-	100,000	-	100,000
Transfers Out	-	(195,685)	(88,603)	-	(284,288)
<i>Total Other Financing Sources (Uses)</i>	-	309,441	11,397	-	320,838
<i>Changes in Fund Balances</i>	(74,070)	4,761	(1,078)	-	(70,387)
<i>Fund Balance (Deficit) at Beginning of Year</i>	125,640	85,381	(465,685)	55,858	(198,806)
<i>Fund Balance (Deficit) at End of Year</i>	\$ 51,570	\$ 90,142	\$ (466,763)	\$ 55,858	\$ (269,193)

*City of Fairview Park, Ohio*

Combining Balance Sheet  
Internal Service Funds

December 31, 2003

	Health Insurance Reserve	Employee Section 125 Contribution	Total
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 138,189	\$ 5,559	\$ 143,748
<i>Total Assets</i>	<u>138,189</u>	<u>5,559</u>	<u>143,748</u>
<b>Liabilities:</b>			
Accrued Wages	530	-	530
Pension obligation payable	72	-	72
Claims Payable	46,909	-	46,909
<i>Total Liabilities</i>	<u>47,511</u>	<u>-</u>	<u>47,511</u>
<b>Net Assets:</b>			
Unrestricted	90,678	5,559	96,237
<i>Total Net Assets</i>	<u>\$ 90,678</u>	<u>\$ 5,559</u>	<u>\$ 96,237</u>

**City of Fairview Park, Ohio**

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Service Funds

For the Year Ended December 31, 2003

	Health Insurance Reserve	Employee Section 125 Contribution	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,026,087	\$ -	\$ 1,026,087
Other Operating Revenues	-	6,212	6,212
<i>Total Operating Revenue</i>	1,026,087	6,212	1,032,299
<b>Operating Expenses:</b>			
Personal services	6,002	7,176	13,178
Claims	1,024,880	-	1,024,880
<i>Total Operating Expenses</i>	1,030,882	7,176	1,038,058
Operating Income (Loss)	(4,795)	(964)	(5,759)
Net Assets (Deficit) at Beginning of Year	95,473	6,523	101,996
Net Assets (Deficit) at End of Year	\$ 90,678	\$ 5,559	\$ 96,237

*City of Fairview Park, Ohio*

Combining Statement of Cash Flows  
Internal Service Funds

For the Year Ended December 31, 2003

	Health Insurance Reserve	Employee Section 125 Contribution	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 1,026,087	\$ -	\$ 1,026,087
Cash received from other revenues	-	6,212	6,212
Cash payments for employee service and benefits	(5,400)	(7,176)	(12,576)
Cash payments to goods and services	(1,052,247)	-	(1,052,247)
<b>Net Cash Provided by Operating Activities</b>	(31,560)	(964)	(32,524)
<b>Cash and Cash Equivalents at Beginning of Year</b>	169,749	6,523	176,272
<b>Cash and Cash Equivalents at End of Year</b>	\$ 138,189	\$ 5,559	\$ 143,748
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ (4,795)	\$ (964)	\$ (5,759)
<b>Changes in Assets and Liabilities</b>			
Increase (Decrease) in accounts payable	(4,712)	-	(4,712)
Increase (Decrease) in accrued wages	530	-	530
Increase (Decrease) in pension obligation payable	72	-	72
Increase (Decrease) in claims payable	(22,655)	-	(22,655)
<b>Total Adjustments</b>	(26,765)	-	(26,765)
<b>Net Cash Provided by Operating Activities</b>	\$ (31,560)	\$ (964)	\$ (32,524)



**City of Fairview Park, Ohio**

Combining Statement of Changes in Assets and Liabilities  
Agency Funds

For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Special Holding Account</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 47,703	51,968	52,741	\$ 46,930
<b>Total Assets</b>	<u>\$ 47,703</u>	<u>51,968</u>	<u>52,741</u>	<u>\$ 46,930</u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	1,803	-	\$ 1,803
Undistributed Monies	\$ 47,703	51,968	54,544	\$ 45,127
<b>Total Liabilities</b>	<u>\$ 47,703</u>	<u>53,771</u>	<u>54,544</u>	<u>\$ 46,930</u>
 <b>State Building 3% Assessment</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 71	1,107	1,068	\$ 110
<b>Total Assets</b>	<u>\$ 71</u>	<u>1,107</u>	<u>1,068</u>	<u>\$ 110</u>
<b>Liabilities:</b>				
Intergovernmental Payable	\$ 71	1,107	1,068	\$ 110
<b>Total Liabilities</b>	<u>\$ 71</u>	<u>1,107</u>	<u>1,068</u>	<u>\$ 110</u>
 <b>Grade Deposit</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,979	6,293	5,927	4,345
<b>Total Assets</b>	<u>\$ 3,979</u>	<u>6,293</u>	<u>5,927</u>	<u>4,345</u>
<b>Liabilities:</b>				
Refundable Deposits	\$ 3,979	6,293	5,927	4,345
<b>Total Liabilities</b>	<u>\$ 3,979</u>	<u>6,293</u>	<u>5,927</u>	<u>4,345</u>

(Continued)

**City of Fairview Park, Ohio**

Combining Statement of Change in Assets and Liabilities  
Agency Funds - Continued

For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Street Cleaning</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,300	2,000	550	\$ 3,750
<b>Total Assets</b>	<u>\$ 2,300</u>	<u>2,000</u>	<u>550</u>	<u>\$ 3,750</u>
<b>Liabilities:</b>				
Refundable Deposits	\$ 2,300	2,000	550	\$ 3,750
<b>Total Liabilities</b>	<u>\$ 2,300</u>	<u>2,000</u>	<u>550</u>	<u>\$ 3,750</u>
 <b>Street Opening</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,417	1,500	723	\$ 4,194
<b>Total Assets</b>	<u>\$ 3,417</u>	<u>1,500</u>	<u>723</u>	<u>\$ 4,194</u>
<b>Liabilities:</b>				
Refundable Deposits	\$ 3,417	1,500	723	\$ 4,194
<b>Total Liabilities</b>	<u>\$ 3,417</u>	<u>1,500</u>	<u>723</u>	<u>\$ 4,194</u>
 <b>Architect Deposit</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 80	5,737	5,129	\$ 688
<b>Total Assets</b>	<u>\$ 80</u>	<u>5,737</u>	<u>5,129</u>	<u>\$ 688</u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	609	-	\$ 609
Refundable Deposits	\$ 80	5,737	5,738	\$ 79
<b>Total Liabilities</b>	<u>\$ 80</u>	<u>6,346</u>	<u>5,738</u>	<u>\$ 688</u>

(Continued)

**City of Fairview Park, Ohio**

Combining Statement of Change in Assets and Liabilities  
Agency Funds - Continued

For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Sidewalk Deposit</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 973	1,107	1,068	\$ 1,012
<b>Total Assets</b>	<u>\$ 973</u>	<u>1,107</u>	<u>1,068</u>	<u>\$ 1,012</u>
<b>Liabilities:</b>				
Refundable Deposits	\$ 973	1,107	1,068	\$ 1,012
<b>Total Liabilities</b>	<u>\$ 973</u>	<u>1,107</u>	<u>1,068</u>	<u>\$ 1,012</u>
 <b>Senior Life Donation</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 24,509	24,935	21,154	\$ 28,290
<b>Total Assets</b>	<u>\$ 24,509</u>	<u>24,935</u>	<u>21,154</u>	<u>\$ 28,290</u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	3,238	-	\$ 3,238
Undistributed Monies	\$ 24,509	24,935	24,392	\$ 25,052
<b>Total Liabilities</b>	<u>\$ 24,509</u>	<u>28,173</u>	<u>24,392</u>	<u>\$ 28,290</u>
 <b>Survey Sanitary/Storm Sewer Collection</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 472	2,150	423	\$ 2,199
<b>Total Assets</b>	<u>\$ 472</u>	<u>2,150</u>	<u>423</u>	<u>\$ 2,199</u>
<b>Liabilities:</b>				
Refundable Deposits	\$ 472	2,150	423	\$ 2,199
<b>Total Liabilities</b>	<u>\$ 472</u>	<u>2,150</u>	<u>423</u>	<u>\$ 2,199</u>

(Continued)

**City of Fairview Park, Ohio**

Combining Statement of Change in Assets and Liabilities  
Agency Funds - Continued

For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Preliminary Investigation</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 150	150	87	\$ 213
<b>Total Assets</b>	<u>\$ 150</u>	<u>150</u>	<u>87</u>	<u>\$ 213</u>
<b>Liabilities:</b>				
Undistributed Monies	\$ 150	150	87	\$ 213
<b>Total Liabilities</b>	<u>\$ 150</u>	<u>150</u>	<u>87</u>	<u>\$ 213</u>
 <b>Total</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 83,654	96,947	88,870	\$ 91,731
<b>Total Assets</b>	<u>\$ 83,654</u>	<u>96,947</u>	<u>88,870</u>	<u>\$ 91,731</u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	5,650	-	\$ 5,650
Intergovernmental Payable	\$ 71	1,107	1,068	\$ 110
Undistributed Monies	\$ 72,362	77,053	79,023	\$ 70,392
Refundable Deposits	\$ 11,221	18,787	14,429	\$ 15,579
<b>Total Liabilities</b>	<u>\$ 83,654</u>	<u>102,597</u>	<u>94,520</u>	<u>\$ 91,731</u>

Individual Fund Schedules of Revenues, Expenditures  
and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Street Construction, Maintenance and Repair Fund  
For the Fiscal Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 479,000	\$ 500,225	\$ 500,225	\$ -
<b>Total Revenues</b>	<u>479,000</u>	<u>500,225</u>	<u>500,225</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Transportation	451,185	507,548	493,929	13,619
<b>Total Expenditures</b>	<u>451,185</u>	<u>507,548</u>	<u>493,929</u>	<u>13,619</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	27,815	(7,323)	6,296	13,619
<b>Other Financing Sources (Uses):</b>				
Advance In	-	1,300	1,300	-
Advance Out	(16,000)	(16,000)	(16,000)	-
<b>Total Other Sources (Uses)</b>	<u>(16,000)</u>	<u>(14,700)</u>	<u>(14,700)</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	11,815	(22,023)	(8,404)	13,619
Fund Balances (Deficit) at Beginning of Year	10,265	10,265	10,265	-
Fund Balances (Deficit) at End of Year	<u>\$ 22,080</u>	<u>\$ (11,758)</u>	<u>\$ 1,861</u>	<u>\$ 13,619</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 State Highway Fund  
 For the Fiscal Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 38,000	\$ 40,559	\$ 40,559	\$ -
<b>Total Revenues</b>	<u>38,000</u>	<u>40,559</u>	<u>40,559</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Transportation	75,000	75,000	75,000	-
<b>Total Expenditures</b>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(37,000)	(34,441)	(34,441)	-
Fund Balances (Deficit) at Beginning of Year	38,894	38,894	38,894	-
Fund Balances (Deficit) at End of Year	<u>\$ 1,894</u>	<u>\$ 4,453</u>	<u>\$ 4,453</u>	<u>\$ -</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Recreation Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and Other Taxes	\$ 372,211	\$ 372,211	\$ 329,984	\$ (42,227)
Intergovernmental	-	-	44,105	44,105
Charges for Services	163,789	183,589	159,099	(24,490)
Interest	-	3,000	1,129	(1,871)
Other	-	11,864	9,671	(2,193)
<b>Total Revenues</b>	<u>536,000</u>	<u>570,664</u>	<u>543,988</u>	<u>(26,676)</u>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities	416,392	416,392	422,632	(6,240)
<b>Total Expenditures</b>	<u>416,392</u>	<u>416,392</u>	<u>422,632</u>	<u>(6,240)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	119,608	154,272	121,356	(32,916)
<b>Other Financing Sources (Uses):</b>				
Advance In	-	19,000	19,000	-
Transfer Out	(177,608)	(177,608)	(177,608)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(177,608)</u>	<u>(158,608)</u>	<u>(158,608)</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(58,000)	(4,336)	(37,252)	(32,916)
Fund Balances (Deficit) at Beginning of Year	83,088	83,088	83,088	-
Prior Year Encumbrances Appropriated	34,445	34,445	34,445	
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 59,533</u>	<u>\$ 113,197</u>	<u>\$ 80,281</u>	<u>\$ (32,916)</u>



**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Police and Fire Pension Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and Other Taxes	\$ 223,326	\$ 223,326	\$ 197,990	\$ (25,336)
Intergovernmental	9,674	9,674	26,464	16,790
<b>Total Revenues</b>	<u>233,000</u>	<u>233,000</u>	<u>224,454</u>	<u>(8,546)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	717,322	717,322	700,958	16,364
<b>Total Expenditures</b>	<u>717,322</u>	<u>717,322</u>	<u>700,958</u>	<u>16,364</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(484,322)	(484,322)	(476,504)	7,818
<b>Other Financing Sources (Uses):</b>				
Transfer In	510,000	510,000	510,000	-
Transfer Out	(10,178)	(10,178)	(10,178)	-
<b>Total Other Financing Sources (Uses)</b>	<u>499,822</u>	<u>499,822</u>	<u>499,822</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	15,500	15,500	23,318	7,818
Fund Balances (Deficit) at Beginning of Year	4,441	4,441	4,441	-
Fund Balances (Deficit) at End of Year	<u>\$ 19,941</u>	<u>\$ 19,941</u>	<u>\$ 27,759</u>	<u>\$ 7,818</u>

*City of Fairview Park, Ohio*  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 S.A.V.E Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Total Expenditures</b>	-	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-	-
Fund Balances (Deficit) at Beginning of Year	400	400	400	-
Fund Balances (Deficit) at End of Year	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ -</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Street Lighting Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Special Assessments	\$ 225,000	\$ 225,000	\$ 230,971	\$ 5,971
<b>Total Revenues</b>	<u>225,000</u>	<u>225,000</u>	<u>230,971</u>	<u>5,971</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	215,000	215,000	217,320	(2,320)
<b>Total Expenditures</b>	<u>215,000</u>	<u>215,000</u>	<u>217,320</u>	<u>(2,320)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	10,000	10,000	13,651	3,651
Fund Balances (Deficit) at Beginning of Year	214,484	214,484	214,484	-
Prior Year Encumbrances Appropriated	21,569	21,569	21,569	-
Fund Balances (Deficit) at End of Year	<u>\$ 246,053</u>	<u>\$ 246,053</u>	<u>\$ 249,704</u>	<u>\$ 3,651</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Fire Operating Levy Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 315,361	\$ 315,361	\$ 279,795	\$ (35,566)
Intergovernmental	39	39	40,073	40,034
<b>Total Revenues</b>	<u>315,400</u>	<u>315,400</u>	<u>319,868</u>	<u>4,468</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	315,000	315,000	314,433	567
<b>Total Expenditures</b>	<u>315,000</u>	<u>315,000</u>	<u>314,433</u>	<u>567</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	400	400	5,435	5,035
Fund Balances (Deficit) at Beginning of Year	1,754	1,754	1,754	-
Fund Balances (Deficit) at End of Year	<u>\$ 2,154</u>	<u>\$ 2,154</u>	<u>\$ 7,189</u>	<u>\$ 5,035</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Federal Grants Fund  
 For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 5,229	\$ 5,229
<b>Total Revenue</b>	<u>-</u>	<u>-</u>	<u>5,229</u>	<u>5,229</u>
<b>Expenditures:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	5,229	5,229
Fund Balances (Deficit) at Beginning of Year	1,455	1,455	1,455	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 1,455</u>	<u>\$ 1,455</u>	<u>\$ 6,684</u>	<u>\$ 5,229</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 State Grants Fund  
 For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other	\$ -	\$ -	\$ 403	\$ 403
<b>Total Revenue</b>	<u>-</u>	<u>-</u>	<u>403</u>	<u>403</u>
<b>Expenditures:</b>				
Current:				
Community Environment	-	2,704	-	2,704
<b>Total Expenditures</b>	<u>-</u>	<u>2,704</u>	<u>-</u>	<u>2,704</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	-	(2,704)	403	3,107
Fund Balances (Deficit) at Beginning of Year	1,587	1,587	1,587	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 1,587</u>	<u>\$ (1,117)</u>	<u>\$ 1,990</u>	<u>\$ 3,107</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Fairview Park Sidewalk Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Total Expenditures</b>	-	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-	-
Fund Balances (Deficit) at Beginning of Year	4,924	4,924	4,924	-
Fund Balances (Deficit) at End of Year	<u>\$ 4,924</u>	<u>\$ 4,924</u>	<u>\$ 4,924</u>	<u>\$ -</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Bain Park Restoration Fund  
 For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 4,350	\$ (650)
<b>Total Revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>4,350</u>	<u>(650)</u>
<b>Expenditures:</b>				
Current:				
General Government	5,000	5,000	7,384	(2,384)
<b>Total Expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>7,384</u>	<u>(2,384)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	(3,034)	(3,034)
Fund Balances (Deficit) at Beginning of Year	12,347	12,347	12,347	-
Fund Balances (Deficit) at End of Year	<u>\$ 12,347</u>	<u>\$ 12,347</u>	<u>\$ 9,313</u>	<u>\$ (3,034)</u>



**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Law Enforcement Trust Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<b>Total Revenues</b>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	500	500	-	500
<b>Total Expenditures</b>	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	500	500	-	(500)
Fund Balances (Deficit) at Beginning of Year	11,973	11,973	11,973	-
Fund Balances (Deficit) at End of Year	<u>\$ 12,473</u>	<u>\$ 12,473</u>	<u>\$ 11,973</u>	<u>\$ (500)</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 DUI Education Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 2,719	\$ 719
<b>Total Revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>2,719</u>	<u>719</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	4,100	4,100	4,817	(717)
<b>Total Expenditures</b>	<u>4,100</u>	<u>4,100</u>	<u>4,817</u>	<u>(717)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,100)	(2,100)	(2,098)	2
Fund Balances (Deficit) at Beginning of Year	4,020	4,020	4,020	-
Fund Balances (Deficit) at End of Year	<u>\$ 1,920</u>	<u>\$ 1,920</u>	<u>\$ 1,922</u>	<u>\$ 2</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
P.O.P.A.S. Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	\$ 100,000	\$ 100,000	\$ 92,881	\$ (7,119)
<b>Total Revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>92,881</u>	<u>(7,119)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	49,679	100,431	119,384	(18,953)
<b>Total Expenditures</b>	<u>49,679</u>	<u>100,431</u>	<u>119,384</u>	<u>(18,953)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	50,321	(431)	(26,503)	(26,072)
Fund Balances (Deficit) at Beginning of Year	31,994	31,994	31,994	-
Prior Year Encumbrances Appropriated	1,355	1,355	1,355	-
Fund Balances (Deficit) at End of Year	<u>\$ 83,670</u>	<u>\$ 32,918</u>	<u>\$ 6,846</u>	<u>\$ (26,072)</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Civil Reimbursement Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,100	\$ 1,100	\$ -	\$ (1,100)
<b>Total Revenues</b>	<u>1,100</u>	<u>1,100</u>	<u>-</u>	<u>(1,100)</u>
<b>Expenditures:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	1,100	1,100	-	(1,100)
Fund Balances (Deficit) at Beginning of Year	1,060	1,060	1,060	-
Fund Balances (Deficit) at End of Year	<u>\$ 2,160</u>	<u>\$ 2,160</u>	<u>\$ 1,060</u>	<u>\$ (1,100)</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 New Levy/Project Account Fund  
 For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Total Expenditures</b>	-	-	-	-
<b>Excess of Revenues Over     (Under) Expenditures</b>	-	-	-	-
Fund Balances (Deficit) at Beginning of Year	1	1	1	-
Fund Balances (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Cable TV Franchise Fee Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and Permits	\$ 90,000	\$ 90,000	\$ 85,163	\$ (4,837)
<b>Total Revenues</b>	<u>90,000</u>	<u>90,000</u>	<u>85,163</u>	<u>(4,837)</u>
<b>Expenditures:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	90,000	90,000	85,163	(4,837)
<b>Other Financing Sources (Uses):</b>				
Transfer Out	(90,000)	(90,000)	(90,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	-	-	(4,837)	(4,837)
Fund Balances (Deficit) at Beginning of Year	245,133	245,133	245,133	-
Fund Balances (Deficit) at End of Year	<u>\$ 245,133</u>	<u>\$ 245,133</u>	<u>\$ 240,296</u>	<u>\$ (4,837)</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
DARE Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 15,674	\$ 674
<b>Total Revenues</b>	<u>15,000</u>	<u>15,000</u>	<u>15,674</u>	<u>674</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	14,000	14,000	15,800	(1,800)
<b>Total Expenditures</b>	<u>14,000</u>	<u>14,000</u>	<u>15,800</u>	<u>(1,800)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	1,000	1,000	(126)	(1,126)
Fund Balances (Deficit) at Beginning of Year	15,799	15,799	15,799	-
Fund Balances (Deficit) at End of Year	<u>\$ 16,799</u>	<u>\$ 16,799</u>	<u>\$ 15,673</u>	<u>\$ (1,126)</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Emergency Medical System Fund  
 For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 250,000	\$ 300,200	\$ 239,744	\$ (60,456)
<b>Total Revenues</b>	<u>250,000</u>	<u>300,200</u>	<u>239,744</u>	<u>(60,456)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	300,000	366,000	296,691	69,309
<b>Total Expenditures</b>	<u>300,000</u>	<u>366,000</u>	<u>296,691</u>	<u>69,309</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(50,000)	(65,800)	(56,947)	8,853
Fund Balances (Deficit) at Beginning of Year	65,864	65,864	65,864	-
Prior Year Encumbrances Appropriated	1,400	1,400	1,400	-
Fund Balances (Deficit) at End of Year	<u>\$ 17,264</u>	<u>\$ 1,464</u>	<u>\$ 10,317</u>	<u>\$ 8,853</u>



**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Bond Retirement Fund  
For the Fiscal Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	205,000	205,000	205,000	-
Interest and Fiscal Charges	278,471	278,471	267,074	11,397
<b>Total Expenditures</b>	483,471	483,471	472,074	11,397
Excess of Revenues Over (Under) Expenditures	(483,471)	(483,471)	(472,074)	11,397
<b>Other Financing Sources (Uses):</b>				
Transfer In	483,471	483,471	472,074	(11,397)
<b>Total Other Financing Sources (Uses)</b>	483,471	483,471	472,074	(11,397)
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	-	-	-	-
Fund Balances (Deficit) at Beginning of Year	(41,513)	(41,513)	(41,513)	-
Fund Balances (Deficit) at End of Year	\$ (41,513)	\$ (41,513)	\$ (41,513)	\$ -

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Recreation Construction Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital Outlay	117,000	117,000	94,532	22,468
<b>Total Expenditures</b>	<u>117,000</u>	<u>117,000</u>	<u>94,532</u>	<u>22,468</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(117,000)	(117,000)	(94,532)	22,468
Fund Balances (Deficit) at Beginning of Year	118,743	118,743	118,743	-
Prior Year Encumbrances Appropriated	8,397	8,397	8,397	
Fund Balances (Deficit) at End of Year	<u>\$ 10,140</u>	<u>\$ 10,140</u>	<u>\$ 32,608</u>	<u>\$ 22,468</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Permanent Improvement Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and Other Taxes	\$ 323,823	\$ 323,823	\$ 287,086	\$ (36,737)
Intergovernmental	-	-	38,372	38,372
Interest	23	10,000	1,685	(8,315)
Miscellaneous	-	695,000	1,450	(693,550)
<b>Total Revenues</b>	<u>323,846</u>	<u>1,028,823</u>	<u>328,593</u>	<u>(700,230)</u>
<b>Expenditures:</b>				
Capital Outlay	204,315	804,315	125,357	678,958
<b>Total Expenditures</b>	<u>204,315</u>	<u>804,315</u>	<u>125,357</u>	<u>678,958</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	119,531	224,508	203,236	(21,272)
<b>Other Financing Sources (Uses):</b>				
Transfer Out	(195,685)	(195,685)	(195,685)	-
<b>Total Other Sources (Uses)</b>	<u>(195,685)</u>	<u>(195,685)</u>	<u>(195,685)</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	(76,154)	28,823	7,551	(21,272)
Fund Balances (Deficit) at Beginning of Year	72,971	72,971	72,971	-
Prior Year Encumbrances Appropriated	12,326	12,326	12,326	-
Fund Balances (Deficit) at End of Year	<u>\$ 9,143</u>	<u>\$ 114,120</u>	<u>\$ 92,848</u>	<u>\$ (21,272)</u>

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Lorain Road Revitalization Fund  
For the Year Ended December 31, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest	\$ -	\$ -	\$ 810	\$ 810
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>810</u>	<u>810</u>
<b>Expenditures:</b>				
Capital Outlay	50,000	50,000	13,311	36,689
<b>Total Expenditures</b>	<u>50,000</u>	<u>50,000</u>	<u>13,311</u>	<u>36,689</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(50,000)	(50,000)	(12,501)	37,499
<b>Other Financing Sources (Uses):</b>				
Transfer In	150,000	150,000	100,000	(50,000)
Transfer Out	(100,000)	(100,000)	(88,603)	11,397
<b>Total Other Sources (Uses)</b>	<u>50,000</u>	<u>50,000</u>	<u>11,397</u>	<u>(38,603)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	-	-	(1,104)	(1,104)
Fund Balances (Deficit) at Beginning of Year	2,232	2,232	2,232	-
Fund Balances (Deficit) at End of Year	<u>\$ 2,232</u>	<u>\$ 2,232</u>	<u>\$ 1,128</u>	<u>\$ (1,104)</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Senior Center Construction Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Total Expenditures</b>	-	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-	-
Fund Balances (Deficit) at Beginning of Year	10,858	10,858	10,858	-
Fund Balances (Deficit) at End of Year	<u>\$ 10,858</u>	<u>\$ 10,858</u>	<u>\$ 10,858</u>	<u>\$ -</u>

**City of Fairview Park, Ohio**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Capital Projects Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal Income Tax	\$ 1,193,000	\$ 1,193,000	\$ 1,174,442	\$ (18,558)
Intergovernmental	-	-	82,110	82,110
Interest	7,000	7,000	14,267	7,267
<b>Total Revenues</b>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,270,819</u>	<u>70,819</u>
<b>Expenditures:</b>				
Capital Outlay	1,460,000	1,798,367	1,685,761	112,606
<b>Total Expenditures</b>	<u>1,460,000</u>	<u>1,798,367</u>	<u>1,685,761</u>	<u>112,606</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(260,000)	(598,367)	(414,942)	183,425
Fund Balances (Deficit) at Beginning of Year	817,399	817,399	817,399	-
Prior Year Encumbrances Appropriated	197,960	197,960	197,960	-
Fund Balances (Deficit) at End of Year	<u>\$ 755,359</u>	<u>\$ 416,992</u>	<u>\$ 600,417</u>	<u>\$ 183,425</u>

## **Statistical Section**

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**City of Fairview Park, Ohio**  
**General Government**  
**Revenue by Sources and Expenses/Expenditures by Function (1)**  
**Last Ten Fiscal Years**

	2003		2002	2001
	Full Accrual	Modified Accrual		
<b>Program Revenue</b>				
Charges for Services	\$ 1,253,754	NA	N/A	N/A
Operating Grants and Contributions	538,662	NA	N/A	N/A
<b>General Revenues</b>				
Taxes	9,689,348	\$ 8,816,411	\$ 8,698,630	\$ 8,538,909
Intergovernmental	2,596,571	3,164,482	2,428,288	3,484,994
Charges for Services	-	541,180	453,623	215,756
Fines, Licenses and Permits	-	422,376	486,249	458,474
Special Assessments	-	230,971	229,563	223,456
Interest	63,432	63,432	96,807	249,843
Other	195,583	195,583	62,747	81,842
<i>Total</i>	<u>\$ 14,337,350</u>	<u>\$ 13,434,435</u>	<u>\$ 12,455,907</u>	<u>\$ 13,253,274</u>
<b>Expenses/Expenditures</b>				
General Government	\$ 2,632,827	\$ 1,871,902	\$ 1,843,234	\$ 1,612,294
Security of Persons and Property	6,003,528	5,760,650	5,573,697	5,484,567
Public Health and Welfare	49,447	49,447	58,352	61,546
Leisure Time Activities	693,544	713,599	737,912	1,526,721
Community Environment	1,760,877	1,593,359	1,594,380	1,495,481
Transportation	1,980,401	932,973	764,149	973,226
Capital Outlay	-	2,064,837	1,893,058	2,659,043
Debt Service (2)	275,893	504,595	2,090,217	566,961
<i>Total</i>	<u>\$ 13,396,517</u>	<u>\$ 13,491,362</u>	<u>\$ 14,554,999</u>	<u>\$ 14,379,839</u>

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds for modified accrual and all governmental activities for full accrual.

(2) Represents all interest paid on bonds and notes in addition payments made to reduce the principal or the actual amount borrowed. Does not include the gross effect of note rollovers.

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$ 7,574,098	\$ 7,965,255	\$ 7,624,393	\$ 7,225,336	\$ 6,752,261	\$ 7,386,405	\$ 5,865,500
4,146,726	2,025,185	2,541,790	2,355,695	2,235,336	1,784,757	1,814,240
245,540	297,431	200,803	287,899	260,093	233,979	316,888
596,309	619,283	709,147	288,055	201,965	264,652	202,663
226,048	225,147	208,184	201,116	202,753	210,238	184,746
409,375	306,041	145,130	102,740	80,094	68,009	16,659
269,415	38,384	252,870	163,530	17,528	9,912	33,438
<u>\$ 13,467,511</u>	<u>\$ 11,476,726</u>	<u>\$ 11,682,317</u>	<u>\$ 10,624,371</u>	<u>\$ 9,750,030</u>	<u>\$ 9,957,952</u>	<u>\$ 8,434,134</u>
\$ 1,911,286	\$ 1,638,614	\$ 1,606,178	\$ 1,508,402	\$ 1,529,385	\$ 1,774,933	\$ 1,648,203
5,565,714	5,061,879	4,879,587	4,292,831	4,260,854	3,908,845	3,720,991
52,784	51,917	54,695	48,801	45,692	48,200	62,788
2,122,278	907,820	815,042	661,233	497,464	454,573	465,145
1,393,372	1,203,078	1,293,452	1,015,362	1,069,420	901,892	938,893
852,552	888,275	802,226	855,497	821,747	528,495	579,409
4,065,081	2,044,297	1,028,635	817,679	1,029,453	1,855,837	559,003
410,024	838,558	694,829	845,245	85,531	87,726	74,674
<u>\$ 16,373,091</u>	<u>\$ 12,634,438</u>	<u>\$ 11,174,644</u>	<u>\$ 10,045,050</u>	<u>\$ 9,339,546</u>	<u>\$ 9,560,501</u>	<u>\$ 8,049,106</u>

*City of Fairview Park, Ohio*  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Collection Year	Current Tax Levy	(1) Current Tax Collections	Percent Levy Collected	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes To Current Tax Levy
1994	\$2,730,776	\$2,615,937	95.8%	\$86,470	3.2%
1995	3,320,485	3,139,095	94.5	100,238	3.0
1996	3,317,865	2,991,656	90.2	124,456	3.8
1997	3,702,214	3,522,103	95.1	143,595	3.9
1998	4,006,690	3,750,044	93.6	109,207	2.7
1999	3,879,470	3,797,785	97.9	104,185	2.7
2000	3,922,860	3,822,383	97.4	128,625	3.3
2001	4,303,981	4,141,439	96.2	167,031	3.9
2002	4,254,969	4,131,651	97.1	160,239	3.8
2003	4,760,254	4,593,043	96.5	179,475	3.8

(1) Represents amounts collected by the County for the City during the year indicated.

Source: Cuyahoga County Auditor

**City of Fairview Park, Ohio**  
**Assessed and Estimated Value of All Taxable Property (1)**  
**Last Ten Fiscal Years**

Collection Year	Real Property		Public Utility Tangible Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value	
1994	\$253,775,800	\$725,073,714	\$10,122,770	\$11,503,148	\$8,836,304	\$35,345,216	\$272,734,874	\$771,922,078	35.33%
1995	288,878,080	825,365,943	10,242,190	11,638,852	11,126,369	44,505,476	310,246,639	881,510,271	35.19
1996	288,260,820	823,602,343	9,793,290	11,128,739	11,327,056	45,308,224	309,381,166	880,039,306	35.16
1997	293,690,410	839,115,457	9,588,730	10,896,284	11,394,515	45,578,060	314,673,655	895,589,801	35.14
1998	317,905,830	908,302,371	9,385,270	10,665,080	11,819,544	47,278,176	339,110,644	966,245,627	35.10
1999	320,707,080	916,305,943	9,441,390	10,782,852	11,702,030	46,808,120	341,850,500	973,896,915	35.10
2000	324,605,540	927,444,400	9,610,600	10,921,136	11,895,084	47,580,336	346,111,224	985,945,872	35.10
2001	360,993,440	1,031,409,829	9,122,440	10,366,409	12,603,703	50,414,812	382,719,583	1,092,191,050	35.04
2002	359,239,220	1,026,397,772	6,685,310	7,596,943	12,416,078	51,733,658	378,340,608	1,085,728,373	34.85
2003	356,530,290	1,018,657,971	6,690,510	7,602,852	11,237,049	45,856,734	374,457,849	1,072,117,557	34.83

(1) The assessed valuation is computed at approximately the following percentage of estimated actual value:

- a) real property – 35%
- b) public utility tangible property – 88%
- c) tangible personal property – 1994-2001 – 25%, 2002-2003 – 24%

Source: Cuyahoga County Auditor

**City of Fairview Park, Ohio**  
**Property Tax Rates – Direct and Overlapping Governments**  
**(Per \$1,000 of Assessed Value)**  
**Last Ten Fiscal Years**

Tax Year	Collection Year	City	County and Special Taxing Districts	Fairview Park School District	Berea School District	Rocky River School District	Polaris JVSD	Total
1993	1994	11.90	17.80	71.30	57.00	59.40	2.50	219.90
1994	1995	12.80	18.20	70.50	56.90	58.90	2.50	219.80
1995	1996	10.40	18.00	78.60	57.00	58.40	2.40	224.80
1996	1997	11.80	18.00	78.40	57.90	60.90	2.40	229.40
1997	1998	11.80	18.00	78.10	57.90	64.40	2.40	232.60
1998	1999	11.80	16.70	76.20	58.00	64.40	2.40	229.80
1999	2000	11.80	16.70	76.20	63.90	68.60	2.40	239.60
2000	2001	11.80	17.60	82.20	63.80	68.00	2.40	245.80
2001	2002	11.80	17.60	78.40	63.80	67.50	2.40	241.50
2002	2003	11.80	19.40	86.30	69.80	72.00	2.40	261.70

Source: Cuyahoga County Auditor

***City of Fairview Park, Ohio***  
**Property Tax Rates – Compared to Charter Limitations**  
**(Per \$1,000 of Assessed Value)**  
**Last Ten Fiscal Years**

<u>Tax Year/ Collection Year</u>	<u>General Fund</u>	<u>Recreation Purposes</u>	<u>Permanent Improvement</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Fire Levy</u>	<u>Bond Retirement</u>	<u>Total City Millage</u>
1993/1994	10.24	0.60	0.90	0.30	0.30	-	0.46	12.80
1994/1995	8.33	0.60	0.87	0.30	0.30	-	-	10.40
1995/1996	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80
1996/1997	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80
1997/1998	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80
1998/1999	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80
1999/2000	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80
2000/2001	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80
2001/2002	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80
2002/2003	8.33	1.00	0.87	0.30	0.30	1.00	-	11.80

Source: Cuyahoga County Auditor

*City of Fairview Park, Ohio*  
 Special Assessment Billings and Collections  
 Last Nine Fiscal Years (2)

<u>Collection Year</u>	<u>Amount Billed</u>	<u>(1) Amount Collected</u>	<u>Percent Collected</u>
1995	\$212,248	\$209,628	98.8%
1996	207,262	202,942	97.9
1997	203,744	201,569	98.9
1998	204,358	200,214	98.0
1999	225,609	220,841	97.9
2000	225,264	220,999	98.1
2001	230,192	223,252	97.0
2002	229,436	223,849	98.0
2003	227,754	229,911	100.9

(1) Collection made by County Auditors only.

(2) Information prior to collection year 1995 was unavailable.

Source: Cuyahoga County Auditor

*City of Fairview Park, Ohio*  
 Computation of Legal Debt Margin – Statutory Debt Limitations  
 December 31, 2003

**Statutory (direct) debt limitation**

Overall debt limitation 10-1/2% of assessed valuation		\$39,318,074
Gross indebttness	\$6,043,563	
Less: debt not subject to limitation	(481,063)	

Debt within 10-1/2% limitation	5,562,500	
Less: amount available in debt service fund	(91,812)	5,654,312

<b>Legal debt margin within 10-1/2% limitation</b>		<u>\$33,663,762</u>
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Unvoted debt limitation 5-1/2% of assessed valuation		20,595,182
Gross indebttness	\$6,043,563	
Less: debt not subject to limitation	(481,063)	

Debt within 5-1/2% limitation	5,562,500	
Less: amount available in debt service fund	(91,812)	5,654,312

<b>Legal debt margin within 5-1/2% limitation</b>		<u>\$14,940,870</u>
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*City of Fairview Park, Ohio*  
Computation of Legal Debt Margin – Constitutional Debt Limitations  
December 31, 2003

**Constitutional (indirect) debt limitation**

Overall debt limitation authorized by Charter 10.0000 mills

Encumbered millage as of December 31, 2003 3.5425 mills

Available millage as of December 31, 2003 6.4575 mills

Assume maturity over a twenty year period with 5.5% annual interest.

**City of Fairview Park, Ohio**  
 Computation of Direct and Overlapping Debt  
 December 31, 2003

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Fairview Park, Ohio (1)	Amount Applicable to City of Fairview Park, Ohio
City of Fairview Park	\$6,043,563	100.00%	\$6,043,563
Fairview Park City School District	3,719,252	91.53	3,404,270
Rocky River City School District	24,709,128	8.40	2,074,674
Berea City School District	9,505,000	0.07	6,899
Cuyahoga County	183,239,636	1.30	2,384,169
Greater Cleveland Regional Transit Authority	<u>100,855,000</u>	1.30	<u>1,312,245</u>
Totals:	<u><u>\$328,071,579</u></u>		<u><u>\$15,225,820</u></u>

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing the overlapping subdivision's assessed valuation with the City by its total assessed valuation.

***City of Fairview Park, Ohio***  
Ratio of Net General Debt to Assessed Value  
and Net Debt Per Capital  
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	Gross Debt	General Obligation Debt
1994	18,028	\$272,734,874	\$2,759,000	\$2,754,991
1995	18,028	310,246,639	3,065,000	3,065,000
1996	18,028	309,381,166	2,425,000	2,425,000
1997	18,028	314,673,655	1,870,000	1,870,000
1998	18,028	339,110,644	1,630,817	1,630,817
1999	18,028	341,850,500	5,672,013	5,130,000
2000	17,572	346,111,224	7,222,766	6,035,498
2001	17,572	382,719,583	6,844,699	5,790,498
2002	17,572	378,340,608	6,325,567	4,115,000
2003	17,572	374,457,849	6,043,563	3,795,000

General Obligation Debt Service Money Available	(1) Net General Obligation Debt	Ratio of Net Debt to Assessed Valuation	Net General Obligation Debt Per Capital
\$25,147	\$2,729,844	1.0	\$151
25,499	3,039,501	1.0	169
200	2,424,800	0.8	135
4	1,869,996	0.6	104
847	1,629,970	0.5	90
0	5,130,000	1.5	285
25,608	6,009,890	1.7	342
14,716	5,775,782	1.5	329
0	4,115,000	1.1	335
0	3,795,000	1.0	216

(1) Does not include OPWC debt.

**City of Fairview Park, Ohio**  
Ratio of Annual Debt Service Expenditures  
for General Bonded Debt to Total General Expenditures  
Last Ten Fiscal Years

Year	(1) General Obligation Principal	General Obligation Interest	General Obligation Debt Service	Total General Operating Expenditures	Ratio of General Obligation Debt Service to General Operating Expenditures
1994	\$124,990	\$107,424	\$232,414	8,049,106	2.89%
1995	124,990	98,687	223,677	9,560,501	2.34
1996	120,000	89,950	209,950	9,339,546	2.25
1997	120,000	81,550	201,550	10,045,050	2.01
1998	120,000	73,150	193,150	11,174,644	1.73
1999	120,000	133,123	253,123	12,634,438	2.00
2000	345,000	261,468	606,468	16,373,091	3.70
2001	360,000	369,709	729,709	14,379,839	5.07
2002	310,000	330,717	640,717	14,554,999	4.44
2003	320,000	299,274	619,274	13,491,362	4.60

(1) Does not include the rollover of principal due under bond anticipation notes or OPWC loans.

*City of Fairview Park, Ohio*  
Demographic Statistics  
Last Ten Fiscal Years

Year	(1) Population	(2) Fairview Park City School District	(2) Rocky River City School District	(3) Cuyahoga County Unemployment Rate
1994	18,028	1,976	-	4.4%
1995	18,028	1,997	-	4.7
1996	18,028	2,052	-	5.2
1997	18,028	2,091	-	4.8
1998	18,028	2,076	16	4.5
1999	18,028	1,974	16	4.5
2000	17,572	1,903	20	4.6
2001	17,572	1,899	33	6.0
2002	17,572	1,870	33	6.2
2003	17,572	1,831	33	6.8

(1) Census Statistics

(2) Records are not kept for each City by the Schools. School population is for district taken as a whole.

(3) Ohio Bureau of Labor Marketing Information.

**City of Fairview Park, Ohio**  
**Construction, Bank Deposits and Assessed Property Values**  
**Last Ten Fiscal Years**

Year	(1) Resident & Commercial Construction Value	(1) Residential & Commercial Construction Permits	(2) County Bank Deposits (In Thousands)	(3 and 4) Total Assessed Property Values
1994	\$4,414,399	341	\$20,885,453	272,734,874
1995	12,855,065	366	22,694,304	310,246,639
1996	7,897,348	382	27,068,211	309,381,166
1997	7,207,918	416	53,941,971	314,673,655
1998	6,046,691	400	58,904,596	339,110,644
1999	4,697,708	348	57,816,942	341,850,500
2000	3,227,495	379	61,942,764	346,111,224
2001	10,439,559	383	63,893,769	382,719,583
2002	9,273,481	410	95,761,917	378,340,608
2003	4,750,630	353	97,238,973	374,457,849

(1) City of Fairview Park Building Department.

(2) Federal Reserve Bank of Cleveland (total demand, time and saving deposits in Lorain and Erie County).

(3) Cuyahoga County Auditors' Office.

(4) Represents the values assessed for taxation which range from 25% to 88% of estimated true value.

*City of Fairview Park, Ohio*  
Principal Taxpayers – Real Property  
December 31, 2003

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Z & Sons Limited Partnership	\$6,688,680	1.84%
Fairview Shopping Center Corp.	4,015,900	1.11
Lawn Village Inc.	2,444,930	0.67
Cleveland Electric Illuminating Co.	2,152,780	0.60
200 West Apartments	2,005,890	0.55
Ohio Bell Telephone Co.	1,965,220	0.54
Stallard-Schrier Family Ltd Partnership	951,940	0.26
Puzzitiello Rocco H Jr. Trust	919,840	0.25
North Solon Office	918,750	0.25
Fairview Reality Invest Ltd	<u>910,390</u>	<u>0.25</u>
	<u>\$ 22,974,320</u>	<u>6.32%</u>
Total assessed valuation	<u>\$ 363,220,800</u>	

Sources: Cuyahoga County Auditors' Office.



*City of Fairview Park, Ohio*  
Principal Taxpayers – Personal Property  
December 31, 2003

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Higbee Co.	\$1,559,390	13.9%
Kohls Department Stores Inc.	663,160	5.9
Zale Delaware Inc.	349,740	3.1
Cox Cable Cleveland	344,700	3.0
Tops Markets LLC	341,400	3.0
Golf Galaxy Inc.	287,410	2.6
Wideopenwest Cleveland LLC	132,630	1.2
Quadax Inc	131,590	1.2
J P Farley Corporation	129,470	1.1
Reserves Network Inc.	119,910	1.1
	<u>\$ 4,059,400</u>	<u>36.1%</u>
Total assessed valuation	<u>\$ 11,237,049</u>	

Source: Cuyahoga County Auditors' Office.

*City of Fairview Park, Ohio*  
Miscellaneous Statistics  
December 31, 2003

Date of incorporation	1910
Form of government	Mayor-Council
Area	4.77 Square miles
Miles of streets	52.9
Number of street lights	1,262
Fire protection:	
Number of stations	1
Number of full-time firemen and officers	27
Police protection:	
Number of stations	1
Number of full-time policemen and officers	28
Sewers:	
Sanitary sewers	50 miles
Water:	
Water mains	47 miles
Fire hydrants	832
Recreation:	
Number of parks	5
Employees:	
Full-time (classified)	119
Part-time	60



**Auditor of State  
Betty Montgomery**

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**CITY OF FAIRVIEW PARK**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 4, 2004**