

**City of Cleveland Heights
Cuyahoga County, Ohio**

* * * *

Report Letters

December 31, 2007



Mary Taylor, CPA
Auditor of State

Honorable Mayor and City Council
City of Cleveland Heights
40 Severance Circle
Cleveland Heights, Ohio 44118

We have reviewed the *Independent Auditor's Report* of the City of Cleveland Heights, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Cleveland Heights is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 26, 2008

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO**

Report Letters

December 31, 2007

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 25, 2008

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of and for the year ended December 31, 2007, which collectively comprise the City of Cleveland Heights's basic financial statements and have issued our report thereon dated June 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cleveland Heights' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cleveland Heights' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland Heights' internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting, as is disclosed in the accompanying schedule of findings as item 2007-001.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Cleveland Heights in a separate letter dated June 25, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cleveland Heights' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is disclosed in the accompanying schedule of findings as items 2007-002 2007-003. We also noted certain immaterial instances that we have reported to management of the City of Cleveland Heights in a separate letter dated June 25, 2008.

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

Kea & Associates, Inc.



Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

June 25, 2008

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

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

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

In our opinion, the City of Cleveland Heights complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the City of Cleveland Heights is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cleveland Heights' internal control over compliance with the requirements that could have a direct and

material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland Heights' internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of and for the year ended December 31, 2007, and have issued our report thereon dated June 25, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Cleveland Heights' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Rea & Associates, Inc.

CITY OF CLEVELAND HEIGHTS, OHIO
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2007

Federal Grantor/ Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Thru Entity Ident. Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant - Subtotal Direct Program	14.218	N/A	\$ 2,080,629
Pass-Through Program From: Cuyahoga County Housing Consortium: HOME Investment Partnership Program	14.239	N/A	619,030
Pass-Through Program From: Cuyahoga County Dept. of Development: Lead Safe Cuyahoga Program	14.900	N/A	184,581
Sub-Total Pass-Through Programs			803,611
Total U.S. Dept. of Housing and Urban Development			2,884,240
U.S. Dept. of Health and Human Services:			
Pass-Through Program From: State Dept. of Aging and the Western Reserve Area Agency on Aging: Title III-B of the Older Americans Act	93.044	N/A	26,735
Total U.S. Dept. of Health and Human Services			26,735
Federal Emergency Management Agency:			
Assistance to Firefighters Grant Program	97.044	N/A	245,096
Total Federal Emergency Management Agency			245,096
U.S. Environmental Protection Agency:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	33,500
Total U.S. Environmental Protection Agency:			33,500
U.S. Department of Justice:			
State Homeland Security Grant: Pass-Through from: Public Safety Grant Division of Justice Affairs of Cuyahoga County	97.073	N/A	2,475
Total U.S. Department of Justice			2,475

Total Expenditures of Federal Awards **\$ 3,192,046**

Note A: Significant Accounting Policies
The Schedule of Federal Awards Expenditures summarizes the activity of the City's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 , Section .505
 DECEMBER 31, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiency control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	HOME grant CFDA #14.239 FEMA grant CFDA #97.044
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2007-001

Significant Deficiency

Sound financial reporting is the responsibility of the City and its officials. When reviewing income tax revenues, we were able to obtain evidence that companies submitted income tax payments to the City, however, in some cases, we noted that these payments were not reported in the Income Tax Department's accounting software. The Income Tax Department has a formal policy regarding the reconciliation of individual and company accounts to the accounting software, however, we noted this does not take place in a timely fashion. In addition to this, we noted that before individual tax returns are processed, they are filed in batches, and cannot be found individually under after they are processed. Only after the tax returns are processed are they filed in a systematic order.

Without complete and accurate reporting of income tax receipts, the susceptibility that the financial statements have been misstated is heightened. Also, the current filing system can lead to the misplacement or loss of supporting documentation. The loss of supporting documentation could also lead to the misstatement of the financial statements.

We recommend that the City employ a structured filing system of tax returns so as to prevent the loss of any financial supporting documentation. In addition, we recommend the City reconcile individual and company accounts to the Income Tax Department's accounting system in a timely fashion, to ensure that revenues are reported in the period that they are earned, and taxpayers are paying on a timely basis.

The City management will discuss the situation, and determine the most appropriate way to implement this suggestion.

FINDING NUMBER 2007-002

Noncompliance Citation

Ohio Rev. Code Section 5705.39 states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official certificate or amended official certificate. When the appropriation does not exceed such official certificate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

For the audit period, the City had numerous appropriations exceeding the certified estimated revenues as noted in footnote 18B. The City should certify all estimated revenues to be received by the City so that appropriated amounts are not in excess of the Official Certificate of Estimated Resources, as certified by the budget commission.

Management concurs and will implement procedures to ensure that estimated revenues, certified by the County budget commission, are sufficient to prevent future citations.

FINDING NUMBER 2007-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) states, in part, no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by the statute:

- A. Then and Now Certificate – This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is not legal liability on the part of the subdivision or taxing district.
- B. Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the taxing authority.

During testing, we noted that numerous invoices were dated before the required purchase order was generated, implying that the City’s purchase order procedures are not being adhered to by the City’s staff.

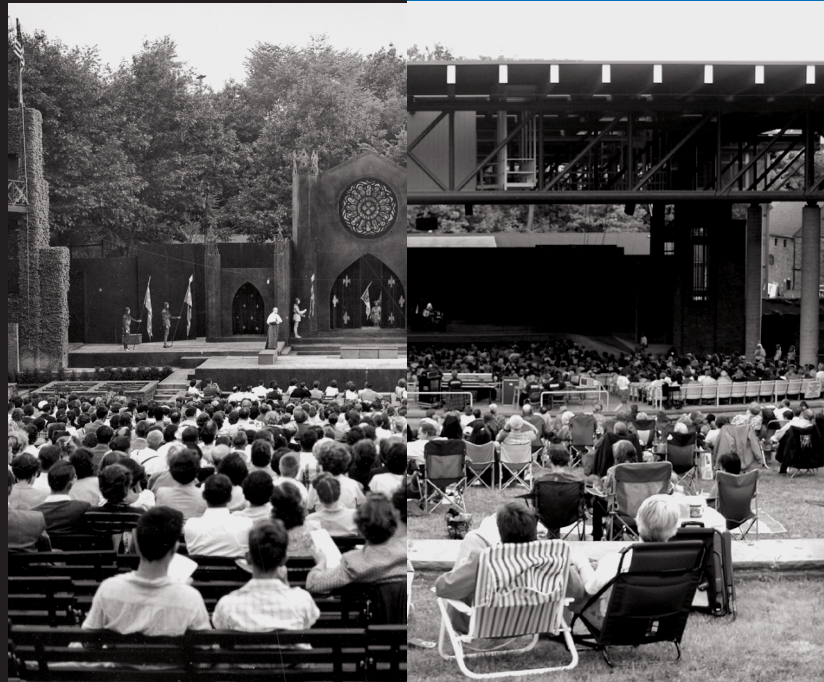
Management concurs and has sent memos to department heads about this in the past and will implement procedures to ensure that purchase orders are dated prior to invoices, and the purchase orders are utilized for all checks issued to prevent future citations.

<p>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</p>

None were noted.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007



Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Prepared by the Department of Finance

Thomas K. Malone, Director

Nicholas Vitalone, Assistant Director

Jessica Wheeler, Supervisor of Fiscal Control



CLEVELAND
HEIGHTS
OHIO

Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

INTRODUCTORY SECTION



The history of Cain Park, celebrating the 70th anniversary of its dedication in 2008, goes back as early as 1915, when voters approved a bond issue for its purchase. The park was named for Mayor Frank C. Cain (1914 to 1946), who was the guiding force behind the project. In 1934, "A Midsummer Night's Dream" was the first production presented in the park. The improvement of Cain Park, including the covering of a creek and the construction of an amphitheater, began that same year, financed primarily with WPA funds.

Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2007

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City of Cleveland Heights, Ohio

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CITY OF
CLEVELAND
HEIGHTS 

June 25, 2008

Dear Members of Council and Residents of the
City of Cleveland Heights:

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2007. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

Management's discussion and analysis may be referenced to gain a better understanding of the City's financial activities. The management discussion and analysis serves to introduce the City's basic financial statements and gives the reader, management's analysis and explanation of the City's financial position.

CITY ORGANIZATION

The City of Cleveland Heights, located in northeastern Ohio immediately east of Cleveland, is a residential community, which covers 8.11 square miles. The City's population according to the 2000 Federal Census was 50,769. The City, incorporated under Ohio law in February 1921, operates under its own charter, which was adopted in August 1921. The Charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven members elected Council, is the chief administrative officer of the City.

The City Manager, under authority granted by the City Charter, has the power to appoint and to remove all administrative officers and employees. His appointment of the Directors of Law, Finance, and Planning requires the approval of a majority of the members of Council. A Vice City Manager and two Assistants to the City Manager work with the City Manager in handling the administrative operations of the City, including the areas of Personnel, Budget and Capital Projects.

City Council holds its regular council meetings on the first and third Mondays of each month. The Charter provides procedures for special or emergency meetings, if the need arises. The City Manager and his administrative staff together with the various department directors attend all regular council meetings. City Council generally meets in committee or as a committee of the whole on those Mondays when there is no regularly scheduled meeting.

ECONOMIC CONDITIONS

The City continued to benefit due to its proximity to the major cultural, educational, and medical facilities in northeastern Ohio. These facilities include the University Circle area comprised of Case Western Reserve University and its associated University Hospitals, Severance Hall for the Performing Arts which also serves as resident base to the internationally-acclaimed Cleveland Symphony Orchestra, and the Cleveland Clinic, a world-renowned medical research and treatment facility. In addition, the City is strategically located to facilitate efficient and quick access to the downtown Cleveland business district, sports facilities for the Cleveland Indians major league baseball team, the Cleveland Cavaliers professional basketball team, the Cleveland Browns professional football team, the Great Lakes Science Center, and the National Rock and Roll Hall of Fame. As a result, the City's unemployment rate in April 2008 was 4.8% as compared to a Cuyahoga County rate of 6.5%, a State of Ohio rate of 5.6%, and a national rate of 5.0%.

The assessed value of commercial property in the city has increased 61% since 1998. The assessed value of residential property has increased 54% in the same period. This is a key indicator of this City's economic health and stability where the primary "industry" is its housing. All indications are that the City will continue to be a highly desirable place in which to live, further contributing to an appreciation in property values, which outpaces the rate of inflation.

2007 income tax collections remained strong and accounted for almost 52.8% of all General Fund receipts.

MAJOR INITIATIVES

Through a variety of municipal services and programs, together with public/private partnerships and citizen cooperation, there have been continued efforts to maintain and improve the exceptional environmental, economic, and social quality of life to which the residents of the City of Cleveland Heights have become accustomed.

Cain Park, the municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Orchestral, dance, and theatrical performances produced during 2007 included: Oliver, "Kidzart" events, Verb Ballet, Inlet Dance Theatre, Groundworks Dance Theater, The Flying Karamazov Brothers, Arlo Guthrie, Livingston Taylor, Nickel Creek, Etta James, Cowboy Junkies and Bela Fleck and the Flecktones. The Cain Park Arts Festival with 2007 attendance of 112,000 is recognized as one of the ten best such events in the United States.

During 2005 plans proposed by Rysar Properties for the redevelopment of the former Glen Allen estate and former site of the Jewish Community Center were approved. This new subdivision, Bluestone, will offer seventy-one flats with indoor parking and thirty-nine cluster homes, most with first floor master bedrooms. Over half of the nine-acre site will remain green space. Some of the adjacent cluster units will have walk-out basements with a view of the adjacent woods. In 2007, the first cluster of homes were completed and construction of the second cluster commenced.

Fairmount Hill, the newest Cedar-Farimount development by Palmeri Builders has sold all six of its townhome units for as much as \$900,000. Boulevard Townhomes by City Vision Development Corp. has completed Phase II of the project with five of the seven units sold. The City is participating in this project by offering 50% tax abatement for ten years.

In addition to new construction, two adaptive re-use projects were begun in 2004 and continued into 2006. David Jezek has completed Severance Place which will transform the former five-story Kaiser Permanente office building on Severance Circle into thirty-nine condominiums priced in the range of \$150,000 to \$225,000. Nine units have been sold through May 2008. The City is participating in this project by offering 50% tax abatement for ten years.

Ongoing projects include the Courtyards at Severance. The Courtyards at Severance have multiple phases underway. Forty of the planned sixty eight town homes have been sold. The average sales price in the Courtyards at Severance is \$255,000. The City is participating in this project by offering 50% tax abatement for ten years.

Commercial development in 2007 included the opening of Dave's Supermarket at Severance Center and the Cedar-Fairmount district. Dave's has invested approximately \$1.5 million to establish a presence in the City.

PLANNED DEVELOPMENT PROJECTS FOR 2008

The City has renewed its interest in redeveloping the parking lot area known as Top of the Hill. The three acre plus site atop the University Circle area would provide additional revenue and investment. The City has undertaken a market study and analysis in 2006 and has completed and approved design guidelines for the site in March 2008. Planning staff is currently working on request for qualifications for a developer search this year.

The Fairmount Boulevard rehabilitation project was completed in July 2007 at a cost of \$4.9 million. Also, the Warrensville Center Road rehabilitation project is approximately 75% complete at the end of 2007 and is expected to be completed in June 2008. The Cuyahoga County Engineer is managing both projects. The City (10%), Cuyahoga County (10%), and the Transportation Improvement Program (TIP) through the State of Ohio (80%) will jointly participate in these projects. The 380 space Cedar-Lee Parking Garage was completed and opened in November 2007. The Demington, Fairmount Sanitary Sewer rehabilitation was also 75% complete at the end of 2007. The project will be funded by a loan through the Ohio Water Development Authority at a cost of approximately \$9.1 million.

CITY UTILITIES

The City purchases water in bulk from the City of Cleveland through master meters and then distributes the water to City residents through the City's water mains. The City owns and maintains its water mains and also bills all water users for their consumption of water. While the City collects sewage through its own sewage system, the Northeast Ohio Regional Sewer District handles the treatment of sewage. The City's Automatic Water Meter Reading System (AMR) utilizes water meters which are read by radio signals rather than by conventional meter reader personnel, allowing staff to read the entire City in less than three working days. For convenience and safety, the meters are read in the middle of the night. The monthly water bills are sent with the billing information, a return envelope, and a message section that serves as an informative reminder of City events. As a matter of convenience, customers can now pay their water and sewer bills by credit card or ACH debit from their checking account. In addition, the City altered its relationship with the Northeast Ohio Regional Sewer District from master meter to that of a direct billing agent. This change resulted in residents receiving a direct statement each quarter from the Sewer District. A major benefit of this change is that residents are able to participate in the summer sprinkling program, which results in savings because of increased water usage in the summer.

The Cleveland Electric Illuminating Company and the Dominion East Ohio Gas Company, both independent, publicly-owned utilities provide City residents with electricity and natural gas. The City had placed issues of government aggregation of electricity supplies and natural gas supplies on the ballots in 2000 and 2001, respectively. Both issues were approved by the voters. The City proceeded with the aggregation plans and has now offered its residents city-wide aggregation plans with special rates for the supply of electricity and natural gas. The City is seeking a partner to supply electricity through the aggregation program. The City contracts with WPS Energy Services as its aggregation supplier of natural gas. The program has been popular with the residents.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2007, the City received \$1.778 million in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services, and fair housing.

CITY SERVICES

The City provides the following services for its citizens: Police and Fire Protection, Emergency Medical Services, Refuse, Recyclable and Yard Waste Collection, Street Maintenance, Recreation Programs, Municipal Court, Public Health, Community Development, Public Improvements, Water and Sewer Services, and General Administrative Services.

In addition to the basic services just described, the City continues to offer superior recreational facilities for its residents. The City operates a total of six municipal parks, which include two swimming pools and the usual sports, playground, and picnic facilities. In addition, the expansion of the Recreation Pavilion into a full-service Community Center was completed in 2001. The Olympic-size ice rink at the Community Center provides the City with two ice rinks. Other features of the Community Center are a Senior Activity Center, a field house and fitness center. The field house has two high school-size side-by-side courts with wooden floors, bleachers, scoreboards, glass backboards and the flexibility to accommodate basketball and volleyball as well as other programs. It also includes a four-lane elevated track with a rubberized surface and length of 180 yards. The fitness center features Nautilus exercise machines, aerobic, elliptical, and step machines along with a variety of bikes. There is also a cardio theater system and an aerobics room. The Community Center also contains child care facilities and meeting and general recreation rooms.

The curbside recycling program continued to be successful due to the cooperation of the residents. Included in the recycling collection are newspapers, magazines and catalogs, mixed paper (including cereal and dry good boxes), corrugated cardboard, metal, glass and #1 and #2 plastic containers. In addition, the City diverted most of its yard waste from the landfill to composting facilities. Cleveland Heights promotes the use of products made from recycled material whenever possible.

In keeping with its primarily residential character, the City operates an urban forestry department which is funded mainly through an annual special assessment on all properties. With the addition of new equipment and manpower, the department was able to concentrate on removing and replanting Cleveland Heights' aging urban forest. During 2007, the Forestry Department planted 270 trees (size 2.5" – 3" caliper) and removed 413 hazardous trees and trimmed 1,132 hazardous trees. The trimming and removal of hazardous trees resulted in 193 loads of wood chips and 72 loads of logs which are then offered to residents. The City received its 29th Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

The annual street resurfacing program involves removal of the asphalt street surface to its base, making base repairs, replacing curbs, catch basin and manhole castings as needed, setting all castings flush to the new street level and placing a new asphalt surface which is crowned and graded for proper drainage. The primary sources of funding for this program are motor vehicle license fees and gasoline excise tax, which generate about \$1.5 million per year. An additional \$273,750 of CDBG funds were used on streets in low/moderate income districts. The annual street surface treatment program extends the life of the road's surface by application of crack fillers, chip sealing, and single pass asphalt recycling, a method of reclaiming the top inch of loose asphalt.

FINANCIAL CONDITION

The City of Cleveland Heights has prepared these financial statements in accordance with GASB Statement 34, "*Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*". GASB 34 created new basic financial statements for reporting on the City's financial activities as follows:

Government-Wide Financial Statements

These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses.

Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statement of Budgetary Comparisons

These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this reporting model, management is responsible for preparing a discussion and analysis of the City's finances for 2007. This discussion follows the Independent Auditors' Report.

The City maintains its legal level of budgetary control at the fund level. However, management control is exercised at the department level (Public Safety, Public Health, Culture and Recreation, Community Development, Sanitation, Transportation, and General Government). The City Manager is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each fund does not exceed that of the Council approved appropriation. The City's fully automated financial system maintains this budgetary control through its purchase order/encumbrance feature. The purchase order, required before making any purchase, creates the encumbrance against the current budget. No purchase order will be generated unless there is sufficient unobligated budget to accept the encumbrance without a budget overrun.

INTERNAL ACCOUNTING AND REPORTING CONTROL

As part of its continuing commitment to excellence in financial reporting, the City utilizes a fully integrated, financial accounting, budgeting and reporting system. Because the system is integrated, the financial and budgetary information maintained by the system is immediately available to the City's management. The timeliness and accuracy of the information provided by the City's accounting, budgeting and reporting system provides each member of the City's management with a solid, informed financial basis for daily decision-making, performance evaluation and planning.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss resulting from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed within the framework of the concept of reasonable assurance. This concept recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Regular reviews of internal control occur within this policy framework. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

CASH MANAGEMENT

The City's investment policy is to ensure safety of principal while maintaining adequate liquidity with competitive yields on its portfolio. The cash resources of all funds are combined and invested to the extent available in treasury bills, treasury notes, and other authorized instruments. Interest earned is first distributed on a pro-rata basis to restricted funds with the remainder distributed to the General Fund.

RISK MANAGEMENT

As a means of providing superior coverage and at a cost lower than conventional insurance, the City developed and implemented its own self-funded insurance plan which covers all areas of risk including general liability, property, vehicle coverage, law enforcement professional and public official coverage. This plan utilizes the services of a third-party administrator, with the City maintaining a self-insured retention overlaid with conventional excess coverage.

In addition, the City maintains two health insurance plans for its employees. One plan is an HMO; the other is a self-funded program which is reinsured through a commercial insurance company and administered through a third-party administrator. Cost containment and enhanced control over health benefit levels have resulted from the City's health plan initiatives.

The City applied for and was accepted into the State of Ohio Workers Compensation Retrospective Rating Plan. Under the terms of this plan, the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the employer's premium limitation. The City's retrospective rating plan provides for a \$300,000 catastrophic limit per claim and an unlimited claim limit.

INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2007, have been audited by the firm of Rea & Associates, Inc., Certified Public Accountants. The auditor's unqualified opinion has been included in this report.

In addition, the City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1997 in accordance with U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Based upon prior experience, management believes that no material weakness in internal controls exist or questioned costs, if any, will have an adverse material effect on the financial condition of the City.

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 Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last twenty-three (23) consecutive years (fiscal years ended December 31, 1984, through December 31, 2006). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

Successful preparation of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors, but especially to those employees in the Departments of Finance, Planning, and Public Relations who have spent their time and energy on various parts of the project. Finally, City Staff wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

POSTSCRIPT

All of the programs and offerings noted in this letter of transmittal are aimed at supporting the City's mission:

“Cleveland Heights is a mature residential community with a racially and culturally diverse population. We recognize this diversity as a primary strength and seek to retain our current population mix which contributes to a wholesome integrated community. In order to accomplish these objectives, we commit ourselves not only to traditional mandated services but to the following actions:

To maintain our housing stock at optimum value.

To maintain a high quality of life through recreational and cultural opportunities.

To maintain and support our commercial districts to ensure access to goods and services.

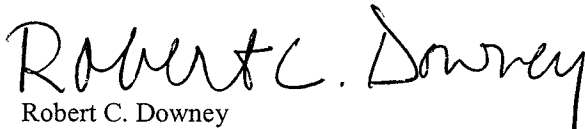
To actively engage in an on-going dialogue with neighborhood groups and residents so that changing needs of our community shape our services.


To remain competitive in relation to other surrounding communities in attracting new residents through developing new housing, controlling taxes and enhancing the quality of our community life through new and existing programs.

To assure a high return to our residents on every tax dollar.”

As employees of the City of Cleveland Heights, we are proud of the community in which we work and live. We pledge our continued dedication to providing the highest possible level of service to the citizens of the City, and we commit ourselves to helping enhance the quality of life which our residents, our greatest asset, enjoy.

Respectfully submitted,


Robert C. Downey
City Manager


Thomas K. Malone
Director of Finance

City of Cleveland Heights, Ohio

Listing of Principal City Officials

December 31, 2007

ELECTED OFFICIALS

Mayor.....	Edward J. Kelley
Vice Mayor	Kenneth R. Montlack
Councilmember.....	Bonita W. Caplan
Councilmember.....	Nancy J. Dietrich
Councilmember.....	Phyllis L. Evans
Councilmember.....	Mark A. Tumeo
Councilmember.....	Dennis R. Wilcox
Municipal Judge.....	A. Deane Buchanon

APPOINTED OFFICIALS

City Manager	Robert C. Downey
Vice City Manager.....	Kathleen A. Ruane
Assistant to the City Manager.....	Eddie L. Carter
Assistant to the City Manager.....	Carl Czaga
Director of Community Services	Susanna Niermann O'Neil
Director of Finance	Thomas K. Malone
Assistant Director of Finance.....	Nicholas Vitalone
Director of Law.....	John H. Gibbon
First Assistant Director of Law	Laure A. Wagner
Assistant Director of Law	William R. Hanna
Assistant Director of Law	L. James Juliano, Jr.
Assistant Director of Law	Kim Segebarth
Director of Planning.....	Richard E. Wong
Assistant Director of Planning.....	Kimberly Steigerwald
Director of Public Safety	Robert C. Downey
Director of Public Works	Alex Mannarino
Chief of Fire.....	Kevin C. Mohr
Chief of Police	Martin G. Lentz

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cleveland Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

Celebrating 70 Years
CAINPARK

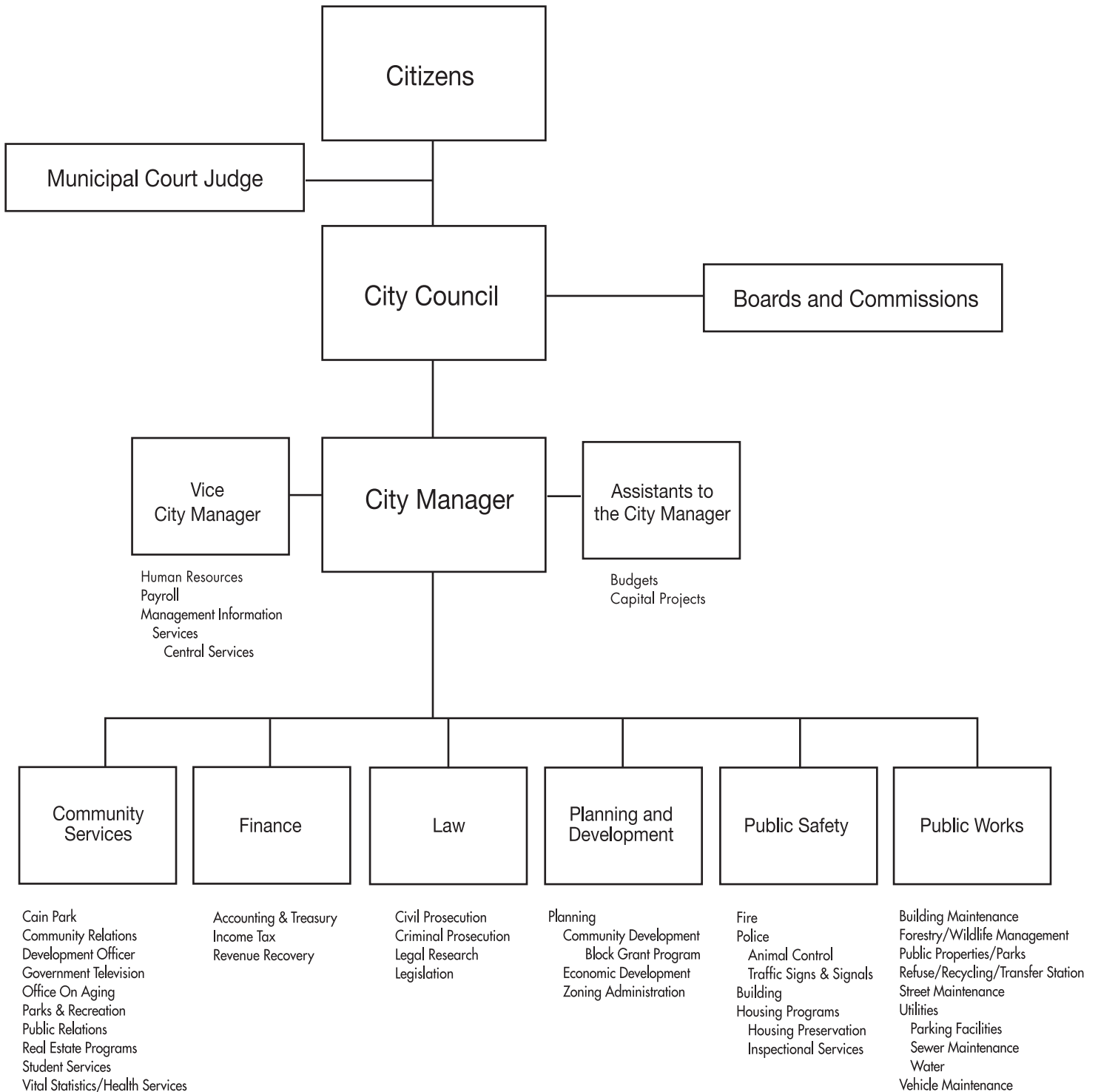


CLEVELAND
HEIGHTS
OHIO



CLEVELAND HEIGHTS

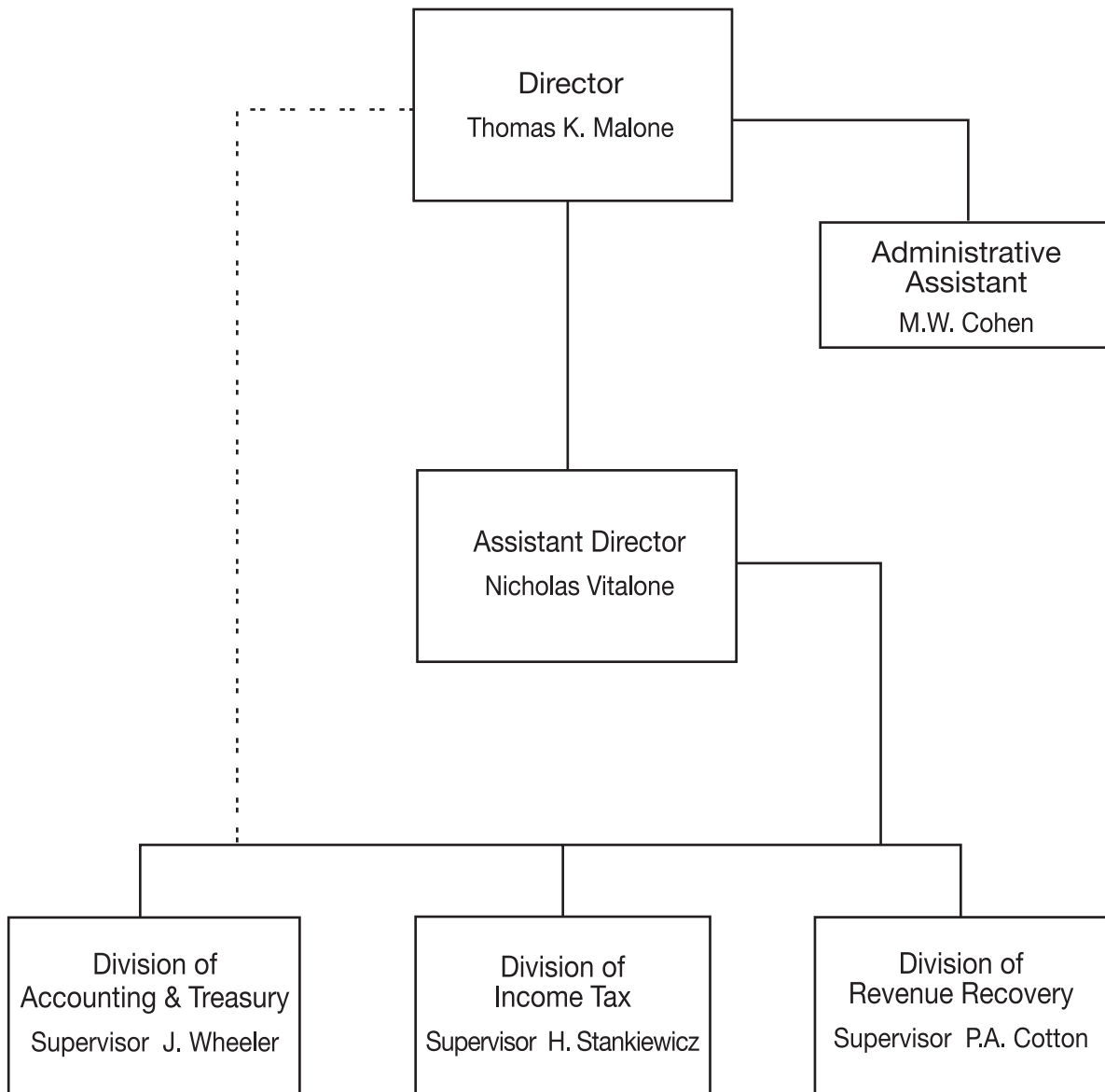
CITY ORGANIZATION AS OF DECEMBER 31, 2007





CLEVELAND HEIGHTS

DEPARTMENT OF FINANCE ORGANIZATION AS OF DECEMBER 31, 2007

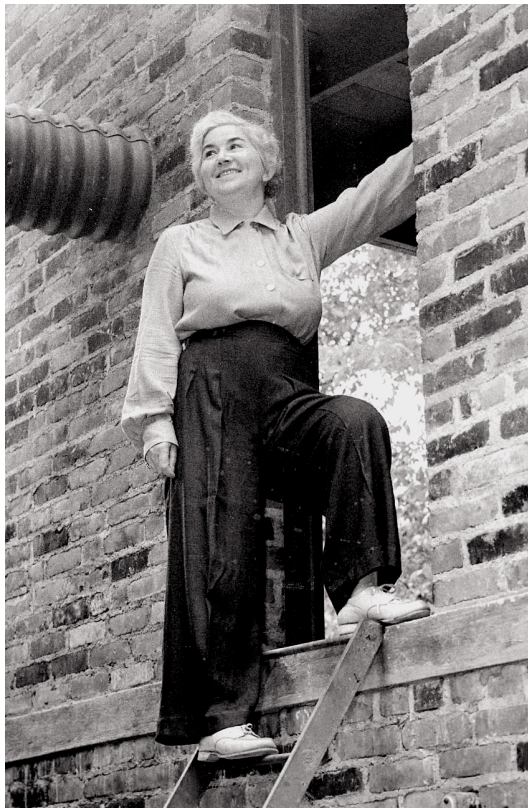
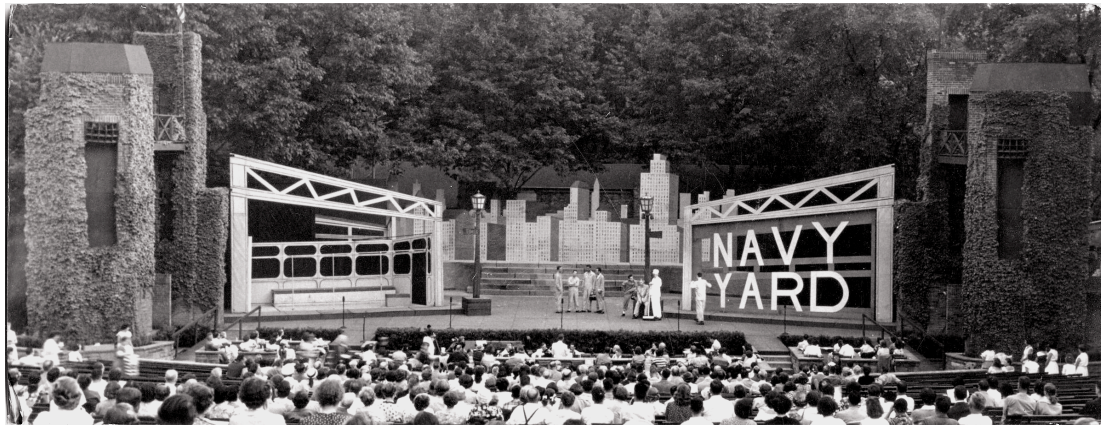


Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

FINANCIAL SECTION



During the 1940s and 1950s, Cain Park Theatre thrived under the artistic direction of Dr. Dina Rees Evans. Hundreds of plays and musicals were produced, including "On the Town" in 1951. Quite a few Hollywood performers began their careers at Cain Park, including actor Hal Holbrook.

Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 25, 2008

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

INDEPENDENT AUDITOR'S REPORT

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, as of December 31, 2007, 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 then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2008, on our consideration of the City of Cleveland Heights' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report

City of Cleveland Heights

Page 2

Management's Discussion and Analysis on pages 3 through 15 is not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cleveland Heights, basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2007
Unaudited

The discussion and analysis of the City of Cleveland Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2007 are as follows:

- The total assets of the City of Cleveland Heights exceeded its total liabilities at the close of the most recent fiscal year by \$97,508,318.
- Total net assets increased by \$5,253,489 from 2006 levels. Total assets increased by approximately \$500,000 led primarily by increases of \$5.0 million in capital assets and \$2.6 million in special assessment receivables. The increase in capital assets were offset by a decrease of approximately \$4.6 million in equity in city treasury cash which can be attributed to the construction of the Cedar-Lee parking garage. The \$1.5 million decrease in taxes receivable was a result of lower assessed valuations.
- Total liabilities decreased by approximately \$4.7 million from 2006 due to a \$2.6 million reduction of both short term note debt and long term liabilities. Due to the decrease in taxes receivable the city had a corresponding decrease of \$1.2 million in unearned revenue.
- In total, net assets in governmental activities increased by \$4,235,512 during 2007. This represents an increase of 7.1 percent from 2006.

Using this Annual Financial Report

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

Government-wide financial statements – Reporting the City of Cleveland Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City of Cleveland Heights' assets and liabilities, with the difference between the two reported as net assets. Over time, an increase or decrease in net assets may serve as a useful indicator of whether the financial position of the City of Cleveland Heights is improving or deteriorating. However, in evaluating the overall position of the City, nonfinancial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2007
Unaudited

In the Statement of Net Assets and the Statement of Activities, we identify two kinds of activities in the City:

- Governmental activities: Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, and state and federal grants finance most of these activities.
- Business-type activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems, off-street parking, and ambulance services are reported here.

Fund Financial Statements - Reporting the City of Cleveland Heights' Most Significant Funds

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 objects. The City of Cleveland Heights, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Cleveland Heights can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance 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. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the Governmental Funds Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City of Cleveland Heights maintains 41 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 Debt Service Fund both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2007
Unaudited

Proprietary Funds

The City of Cleveland Heights 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 utilities operations, off-street parking operations, ambulance services activity and for the Cedar Lee parking facility. 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 worker's compensation. Because this purpose predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utilities services, off-street parking, ambulance services and the Cedar Lee parking facility as they are considered major funds. The internal service fund is for self-insurance for worker's compensation.

The basic proprietary fund financial statements can be found starting on page 24 of this report.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split 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. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page 30 of this report.

Other information

In addition to the basic financial statements and the 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 funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 62 of this report.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2007
Unaudited

Government-wide Financial Analysis - City of Cleveland Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

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

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

The Statement of Net Assets looks at the City as a whole. The following Table 1 provides a summary of the City's net assets for 2007 as compared to 2006.

Table 1
City of Cleveland Heights' Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 39,837,994	\$ 39,123,372	\$ 6,452,827	\$ 11,702,521	\$ 46,290,821	\$ 50,825,893
Capital assets, net	<u>67,207,814</u>	<u>67,429,379</u>	<u>38,171,166</u>	<u>32,914,100</u>	<u>105,378,980</u>	<u>100,343,479</u>
Total assets	<u>107,045,808</u>	<u>106,552,751</u>	<u>44,623,993</u>	<u>44,616,621</u>	<u>151,669,801</u>	<u>151,169,372</u>
Current and other liabilities	16,153,457	18,324,198	8,504,808	9,343,275	24,658,265	27,667,473
Long-term liabilities:						
Due within one year	4,889,310	4,743,588	481,167	452,967	5,370,477	5,196,555
Due in more than one year	<u>22,043,809</u>	<u>23,761,245</u>	<u>2,088,932</u>	<u>2,289,270</u>	<u>24,132,741</u>	<u>26,050,515</u>
Total liabilities	<u>43,086,576</u>	<u>46,829,031</u>	<u>11,074,907</u>	<u>12,085,512</u>	<u>54,161,483</u>	<u>58,914,543</u>
Invested in capital assets, net of related debt	47,989,231	46,423,601	29,324,738	29,185,731	77,313,969	75,609,332
Restricted for:						
Debt service	2,869,545	2,652,333	-	-	2,869,545	2,652,333
Capital projects	1,310,756	1,181,513	-	-	1,310,756	1,181,513
Community development	1,476,300	1,347,727	-	-	1,476,300	1,347,727
Municipal court special projects	2,106,017	1,992,154	-	-	2,106,017	1,992,154
Other purposes	1,571,300	911,070	-	-	1,571,300	911,070
Unrestricted	<u>6,636,083</u>	<u>5,215,322</u>	<u>4,224,348</u>	<u>3,345,378</u>	<u>10,860,431</u>	<u>8,560,700</u>
Total net assets	<u>\$ 63,959,232</u>	<u>\$ 59,723,720</u>	<u>\$ 33,549,086</u>	<u>\$ 32,531,109</u>	<u>\$ 97,508,318</u>	<u>\$ 92,254,829</u>

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Total assets exceeded total liabilities for all of Cleveland Heights' funds by \$97,508,318. The net assets have increased by \$5,253,489 from 2006. Over an extended time the pattern of these changes can become a useful indicator of a government's financial position.

The major category of the City's net assets (79.0%) is investment in capital assets such as land, buildings, infrastructure, machinery, and equipment. The amounts reflected in Table 1 are less any related outstanding debt used to acquire those assets. These assets are essential to provide services to the citizens therefore they are not available for future spending. Although the investment in capital assets is reported net of the related debt, note that the funds to repay the debt must come from sources other than the capital assets themselves.

The City's total assets increased \$500,429 from 2006 to 2007 while the total liabilities decreased \$4,753,060 in that period. Among the most significant changes to assets was a decrease in Equity in City Treasury Cash of \$4,684,209, including restricted cash, during the 2007 fiscal year. This was largely due the construction and completion of the Cedar Lee parking garage project in late 2007. There was also an increase of approximately \$2.6 million in special assessments receivable due to the City approving a new three year special assessment in 2007 and an increase of approximately \$5.6 million in depreciable capital assets which was due primarily due to the construction and completion on of the Cedar Lee parking garage.

The City has made concerted efforts to maximize the return on investments of its cash and cash equivalents and to use these funds to provide liquidity for planned future capital purchases. Due to the decline of interest rates in the past few years, the investments have shifted from mostly government notes and bills to include a greater mix of federal government agency issues. However, even though the State code allows for investments with maturities of five years or less, the City has infrequently invested in an instrument with a maturity of more than two years. The City maintained a weighted average maturity of 349 days for its portfolio as of December 31, 2007.

Another tool used by the City to reduce its long-term liability is to convert accumulated sick leave to a bonus payment for employees who have a balance in excess of 800 hours of sick time remaining in their account at the end of each year. This bonus is calculated for eligible employees based on the hours accumulated and the hours of sick leave used in the current year. Only employees who have used forty-eight or less hours of sick leave per year are eligible for this conversion to bonus option. Employees who have used forty-eight hours of sick leave during the year are eligible to convert up to eight hours of sick leave to the cash bonus. If the employee has used no sick hours the conversion to bonus could be up to fifty-six hours. This allows the City to buy back accumulated sick hours at the current hourly rate as opposed to paying for it at a higher rate in the future or at the time of retirement of the employee. Every hour that is converted to bonus will reduce the employee's accumulated sick leave hours one for one. The employees benefit by having funds available to them currently with the opportunity to invest them.

The City of Cleveland Heights participates in the Ohio Bureau of Workers' Compensation retrospective rating program. Third party administration of claims is provided by CompManagement Incorporated. Various departments within the City have established safety committees to meet the Bureau guidelines and provide the employees with safety equipment to enable them to perform their tasks efficiently and also, as much as possible, to help keep the City premises an injury-free work place. A random drug testing policy for employees with CDL licenses also affords an added measure toward achieving this goal.

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The City of Cleveland Heights has developed programs and is dedicated to the recycling effort. During 2007, approximately 48 percent of all material collected was recycled and/or composed.

The net assets of our business-type activities increased by 3.1 percent in 2007, which the City generally can only use these net assets to finance the continuing operations of the water and sewer, off-street parking, and ambulance services departments. The cedar lee parking facility will be closed out when activity related to its construction is completed. In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

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Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 12,656,353	\$ 9,058,416	\$ 13,389,917	\$ 12,442,554	\$ 26,046,270	\$ 21,500,970
Operating grants and contributions	3,474,217	1,969,005	5,975	149,934	3,480,192	2,118,939
Capital grants and contributions	<u>273,750</u>	<u>338,000</u>	<u>-</u>	<u>-</u>	<u>273,750</u>	<u>338,000</u>
Total program revenues	<u>16,404,320</u>	<u>11,365,421</u>	<u>13,395,892</u>	<u>12,592,488</u>	<u>29,800,212</u>	<u>23,957,909</u>
General revenues:						
Property taxes	12,553,835	10,698,978	-	-	12,553,835	10,698,978
Municipal income taxes	21,869,012	23,073,254	-	-	21,869,012	23,073,254
Grants and entitlements	6,607,694	8,431,052	-	-	6,607,694	8,431,052
Interest earnings	668,428	672,273	351,419	415,954	1,019,847	1,088,227
Miscellaneous income	<u>717,745</u>	<u>735,319</u>	<u>16,352</u>	<u>30,447</u>	<u>734,097</u>	<u>765,766</u>
Total general revenues	<u>42,416,714</u>	<u>43,610,876</u>	<u>367,771</u>	<u>446,401</u>	<u>42,784,485</u>	<u>44,057,277</u>
Total revenues	<u>58,821,034</u>	<u>54,976,297</u>	<u>13,763,663</u>	<u>13,038,889</u>	<u>72,584,697</u>	<u>68,015,186</u>
Program expenses:						
General government	11,941,290	15,163,837	-	-	11,941,290	15,163,837
Public safety	19,723,818	18,782,355	-	-	19,723,818	18,782,355
Public health	426,606	435,206	-	-	426,606	435,206
Culture and recreation	4,259,479	4,045,369	-	-	4,259,479	4,045,369
Community development	6,453,726	6,842,251	-	-	6,453,726	6,842,251
Sanitation	3,002,530	3,067,667	-	-	3,002,530	3,067,667
Transportation	7,052,660	3,054,535	-	-	7,052,660	3,054,535
Interest and fiscal charges	969,947	753,647	-	-	969,947	753,647
Utilities	-	-	11,502,989	11,509,051	11,502,989	11,509,051
Off-street parking	-	-	1,115,903	773,699	1,115,903	773,699
Ambulance services	-	-	603,274	633,987	603,274	633,987
Cedar Lee parking facility	-	-	278,986	245,069	278,986	245,069
Total program expenses	<u>53,830,056</u>	<u>52,144,867</u>	<u>13,501,152</u>	<u>13,161,806</u>	<u>67,331,208</u>	<u>65,306,673</u>
Excess before transfers	4,990,978	2,831,430	262,511	(122,917)	5,253,489	2,708,513
Transfers	<u>(755,466)</u>	<u>(597,562)</u>	<u>755,466</u>	<u>597,562</u>	<u>-</u>	<u>-</u>
Change in net assets	4,235,512	2,233,868	1,017,977	474,645	5,253,489	2,708,513
Net assets at beginning of year	<u>59,723,720</u>	<u>57,489,852</u>	<u>32,531,109</u>	<u>32,056,464</u>	<u>92,254,829</u>	<u>89,546,316</u>
Net assets at end of year	<u>\$ 63,959,232</u>	<u>\$ 59,723,720</u>	<u>\$ 33,549,086</u>	<u>\$ 32,531,109</u>	<u>\$ 97,508,318</u>	<u>\$ 92,254,829</u>

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Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1979. The tax was originally instituted in 1966. Residents of the City who work in another community and pay the withholding tax for that community receive a fifty percent tax credit on their City tax up to a maximum of one-half percent. During 2007, this tax generated \$21.9 million in revenues. This was a decrease of \$1.2 million from 2006. The decrease in this revenue stream is the result of a downward trend in the economic conditions of the region. The City will continue to collect delinquent accounts via the use of professional collection firms and agencies. In 2003 the City implemented a non-filer letter and the subpoena program to ensure compliance with the local tax laws. In 2004 these efforts resulted in increases in filings and payments. These programs continue to identify and increase our contact with non-filers and new residents. Property tax revenues in 2007 of \$12.6 million constituted an increase of 17.3 percent over the \$10.7 million of revenues in 2006. The average home price in the City in 2007 was \$148,733 which represents an increase of 13 percent since 2006. Investment earnings increased slightly over 2006 as the Federal Reserve has steadily decreased short term interest rates through the end of 2007.

Public safety and transportation are the major activities of the City accounting for 49.7 percent of the governmental expenses. Currently, there are one hundred two full-time sworn officers in the police department operating from one police station.

The fire department consists of seventy-nine full-time fire fighters and officers of which fifty-eight are fully trained paramedics. Again, training plays a crucial role in the day-to-day operation of the fire department. Techniques such as practice drills, continuing education classes, and watching training videos help keep the men updated to perform their jobs most efficiently. The department handled 5,351 calls for assistance of which approximately 4,047 were for EMS and the rest for fire and fire-related incidents. This constituted a increase in total calls of 2.0 percent from 2006.

The City has an annual road program which entails major and minor resurfacing of the 303 roadway lanes miles in Cleveland Heights on a rotating basis year by year. The resurfacing program is subject to competitive bid. The bid award in 2007 was \$1,398,670. Of this amount \$273,750 was funded through Community Development Block Grant. Several major projects were planned and begun in 2006. The first is the Lee Road rehabilitation project with a total estimated cost of \$1.8 million. Besides a new road surface, curb repairs, and traffic signal upgrades, the project includes a new sewer and water lines for select areas of greatest need. Fairmount Boulevard rehabilitation will provide similar upgrades at a cost of \$4.9 million. The City, County, and the Transportation Improvement Program (TIP) through the State of Ohio jointly participated in this project.

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Business-Type Activities

The Business-Type activities of the City, which include the City's utilities operations, off-street parking operations, ambulance services, and the Cedar Lee Parking Facility, increased the City's net assets by \$1,017,977. Program expense exceeded program revenue in the amount of \$105,260 for the operations for 2007. In addition there were general revenues of \$1,123,237 from grants, interest earnings, and transfers from governmental funds.

The City's Funds

Governmental Funds

Information about the City's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$56.6 million and expenditures of \$56.0 million. Overall some areas of the revenue base continue to experience reductions such as interest earnings and state funding for local government and estate taxes. Some of these reductions could not be anticipated prior to 2003 since they were the result of new state legislation. Concerted efforts have been made in 2007 to control spending within the reduced streams of revenues which can now be anticipated and budgeted accordingly. However, new challenges will result from further proposed or approved reductions of State support and increases to employer share of support of various State retirement systems in 2007 and 2008.

The General Fund revenues increased only 0.6% from 2006 levels. The flat revenue growth is a result of the recessionary climate the region continues to experience. The General Fund expenditures increased 5.1% from 2006 primarily due to an increase in transportation services which can be attributed to salt purchases and road repairs. Debt service revenues and expenditures remained consistent with the prior year.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget for the following fiscal year is legally required to be presented to City Council by the City Manager in June of each year. Council is provided with a detailed General Fund budget by expenditure class for all departments, and, after a discussion at a regularly held Council meeting, which is open to the public, the General Fund budget is adopted at the department level for personal services, capital outlay, and other expenditures for the General Fund and at the fund level for all other funds by City Council. The approved budget is then submitted to the Cuyahoga County Budget Commission. Within a budgeted expenditure class the appropriations can be transferred between line items with the approval of the Assistant to the City Manager for Budget or the City Manager and the respective department head. Council must approve any revisions in the budget that alter the expenditure class totals or the total appropriations for any department or fund. The final budget for the current year must be reviewed and approved during December. The City Manager recommends necessary changes to the budget and provides information as requested by Council. During fiscal year 2007, the City amended its General Fund budget for expenditures and other financing uses by an increase of \$664,070 at the end of the fiscal year. The Finance Director provides monthly reports to City Council depicting monthly and year-to-date activity for revenues and expenditures in a comparative format to the approved budget and certificate of estimated resources.

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For the General Fund, budget basis revenue was \$942,464 below the original budget estimates of \$43.1 million. The actual property tax receipts were lower than anticipated due to a decline in assessed valuations. The final appropriations of \$42.8 million approximated the actual expenditures for the year, which ended up at \$42.1 million. There were no significant deviations between the final appropriations and the actual expenditures for 2007.

The City's ending unrestricted budgetary fund balance was \$266,624 less than the final budgeted amount. \$92,953 was reserved for encumbrances and payables at the end of 2007.

Business-Type Funds

The City's major Enterprise Funds consist of the Utilities Fund, the Off-Street Parking Fund, the Ambulance Services Fund, and the Cedar Lee Parking Facility Fund. The basic financial statements for the major funds are included in this report.

The Business-Type funds increased the City's net total assets by \$1,017,977. Program expense exceeded program revenue in the amount of \$105,260, which was attributable mainly to the Utilities Fund and the water program in particular. In 2007, the Utilities department aggressively pursued delinquent accounts which resulted in a significant increase in program revenues and in turn net assets for the Utilities Fund. The \$314,574 decrease in net assets for the Off-Street Parking Fund is attributed to the increase in contractual services in 2007 as revenues remained flat. Net assets for the Ambulance and Cedar Lee Parking Facility funds remained flat from 2006. However, with the completion of the Cedar Lee parking garage there has been a corresponding shift from current assets to non-current assets as the garage was capitalized in 2007.

The number of water main breaks increased in 2007 – thirty-six in 2006 and sixty in 2007 compared to the twenty-five year average of thirty-eight breaks per year. The unaccounted water which was purchased by the City but unbilled during the year has risen slowly but continuously over the last eight years.

The City of Cleveland Heights did not increase the water rates charged to residents from 2006. The rate the City charged changed in 2007 to \$46.73 per thousand cubic feet. During 2003 the water department reinstated the shut off of water service in order to collect delinquent accounts. This was found to be successful and the practice has been increased in 2007 in an attempt to reduce outstanding delinquent balances.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007, the City of Cleveland Heights had \$105.4 million invested in capital assets (net of depreciation) which was an increase of approximately \$5.0 million from 2006 due to the Cedar-Lee Parking Garage, Fairmount Boulevard, and Lee Road rehabilitation. This investment in capital assets includes land, buildings, improvements, construction in progress, machinery, and equipment as well as infrastructure including roads, sidewalks, bridges, water lines, sanitary sewers, curbs and gutters.

Table 3 shows fiscal year 2007 balances of capital assets (net of depreciation) as compared to 2006:

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 3,954,234	\$ 3,850,911	\$ 1,699,694	\$ 1,699,694	\$ 5,653,928	\$ 5,550,605
Construction in progress	787,048	1,009,468	170,511	569,363	957,559	1,578,831
Land improvements	567,979	622,077	239,300	243,475	807,279	865,552
Buildings and improvements	32,239,979	33,630,896	9,910,317	3,430,915	42,150,296	37,061,811
Machinery and equipment	5,499,805	5,307,126	3,120,696	3,597,264	8,620,501	8,904,390
Infrastructure:						
Streets and sidewalks	24,158,769	23,008,901	-	-	24,158,769	23,008,901
Waterlines	-	-	14,130,966	14,352,408	14,130,966	14,352,408
Sanitary sewer lines	-	-	5,552,222	5,658,091	5,552,222	5,658,091
Storm sewer lines	-	-	2,295,312	2,362,073	2,295,312	2,362,073
Off-street parking lots	-	-	1,052,148	1,000,817	1,052,148	1,000,817
Total capital assets	\$ <u>67,207,814</u>	\$ <u>67,429,379</u>	\$ <u>38,171,166</u>	\$ <u>32,914,100</u>	\$ <u>105,378,980</u>	\$ <u>100,343,479</u>

Overall there was an increase in capital assets from 2006. The City will continue to carry out an aggressive policy in maintaining its assets in excellent condition. Along with the street improvement projects, the City will continue to issue short-term notes to facilitate the purchase of motorized equipment on an annual basis. Vehicles, such as fire trucks, ambulances, rubbish trucks, etc., are planned for well in advance by the respective department heads and a scheduled maintenance and replacement time table is followed to provide peak performance for the maximum time frame. Police cars are replaced on an annual basis with approximately thirteen new cruisers placed in service each year. The older vehicles are either traded in to the dealers or sold to the highest bidder at the City's annual vehicle auction.

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With regards to the infrastructure, the City's public works department maintains a comprehensive listing of all the streets, bridges, culverts and water and sewer lines in the City. The public works department performs in-house maintenance and repairs as a supplement to the road projects that are bid out annually. The City maintains annual street resurfacing and surface treatment programs. As part of the City's annual road maintenance program, the capital projects manager evaluates the condition of each street after the winter and prepares a list of streets to be either resurfaced or crack-sealed, and, in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are competitively bid in early spring to get the best possible pricing from contractors. This program is paid for out of the current operating funds of the City. In the case of a major resurfacing project on one of the main arteries in the City of Cleveland Heights, the City has effectively pursued external funding sources to provide as much as forty to fifty percent of the project. Grants and loan assistance programs are from sources such as Cuyahoga County, State Issue II funds, and Federal highway funds. These awards reduce the total amount that must be borrowed to provide the matching funds in some cases. Additional information concerning the City's capital assets can be found in Note 7 to the financial statements.

Debt

At December 31, 2007, the City of Cleveland Heights had \$29,503,218 in total outstanding debt, of which \$17,795,000 was in general obligation bonds. There is a decrease of 5.6% in total outstanding debt from 2006. Table 4 summarizes the debt outstanding.

Table 4
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 17,795,000	\$ 19,400,000	\$ -	\$ -	\$ 17,795,000	\$ 19,400,000
OWPC loans	1,405,583	1,414,179	1,431,465	1,528,364	2,837,048	2,942,543
OWDA loan	-	-	119,926	-	119,926	-
Economic development bonds	890,000	1,090,000	-	-	890,000	1,090,000
Capital leases	53,000	86,639	695,037	903,602	748,037	990,241
Compensated absences	6,789,536	6,514,015	323,671	310,271	7,113,207	6,824,286
Total	\$ <u>26,933,119</u>	\$ <u>28,504,833</u>	\$ <u>2,570,099</u>	\$ <u>2,742,237</u>	\$ <u>29,503,218</u>	\$ <u>31,247,070</u>

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At December 31, 2007, the City's overall legal debt margin was \$71,692,546 with an unvoted debt margin of \$22,362,003. The City had an outstanding balance of \$2,837,048 on interest-free loans obtained from the Ohio Public Works Commission in 2000 for Cedar Road waterline rehabilitation and sanitary sewer improvement and in 2001 for Taylor Road rehabilitation. These loans allowed the City to spread the payments for \$2,837,048 of improvements over twenty years with no interest costs. The City also had an outstanding balance of \$119,926 from the Ohio Water Development Authority which carries an interest rate of 4.12%. Proceeds from the OWDA loan will be used for the Demington/Fairmount Sanitary Sewer rehabilitation project. Other obligations include accrued vacation pay and sick leave and capital leases. Additional information concerning the City's long-term obligations can be found in Notes 8 and 10 to the financial statements.

Current Related Financial Activities

The City of Cleveland Heights has felt the effects of the same economic downturn that stalled the economy of the State of Ohio and the nation as a whole in the earlier years of this decade. The City is optimistic that the next few years will bring closure to this period of downturn. The City is currently budgeting 2009 using the same conservative approach of the past few years. The State of Ohio intends to continue reducing financial support to cities. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources. Expenditures are being closely monitored at the department level as well as the City Manager level. City Council reviews the budget and financial status of the City on a regular basis.

The City of Cleveland Heights, Ohio, has committed itself to financial excellence and has a history of doing just that. Management has been committed to providing the residents of the City of Cleveland Heights with full disclosure of the financial position of the City. To that end the City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1984, the year of our first Comprehensive Annual Financial Report.

Contacting the City of Cleveland Heights' Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives, spends, or invests. If you have questions about this report or need financial information, contact the Finance Director, Thomas K. Malone, at the City of Cleveland Heights, 40 Severance Circle, Cleveland Heights, Ohio 44118, telephone 216-291-3900, or e-mail tmalone@clvhts.com.

Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

City of Cleveland Heights, Ohio

Statement of Net Assets

December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in city treasury cash	\$ 11,656,037	\$ 2,617,643	\$ 14,273,680
Restricted assets: cash	-	713,312	713,312
Accounts receivable	483,653	2,941,776	3,425,429
Special assessment receivable	4,053,315	-	4,053,315
Interest receivable	49,248	12,453	61,701
Loans receivable	1,581,938	-	1,581,938
Intergovernmental receivable	3,497,222	-	3,497,222
Inventory of supplies	448,286	167,643	615,929
Taxes receivable	18,068,295	-	18,068,295
Nondepreciable capital assets	4,741,282	1,870,205	6,611,487
Depreciable capital assets, net	<u>62,466,532</u>	<u>36,300,961</u>	<u>98,767,493</u>
Total assets	<u>107,045,808</u>	<u>44,623,993</u>	<u>151,669,801</u>
Liabilities:			
Vouchers and accounts payable	1,177,278	815,171	1,992,449
Accrued wages and benefits	2,617,292	64,119	2,681,411
Retainage payable	-	172,582	172,582
Unearned revenue	10,472,187	-	10,472,187
Refundable deposits	-	713,312	713,312
Notes payable	910,000	6,600,000	7,510,000
Accrued interest payable	104,560	110,546	215,106
Claims payable	872,140	29,078	901,218
Long-term liabilities:			
Due within one year	4,889,310	481,167	5,370,477
Due in more than one year	<u>22,043,809</u>	<u>2,088,932</u>	<u>24,132,741</u>
Total liabilities	<u>43,086,576</u>	<u>11,074,907</u>	<u>54,161,483</u>
Net assets:			
Invested in capital assets, net of related debt	47,989,231	29,324,738	77,313,969
Restricted for:			
Debt service	2,869,545	-	2,869,545
Capital projects	1,310,756	-	1,310,756
Community development	1,476,300	-	1,476,300
Municipal court special projects	2,106,017	-	2,106,017
Other purposes	1,571,300	-	1,571,300
Unrestricted	<u>6,636,083</u>	<u>4,224,348</u>	<u>10,860,431</u>
Total net assets	<u>\$ 63,959,232</u>	<u>\$ 33,549,086</u>	<u>\$ 97,508,318</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Activities

For the Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 11,941,290	\$ 4,347,482	\$ 184,581	\$ -
Public safety	19,723,818	2,913,059	904,391	-
Public health	426,606	1,580	30,240	-
Culture and recreation	4,259,479	2,050,639	38,452	-
Community development	6,453,726	2,365,009	2,306,553	-
Sanitation	3,002,530	978,584	10,000	-
Transportation	7,052,660	-	-	273,750
Interest and fiscal charges	969,947	-	-	-
Total governmental activities	<u>53,830,056</u>	<u>12,656,353</u>	<u>3,474,217</u>	<u>273,750</u>
Business-type activities:				
Utilities	11,502,989	12,029,659	-	-
Off-street parking	1,115,903	748,120	-	-
Ambulance services	603,274	612,138	5,975	-
Cedar Lee parking facility	278,986	-	-	-
Total business-type activities	<u>13,501,152</u>	<u>13,389,917</u>	<u>5,975</u>	<u>-</u>
Total	\$ <u>67,331,208</u>	\$ <u>26,046,270</u>	\$ <u>3,480,192</u>	\$ <u>273,750</u>

General revenues:

Property taxes levied for:

General purposes

Debt service

Police and fire pension

Municipal income taxes for general purposes

Grants and entitlements not restricted to specific programs

Interest earnings

Other revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

The accompanying notes are an integral part of the financial statements.

<u>Net (Expense)/Revenue and Change in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (7,409,227)	\$ -	\$ (7,409,227)
(15,906,368)	-	(15,906,368)
(394,786)	-	(394,786)
(2,170,388)	-	(2,170,388)
(1,782,164)	-	(1,782,164)
(2,013,946)	-	(2,013,946)
(6,778,910)	-	(6,778,910)
<u>(969,947)</u>	<u>-</u>	<u>(969,947)</u>
<u>(37,425,736)</u>	<u>-</u>	<u>(37,425,736)</u>
-	526,670	526,670
-	(367,783)	(367,783)
-	14,839	14,839
<u>-</u>	<u>(278,986)</u>	<u>(278,986)</u>
<u>-</u>	<u>(105,260)</u>	<u>(105,260)</u>
<u>(37,425,736)</u>	<u>(105,260)</u>	<u>(37,530,996)</u>
8,216,507	-	8,216,507
3,806,226	-	3,806,226
531,102	-	531,102
21,869,012	-	21,869,012
6,607,694	-	6,607,694
668,428	351,419	1,019,847
717,745	16,352	734,097
<u>(755,466)</u>	<u>755,466</u>	<u>-</u>
<u>41,661,248</u>	<u>1,123,237</u>	<u>42,784,485</u>
4,235,512	1,017,977	5,253,489
<u>59,723,720</u>	<u>32,531,109</u>	<u>92,254,829</u>
<u>\$ 63,959,232</u>	<u>\$ 33,549,086</u>	<u>\$ 97,508,318</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Balance Sheet Governmental Funds

December 31, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in city treasury cash	\$ 3,500,445	\$ 2,895,620	\$ 5,243,601	\$ 11,639,666
Receivables (net of allowance for uncollectibles):				
Taxes	13,080,510	3,806,418	1,181,367	18,068,295
Accounts	459,055	-	24,598	483,653
Special assessments	-	-	4,053,315	4,053,315
Accrued interest	43,222	-	5,909	49,131
Loans	-	-	1,581,938	1,581,938
Intergovernmental	2,251,689	226,793	1,018,740	3,497,222
Interfund	-	-	359,333	359,333
Inventory of supplies	<u>448,286</u>	<u>-</u>	<u>-</u>	<u>448,286</u>
Total assets	\$ <u>19,783,207</u>	\$ <u>6,928,831</u>	\$ <u>13,468,801</u>	\$ <u>40,180,839</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 766,384	\$ -	\$ 410,894	\$ 1,177,278
Accrued wages and benefits	1,925,067	-	692,225	2,617,292
Interfund payable	24,725	26,075	308,533	359,333
Deferred revenue	12,473,831	4,033,211	5,864,298	22,371,340
Claims payable	849,015	-	23,125	872,140
Notes payable	-	-	910,000	910,000
Accrued interest payable	<u>-</u>	<u>-</u>	<u>14,560</u>	<u>14,560</u>
Total liabilities	<u>16,039,022</u>	<u>4,059,286</u>	<u>8,223,635</u>	<u>28,321,943</u>
Fund balances:				
Reserved for encumbrances	56,250	-	248,768	305,018
Reserved for loans receivable	-	-	1,581,938	1,581,938
Reserved for inventory of supplies	448,286	-	-	448,286
Unreserved, undesignated, reported in:				
General fund	3,239,649	-	-	3,239,649
Special revenue funds	-	-	2,828,052	2,828,052
Debt service fund	-	2,869,545	-	2,869,545
Capital projects funds	<u>-</u>	<u>-</u>	<u>586,408</u>	<u>586,408</u>
Total fund balances	<u>3,744,185</u>	<u>2,869,545</u>	<u>5,245,166</u>	<u>11,858,896</u>
Total liabilities and fund balances	\$ <u>19,783,207</u>	\$ <u>6,928,831</u>	\$ <u>13,468,801</u>	\$ <u>40,180,839</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2007

Total governmental funds balances \$ 11,858,896

*Amounts reported for governmental activities in the Statement
of Net Assets are different because:*

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 67,207,814

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

Property and other taxes	\$ 1,240,289
Municipal income taxes	4,321,136
Special assessments	4,053,315
Intergovernmental	<u>2,284,413</u>

Total 11,899,153

An internal service fund is used by management to charge the
costs of certain activities to individual funds. The assets and
liabilities of the Internal Service Fund are included in the
governmental activities in the Statement of Net Assets. 16,488

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

Interest payable	(90,000)
General obligation bonds	(17,795,000)
Economic development bonds	(890,000)
OPWC loans payable	(1,405,583)
Capital leases payable	(53,000)
Compensated absences	<u>(6,789,536)</u>

Total (27,023,119)

Net assets of governmental activities \$ 63,959,232

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Year Ended December 31, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property and other local taxes	\$ 6,550,249	\$ 3,806,226	\$ 1,277,685	\$ 11,634,160
Municipal income taxes	22,022,446	-	-	22,022,446
Intergovernmental	5,426,501	442,811	5,482,642	11,351,954
Charges for services	2,663,614	-	856,790	3,520,404
Fees, licenses, and permits	1,240,023	-	306,233	1,546,256
Interest earnings	569,008	2,815	85,456	657,279
Special assessments	24,825	138,915	1,305,767	1,469,507
Fines and forfeitures	2,023,351	-	354,289	2,377,640
Reimbursements received	935,600	-	81,795	1,017,395
Other revenues	269,422	65,226	626,625	961,273
Total revenues	<u>41,725,039</u>	<u>4,455,993</u>	<u>10,377,282</u>	<u>56,558,314</u>
Expenditures:				
Current:				
Public safety	15,091,485	-	2,515,686	17,607,171
Public health	413,196	-	1,467	414,663
Culture and recreation	2,303,104	-	1,157,184	3,460,288
Community development	2,548,160	-	3,361,389	5,909,549
Sanitation	2,601,162	-	17,703	2,618,865
Transportation	3,719,407	-	99,807	3,819,214
General government	13,246,122	14,206	1,647,138	14,907,466
Debt service:				
Principal	-	1,605,000	275,646	1,880,646
Interest and fiscal charges	-	955,826	89,240	1,045,066
Capital outlay	444,493	-	3,909,256	4,353,749
Total expenditures	<u>40,367,129</u>	<u>2,575,032</u>	<u>13,074,516</u>	<u>56,016,677</u>
Excess of revenues over (under) expenditures	<u>1,357,910</u>	<u>1,880,961</u>	<u>(2,697,234)</u>	<u>541,637</u>
Other financing sources (uses):				
Issuance of debt	-	-	67,050	67,050
Proceeds from sale of assets	14,531	-	-	14,531
Transfers - in	4,532	330,000	4,250,320	4,584,852
Transfers - out	<u>(2,615,272)</u>	<u>(1,993,749)</u>	<u>(731,297)</u>	<u>(5,340,318)</u>
Total other financing sources (uses)	<u>(2,596,209)</u>	<u>(1,663,749)</u>	<u>3,586,073</u>	<u>(673,885)</u>
Net change in fund balances	(1,238,299)	217,212	888,839	(132,248)
Fund balance at beginning of year	<u>4,982,484</u>	<u>2,652,333</u>	<u>4,356,327</u>	<u>11,991,144</u>
Fund balance at end of year	<u>\$ 3,744,185</u>	<u>\$ 2,869,545</u>	<u>\$ 5,245,166</u>	<u>\$ 11,858,896</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2007

Net change in fund balances - total governmental funds \$ (132,248)

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

Governmental funds report capital outlay 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 outlay	\$ 3,533,196	
Depreciation	<u>(3,482,902)</u>	
Total		50,294

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets. (271,859)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property and other taxes	919,675	
Municipal income taxes	(153,434)	
Special assessments	2,610,589	
Intergovernmental	<u>(1,005,644)</u>	
Total		2,371,186

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,914,285

Debt proceeds, reported through intergovernmental revenue, provide current financial resources to governmental funds, but has no effect on net assets. (67,050)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences		(275,521)
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An internal service fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities. 646,425

Change in net assets of governmental activities \$ 4,235,512

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 7,360,423	\$ 7,360,423	\$ 6,550,249	\$ (810,174)
Municipal income taxes	22,283,312	22,283,312	22,200,758	(82,554)
Intergovernmental grants and contracts	5,890,950	5,890,950	5,869,126	(21,824)
Charges for services	2,436,129	2,436,129	2,427,103	(9,026)
Fees, licenses, and permits	1,244,632	1,244,632	1,240,021	(4,611)
Interest earnings	577,287	577,287	575,148	(2,139)
Special assessments	24,927	24,927	24,835	(92)
Fines and forfeitures	2,027,226	2,027,226	2,019,716	(7,510)
Reimbursements received	939,067	939,067	935,588	(3,479)
Other revenues	<u>284,712</u>	<u>284,712</u>	<u>283,657</u>	<u>(1,055)</u>
Total revenues	<u>43,068,665</u>	<u>43,068,665</u>	<u>42,126,201</u>	<u>(942,464)</u>
Expenditures:				
Current:				
Public safety	15,218,789	15,154,190	15,047,036	107,154
Public health	427,925	422,225	414,362	7,863
Culture and recreation	2,439,870	2,443,110	2,404,688	38,422
Community development	2,763,633	2,635,440	2,618,249	17,191
Sanitation	2,743,355	2,602,108	2,534,630	67,478
Transportation	3,498,434	3,589,219	3,558,405	30,814
General government	<u>12,794,211</u>	<u>13,294,150</u>	<u>12,920,206</u>	<u>373,944</u>
Total expenditures	<u>39,886,217</u>	<u>40,140,442</u>	<u>39,497,576</u>	<u>642,866</u>
Excess of revenues over (under) expenditures	<u>3,182,448</u>	<u>2,928,223</u>	<u>2,628,625</u>	<u>(299,598)</u>
Other financing sources (uses):				
Transfers - out	(2,243,000)	(2,652,845)	(2,634,402)	18,443
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>14,531</u>	<u>14,531</u>
Total other financing sources (uses)	<u>(2,243,000)</u>	<u>(2,652,845)</u>	<u>(2,619,871)</u>	<u>32,974</u>
Net change in fund balance	939,448	275,378	8,754	(266,624)
Cash fund balance at beginning of year, restated (per note 3)	3,478,801	3,478,801	3,478,801	-
Current year charges against prior year cash fund balance:				
Reserved for encumbrances	<u>(84,034)</u>	<u>(84,034)</u>	<u>(84,034)</u>	<u>-</u>
Cash fund balance at end of year				
Unreserved	4,334,215	3,670,145	3,403,521	(266,624)
Reserved for encumbrances	<u>92,953</u>	<u>92,953</u>	<u>92,953</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 4,427,168</u>	<u>\$ 3,763,098</u>	<u>\$ 3,496,474</u>	<u>\$ (266,624)</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2007

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Assets:						
Current assets:						
Equity in city treasury cash	\$ 1,170,958	\$ 573,585	\$ 140,345	\$ 732,755	\$ 2,617,643	\$ 16,371
Restricted assets						
Deposits	713,312	-	-	-	713,312	-
Receivables (net of allowance for uncollectibles):						
Accounts	2,666,817	-	274,959	-	2,941,776	-
Accrued interest	8,361	4,092	-	-	12,453	117
Inventory of supplies	99,118	68,525	-	-	167,643	-
Total current assets	<u>4,658,566</u>	<u>646,202</u>	<u>415,304</u>	<u>732,755</u>	<u>6,452,827</u>	<u>16,488</u>
Noncurrent assets:						
Nondepreciable capital assets	170,511	1,699,694	-	-	1,870,205	-
Depreciable capital assets, net	23,443,628	3,849,690	2,375,272	6,632,371	36,300,961	-
Total noncurrent assets	<u>23,614,139</u>	<u>5,549,384</u>	<u>2,375,272</u>	<u>6,632,371</u>	<u>38,171,166</u>	<u>-</u>
Total assets	<u>28,272,705</u>	<u>6,195,586</u>	<u>2,790,576</u>	<u>7,365,126</u>	<u>44,623,993</u>	<u>16,488</u>
Liabilities:						
Current liabilities:						
Vouchers and accounts payable	609,691	189,757	7,198	8,525	815,171	-
Accrued wages and benefits	57,942	5,808	369	-	64,119	-
Retainage payable	-	-	-	172,582	172,582	-
Claims payable	26,078	3,000	-	-	29,078	-
Notes payable	-	-	-	6,600,000	6,600,000	-
Accrued interest payable	-	-	-	110,546	110,546	-
Refundable deposits	713,312	-	-	-	713,312	-
Due within one year	251,128	13,416	216,623	-	481,167	-
Total current liabilities	<u>1,658,151</u>	<u>211,981</u>	<u>224,190</u>	<u>6,891,653</u>	<u>8,985,975</u>	<u>-</u>
Long-term liabilities:						
Capital leases payable	-	-	478,414	-	478,414	-
Compensated absences	160,096	17,200	-	-	177,296	-
OWDA loan payable	98,656	-	-	-	98,656	-
OPWC loans payable	1,334,566	-	-	-	1,334,566	-
Total long-term liabilities	<u>1,593,318</u>	<u>17,200</u>	<u>478,414</u>	<u>-</u>	<u>2,088,932</u>	<u>-</u>
Total liabilities	<u>3,251,469</u>	<u>229,181</u>	<u>702,604</u>	<u>6,891,653</u>	<u>11,074,907</u>	<u>-</u>
Net assets:						
Invested in capital assets, net of related debt	22,062,748	5,549,384	1,680,235	32,371	29,324,738	-
Unrestricted	2,958,488	417,021	407,737	441,102	4,224,348	16,488
Total net assets	<u>\$ 25,021,236</u>	<u>\$ 5,966,405</u>	<u>\$ 2,087,972</u>	<u>\$ 473,473</u>	<u>\$ 33,549,086</u>	<u>\$ 16,488</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For the Year Ended December 31, 2007

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Operating revenues:						
Charges for services	\$ 11,680,119	\$ 748,120	\$ 612,138	\$ -	\$ 13,040,377	\$ -
Other income	-	11,143	615	17,094	28,852	-
Total operating revenues	<u>11,680,119</u>	<u>759,263</u>	<u>612,753</u>	<u>17,094</u>	<u>13,069,229</u>	<u>-</u>
Operating expenses:						
Personal services	1,431,931	109,441	26,009	-	1,567,381	-
Fringe benefits	470,241	55,226	12,726	-	538,193	-
Contractual services	8,763,933	651,404	138,962	(4,775)	9,549,524	-
Materials and supplies	141,444	52,212	33,716	852	228,224	-
Utilities	3,110	81,866	-	-	84,976	-
Claims	-	-	-	-	-	(635,276)
Other expenses	6,025	-	30,113	12,634	48,772	-
Depreciation	629,335	165,754	358,225	-	1,153,314	-
Total operating expenses	<u>11,446,019</u>	<u>1,115,903</u>	<u>599,751</u>	<u>8,711</u>	<u>13,170,384</u>	<u>(635,276)</u>
Operating income (loss)	<u>234,100</u>	<u>(356,640)</u>	<u>13,002</u>	<u>8,383</u>	<u>(101,155)</u>	<u>635,276</u>
Non-operating revenues (expenses):						
Interest income	75,784	42,066	-	233,569	351,419	11,149
Intergovernmental grants and contracts	-	-	5,975	-	5,975	-
Special assessments	349,540	-	-	-	349,540	-
Interest and fiscal charges	(37,003)	-	-	(270,275)	(307,278)	-
Loss on sale of assets	(19,967)	-	(16,023)	-	(35,990)	-
Total non-operating revenues (expenses)	<u>368,354</u>	<u>42,066</u>	<u>(10,048)</u>	<u>(36,706)</u>	<u>363,666</u>	<u>11,149</u>
Net income (loss) before transfers	602,454	(314,574)	2,954	(28,323)	262,511	646,425
Transfers – in	755,466	-	-	-	755,466	-
Change in net assets	1,357,920	(314,574)	2,954	(28,323)	1,017,977	646,425
Net assets (deficit) at beginning of year	<u>23,663,316</u>	<u>6,280,979</u>	<u>2,085,018</u>	<u>501,796</u>	<u>32,531,109</u>	<u>(629,937)</u>
Net assets at end of year	\$ <u>25,021,236</u>	\$ <u>5,966,405</u>	\$ <u>2,087,972</u>	\$ <u>473,473</u>	\$ <u>33,549,086</u>	\$ <u>16,488</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2007

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Operating activities:						
Cash received from customers	\$ 12,131,335	\$ 748,120	\$ 503,082	\$ -	\$ 13,382,537	\$ -
Cash payments to suppliers	(9,317,616)	(635,263)	(59,150)	52,882	(9,959,147)	(526,665)
Cash payments to employees	(1,888,640)	(150,355)	(38,363)	-	(2,077,358)	-
Cash payments for other expenses	(6,750)	-	(162,980)	(13,486)	(183,216)	-
Other operating receipts	-	11,143	615	17,094	28,852	-
Net cash provided by (used for) operating activities:	<u>918,329</u>	<u>(26,355)</u>	<u>243,204</u>	<u>56,490</u>	<u>1,191,668</u>	<u>(526,665)</u>
Noncapital financing activities:						
Transfers-in	755,466	-	-	-	755,466	-
Intergovernmental	-	-	5,975	-	5,975	-
Advance – in	-	-	-	-	-	340,472
Net cash provided by noncapital financing activities:	<u>755,466</u>	<u>-</u>	<u>5,975</u>	<u>-</u>	<u>761,441</u>	<u>340,472</u>
Capital and related financing activities:						
Acquisition and construction of capital assets	(202,692)	(112,512)	(44,666)	(6,086,500)	(6,446,370)	-
Debt proceeds	140,766	-	-	6,600,000	6,740,766	-
Principal paid on debt	(844,779)	-	(208,565)	(6,600,000)	(7,653,344)	-
Interest and fiscal charges	(46,007)	-	-	(177,811)	(223,818)	-
Special assessments	349,540	-	-	-	349,540	-
Net cash used for capital and related financing activities	<u>(603,172)</u>	<u>(112,512)</u>	<u>(253,231)</u>	<u>(6,264,311)</u>	<u>(7,233,226)</u>	<u>-</u>
Investing activities:						
Interest received	<u>72,913</u>	<u>42,482</u>	<u>-</u>	<u>233,569</u>	<u>348,964</u>	<u>14,592</u>
Net increase (decrease) Cash and cash equivalents	1,143,536	(96,385)	(4,052)	(5,974,252)	(4,931,153)	(171,601)
Cash and cash equivalents at beginning of year	<u>740,734</u>	<u>669,970</u>	<u>144,397</u>	<u>6,707,007</u>	<u>8,262,108</u>	<u>187,972</u>
Cash and cash equivalents at end of year	\$ <u><u>1,884,270</u></u>	\$ <u><u>573,585</u></u>	\$ <u><u>140,345</u></u>	\$ <u><u>732,755</u></u>	\$ <u><u>3,330,955</u></u>	\$ <u><u>16,371</u></u>

Continued

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds (Continued)

For the Year Ended December 31, 2007

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	\$ 234,100	\$ (356,640)	\$ 13,002	\$ 8,383	\$ (101,155)	\$ 635,276
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	629,335	165,754	358,225	-	1,153,314	-
Change in operating assets and liabilities:						
Receivables	451,216	-	(109,056)	-	342,160	-
Inventory	(12,001)	(9,163)	-	-	(21,164)	-
Vouchers and accounts payable	(331,466)	159,391	(19,336)	(111,175)	(302,586)	-
Accrued wages and benefits payable	(15,323)	610	369	-	(14,344)	(1,161,941)
Retainage payable	-	-	-	159,282	159,282	-
Claims payable	26,078	3,000	-	-	29,078	-
Refundable deposits	(66,317)	-	-	-	(66,317)	-
Compensated absences	<u>2,707</u>	<u>10,693</u>	<u>-</u>	<u>-</u>	<u>13,400</u>	<u>-</u>
Total adjustments	<u>684,229</u>	<u>330,285</u>	<u>230,202</u>	<u>48,107</u>	<u>1,292,823</u>	<u>(1,161,941)</u>
Net cash provided by (used for) operating activities	\$ <u>918,329</u>	\$ <u>(26,355)</u>	\$ <u>243,204</u>	\$ <u>56,490</u>	\$ <u>1,191,668</u>	\$ <u>(526,665)</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2007

	Private Purpose <u>Trust</u>		<u>Agency</u>
	James A. Nelson <u>Trust</u>		
Assets:			
Equity in city treasury cash	\$ <u>12,517</u>	\$	<u>741,571</u>
Total assets	<u>12,517</u>	\$	<u>741,571</u>
Liabilities:			
Due to others	-	\$	185,783
Due to other governments	-		103,366
Restricted deposits	<u>-</u>		<u>452,422</u>
Total liabilities	<u>-</u>	\$	<u>741,571</u>
Net assets:			
Held in trust	\$ <u>12,517</u>		

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Changes in Fiduciary Net Assets Fiduciary Funds

For the Year Ended December 31, 2007

	<u>Private Purpose Trust</u> <u>James A. Nelson Trust</u>
Additions:	
Interest	\$ 686
Deductions:	
Other	<u>(3,500)</u>
Change in net assets	(2,814)
Net assets beginning of year	<u>15,331</u>
Net assets end of year	\$ <u><u>12,517</u></u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements

December 31, 2007

Note 1: Description of the City and Reporting Entity

The City of Cleveland Heights is a home rule municipal corporation operating under its own charter since August 9, 1921. The charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven-member elected Council, is the chief administrative officer of the City.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Cleveland Heights this includes Public Safety, Street Maintenance, Refuse Collection, Recreation Programs, Municipal Court, Public Health, Community Development, Public Improvements, Water and Sewer Services, and General Administrative Services. The City's departments include a public safety department, a public service department, a street maintenance department, a water and sewer department, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

The Cleveland Heights Municipal Court has been included in the City's financial statements as an agency fund. The clerk of courts is an appointed City official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

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. 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. The City has no component units.

Note 2: Summary of Significant Accounting Policies

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

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

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

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of 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 proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City's funds are classified as governmental, proprietary or fiduciary.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds

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

General Fund

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

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

Proprietary Funds

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Utilities

To account for the monies received from water and sewer billings and the cost of furnishing water and sewer services.

Off-Street Parking

To account for the monies received from metered and permit charges for parking in municipal lots and the cost of maintaining such lots.

Ambulance Services

To account for the monies received from pre-hospital life support services.

Cedar Lee Parking Deck

To account for monies received for the Cedar Lee parking deck.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Internal Service Funds

Internal service funds account for the financing of services provided by one department to other departments of the City on a cost reimbursement basis. The City's internal service fund reports on the workers' compensation claims.

Fiduciary

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split 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. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

C. 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, except Fiduciary Funds. The Statements of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total assets.

Fund Financial Statements

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

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6).

Revenue from grants, entitlements and donations is recognized in the 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 non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Unearned Revenue

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

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

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenditures/Expenses

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 governmental funds.

E. Budgetary Process

Tax Budget

By July 15, the City Manager submits an annual operating budget for all funds for the following fiscal year to City Council for consideration and passage. While the City adopts a budget for all funds, the City is legally required to report on such budgets only for its governmental fund type funds. 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.

Estimated Resources

The County Budget Commission certifies its actions relative to the annual budget to the City by September 1. As part of this certification, the City receives an Official Certificate of Estimated Resources which states projected revenues by fund. On or about January 1, this certificate is amended to include any unencumbered fund balances from the preceding year. Prior to December 31, the City must revise its budget so that the total estimated expenditures from any fund during the ensuing fiscal year will not exceed the amount as stated on the Amended Official Certificate of Resources. The revised budget then serves as the basis for the annual appropriation ordinance.

Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures must be legally enacted on or about January 1. The ordinance may be temporary in nature in that its effectiveness applies from the date on which it is enacted to the date on which a permanent appropriation ordinance must be passed. Ohio law requires the permanent appropriation ordinance to be passed no later than April 1 of the fiscal year for which it applies. Amendments to the 2007 appropriation ordinance were approved by City Council as provided by the City Charter.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Appropriations (continued)

The City maintains its legal level of budgetary control at the department level for personal services, capital outlay, and other expenditures for the General Fund and at the fund level for all other funds. However, management control is exercised at the department level (Police, Fire, Law, etc.) within each function (Public Safety, Public Health, Culture and Recreation, Community Development, Sanitation, Transportation, and General Government). The City Manager is authorized to transfer budgeted amounts within each fund (between departments), so long as the total amount appropriated by Council for each fund is not exceeded.

Lapsing of Appropriations

Unencumbered appropriation balances lapse at year-end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation.

Encumbrances

As part of formal budgetary control over governmental funds, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the Non-GAAP budget basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance for subsequent-year expenditures for the governmental funds.

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in city treasury cash" on the balance sheet.

Investments are reported at fair value, which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City invested in STAR Ohio, an investment pool managed by the State Treasurer's Office. STAR Ohio which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

The cash resources of all funds are combined and invested to the extent available in the State of Ohio's Investment Pool, treasury notes, and other authorized instruments. The City's Codified Ordinance Section 179.02 supercedes Ohio Revised Code Section 135.21 as to the allocation of interest. Interest revenue credited to the general fund during 2007 amounted to \$569,008, of which \$280,043 was assigned from other funds.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which it was consumed. At December 31, 2007, the amount of the prepaid items was not material.

I. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. 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. Interest incurred during the construction of capital assets is also capitalized.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 to 50 years
Improvements	10 to 50 years
Equipment and Machinery	3 to 20 years
Infrastructure	15 to 100 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as intergovernmental receivable/payable. Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the Statement of Net Assets.

K. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

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

L. Accrued Liabilities and Long-Term Obligations

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-Term Obligations (continued)

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 regardless of whether they will be liquidated with current resources. 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 and long-term loans are recognized as a liability on the fund financial statements when due.

M. Fund Balance Reserves

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

N. Net Assets

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. 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 water and sewer services, off-street parking, and ambulance services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Anything not meeting this definition is part of non-operating revenue.

P. Interfund Activity

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

P. Interfund Activity (continued)

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2006.

R. Estimates

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

S. Comparative Data/Reclassifications

Comparative Data for the prior year are presented in order to provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2006 financial statements in order to conform to the 2007 presentation.

Note 3: Change in Accounting Principles and Restatement of Fund Balance

For fiscal year 2007, the City implemented GASB Statements No. 43, "Financial Reporting for Postemployment Benefit Plans other than Pension Plans" and No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues". GASB Statement No. 43 applies for other postemployment benefit (OPEB) trust funds included in the financial reports of plan sponsors or employers and provides requirements for reporting OPEB funds by administrators of multiple-employer OPEB plans, when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or a collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged and sold.

The implementation of GASB Statements No. 43 and No. 48 did not affect the presentation of the financial statements of the City.

The total cash fund balance at December 31, 2006 for the Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) for the General Fund

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 3: Change in Accounting Principles and Restatement of Fund Balance (continued)

has been restated. The prior year amount of \$2,223,585 has been changed to \$3,478,801. The difference of \$1,255,216 related to accrued wages at December 31, 2006.

Note 4: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund equity 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 and disbursements.

The Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Budget and Actual presented on the budgetary basis for the General Fund is presented on the budgetary basis to provide a relevant comparison of actual results with the budget. 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 are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balance (GAAP).

The adjustments necessary to convert results of operations and fund balances at the end of the year on the GAAP basis to the budget basis are as follows:

<u>Net Change in Fund Balance</u>	
GAAP basis (as reported)	\$ <u>General</u> (1,238,299)
Increase (decrease) due to:	
Revenue accruals	396,630
Expenditure accruals	841,504
Encumbrances:	
Current year charges against prior years cash fund balance reserved for encumbrances	92,953
Encumbered at December 31, 2006, but recorded as the equivalent of cash expenditures for budgetary purposes	<u>(84,034)</u>
Non-GAAP budget basis	\$ <u><u>8,754</u></u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

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.

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

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

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to 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;
4. Investment grade obligations of state and local governments, and public authorities;
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 (STAROhio).

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.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 5: Deposits and Investments (continued)

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was \$2,666,501 and the bank balance was \$2,178,024. Of the bank balance \$390,228 was covered by Federal depository insurance and \$1,787,796 was covered by collateral held by third party trustees in collateral pools in the name of the respective depository institutions securing all public funds on deposit.

Investments

Investments are reported at fair value. As of December 31, 2007, the City had the following investments:

	Within six months	Maturity More than six months but less than one year	Total
Federal Home Loan Bank Bonds	\$ -	\$ 2,002,800	\$ 2,002,800
Federal Farm Credit Bank Bonds	1,002,200	-	1,002,200
Federal National Mortgage Association Notes	1,000,600	-	1,000,600
STAROhio	5,106,552	-	5,106,552
Charter One	3,939,650	-	3,939,650
Centennial Tax Exempt Money Fund	<u>22,777</u>	<u>-</u>	<u>22,777</u>
Total Portfolio	\$ <u>11,071,779</u>	\$ <u>2,002,800</u>	\$ <u>13,074,579</u>

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 5: Deposits and Investments (continued)

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2007:

	<u>Fair Value</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank Bonds	\$ 2,002,800	15.3 %
Federal National Mortgage Association Notes	1,000,600	7.7
Federal Farm Credit Bank Bonds	1,002,200	7.7
STAROhio	5,106,552	39.1
Charter One	3,939,650	30.1
Centennial Tax Exempt Money Fund	22,777	0.1
Total Portfolio	\$ <u>13,074,579</u>	<u>100.0</u> %

Note 6: Receivables

Receivables at December 31, 2007, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, intergovernmental, loans, and interfund. All receivables are deemed collectible in full.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 6: Receivables (continued)

A. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Local Government	\$ 1,521,045
Homestead & Rollback	668,908
Gasoline Tax	601,937
Estate Tax	300,336
Miscellaneous	141,553
Permissive Tax	125,641
Auto Registration	113,116
City of Shaker Heights	17,857
City of University Heights	<u>6,829</u>
Total	\$ <u>3,497,222</u>

B. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible (used in business) personal property located in the City. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Real property is assessed at 35% of true (market) value. The County Auditor is required to reappraise all real estate once every six years. Equalization adjustments are then made in the third year following reappraisal.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. The true value of personal property is based on composite annual allowances and is assessed at 25%, except electric utility distribution and transmission equipment which is assessed at 88% of true value, the personal property of rural electric companies which is assessed at 50% of true value, and the personal property of railroads which is assessed at 25% of true value. Effective in tax year 1995, all interexchange telephone personal property is assessed at 25%. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88%. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75%. This will be reduced to 12.5% for 2007, 6.25% for 2008 and zero for 2009.

The assessed valuation upon which the 2007 property tax receipts (\$.0129 on each dollar of tax valuation) were based are as follows:

	<u>Assessed Value</u>
Real property (other than public utility)	\$ 968,206,130
Public utility real and personal tangible property	9,479,500
Tangible personal property (other than public utility)	<u>8,925,215</u>
Total Assessed Valuation	\$ <u>986,610,845</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 6: Receivables (continued)

B. Property Taxes (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, State statute permits earlier or later payment dates to be established.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City.

C. Income Taxes

The City levies a municipal income tax of 2% on all salaries, wages, commissions and other compensation, and the net profits earned within the City as well as incomes of residents earned outside the City. In the latter case, the City allows a credit of 50% of the tax paid to another municipality to a maximum of one-half of one percent of income earned outside the City.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly (if the annual estimated tax is greater than ten dollars) and file a declaration annually.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 7: Capital Assets

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

	<u>Balances</u> <u>12/31/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/07</u>
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 3,850,911	\$ 140,264	\$ (36,941)	\$ 3,954,234
Construction in progress	<u>1,009,468</u>	<u>484,679</u>	<u>(707,099)</u>	<u>787,048</u>
Total nondepreciable capital assets	<u>4,860,379</u>	<u>624,943</u>	<u>(744,040)</u>	<u>4,741,282</u>
Depreciable capital assets:				
Land improvements	811,474	-	-	811,474
Building and improvements	50,852,759	61,775	(905,896)	50,008,638
Machinery and equipment	16,353,850	1,215,790	(1,520,034)	16,049,606
Infrastructure:				
Streets and sidewalks	<u>30,296,175</u>	<u>2,337,787</u>	<u>-</u>	<u>32,633,962</u>
Total depreciable capital assets	<u>98,314,258</u>	<u>3,615,352</u>	<u>(2,425,930)</u>	<u>99,503,680</u>
Less accumulated depreciation:				
Land improvements	(189,397)	(54,098)	-	(243,495)
Buildings and improvements	(17,221,863)	(1,237,841)	691,045	(17,768,659)
Machinery and equipment	(11,046,724)	(1,003,044)	1,499,967	(10,549,801)
Infrastructure:				
Streets and sidewalks	<u>(7,287,274)</u>	<u>(1,187,919)</u>	<u>-</u>	<u>(8,475,193)</u>
Total accumulated depreciation	<u>(35,745,258)</u>	<u>(3,482,902)</u>	<u>2,191,012</u>	<u>(37,037,148)</u>
Depreciable capital assets, net	<u>62,569,000</u>	<u>132,450</u>	<u>(234,918)</u>	<u>62,466,532</u>
Total governmental activities capital assets, net	\$ <u>67,429,379</u>	\$ <u>757,393</u>	\$ <u>(978,958)</u>	\$ <u>67,207,814</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 7: Capital Assets (continued)

	Balances 12/31/06	Additions	Deletions	Balances 12/31/07
Business-Type Activities				
Nondepreciable capital assets:				
Land	\$ 1,699,694	\$ -	\$ -	\$ 1,699,694
Construction-in-progress	<u>569,363</u>	<u>6,233,519</u>	<u>(6,632,371)</u>	<u>170,511</u>
Total nondepreciable capital assets	<u>2,269,057</u>	<u>6,233,519</u>	<u>(6,632,371)</u>	<u>1,870,205</u>
Depreciable capital assets:				
Land improvements	252,476	-	-	252,476
Buildings and improvements	5,253,462	6,632,371	-	11,885,833
Machinery and equipment	7,837,095	114,189	(158,626)	7,792,658
Infrastructure:				
Waterlines	16,661,274	-	-	16,661,274
Sanitary sewer lines	6,622,891	-	-	6,622,891
Storm sewer lines	2,755,058	-	-	2,755,058
Off-street parking lots	<u>2,344,395</u>	<u>98,664</u>	<u>-</u>	<u>2,443,059</u>
Total depreciable capital assets	<u>41,726,651</u>	<u>6,845,224</u>	<u>(158,626)</u>	<u>48,413,249</u>
Less accumulated depreciation:				
Land improvements	(9,001)	(4,175)	-	(13,176)
Buildings and improvements	(1,822,547)	(152,969)	-	(1,975,516)
Machinery and equipment	(4,239,831)	(554,765)	122,634	(4,671,962)
Infrastructure:				
Waterlines	(2,308,866)	(221,442)	-	(2,530,308)
Sanitary sewer lines	(964,800)	(105,869)	-	(1,070,669)
Storm sewer lines	(392,985)	(66,761)	-	(459,746)
Off-street parking lots	<u>(1,343,578)</u>	<u>(47,333)</u>	<u>-</u>	<u>(1,390,911)</u>
Total accumulated depreciation	<u>(11,081,608)</u>	<u>(1,153,314)</u>	<u>122,634</u>	<u>(12,112,288)</u>
Total depreciable capital assets, net	<u>30,645,043</u>	<u>5,691,910</u>	<u>(35,992)</u>	<u>36,300,961</u>
Total business-type activities capital assets, net	\$ <u>32,914,100</u>	\$ <u>11,925,429</u>	\$ <u>(6,668,363)</u>	\$ <u>38,171,166</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 7: Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 569,892
Public safety	435,237
Public health	8,746
Culture and recreation	716,559
Community development	71,643
Sanitation	256,946
Transportation	<u>1,423,879</u>
Total	<u>\$ 3,482,902</u>

Note 8: Long-Term Obligations

Long-term obligations of the City at December 31, 2007, are as follows:

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
Governmental activities:								
General obligation bonds voted issues:								
1997	Recreational facilities improvements due 2017	3.850-6.375%	\$15,000,000	\$ <u>10,165,000</u>	\$ -	\$ <u>(705,000)</u>	\$ <u>9,460,000</u>	\$ <u>750,000</u>
	Total voted issues			<u>10,165,000</u>	-	<u>(705,000)</u>	<u>9,460,000</u>	<u>750,000</u>
Unvoted issues:								
1986	City Hall construction due 2009	6.250%	6,000,000	825,000	-	(275,000)	550,000	275,000
1999	Pension Fund due 2013	3.050-4.500%	2,000,000	1,080,000	-	(135,000)	945,000	140,000
2001	Refund off-street parking facilities due 2012	3.300-4.400%	2,385,000	1,315,000	-	(200,000)	1,115,000	205,000
2001	Recreation facilities improvements due 2017	3.300-4.900%	4,000,000	2,930,000	-	(215,000)	2,715,000	225,000
2004	Ring Road improvement	2.500-5.000%	3,200,000	<u>3,085,000</u>	-	<u>(75,000)</u>	<u>3,010,000</u>	<u>80,000</u>
	Total unvoted issues			<u>9,235,000</u>	-	<u>(900,000)</u>	<u>8,335,000</u>	<u>925,000</u>
	Total general obligation bonds			<u>19,400,000</u>	-	<u>(1,605,000)</u>	<u>17,795,000</u>	<u>1,675,000</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 8: Long-Term Obligations (continued)

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
	Economic development revenue bonds 2001 Zagara TIF project due 2011	2.900-4.100%	\$1,995,000	\$ 1,090,000	\$ -	\$ (200,000)	\$ 890,000	\$ 210,000
OPWC Loans:								
	Coventry Road Rehabilitation			332,767	-	(18,487)	314,280	18,487
	Meadowbrook Blvd. Rehabilitation - Streets			985,146	-	(50,520)	934,626	50,520
	Taylor Road Rehabilitation			96,266	-	(6,639)	89,627	6,639
	Lee Road Rehabilitation			-	67,050	-	67,050	-
	Total OPWC loans			1,414,179	67,050	(75,646)	1,405,583	75,646
	Accrued compensated absences			6,514,015	501,218	(225,697)	6,789,536	2,911,944
	Capital lease commitments			86,639	-	(33,639)	53,000	16,720
	Total governmental activities long-term liabilities			\$ 28,504,833	\$ 568,268	\$ (2,139,982)	\$ 26,933,119	\$ 4,889,310
Business-type activities:								
OPWC Loans:								
	Cedar Road – Water			\$ 611,569	\$ -	\$ (47,044)	\$ 564,525	\$ 47,044
	Cedar Road – Sewer			110,765	-	(8,520)	102,245	8,520
	Meadowbrook Blvd. Rehabilitation - Water			358,236	-	(18,371)	339,865	18,371
	Meadowbrook Blvd. Rehabilitation - Sewer			447,794	-	(22,964)	424,830	22,964
	Total OPWC loans			1,528,364	-	(96,899)	1,431,465	96,899
	OWDA Loan – Sewer			-	140,766	(20,840)	119,926	21,270
	Accrued compensated absences			310,271	13,400	-	323,671	146,375
	Capital lease commitments			903,602	-	(208,565)	695,037	216,623
	Total business-type activities long-term liabilities			\$ 2,742,237	\$ 154,166	\$ (326,304)	\$ 2,570,099	\$ 481,167

In 1999, the City defeased the unfunded pension liability by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old liability.

In 2001, the City refunded Off-Street Parking Facilities bonds which were originally issued in 1992 at rates of 3.00%-6.20% and were due in 2012. The refunding bonds were issued in 2001 at rates of 3.30%-4.40% and are due in 2012. The refunding resulted in an economic gain to the City of \$106,940.

A description of all the City's advance refunded, defeased bonds with remaining outstanding amounts follows:

Description of Defeased Bonds	Interest Rate	Date Issued	Date Defeased	Redemption Or Call Date	Original Amount	Amount Retired or not Subject to Refunding	Amount Refunded	Defeased Amount Redeemed	Amount Outstanding at December 31, 2007
Unfunded Pension Liability	4.25%	11/15/1973	01/11/1999	12/31/2034	\$ 3,588,449	\$ 1,608,749	\$ 1,979,700	\$ 1,034,700	\$ 945,000
Off-Street Parking Facility	3.00-6.20%	10/01/1992	04/05/2001	12/01/2012	3,000,000	615,000	2,385,000	1,270,000	1,115,000
									\$ 2,060,000

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 8: Long-Term Obligations (continued)

As of December 31, 2007, the City's legal debt margin (the ability to issue additional principal amounts of general obligation bonded debt) was approximately \$71.7 million. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2007, are:

Governmental Activities							
Year	General Obligation Bonds		Economic Development Revenue Bonds		OPWC Loans		
	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$ 1,675,000	\$ 869,595	\$ 210,000	\$ 35,195	\$ 75,646	\$ -	
2009	1,735,000	790,478	220,000	27,215	75,646	-	
2010	1,525,000	707,065	225,000	18,635	75,646	-	
2011	1,590,000	636,255	235,000	9,635	75,646	-	
2012	1,670,000	561,053	-	-	75,646	-	
2013-2017	7,495,000	1,669,790	-	-	378,230	-	
2018-2022	600,000	445,433	-	-	368,272	-	
2023-2027	745,000	300,580	-	-	213,801	-	
2028-2032	760,000	67,500	-	-	-	-	
Total	\$ <u>17,795,000</u>	\$ <u>6,047,749</u>	\$ <u>890,000</u>	\$ <u>90,680</u>	\$ <u>1,338,533</u>	\$ <u>-</u>	

Business-Type Activities							
Year	OPWC Loans		OWDA Loan		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$ 96,899	\$ -	\$ 21,970	\$ 17,152	\$ 2,079,515	\$ 921,942	
2009	96,899	-	43,863	32,980	2,171,408	850,673	
2010	96,899	-	45,687	31,153	1,968,232	756,853	
2011	96,899	-	8,406	5,353	2,005,951	651,243	
2012	96,899	-	-	-	1,842,545	561,053	
2013-2017	484,495	-	-	-	8,357,725	1,669,790	
2018-2022	317,803	-	-	-	1,286,075	445,433	
2023-2027	144,672	-	-	-	1,103,473	300,580	
2028-2032	-	-	-	-	760,000	67,500	
Total	\$ <u>1,431,465</u>	\$ <u>-</u>	\$ <u>119,926</u>	\$ <u>86,638</u>	\$ <u>21,574,924</u>	\$ <u>6,225,067</u>	

During the year, the City obtained \$67,050 in partial proceeds from an Ohio Public Works Commission loan to be repaid beginning in 2008. The City has not yet collected the total proceeds to be received on this loan and as a result the debt maturity schedule above does not reflect any amounts for principal and interest. When the loan is finalized, the principal and interest will be included above.

Also during 2007, the City obtained \$140,766 in partial proceeds from an Ohio Water Development Authority loan. The City has not yet collected the total proceeds to be received on this loan but has received a payment schedule and began making payments on the loan. Future principal and interest requirements have been included above for the loan proceeds received through December 31, 2007.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 9: Notes Payable

Notes payable at December 31, 2007, consist of the bond anticipatory note issues listed below. Each of the motorized equipment notes and the Cedar-Lee Parking Deck note are dated August 8, 2007, and due on August 7, 2008, at an interest rate of 4.0%. A summary of all short-term debt activity for the year ended December 31, 2007, follows:

<u>Year</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Balance December 31, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2007</u>
2006	Motorized Equipment	4.50%	\$ 145,000	\$ -	\$ (145,000)	\$ -
2006	Euclid Heights Blvd	4.50%	192,500	-	(192,500)	-
2006	Meadowbrook Blvd	4.50%	427,460	-	(427,460)	-
2006	Motorized Equipment	4.50%	420,000	-	(420,000)	-
2007	Motorized Equipment	4.00%	-	330,000	-	330,000
2007	Motorized Equipment	4.00%	-	580,000	-	580,000
Total Governmental Activities			<u>1,184,960</u>	<u>910,000</u>	<u>(1,184,960)</u>	<u>910,000</u>
2006	Euclid Heights Blvd	4.50%	70,000	-	(70,000)	-
2006	Euclid Heights Blvd	4.50%	87,500	-	(87,500)	-
2006	Meadowbrook Blvd	4.50%	132,660	-	(132,660)	-
2006	Meadowbrook Blvd	4.50%	176,880	-	(176,880)	-
2006	Cedar-Lee (Tax Exempt)	4.00%	6,600,000	-	(6,600,000)	-
2006	Sewer Improvement	4.00%	260,000	-	(260,000)	-
2007	Cedar-Lee Parking Deck	4.00%	-	6,600,000	-	6,600,000
Total Business-Type Activities			<u>7,327,040</u>	<u>6,600,000</u>	<u>(7,327,040)</u>	<u>6,600,000</u>
Totals			\$ <u>8,512,000</u>	\$ <u>7,510,000</u>	\$ <u>(8,512,000)</u>	\$ <u>7,510,000</u>

Note 10: Lease Commitments

A. Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental and business-type activities, respectively. Capitalized assets acquired under capital leases are all classified as machinery and equipment and totaled \$1,800,167 as of December 31, 2007. Governmental capital leases will be paid from the General Fund – general government and public safety line items, and the Municipal Court Clerk Computerization Fund – general government line item. Business-Type capital leases will be paid from the Ambulance Services Fund. The following is a schedule by years of the future minimum lease payments for capital leases together, with the present value of the net minimum lease payments as of December 31, 2007:

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 10: Lease Commitments (continued)

A. Capital Leases (continued)

Year Ending <u>December 31</u>	<u>Governmental</u>	<u>Business-Type</u>
2008	\$ 19,182	\$ 239,919
2009	19,182	226,208
2010	19,182	158,258
2011	-	118,694
Minimum lease payments for all capital leases	57,546	743,079
Less: amount representing interest	(4,546)	(48,042)
Present value of net minimum lease payments	<u>\$ 53,000</u>	<u>\$ 695,037</u>

B. Operating Leases

The City is obligated under certain leases accounted for as operating leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2007:

Year Ending <u>December 31</u>	<u>Governmental</u>
2008	\$ 4,326
2009	4,326
2010	2,163
2011	14,189
Minimum lease payments for all operating leases	<u>\$ 25,004</u>

Note 11: Compensated Absences

Each bargaining unit and the management staff earn vacation at different rates and based upon length of service. No more than the amount of vacation accrued in the previous twelve-month period can be carried forward into the next calendar year without written consent of the City Manager. Without this approval, any excess is eliminated from the employee's leave balance. In the case of death, termination, or retirement an employee (or his estate), who has worked six months or more, is paid for the unused vacation up to a maximum of the two-year accrual or greater amount as approved by the City Manager.

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. It is the policy of the City that an employee with at least two but less than five consecutive years of service who terminates employment or whose employment is terminated with the City (for other than disciplinary reasons) is entitled to receive payment for accumulated sick leave according to various formulae to a maximum of between 347 to 565 hours. An employee with five or more consecutive years of service is entitled to payment to a maximum of 750 hours for accumulated sick leave. Compensated absences are charged to the various funds of the City in accordance to where an employee's salary is charged.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 11: Compensated Absences (continued)

Compensated absences will be paid from the general fund, first suburb consortium, communication system operating, local TV programming, and tree special revenue funds, and the utilities and off-street parking enterprise funds.

Note 12: Pension Plans

A. *Ohio Public Employees Retirement System*

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The City contributed 13.85 percent of covered payroll, of which 5.0 percent was used to fund health care coverage for retirees for January 1 through June 30, 2007, and 6.0 percent for the period July 1 through December 31, 2007. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City of Cleveland Heights' required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$2,331,718, \$2,316,472, and \$2,287,983, respectively. 75.6 percent has been contribution for 2007. The full amount has been contributed for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$5,800 made by the City of Cleveland Heights and \$3,978 made by the plan members.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 12: Pension Plans (continued)

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24 percent for firefighters. The City of Cleveland Heights' contributions for the years ended December 31, 2007, 2006, and 2005 for police officers and firefighters were \$2,290,703, \$2,180,503, and \$2,081,383, respectively. 72.5 percent has been contributed for 2007. The full amount has been contributed for 2006 and 2005.

Note 13: Postemployment Benefits

A. Ohio Public Employees Retirement System

OPERS administers three separate pension plans: the traditional plan – a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan – a defined contribution plan; and the combined plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and postretirement health care benefits to qualifying members of both the traditional and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for postretirement health care coverage, age-and-service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of 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 postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2007, state employers contributed at a rate of 13.77 percent of covered payroll, local government employer units contributed at 13.85 percent of covered payroll, and public safety and law enforcement employer units contributed at 17.17 percent. The portion of employer contributions for all employers allocated to health care was 5.0 percent from January 1 through June 30, 2007 and 6.0 percent from July 1 through December 31, 2007.

Benefits are advance-funded using the individual entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increase, over and above the 4.0 percent base

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 13: Postemployment Benefits (continued)

A. *Ohio Public Employees Retirement System (continued)*

increase, were assumed to range from 0.5 percent to 6.3 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.5 percent to 5.0 percent for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

At December 31, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The City's actual contributions for 2007, which were used to fund postemployment benefits, were \$930,980. The actual contribution and the actuarially-required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially-accrued liability and the unfunded actuarially-accrued liability were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. *Ohio Police and Fire Pension Fund*

The OP&F provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22, if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an 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 Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage to all eligible individuals. 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 expenses. The total police officers' employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the postemployment health care program during 2007. 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. Beginning in 2001, all retirees and survivors have monthly healthcare contributions.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 13: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, was 14,120 for police officers and 10,563 for firefighters. The City's actual contributions for 2007 that were used to fund post employment benefits were \$321,144 for police officers and \$382,874 for firefighters. OP&F's total health care expense for the year ending December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

Note 14: Risk Management

The City is exposed to various risks of loss related to property and casualty, general liability, workers' compensation and employee health and dental benefits.

The City has contracted with a commercial insurance company to provide property and liability insurance with the following claim limits and deductibles:

<u>Coverage</u>	Self-Insured Retention (per Occurrence)	<u>Liability Limits</u>	
		Per Occurrence	Annual Aggregate
General liability	\$ 100,000	\$ 11,000,000	\$ 12,000,000
Property	50,000	89,237,000	None
Auto	100,000	11,000,000	None
Law enforcement professional	100,000	11,000,000	11,000,000
Public official	100,000	11,000,000	11,000,000

The City accounts for its property and liability insurance premiums as well as its deductibles in the General Fund. There is no claims liability reported in the General Fund at December 31, 2007 based on the requirements that a liability for claims be reported if a liability has been incurred at the date of the financial statements and the amount of the loss is due and payable.

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

The City maintains two hospitalization plans for its full-time employees and their dependents. Some City employees choose to belong to an HMO, whereby the City makes a premium payment to the HMO and all risk is effectively transferred. Most City employees are enrolled in the City's self-funded program which is reinsured through a commercial insurance company. The City carries a \$90,000 specific stop/loss policy for catastrophic coverage, plus an aggregate policy set at 125% of expected claims. All full-time City employees receive dental benefits through the City's self-funded employee benefits program. Employee health and dental benefits are charged to the various funds of the City in accordance to where an employee's salary is charged. Based on historical estimates, a total of \$461,565 has been accrued at year end in the various funds of the City as a component of claims payable.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 14: Risk Management (continued)

The City is required to purchase workers' compensation insurance through the State of Ohio. The City applied for and was accepted into the State's Retrospective Rating Plan, whereby the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the City's injured workers' claims are incurred, the City must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the City's premium limitation.

The City has established a Workers' Compensation Self-Insurance Fund (an Internal Service Fund) to account for and pay workers' compensation claims from accumulated assets of the fund. The City's retrospective rating plan provides for a \$300,000 catastrophic limit per claim and an unlimited claim limit.

At December 31, 2007, \$439,653 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims based upon the current available information. Due to a change in estimate of the liability for workers' compensation at 12/31/07, the City is showing a credit balance for claims expense on the Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.

The schedule below presents the changes in claims liabilities for the past two fiscal years.

	Property and Casualty		Employee Benefits		Workers' Compensation	
	2007	2006	2007	2006	2007	2006
Beginning of fiscal year liability	\$ 3,844	\$ 142,549	\$ 347,215	\$ 314,548	\$ 1,161,941	\$ 892,312
Current year claims and changes in estimates	10,582	17,560	4,122,309	4,065,412	(194,873)	768,442
Claim payments	(14,426)	(156,265)	(4,007,959)	(4,032,745)	(527,415)	(498,813)
Balance at fiscal year end	\$ -	\$ 3,844	\$ 461,565	\$ 347,215	\$ 439,653	\$ 1,161,941

Note 15: Construction Commitments

At December 31, 2007, uncompleted construction contracts were as follows:

<u>Description</u>	<u>Remaining Construction Committed</u>
Street resurfacing	\$ 1,410,074
Cedar Lee parking deck	172,581
Sewer improvements	137,772
Cain Park improvements	54,821
Total	\$ <u>1,775,248</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 17: Claims and Judgments

The City is currently a defendant in several lawsuits. It is the opinion of legal counsel that none of this litigation will have a material adverse affect on the financial condition of the City.

In addition, there are several unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 2007.

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the Grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

Note 18: Accountability and Compliance

A. Accountability

The following funds had a deficit balance at December 31, 2007:

Governmental Activities:

Special Revenue Funds:

Foundation Grants	\$ 35,192
CDBG Resource	106,079
FEMA Grant	247,853
Cain Park	9,598
Police Pension	263,000
Fire Pension	373,786
Capital Projects Funds:	
Capital Improvements	572,823

The deficit fund balances in the Foundation Grants, CDBG Resource, FEMA Grant, Cain Park, Police Pension, and Fire Pension Special Revenue Funds are a result of the application of generally accepted accounting principles, namely the accruing of wages and the recording of interfund, interest, and accounts payable at year end. All deficits will be eliminated with intergovernmental revenues in the next accounting period.

The deficit in the Capital Improvements Fund arises from the issuance of short-term bond anticipation notes which are used to finance capital expenses until bonds are issued. Once bonds are issued and the liability is reported in the Statement of Net Assets rather than in the individual fund financial statements, the deficit will be eliminated.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 16: Interfund Activity

A. Individual fund interfund receivable and payable balances at December 31, 2007, are as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u> Nonmajor Governmental Funds
General fund	\$ 24,725
Debt Service fund	26,075
Nonmajor governmental funds	<u>308,533</u>
Total	<u>\$ 359,333</u>

The General Fund owes the Communication System Operating Fund for 2007 operating costs. The Debt Service Fund owes the Capital Projects Fund for the reduction of debt service paid. The Ring Road Construction Fund temporarily advanced funds to three different nonmajor Governmental Funds due to timing issues for reimbursement of expenditures made by those funds in 2007.

B. Interfund transfers for the year ending December 31, 2007, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>			<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	
Nonmajor governmental funds	\$ 2,615,272	\$ 1,238,283	\$ 396,765	\$ 4,250,320
General	-	-	4,532	4,532
Debt service	-	-	330,000	330,000
Utilities	<u>-</u>	<u>755,466</u>	<u>-</u>	<u>755,466</u>
Total	<u>\$ 2,615,272</u>	<u>\$ 1,993,749</u>	<u>\$ 731,297</u>	<u>\$ 5,356,919</u>

The transfers from the General Fund to the Nonmajor Governmental Funds include transfers for operating costs. The transfers from the Debt Service fund relate to debt payments for various funds. The transfer from the Nonmajor Governmental Funds to Nonmajor Governmental Funds includes closing the year end CDBG Program Income Fund to the CDBG Resource Fund. The transfer from the Nonmajor Governmental to the General Fund is to close out the ODNR Recycling Grants fund upon termination of the Program.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2007

Note 18: Accountability and Compliance (continued)

B. Compliance

The following funds had original or final appropriations in excess of original or final estimated resources plus available balances for 2007, contrary to Ohio Revised Code, Section 5705.39:

	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Original:			
First Suburbs Consortium	\$ 91,841	\$ 131,350	\$ 39,509
CDBG Resources	1,950,453	4,200,000	2,249,547
EPA Brownfield Grant	-	21,000	21,000
HOME Program	225,000	420,000	195,000
Cain Park	630,000	900,000	270,000
Lead Safe Cuyahoga	-	125,000	125,000
Earned Benefits	-	250,000	250,000
Section 108 Loan Guarantee	36,364	36,864	500
Police Facility Improvement	9,712	10,000	288
Economic Development	34,313	82,577	48,264
Zagara TIF	242,395	245,850	3,455
Final:			
HOME Program	1,013,150	1,018,366	5,216
Lead Safe Cuyahoga	184,585	188,675	4,090

Contrary to Section 5705.41B of the Ohio Revised Code, the following budgeted line items had expenditures in excess of final appropriations:

	<u>Final Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
Planning Department – Personal Services	\$ 428,695	\$ 448,831	\$ 20,136

Note 19: Solid Waste

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Cleveland Heights executed the final closure financial assurance instrument for the solid waste transfer station by the required September 30, 2003, deadline. The financial test assured that the City could support any amount up to \$200,000 in post-closure costs and that the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. This location is used for the transfer of solid waste from the City's refuse trucks to a larger loader which is used to transport the waste to a commercial landfill located outside of the City. This transfer station has operated at this location for over fifty years and the City has no plans to close or move this transfer station. For this reason the City does not currently accrue a liability. This treatment is in accordance with generally accepted accounting principles.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Street Construction, Maintenance and Repair – Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for repair and maintenance of streets within the City.

Foundation Grants – To account for grants received from various non-profit organizations used for community development and public health purposes.

First Suburbs Consortium – To account for staffing and other expenses of the Consortium office which is located in Cleveland Heights City Hall. The costs are shared by the twelve communities which make up and support the Consortium and its economic and community development initiatives.

Communication System Operating – To account for the operations of the fire department dispatch office serving Cleveland Heights and a neighboring community.

Public Building Maintenance – To account for funds received from lease of City property for placement of communication towers. These funds are to be used for only building maintenance.

Law Enforcement Trust – To account for monies received from certain civil penalties permitted by state law and collected by the City and costs of complex investigations and prosecutions and other law enforcement purposes as determined by Council.

Drug Law Enforcement Trust – To account for monies received from confiscated property to be used solely for drug law enforcement purposes.

Community Development Block Grant (C.D.B.G.) Resource – To account for monies received from the federal government under Community Development Block Grant programs for a wide variety of projects such as commercial area rehabilitation, residential rehabilitation, and fair housing activities. The C.D.B.G. Resource Fund accounts for the grant of the current year and unspent grants from prior years.

C.D.B.G. Program Income – To account for monies generated by C.D.B.G. programs, such as repayment of rehabilitation loans and other housing programs where the City receives revenue.

EPA-Brownfield Grant – To account for monies received from Federal EPA-Brownfield Grant and corresponding expenditures allowable under the grant agreement.

Home Program – To account for the City's portion of the funds available through the Cuyahoga Housing Consortium which includes Cuyahoga County, and the cities of Euclid, Lakewood, Parma and East Cleveland pursuant to the Home Investment Partnership Program.

FEMA Grant – To account for fire and safety grants received from FEMA in a separate fund as required by FEMA.

Local Television (T.V.) Programming – To account for monies received pursuant to the franchise agreement with the local cable T.V. network and used for programming of local events.

Cain Park – To account for the operation and maintenance of the Cain Park Summer Theater.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Non-Major Special Revenue Funds (continued)

Public Right of Way – To account for the monies received from public or private service providers for use of the public right of way.

Ohio Department of Natural Resources (ODNR) Recycling Grants – To account for monies received from the Ohio Department of Natural Resources (ODNR) for recycling programs.

Indigent (DUI) Driver's Alcohol Treatment – To account for the City's portion of fines collected by the State of Ohio to pay for the cost of an alcohol and other drug addiction treatment program for those unable to pay for such attendance.

Municipal Court Clerk Computerization – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for computer-related expenditures.

DUI Enforcement and Education – To account for the City's portion of fines collected on all DUI-related offense convictions collected by the court and controlled by the police agency at their discretion for DUI-related law enforcement and education.

Municipal Court Special Projects – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for identified projects.

Lead Safe Cuyahoga – To account for receipts and disbursements from grants received from Cuyahoga County for costs related to testing paint for lead content and remediation of the identified areas.

Street Lighting – To account for monies received from the levy of special assessments for the purpose of paying the cost of street lighting.

Tree – To account for monies received from the levy of special assessments for the purpose of paying the cost of maintaining trees on the public right-of-way.

Police Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for police disability and pension due the State pension agency.

Fire Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for fire disability and pension due the State pension agency.

Earned Benefits – To account for the accumulation of resources for those employees eligible to retire.

Section 108 Loan Guarantee – To account for receipts and disbursements made as an agency for the HUD Section 108 loan program financed by the issuance of U.S. Government Guaranteed Notes.

Office on Aging Donation – To account for the Martin bequest and other donations and their related expenditures.

Police Memorial – To account for private donations received for the purpose of establishing a police memorial to honor officers that have been killed in the line of duty.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Non-Major Special Revenue Funds (continued)

Animal Adoption – To account for donations made to facilitate the adoption of animals by needy individuals.

Youth Recreation Donation – To account for donations made to benefit youth recreation.

Non-Major Capital Projects Funds

Police Facility Improvement - To account for administrative fees collected by police department and designated for the maintenance, repair, rehabilitation and improvement of the City's police department buildings and facilities outside of City Hall.

Recreation Facility Improvement - To account for property taxes levied for the improvement and maintenance of the City's parks, recreation and cultural facilities.

Capital Improvements – To account for the annual purchase of capital equipment and certain capital improvements financed by unvoted general obligation bond anticipation notes and General Fund operating transfers.

Economic Development – To account for transactions relative to the economic development of the City.

City Hall Maintenance and Repair – To account for the costs of major maintenance and repair of City Hall.

Recreation Improvement – To account for transactions relative to the voted 1.8735-mill Recreation Bond Issue for the purpose of acquiring, constructing, renovating, furnishing and equipping park, cultural and recreational facilities and acquiring any necessary real estate.

Zagara TIF – To account for transactions relative to the sale of special revenue bonds and disbursement of these bonds for the purpose of fulfilling a Tax Increment Financing (TIF) agreement to promote economic development in the City as allowed by the laws of the State of Ohio.

Ring Road Construction – To account for receipts and disbursements related to reconstruction of Severance Ring Road.

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in city treasury cash	\$ 3,745,272	\$ 1,498,329	\$ 5,243,601
Receivables (net of allowance for uncollectibles):			
Taxes	545,246	636,121	1,181,367
Accounts receivable	24,598	-	24,598
Special assessments	4,053,315	-	4,053,315
Accrued interest	5,909	-	5,909
Loans	1,581,938	-	1,581,938
Intergovernmental	981,164	37,576	1,018,740
Interfund	<u>24,725</u>	<u>334,608</u>	<u>359,333</u>
Total assets	\$ <u>10,962,167</u>	\$ <u>2,506,634</u>	\$ <u>13,468,801</u>
Liabilities and fund balances:			
Liabilities:			
Vouchers and accounts payable	\$ 240,450	\$ 170,444	\$ 410,894
Accrued wages and benefits	692,225	-	692,225
Interfund payable	308,533	-	308,533
Unearned revenue	5,190,601	673,697	5,864,298
Claims payable	23,125	-	23,125
Bond anticipation notes payable	-	910,000	910,000
Accrued interest payable	<u>-</u>	<u>14,560</u>	<u>14,560</u>
Total liabilities	<u>6,454,934</u>	<u>1,768,701</u>	<u>8,223,635</u>
Fund balances:			
Reserved for encumbrances	97,243	151,525	248,768
Reserved for loans receivable	1,581,938	-	1,581,938
Unreserved, undesignated	<u>2,828,052</u>	<u>586,408</u>	<u>3,414,460</u>
Total fund balances	<u>4,507,233</u>	<u>737,933</u>	<u>5,245,166</u>
Total liabilities and fund balances	\$ <u>10,962,167</u>	\$ <u>2,506,634</u>	\$ <u>13,468,801</u>

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and other local taxes	\$ 531,102	\$ 746,583	\$ 1,277,685
Intergovernmental	5,410,556	72,086	5,482,642
Charges for services	851,285	5,505	856,790
Fees, licenses, and permits	306,233	-	306,233
Interest earnings	82,352	3,104	85,456
Special assessments	1,305,767	-	1,305,767
Fines and forfeitures	354,289	-	354,289
Reimbursements received	81,795	-	81,795
Other revenues	<u>612,523</u>	<u>14,102</u>	<u>626,625</u>
 Total revenues	 <u>9,535,902</u>	 <u>841,380</u>	 <u>10,377,282</u>
Expenditures:			
Current:			
Public safety	2,513,186	2,500	2,515,686
Public health	1,467	-	1,467
Culture and recreation	902,172	255,012	1,157,184
Community development	3,333,481	27,908	3,361,389
Sanitation	16,823	880	17,703
Transportation	93,174	6,633	99,807
General government	1,631,045	16,093	1,647,138
Debt service:			
Principal retirement	75,646	200,000	275,646
Interest and fiscal charges	16,891	72,349	89,240
Capital outlay	<u>3,204,178</u>	<u>705,078</u>	<u>3,909,256</u>
 Total expenditures	 <u>11,788,063</u>	 <u>1,286,453</u>	 <u>13,074,516</u>
Excess of revenues over (under) expenditures	<u>(2,252,161)</u>	<u>(445,073)</u>	<u>(2,697,234)</u>
Other financing sources (uses):			
Issuance of debt	67,050	-	67,050
Transfers - in	3,511,697	738,623	4,250,320
Transfers - out	<u>(401,297)</u>	<u>(330,000)</u>	<u>(731,297)</u>
 Total other financing sources (uses)	 <u>3,177,450</u>	 <u>408,623</u>	 <u>3,586,073</u>
Net change in fund balances	925,289	(36,450)	888,839
Fund balances beginning of year	<u>3,581,944</u>	<u>774,383</u>	<u>4,356,327</u>
Fund balances end of year	\$ <u>4,507,233</u>	\$ <u>737,933</u>	\$ <u>5,245,166</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2007

	<u>Street Construction Maintenance, and Repair</u>	<u>Foundation Grants</u>	<u>First Suburbs Consortium</u>	<u>Communications System Operating</u>
Assets:				
Equity in city treasury cash	\$ 320,072	\$ 2,880	\$ 102,964	\$ 48,115
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	2,285	-	-	-
Loans	-	-	-	-
Intergovernmental	840,693	-	24,140	24,686
Interfund	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,725</u>
Total assets	\$ <u>1,163,050</u>	\$ <u>2,880</u>	\$ <u>127,104</u>	\$ <u>97,526</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 52,474	\$ 2,704	\$ 4	\$ 13,936
Accrued wages and benefits	-	-	3,756	14,738
Interfund payable	-	35,368	-	-
Unearned revenue	560,022	-	-	-
Claims payable	<u>-</u>	<u>-</u>	<u>1,523</u>	<u>7,016</u>
Total liabilities	<u>612,496</u>	<u>38,072</u>	<u>5,283</u>	<u>35,690</u>
Fund balances:				
Reserved for encumbrances	35,438	176	-	45,120
Reserved for loans receivable	-	-	-	-
Unreserved (deficit), undesignated	<u>515,116</u>	<u>(35,368)</u>	<u>121,821</u>	<u>16,716</u>
Total fund balances (deficit)	<u>550,554</u>	<u>(35,192)</u>	<u>121,821</u>	<u>61,836</u>
Total liabilities and fund balances	\$ <u>1,163,050</u>	\$ <u>2,880</u>	\$ <u>127,104</u>	\$ <u>97,526</u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ 25,386	\$ 35,661	\$ 377,570	\$ 13,365	\$ -	\$ 2,998	\$ -	\$ -
-	-	-	-	-	-	-	-
-	7	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	255	2,671	-	-	-	-	-
-	-	-	-	1,528,061	-	53,877	-
-	-	-	16,854	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 25,386</u>	<u>\$ 35,923</u>	<u>\$ 380,241</u>	<u>\$ 30,219</u>	<u>\$ 1,528,061</u>	<u>\$ 2,998</u>	<u>\$ 53,877</u>	<u>\$ -</u>
\$ -	\$ -	\$ 1,776	\$ 81,330	\$ -	\$ 2,307	\$ -	\$ 8,650
-	-	106	15,006	-	-	250	-
-	-	-	33,962	-	-	-	239,203
-	-	-	-	-	-	-	-
-	-	-	6,000	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,882</u>	<u>136,298</u>	<u>-</u>	<u>2,307</u>	<u>250</u>	<u>247,853</u>
312	15,671	-	-	-	-	-	-
-	-	-	-	1,528,061	-	53,877	-
<u>25,074</u>	<u>20,252</u>	<u>378,359</u>	<u>(106,079)</u>	<u>-</u>	<u>691</u>	<u>(250)</u>	<u>(247,853)</u>
<u>25,386</u>	<u>35,923</u>	<u>378,359</u>	<u>(106,079)</u>	<u>1,528,061</u>	<u>691</u>	<u>53,627</u>	<u>(247,853)</u>
<u>\$ 25,386</u>	<u>\$ 35,923</u>	<u>\$ 380,241</u>	<u>\$ 30,219</u>	<u>\$ 1,528,061</u>	<u>\$ 2,998</u>	<u>\$ 53,877</u>	<u>\$ -</u>

(Continued)

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>
\$ 1,052,728	\$ 46,944	\$ 1,037,670	\$ -	\$ 118,505	\$ 225,383	\$ -
-	-	-	-	-	-	272,623
9,644	430	14,392	-	-	-	-
-	-	-	-	2,170,279	1,883,036	-
-	-	-	-	-	-	-
-	-	-	-	-	-	16,009
-	-	-	-	-	-	-
<u>\$ 1,062,372</u>	<u>\$ 47,374</u>	<u>\$ 1,052,062</u>	<u>\$ -</u>	<u>\$ 2,288,784</u>	<u>\$ 2,108,419</u>	<u>\$ 288,632</u>
\$ 550	\$ -	\$ 2,784	\$ -	\$ 56,661	\$ 3,803	\$ -
2,750	-	1,825	-	-	13,069	263,000
-	-	-	-	-	-	-
-	-	-	-	2,170,279	1,883,036	288,632
<u>508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,047</u>	<u>-</u>
<u>3,808</u>	<u>-</u>	<u>4,609</u>	<u>-</u>	<u>2,226,940</u>	<u>1,905,955</u>	<u>551,632</u>
220	-	143	-	-	97	-
-	-	-	-	-	-	-
<u>1,058,344</u>	<u>47,374</u>	<u>1,047,310</u>	<u>-</u>	<u>61,844</u>	<u>202,367</u>	<u>(263,000)</u>
<u>1,058,564</u>	<u>47,374</u>	<u>1,047,453</u>	<u>-</u>	<u>61,844</u>	<u>202,464</u>	<u>(263,000)</u>
<u>\$ 1,062,372</u>	<u>\$ 47,374</u>	<u>\$ 1,052,062</u>	<u>\$ -</u>	<u>\$ 2,288,784</u>	<u>\$ 2,108,419</u>	<u>\$ 288,632</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2007

	<u>Fire Pension Trust</u>	<u>Earned Benefits</u>	<u>Section 108</u>	<u>Office on Aging Donation</u>	<u>Police Memorial</u>
Assets:					
Equity in city treasury cash	\$ -	\$ -	\$ -	\$ 97,797	\$ 3,725
Receivables (net of allowance for uncollectibles):					
Taxes	272,623	-	-	-	-
Accounts receivable	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	698	-
Loans	-	-	-	-	-
Intergovernmental	16,009	-	-	-	-
Interfund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>288,632</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>98,495</u>	\$ <u>3,725</u>
Liabilities and fund balances:					
Liabilities:					
Vouchers and accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	373,786	-	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenue	288,632	-	-	-	-
Claims payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>662,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances	-	-	-	66	-
Reserved for loans receivable	-	-	-	-	-
Unreserved (deficit), undesignated	<u>(373,786)</u>	<u>-</u>	<u>-</u>	<u>98,429</u>	<u>3,725</u>
Total fund balances (deficit)	<u>(373,786)</u>	<u>-</u>	<u>-</u>	<u>98,495</u>	<u>3,725</u>
Total liabilities and fund balances	\$ <u>288,632</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>98,495</u>	\$ <u>3,725</u>

<u>Animal Adoption</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 292	\$ 3,392	\$ 3,745,272
-	-	545,246
-	-	24,598
-	-	4,053,315
-	-	5,909
-	-	1,581,938
-	-	981,164
<u>-</u>	<u>-</u>	<u>24,725</u>
\$ <u>292</u>	\$ <u>3,392</u>	\$ <u>10,962,167</u>

\$ -	\$ -	\$ 240,450
-	-	692,225
-	-	308,533
-	-	5,190,601
<u>-</u>	<u>-</u>	<u>23,125</u>
<u>-</u>	<u>-</u>	<u>6,454,934</u>
-	-	97,243
-	-	1,581,938
<u>292</u>	<u>3,392</u>	<u>2,828,052</u>
<u>292</u>	<u>3,392</u>	<u>4,507,233</u>
\$ <u>292</u>	\$ <u>3,392</u>	\$ <u>10,962,167</u>

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For Year Ended December 31, 2007

	Street Construction Maintenance, and Repair	Foundation Grants	First Suburbs Consortium	Communications System Operating
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,704,420	15,936	-	-
Charges for services	-	-	-	301,828
Fees, licenses, and permits	-	-	-	-
Interest earnings	41,091	-	-	-
Special assessments	-	-	-	-
Fines and forfeitures	-	-	-	-
Reimbursements received	383	32	33	-
Other revenues	-	-	164,350	-
	<u>1,745,894</u>	<u>15,968</u>	<u>164,383</u>	<u>301,828</u>
Total revenues				
Expenditures:				
Current:				
Public safety	-	-	-	552,793
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	52,624	129,885	-
Sanitation	-	-	-	-
Transportation	41,730	-	-	-
General government	-	-	-	-
Debt Service:				
Principal	75,646	-	-	-
Interest and fiscal charges	16,891	-	-	-
Capital Outlay	1,414,614	-	-	81,612
	<u>1,548,881</u>	<u>52,624</u>	<u>129,885</u>	<u>634,405</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>197,013</u>	<u>(36,656)</u>	<u>34,498</u>	<u>(332,577)</u>
Other financing sources (uses):				
Issuance of debt	67,050	-	-	-
Transfers - in	647,858	-	-	277,975
Transfers - out	-	-	-	-
	<u>714,908</u>	<u>-</u>	<u>-</u>	<u>277,975</u>
Total other financing sources (uses)				
Net change in fund balances	911,921	(36,656)	34,498	(54,602)
Fund balance (deficit) at beginning of year	<u>(361,367)</u>	<u>1,464</u>	<u>87,323</u>	<u>116,438</u>
Fund balance (deficit) at end of year	\$ <u><u>550,554</u></u>	\$ <u><u>(35,192)</u></u>	\$ <u><u>121,821</u></u>	\$ <u><u>61,836</u></u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,707,445	-	181,175	619,724	902,035
-	-	-	-	9,313	-	-	-
-	3,907	29,918	-	-	-	-	-
-	-	-	-	-	-	-	-
-	22,835	54,312	-	-	-	-	-
-	1,116	17,917	-	-	62,284	-	-
<u>24,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,105</u>	<u>-</u>	<u>56,488</u>	<u>-</u>
<u>24,840</u>	<u>27,858</u>	<u>102,147</u>	<u>1,707,445</u>	<u>229,418</u>	<u>243,459</u>	<u>676,212</u>	<u>902,035</u>
-	42,786	170,831	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,633,214	9,188	-	619,166	-
-	-	-	-	-	-	-	-
18,997	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>32,388</u>	<u>447,410</u>	<u>-</u>	<u>18,983</u>	<u>-</u>	<u>1,155,466</u>
<u>18,997</u>	<u>42,786</u>	<u>203,219</u>	<u>2,080,624</u>	<u>9,188</u>	<u>18,983</u>	<u>619,166</u>	<u>1,155,466</u>
<u>5,843</u>	<u>(14,928)</u>	<u>(101,072)</u>	<u>(373,179)</u>	<u>220,230</u>	<u>224,476</u>	<u>57,046</u>	<u>(253,431)</u>
-	-	-	-	-	-	-	-
-	-	-	363,997	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(363,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>363,997</u>	<u>(363,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,843	(14,928)	(101,072)	(9,182)	(143,767)	224,476	57,046	(253,431)
<u>19,543</u>	<u>50,851</u>	<u>479,431</u>	<u>(96,897)</u>	<u>1,671,828</u>	<u>(223,785)</u>	<u>(3,419)</u>	<u>5,578</u>
\$ <u>25,386</u>	\$ <u>35,923</u>	\$ <u>378,359</u>	\$ <u>(106,079)</u>	\$ <u>1,528,061</u>	\$ <u>691</u>	\$ <u>53,627</u>	\$ <u>(247,853)</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Special Revenue Funds

For Year Ended December 31, 2007

	Local T.V. <u>Programming</u>	<u>Cain Park</u>	Public Right of <u>Way Fund</u>	ODNR Recycling <u>Grants</u>	Indigent Driver's Alcohol <u>Treatment</u>
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	33,452	-	-	-
Charges for services	-	540,144	-	-	-
Fees, licenses, and permits	260,165	-	45,128	-	-
Interest earnings	-	-	-	-	-
Special assessments	-	-	-	-	-
Fines and forfeitures	-	-	-	-	2,404
Reimbursements received	-	-	-	-	-
Other revenues	-	9,957	-	-	-
Total revenues	<u>260,165</u>	<u>583,553</u>	<u>45,128</u>	<u>-</u>	<u>2,404</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public health	-	-	-	-	-
Culture and recreation	-	881,461	-	-	-
Community development	152,286	-	-	-	-
Sanitation	-	-	-	-	-
Transportation	-	-	-	-	-
General government	-	-	41,673	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay	<u>8,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>160,515</u>	<u>881,461</u>	<u>41,673</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>99,650</u>	<u>(297,908)</u>	<u>3,455</u>	<u>-</u>	<u>2,404</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Transfers - in	-	289,625	-	-	-
Transfers - out	<u>(32,768)</u>	<u>-</u>	<u>-</u>	<u>(4,532)</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,768)</u>	<u>289,625</u>	<u>-</u>	<u>(4,532)</u>	<u>-</u>
Net change in fund balances	66,882	(8,283)	3,455	(4,532)	2,404
Fund balance (deficit) at beginning of year	<u>145,812</u>	<u>(1,315)</u>	<u>-</u>	<u>4,532</u>	<u>44,327</u>
Fund balance (deficit) at end of year	\$ <u>212,694</u>	\$ <u>(9,598)</u>	\$ <u>3,455</u>	\$ <u>-</u>	\$ <u>46,731</u>

<u>Municipal Court Clerk Computer- ization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,551
-	-	-	184,581	-	-	30,894
-	-	-	-	-	-	-
-	-	-	-	-	940	-
-	-	-	-	-	-	-
-	-	-	-	698,512	606,142	-
108,080	3,540	163,118	-	-	-	-
-	-	-	-	-	30	-
-	-	-	-	-	-	-
<u>108,080</u>	<u>3,540</u>	<u>163,118</u>	<u>184,581</u>	<u>698,512</u>	<u>607,112</u>	<u>296,445</u>
-	-	-	-	686,915	-	930,774
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	184,581	-	525,173	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
57,058	-	60,596	-	16,789	14,302	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>13,581</u>	<u>-</u>	<u>26,100</u>	<u>-</u>	<u>-</u>	<u>3,795</u>	<u>-</u>
<u>70,639</u>	<u>-</u>	<u>86,696</u>	<u>184,581</u>	<u>703,704</u>	<u>543,270</u>	<u>930,774</u>
<u>37,441</u>	<u>3,540</u>	<u>76,422</u>	<u>-</u>	<u>(5,192)</u>	<u>63,842</u>	<u>(634,329)</u>
-	-	-	-	-	-	-
-	-	-	-	14,000	10,820	602,263
-	-	-	-	-	-	-
-	-	-	-	<u>14,000</u>	<u>10,820</u>	<u>602,263</u>
37,441	3,540	76,422	-	8,808	74,662	(32,066)
<u>1,021,123</u>	<u>43,834</u>	<u>971,031</u>	<u>-</u>	<u>53,036</u>	<u>127,802</u>	<u>(230,934)</u>
\$ <u>1,058,564</u>	\$ <u>47,374</u>	\$ <u>1,047,453</u>	\$ <u>-</u>	\$ <u>61,844</u>	\$ <u>202,464</u>	\$ <u>(263,000)</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Special Revenue Funds

For the Year Ended December 31, 2007

	Fire Pension Trust	Earned Benefits	Section 108	Office on Aging Donation	Police Memorial
Revenues:					
Property and other local taxes	\$ 265,551	\$ -	\$ -	\$ -	\$ -
Intergovernmental	30,894	-	-	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	-	-	-	-	-
Interest earnings	-	-	-	7,436	-
Special assessments	-	-	1,113	-	-
Fines and forfeitures	-	-	-	-	-
Reimbursements received	-	-	-	-	-
Other revenues	<u>12,500</u>	<u>-</u>	<u>111,255</u>	<u>4,762</u>	<u>5,725</u>
Total revenues	<u>308,945</u>	<u>-</u>	<u>112,368</u>	<u>12,198</u>	<u>5,725</u>
Expenditures:					
Current:					
Public safety	41,997	87,090	-	-	-
Public health	-	-	-	1,467	-
Culture and recreation	-	20,711	-	-	-
Community development	-	26,251	1,113	-	-
Sanitation	-	16,823	-	-	-
Transportation	-	12,877	38,567	-	-
General government	1,324,300	93,771	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>1,366,297</u>	<u>257,523</u>	<u>39,680</u>	<u>1,467</u>	<u>2,000</u>
Excess of revenues over (under) expenditures	<u>(1,057,352)</u>	<u>(257,523)</u>	<u>72,688</u>	<u>10,731</u>	<u>3,725</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Transfers - in	1,039,293	257,523	8,343	-	-
Transfers - out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,039,293</u>	<u>257,523</u>	<u>8,343</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(18,059)	-	81,031	10,731	3,725
Fund balance (deficit) at beginning of year	<u>(355,727)</u>	<u>-</u>	<u>(81,031)</u>	<u>87,764</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>(373,786)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>98,495</u>	\$ <u>3,725</u>

<u>Animal Adoption</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 531,102
-	-	5,410,556
-	-	851,285
-	-	306,233
-	-	82,352
-	-	1,305,767
-	-	354,289
-	-	81,795
<u>-</u>	<u>2,541</u>	<u>612,523</u>
<u>-</u>	<u>2,541</u>	<u>9,535,902</u>
-	-	2,513,186
-	-	1,467
-	-	902,172
-	-	3,333,481
-	-	16,823
-	-	93,174
-	3,559	1,631,045
-	-	75,646
-	-	16,891
<u>-</u>	<u>-</u>	<u>3,204,178</u>
<u>-</u>	<u>3,559</u>	<u>11,788,063</u>
<u>-</u>	<u>(1,018)</u>	<u>(2,252,161)</u>
-	-	67,050
-	-	3,511,697
<u>-</u>	<u>-</u>	<u>(401,297)</u>
<u>-</u>	<u>-</u>	<u>3,177,450</u>
-	(1,018)	925,289
<u>292</u>	<u>4,410</u>	<u>3,581,944</u>
\$ <u><u>292</u></u>	\$ <u><u>3,392</u></u>	\$ <u><u>4,507,233</u></u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2007

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Assets:				
Equity in city treasury cash	\$ 5,040	\$ 696,461	\$ 331,162	\$ 1,736
Receivables:				
Taxes	-	636,121	-	-
Intergovernmental	-	37,576	-	-
Interfund	<u>-</u>	<u>-</u>	<u>26,075</u>	<u>-</u>
Total assets	\$ <u>5,040</u>	\$ <u>1,370,158</u>	\$ <u>357,237</u>	\$ <u>1,736</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ -	\$ 164,944	\$ 5,500	\$ -
Unearned revenue	-	673,697	-	-
Notes payable	-	-	910,000	-
Accrued interest payable	<u>-</u>	<u>-</u>	<u>14,560</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>838,641</u>	<u>930,060</u>	<u>-</u>
Fund balances:				
Reserved for encumbrances	-	89,893	59,894	1,738
Unreserved (deficit), undesignated	<u>5,040</u>	<u>441,624</u>	<u>(632,717)</u>	<u>(2)</u>
Total fund balances (deficit)	<u>5,040</u>	<u>531,517</u>	<u>(572,823)</u>	<u>1,736</u>
Total liabilities and fund balances	\$ <u>5,040</u>	\$ <u>1,370,158</u>	\$ <u>357,237</u>	\$ <u>1,736</u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 3,322	\$ 10,549	\$ -	\$ 450,059	\$ 1,498,329
-	-	-	-	636,121
-	-	-	-	37,576
<u>-</u>	<u>-</u>	<u>-</u>	<u>308,533</u>	<u>334,608</u>
<u>\$ 3,322</u>	<u>\$ 10,549</u>	<u>\$ -</u>	<u>\$ 758,592</u>	<u>\$ 2,506,634</u>
\$ -	\$ -	\$ -	\$ -	\$ 170,444
-	-	-	-	673,697
-	-	-	-	910,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,560</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,768,701</u>
-	-	-	-	151,525
<u>3,322</u>	<u>10,549</u>	<u>-</u>	<u>758,592</u>	<u>586,408</u>
<u>3,322</u>	<u>10,549</u>	<u>-</u>	<u>758,592</u>	<u>737,933</u>
<u>\$ 3,322</u>	<u>\$ 10,549</u>	<u>\$ -</u>	<u>\$ 758,592</u>	<u>\$ 2,506,634</u>

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds

For the Year Ended December 31, 2007

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Revenues:				
Property and other local taxes	\$ -	\$ 619,618	\$ -	\$ -
Intergovernmental	-	72,086	-	-
Charges for services	5,505	-	-	-
Interest earnings	-	-	3,104	-
Other revenues	-	-	<u>1,502</u>	-
Total revenues	<u>5,505</u>	<u>691,704</u>	<u>4,606</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	2,500	-	-	-
Culture and recreation	-	254,727	285	-
Community development	-	-	-	27,908
Sanitation	-	-	880	-
Transportation	-	-	663	-
General government	-	676	2,422	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	29,954	-
Capital outlay	<u>7,677</u>	<u>258,787</u>	<u>396,520</u>	<u>22,768</u>
Total expenditures	<u>10,177</u>	<u>514,190</u>	<u>430,724</u>	<u>50,676</u>
Excess of revenues over (under) expenditures	<u>(4,672)</u>	<u>177,514</u>	<u>(426,118)</u>	<u>(50,676)</u>
Other financing sources:				
Transfers - in	-	-	590,425	32,768
Transfers - out	<u>-</u>	<u>-</u>	<u>(330,000)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>260,425</u>	<u>32,768</u>
Net change in fund balances	(4,672)	177,514	(165,693)	(17,908)
Fund balance (deficit) at beginning of year	<u>9,712</u>	<u>354,003</u>	<u>(407,130)</u>	<u>19,644</u>
Fund balance (deficit) at end of year	\$ <u><u>5,040</u></u>	\$ <u><u>531,517</u></u>	\$ <u><u>(572,823)</u></u>	\$ <u><u>1,736</u></u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ 126,965	\$ -	\$ 746,583
-	-	-	-	72,086
-	-	-	-	5,505
-	-	-	-	3,104
<u>12,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,102</u>
<u>12,600</u>	<u>-</u>	<u>126,965</u>	<u>-</u>	<u>841,380</u>
-	-	-	-	2,500
-	-	-	-	255,012
-	-	-	-	27,908
-	-	-	-	880
-	-	-	5,970	6,633
<u>12,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,093</u>
-	-	200,000	-	200,000
-	-	42,395	-	72,349
<u>-</u>	<u>19,326</u>	<u>-</u>	<u>-</u>	<u>705,078</u>
<u>12,995</u>	<u>19,326</u>	<u>242,395</u>	<u>5,970</u>	<u>1,286,453</u>
<u>(395)</u>	<u>(19,326)</u>	<u>(115,430)</u>	<u>(5,970)</u>	<u>(445,073)</u>
-	-	115,430	-	738,623
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(330,000)</u>
<u>-</u>	<u>-</u>	<u>115,430</u>	<u>-</u>	<u>408,623</u>
(395)	(19,326)	-	(5,970)	(36,450)
<u>3,717</u>	<u>29,875</u>	<u>-</u>	<u>764,562</u>	<u>774,383</u>
\$ <u><u>3,322</u></u>	\$ <u><u>10,549</u></u>	\$ <u><u>-</u></u>	\$ <u><u>758,592</u></u>	\$ <u><u>737,933</u></u>

**Individual Fund
Schedule of Revenues, Expenditures, Encumbrances and
Changes in Fund Balance –
Budget and Actual (Non-GAAP Budget)**

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 7,360,423	\$ 7,360,423	\$ 6,550,249	\$ (810,174)
Municipal income taxes	22,283,312	22,283,312	22,200,758	(82,554)
Intergovernmental grants and contracts	5,890,950	5,890,950	5,869,126	(21,824)
Charges for services	2,436,129	2,436,129	2,427,103	(9,026)
Fees, licenses, and permits	1,244,632	1,244,632	1,240,021	(4,611)
Interest earnings	577,287	577,287	575,148	(2,139)
Special assessments	24,927	24,927	24,835	(92)
Fines and forfeitures	2,027,226	2,027,226	2,019,716	(7,510)
Reimbursements received	939,067	939,067	935,588	(3,479)
Other revenue	<u>284,712</u>	<u>284,712</u>	<u>283,657</u>	<u>(1,055)</u>
Total revenues	<u>43,068,665</u>	<u>43,068,665</u>	<u>42,126,201</u>	<u>(942,464)</u>
Expenditures:				
Current:				
Public safety:				
Police department:				
Personal services	7,598,000	7,373,000	7,323,955	49,045
Capital outlay	380,599	310,351	309,356	995
Other	<u>516,000</u>	<u>608,400</u>	<u>592,619</u>	<u>15,781</u>
Total police department	<u>8,494,599</u>	<u>8,291,751</u>	<u>8,225,930</u>	<u>65,821</u>
Police academy:				
Personal services	5,000	3,500	3,008	492
Capital outlay	7,500	4,000	4,000	-
Other	<u>91,350</u>	<u>89,000</u>	<u>89,000</u>	<u>-</u>
Total police academy	<u>103,850</u>	<u>96,500</u>	<u>96,008</u>	<u>492</u>
Police motor vehicle maintenance:				
Personal services	242,465	240,965	239,872	1,093
Capital outlay	3,000	2,100	2,032	68
Other	<u>135,750</u>	<u>113,750</u>	<u>102,726</u>	<u>11,024</u>
Total police motor vehicle maintenance	<u>381,215</u>	<u>356,815</u>	<u>344,630</u>	<u>12,185</u>
Traffic signs and signals:				
Personal services	112,920	113,420	112,663	757
Capital outlay	18,000	11,974	11,904	70
Other	<u>89,175</u>	<u>72,200</u>	<u>68,509</u>	<u>3,691</u>
Total traffic signs and signals	<u>220,095</u>	<u>197,594</u>	<u>193,076</u>	<u>4,518</u>
Animal protection unit:				
Personal services	56,480	56,980	56,571	409
Other	<u>23,550</u>	<u>23,050</u>	<u>21,566</u>	<u>1,484</u>
Total animal protection unit	<u>80,030</u>	<u>80,030</u>	<u>78,137</u>	<u>1,893</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire department:				
Personal services	5,644,920	5,836,920	5,824,726	12,194
Capital outlay	-	5,517	4,638	879
Other	<u>217,150</u>	<u>211,633</u>	<u>204,180</u>	<u>7,453</u>
Total fire department	<u>5,862,070</u>	<u>6,054,070</u>	<u>6,033,544</u>	<u>20,526</u>
Fire prevention bureau:				
Personal services	71,710	73,210	72,921	289
Other	<u>5,220</u>	<u>4,220</u>	<u>2,790</u>	<u>1,430</u>
Total fire prevention bureau	<u>76,930</u>	<u>77,430</u>	<u>75,711</u>	<u>1,719</u>
Total public safety	<u>15,218,789</u>	<u>15,154,190</u>	<u>15,047,036</u>	<u>107,154</u>
Public health:				
Health and vital statistics:				
Other	<u>183,800</u>	<u>194,800</u>	<u>194,402</u>	<u>398</u>
Office on aging:				
Personal services	217,075	204,575	200,818	3,757
Other	<u>26,700</u>	<u>22,700</u>	<u>19,125</u>	<u>3,575</u>
Total office on aging	<u>243,775</u>	<u>227,275</u>	<u>219,943</u>	<u>7,332</u>
Commission on aging:				
Other	<u>350</u>	<u>150</u>	<u>17</u>	<u>133</u>
Total public health	<u>427,925</u>	<u>422,225</u>	<u>414,362</u>	<u>7,863</u>
Culture and recreation:				
Recreation administration:				
Personal services	169,575	169,575	169,326	249
Other	<u>36,035</u>	<u>30,800</u>	<u>25,743</u>	<u>5,057</u>
Total recreation administration	<u>205,610</u>	<u>200,375</u>	<u>195,069</u>	<u>5,306</u>
Playgrounds:				
Personal services	9,150	9,940	9,911	29
Other	<u>1,670</u>	<u>1,270</u>	<u>622</u>	<u>648</u>
Total playgrounds	<u>10,820</u>	<u>11,210</u>	<u>10,533</u>	<u>677</u>
Swimming pools:				
Personal services	333,620	344,120	344,067	53
Other	<u>53,160</u>	<u>37,040</u>	<u>36,571</u>	<u>469</u>
Total swimming pools	<u>386,780</u>	<u>381,160</u>	<u>380,638</u>	<u>522</u>
Ice programs:				
Personal services	285,165	261,500	256,073	5,427
Other	<u>42,150</u>	<u>34,845</u>	<u>31,306</u>	<u>3,539</u>
Total ice programs	<u>327,315</u>	<u>296,345</u>	<u>287,379</u>	<u>8,966</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General recreation programs:				
Personal services	84,915	90,665	87,007	3,658
Capital outlay	-	1,210	1,210	-
Other	<u>17,550</u>	<u>12,840</u>	<u>10,735</u>	<u>2,105</u>
Total general recreation programs	<u>102,465</u>	<u>104,715</u>	<u>98,952</u>	<u>5,763</u>
Child care/summer camps:				
Personal services	175,305	170,305	167,992	2,313
Other	<u>46,110</u>	<u>42,000</u>	<u>38,688</u>	<u>3,312</u>
Total child/care/summer camps	<u>221,415</u>	<u>212,305</u>	<u>206,680</u>	<u>5,625</u>
Sports programs:				
Personal services	92,365	97,865	97,096	769
Other	<u>134,625</u>	<u>125,760</u>	<u>118,542</u>	<u>7,218</u>
Total sports programs	<u>226,990</u>	<u>223,625</u>	<u>215,638</u>	<u>7,987</u>
Community center:				
Personal services	377,875	396,875	396,875	-
Capital outlay	1,500	1,500	871	629
Other	<u>579,100</u>	<u>615,000</u>	<u>612,053</u>	<u>2,947</u>
Total community center	<u>958,475</u>	<u>1,013,375</u>	<u>1,009,799</u>	<u>3,576</u>
Total culture and recreation	<u>2,439,870</u>	<u>2,443,110</u>	<u>2,404,688</u>	<u>38,422</u>
Community development:				
Community relations:				
Personal services	173,690	165,690	164,651	1,039
Capital outlay	-	115	115	-
Other	<u>28,250</u>	<u>22,635</u>	<u>18,135</u>	<u>4,500</u>
Total community relations	<u>201,940</u>	<u>188,440</u>	<u>182,901</u>	<u>5,539</u>
Public relations:				
Personal services	177,660	156,160	155,024	1,136
Other	<u>136,000</u>	<u>127,550</u>	<u>123,190</u>	<u>4,360</u>
Total public relations	<u>313,660</u>	<u>283,710</u>	<u>278,214</u>	<u>5,496</u>
Planning department:				
Personal services	428,695	428,695	448,831	(20,136)
Capital outlay	-	500	500	-
Other	<u>30,000</u>	<u>13,772</u>	<u>11,748</u>	<u>2,024</u>
Total planning department	<u>458,695</u>	<u>442,967</u>	<u>461,079</u>	<u>(18,112)</u>
Planning commission:				
Personal services	8,638	8,638	8,300	338
Other	<u>4,100</u>	<u>2,975</u>	<u>2,110</u>	<u>865</u>
Total planning commission	<u>12,738</u>	<u>11,613</u>	<u>10,410</u>	<u>1,203</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Board of zoning appeals:				
Personal services	6,565	5,565	5,370	195
Other	<u>4,650</u>	<u>3,558</u>	<u>3,031</u>	<u>527</u>
Total board of zoning appeals	<u>11,215</u>	<u>9,123</u>	<u>8,401</u>	<u>722</u>
Special improvement districts				
Other	<u>204,000</u>	<u>214,294</u>	<u>214,076</u>	<u>218</u>
Real estate division:				
Personal services	127,915	128,915	128,850	65
Other	<u>10,850</u>	<u>6,050</u>	<u>4,427</u>	<u>1,623</u>
Total real estate division	<u>138,765</u>	<u>134,965</u>	<u>133,277</u>	<u>1,688</u>
Building department:				
Personal services	448,455	458,455	458,018	437
Capital outlay	1,975	80	79	1
Other	<u>44,300</u>	<u>35,000</u>	<u>31,748</u>	<u>3,252</u>
Total building department	<u>494,730</u>	<u>493,535</u>	<u>489,845</u>	<u>3,690</u>
Housing inspections:				
Personal services	646,305	611,000	604,581	6,419
Capital outlay	-	373	372	1
Other	<u>61,995</u>	<u>33,093</u>	<u>27,599</u>	<u>5,494</u>
Total housing inspections	<u>708,300</u>	<u>644,466</u>	<u>632,552</u>	<u>11,914</u>
Student services:				
Personal services	90,505	90,505	90,485	20
Other	<u>7,400</u>	<u>2,500</u>	<u>1,610</u>	<u>890</u>
Total student services	<u>97,905</u>	<u>93,005</u>	<u>92,095</u>	<u>910</u>
Wildlife management:				
Personal services	104,210	104,210	102,198	2,012
Other	<u>15,525</u>	<u>14,025</u>	<u>12,236</u>	<u>1,789</u>
Total wildlife management	<u>119,735</u>	<u>118,235</u>	<u>114,434</u>	<u>3,801</u>
Landmark commission:				
Other	<u>1,950</u>	<u>1,087</u>	<u>965</u>	<u>122</u>
Total community development	<u>2,763,633</u>	<u>2,635,440</u>	<u>2,618,249</u>	<u>17,191</u>
Sanitation:				
Refuse collection/transfer station:				
Personal services	1,759,380	1,794,380	1,790,374	4,006
Capital outlay	-	17,728	17,727	1
Other	<u>983,975</u>	<u>790,000</u>	<u>726,529</u>	<u>63,471</u>
Total refuse collection/transfer station	<u>2,743,355</u>	<u>2,602,108</u>	<u>2,534,630</u>	<u>67,478</u>
Total sanitation	<u>2,743,355</u>	<u>2,602,108</u>	<u>2,534,630</u>	<u>67,478</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Transportation:				
Parking meters:				
Personal services	28,675	34,460	33,773	687
Other	<u>2,600</u>	<u>1,465</u>	<u>980</u>	<u>485</u>
Total parking meters	<u>31,275</u>	<u>35,925</u>	<u>34,753</u>	<u>1,172</u>
Vehicle maintenance:				
Personal services	604,115	594,115	588,412	5,703
Capital outlay	985,294	1,127,200	1,125,133	2,067
Other	<u>10,000</u>	<u>5,579</u>	<u>5,579</u>	<u>-</u>
Total vehicle maintenance	<u>1,599,409</u>	<u>1,726,894</u>	<u>1,719,124</u>	<u>7,770</u>
Street maintenance:				
Personal services	1,298,950	1,298,950	1,290,003	8,947
Capital outlay	-	4,744	4,744	-
Other	<u>568,800</u>	<u>522,706</u>	<u>509,781</u>	<u>12,925</u>
Total street maintenance	<u>1,867,750</u>	<u>1,826,400</u>	<u>1,804,528</u>	<u>21,872</u>
Total transportation	<u>3,498,434</u>	<u>3,589,219</u>	<u>3,558,405</u>	<u>30,814</u>
General government:				
City council:				
Personal services	77,450	75,450	75,060	390
Other	<u>14,350</u>	<u>11,850</u>	<u>8,817</u>	<u>3,033</u>
Total city council	<u>91,800</u>	<u>87,300</u>	<u>83,877</u>	<u>3,423</u>
City manager:				
Personal services	670,010	700,010	699,276	734
Other	<u>34,600</u>	<u>20,600</u>	<u>20,599</u>	<u>1</u>
Total city manager	<u>704,610</u>	<u>720,610</u>	<u>719,875</u>	<u>735</u>
Management information systems:				
Personal services	272,080	256,080	254,389	1,691
Capital outlay	35,000	28,000	27,775	225
Other	<u>54,700</u>	<u>46,000</u>	<u>43,715</u>	<u>2,285</u>
Total management information systems	<u>361,780</u>	<u>330,080</u>	<u>325,879</u>	<u>4,201</u>
Central services:				
Personal services	72,785	68,785	67,667	1,118
Capital outlay	36,926	28,400	28,380	20
Other	<u>19,680</u>	<u>37,750</u>	<u>7,133</u>	<u>30,617</u>
Total central services	<u>129,391</u>	<u>134,935</u>	<u>103,180</u>	<u>31,755</u>
Civil service commission:				
Personal services	2,500	1,500	1,431	69
Other	<u>7,250</u>	<u>6,425</u>	<u>4,181</u>	<u>2,244</u>
Total civil service commission	<u>9,750</u>	<u>7,925</u>	<u>5,612</u>	<u>2,313</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance department:				
Personal services	467,510	455,510	451,930	3,580
Capital outlay	4,100	4,100	4,072	28
Other	<u>317,125</u>	<u>284,585</u>	<u>280,640</u>	<u>3,945</u>
Total finance department	<u>788,735</u>	<u>744,195</u>	<u>736,642</u>	<u>7,553</u>
Income tax department				
Personal services	349,030	330,030	328,915	1,115
Other	<u>430,060</u>	<u>451,060</u>	<u>443,430</u>	<u>7,630</u>
Total income tax department	<u>779,090</u>	<u>781,090</u>	<u>772,345</u>	<u>8,745</u>
Revenue recovery:				
Personal services	184,000	123,000	121,391	1,609
Capital outlay	-	2,652	2,652	-
Other	<u>114,500</u>	<u>539,000</u>	<u>437,168</u>	<u>101,832</u>
Total revenue recovery	<u>298,500</u>	<u>664,652</u>	<u>561,211</u>	<u>103,441</u>
Law department:				
Personal services	481,995	478,500	477,264	1,236
Other	<u>151,900</u>	<u>233,330</u>	<u>231,385</u>	<u>1,945</u>
Total law department	<u>633,895</u>	<u>711,830</u>	<u>708,649</u>	<u>3,181</u>
Service administration				
Personal services	305,870	310,870	304,758	6,112
Other	<u>11,175</u>	<u>6,175</u>	<u>4,020</u>	<u>2,155</u>
Total service administration	<u>317,045</u>	<u>317,045</u>	<u>308,778</u>	<u>8,267</u>
Capital projects:				
Personal services	143,225	143,225	142,823	402
Other	<u>4,700</u>	<u>2,200</u>	<u>1,449</u>	<u>751</u>
Total capital projects	<u>147,925</u>	<u>145,425</u>	<u>144,272</u>	<u>1,153</u>
Public properties/parks maintenance:				
Personal services	1,342,015	1,460,015	1,459,283	732
Capital outlay	61,000	11,555	11,552	3
Other	<u>1,348,850</u>	<u>1,383,850</u>	<u>1,293,386</u>	<u>90,464</u>
Total public properties/ parks maintenance	<u>2,751,865</u>	<u>2,855,420</u>	<u>2,764,221</u>	<u>91,199</u>
Community services administration:				
Personal services	194,505	194,505	193,155	1,350
Other	<u>2,775</u>	<u>1,275</u>	<u>312</u>	<u>963</u>
Total community services administration	<u>197,280</u>	<u>195,780</u>	<u>193,467</u>	<u>2,313</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal court:				
Personal services	1,011,245	944,245	939,781	4,464
Other	<u>145,800</u>	<u>109,000</u>	<u>105,412</u>	<u>3,588</u>
Total municipal court	<u>1,157,045</u>	<u>1,053,245</u>	<u>1,045,193</u>	<u>8,052</u>
Administrative support:				
Personal services	30,000	15,000	-	15,000
Capital outlay	-	14,118	3,681	10,437
Other	<u>645,500</u>	<u>635,500</u>	<u>610,012</u>	<u>25,488</u>
Total administrative support	<u>675,500</u>	<u>664,618</u>	<u>613,693</u>	<u>50,925</u>
Hospitalization insurance	<u>3,750,000</u>	<u>3,880,000</u>	<u>3,833,312</u>	<u>46,688</u>
Total general government	<u>12,794,211</u>	<u>13,294,150</u>	<u>12,920,206</u>	<u>373,944</u>
Total expenditures	<u>39,886,217</u>	<u>40,140,442</u>	<u>39,497,576</u>	<u>642,866</u>
Excess of revenues over (under) expenditures	<u>3,182,448</u>	<u>2,928,223</u>	<u>2,628,625</u>	<u>(299,598)</u>
Other financing sources (uses):				
Transfers – out	(2,243,000)	(2,652,845)	(2,634,402)	18,443
Sale of capital assets	<u>-</u>	<u>-</u>	<u>14,531</u>	<u>14,531</u>
Total other financing sources (uses)	<u>(2,243,000)</u>	<u>(2,652,845)</u>	<u>(2,619,871)</u>	<u>32,974</u>
Net change in fund balance	939,448	275,378	8,754	(266,624)
Cash fund balance at beginning of year, Restated (per note 3)	3,478,801	3,478,801	3,478,801	-
Current year charges against prior year cash fund balance:				
Reserved for encumbrances	<u>(84,034)</u>	<u>(84,034)</u>	<u>(84,034)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	4,334,215	3,670,145	3,403,521	(266,624)
Reserved for encumbrances	<u>92,953</u>	<u>92,953</u>	<u>92,953</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>4,427,168</u>	\$ <u>3,763,098</u>	\$ <u>3,496,474</u>	\$ <u>(266,624)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Debt Service Fund

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 3,540,294	\$ 3,540,294	\$ 3,806,226	\$ 265,932
Other local taxes	411,873	411,873	442,811	30,938
Interest earnings	2,618	2,618	2,815	197
Other revenues	<u>130,219</u>	<u>130,219</u>	<u>140,000</u>	<u>9,781</u>
Total revenues	<u>4,085,004</u>	<u>4,085,004</u>	<u>4,391,852</u>	<u>306,848</u>
Expenditures:				
Current:				
General government	31,355	33,348	33,260	88
Debt Service:				
Bond principal retirement	3,315,522	3,526,336	3,517,000	9,336
Interest and fiscal charges	<u>978,123</u>	<u>1,040,316</u>	<u>1,037,564</u>	<u>2,752</u>
Total expenditures	<u>4,325,000</u>	<u>4,600,000</u>	<u>4,587,824</u>	<u>12,176</u>
Excess of revenues over (under) expenditures	(239,996)	(514,996)	(195,972)	319,024
Other financing sources:				
Proceeds from sale of debt	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Net change in fund balance	90,004	(184,996)	134,028	319,024
Cash fund balance at beginning of year	<u>2,761,592</u>	<u>2,761,592</u>	<u>2,761,592</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 2,851,596</u>	<u>\$ 2,576,596</u>	<u>\$ 2,895,620</u>	<u>\$ 319,024</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Street Construction, Maintenance and Repair

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Other local taxes	\$ 174,220	\$ 174,220	\$ 162,035	\$ (12,185)
State levied shared taxes	1,665,191	1,665,191	1,548,730	(116,461)
Interest earnings	42,326	42,326	39,366	(2,960)
Other revenues	<u>108,263</u>	<u>108,263</u>	<u>100,692</u>	<u>(7,571)</u>
Total revenues	<u>1,990,000</u>	<u>1,990,000</u>	<u>1,850,823</u>	<u>(139,177)</u>
Expenditures:				
Current:				
Transportation	1,741,456	1,820,905	1,555,336	265,569
General government	<u>58,544</u>	<u>61,215</u>	<u>52,287</u>	<u>8,928</u>
Total expenditures	<u>1,800,000</u>	<u>1,882,120</u>	<u>1,607,623</u>	<u>274,497</u>
Net change in fund balance	190,000	107,880	243,200	135,320
Cash fund balance at beginning of year	125,746	125,746	125,746	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(88,097)</u>	<u>(88,097)</u>	<u>(88,097)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	227,649	145,529	280,849	135,320
Reserved for encumbrances	<u>39,012</u>	<u>39,012</u>	<u>39,012</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 266,661</u>	<u>\$ 184,541</u>	<u>\$ 319,861</u>	<u>\$ 135,320</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Foundation Grants

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts \$	-	\$ 51,400	\$ 15,936	\$ (35,464)
Other revenues	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
Total revenues	<u>-</u>	<u>51,400</u>	<u>15,968</u>	<u>(35,432)</u>
Expenditures:				
Community development	<u>-</u>	<u>52,800</u>	<u>52,800</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	(1,400)	(36,832)	(35,432)
Other financing sources (uses):				
Transfers – in	<u>-</u>	<u>-</u>	<u>35,368</u>	<u>35,368</u>
Net change in fund balance	-	(1,400)	(1,464)	(64)
Cash fund balance at beginning of year	<u>1,464</u>	<u>1,464</u>	<u>1,464</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	1,464	64	-	(64)
Reserved for encumbrances	<u>2,880</u>	<u>2,880</u>	<u>2,880</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>4,344</u></u>	\$ <u><u>2,944</u></u>	\$ <u><u>2,880</u></u>	\$ <u><u>(64)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – First Suburbs Consortium

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u> -</u>	\$ <u> 39,600</u>	\$ <u> 140,244</u>	\$ <u> 100,644</u>
Expenditures:				
Current:				
Community development	<u> 131,350</u>	<u> 131,350</u>	<u> 129,121</u>	<u> 2,229</u>
Net change in fund balance	(131,350)	(91,750)	11,123	102,873
Cash fund balance at beginning of year	<u> 91,841</u>	<u> 91,841</u>	<u> 91,841</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> (39,509)</u>	\$ <u> 91</u>	\$ <u> 102,964</u>	\$ <u> 102,873</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Communications System Operating

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>290,621</u>	\$ <u>306,000</u>	\$ <u>300,644</u>	\$ <u>(5,356)</u>
Expenditures:				
Current:				
Public safety	<u>582,621</u>	<u>606,000</u>	<u>597,748</u>	<u>8,252</u>
Excess of revenues over (under) expenditures	(292,000)	(300,000)	(297,104)	2,896
Other financing sources (uses):				
Transfers – in	<u>292,000</u>	<u>300,000</u>	<u>297,104</u>	<u>(2,896)</u>
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	76,193	76,193	76,193	-
Current year charges against prior years cash fund balance:				
Unreserved	-	-	-	-
Reserved for encumbrances	<u>(76,193)</u>	<u>(76,193)</u>	<u>(76,193)</u>	<u>-</u>
Cash fund balance at end of year:				
Reserved for encumbrances	<u>48,115</u>	<u>48,115</u>	<u>48,115</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>48,115</u></u>	\$ <u><u>48,115</u></u>	\$ <u><u>48,115</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Building Maintenance

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>21,000</u>	\$ <u>21,000</u>	\$ <u>24,840</u>	\$ <u>3,840</u>
Expenditures:				
Current:				
General government	<u>21,600</u>	<u>21,600</u>	<u>19,308</u>	<u>2,292</u>
Net change in fund balance	(600)	(600)	5,532	6,132
Cash fund balance at beginning of year	<u>19,543</u>	<u>19,543</u>	<u>19,543</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	18,943	18,943	25,075	6,132
Reserved for encumbrances	<u>311</u>	<u>311</u>	<u>311</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>19,254</u></u>	\$ <u><u>19,254</u></u>	\$ <u><u>25,386</u></u>	\$ <u><u>6,132</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Law Enforcement Trust

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 1,405	\$ 3,581	\$ 3,937	\$ 356
Fines and forfeitures	8,197	20,904	22,978	2,074
Other revenues	<u>398</u>	<u>1,015</u>	<u>1,116</u>	<u>101</u>
Total revenues	<u>10,000</u>	<u>25,500</u>	<u>28,031</u>	<u>2,531</u>
Expenditures:				
Current:				
Public safety	<u>55,000</u>	<u>75,876</u>	<u>58,457</u>	<u>17,419</u>
Net change in fund balance	(45,000)	(50,376)	(30,426)	19,950
Cash fund balance at beginning of year	<u>50,395</u>	<u>50,395</u>	<u>50,395</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	5,395	19	19,969	19,950
Reserved for encumbrances	<u>15,671</u>	<u>15,671</u>	<u>15,671</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>21,066</u></u>	\$ <u><u>15,690</u></u>	\$ <u><u>35,640</u></u>	\$ <u><u>19,950</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Drug Law Enforcement Trust

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 16,236	\$ 24,554	\$ 29,704	\$ 5,150
Fines and forfeitures	48,971	74,061	89,595	15,534
Other revenues	<u>9,793</u>	<u>14,810</u>	<u>17,917</u>	<u>3,107</u>
Total revenues	<u>75,000</u>	<u>113,425</u>	<u>137,216</u>	<u>23,791</u>
Expenditures:				
Current:				
Public safety	<u>350,000</u>	<u>558,512</u>	<u>204,997</u>	<u>353,515</u>
Net change in fund balance	(275,000)	(445,087)	(67,781)	377,306
Cash fund balance at beginning of year	<u>445,106</u>	<u>445,106</u>	<u>445,106</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>170,106</u></u>	\$ <u><u>19</u></u>	\$ <u><u>377,325</u></u>	\$ <u><u>377,306</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Resource

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>1,950,000</u>	\$ <u>4,200,000</u>	\$ <u>1,723,290</u>	\$ <u>(2,476,710)</u>
Expenditures:				
Current:				
Community development	<u>4,200,000</u>	<u>2,300,000</u>	<u>2,071,442</u>	<u>228,558</u>
Excess of revenues over (under) expenditures	<u>(2,250,000)</u>	<u>1,900,000</u>	<u>(348,152)</u>	<u>(2,248,152)</u>
Other financing sources (uses):				
Transfers - in	-	-	363,997	363,997
Other financing sources	-	-	37,285	37,285
Other financing uses	<u>-</u>	<u>-</u>	<u>(40,218)</u>	<u>(40,218)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>361,064</u>	<u>361,064</u>
Net change in fund balance	(2,250,000)	1,900,000	12,912	(1,887,088)
Cash fund balance at beginning of year	<u>453</u>	<u>453</u>	<u>453</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>(2,249,547)</u>	\$ <u>1,900,453</u>	\$ <u>13,365</u>	\$ <u>(1,887,088)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Program Income

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>450,000</u>	\$ <u>450,000</u>	\$ <u>373,184</u>	\$ <u>(76,816)</u>
Expenditures:				
Current:				
Community development	<u>350,000</u>	<u>364,153</u>	<u>373,184</u>	<u>(9,031)</u>
Net change in fund balance	100,000	85,847	-	85,847
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>100,000</u></u>	\$ <u><u>85,847</u></u>	\$ <u><u>-</u></u>	\$ <u><u>85,847</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – EPA-Brownfield Grant

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 296,910	\$ 181,174	\$ (115,736)
Other revenues	<u>-</u>	<u>-</u>	<u>62,284</u>	<u>62,284</u>
Total revenues	<u>-</u>	<u>296,910</u>	<u>243,458</u>	<u>(53,452)</u>
Expenditures:				
Current:				
Community development	<u>21,000</u>	<u>186,563</u>	<u>130,113</u>	<u>56,450</u>
Excess of revenues over (under) expenditures	(21,000)	110,347	113,345	2,998
Other financing sources (uses):				
Other financing sources	<u>-</u>	<u>(110,347)</u>	<u>(110,347)</u>	<u>-</u>
Net change in fund balance	(21,000)	-	2,998	2,998
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(21,000)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,998</u></u>	\$ <u><u>2,998</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – HOME Program

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 212,657	\$ 957,569	\$ 673,147	\$ (284,422)
Other revenues	<u>12,343</u>	<u>55,581</u>	<u>39,072</u>	<u>(16,509)</u>
Total revenues	<u>225,000</u>	<u>1,013,150</u>	<u>712,219</u>	<u>(300,931)</u>
Expenditures:				
Current:				
Community development	<u>321,582</u>	<u>919,948</u>	<u>613,801</u>	<u>306,147</u>
Excess of revenues over (under) expenditures	(96,582)	93,202	98,418	5,216
Other financing sources (uses):				
Other financing uses	<u>(98,418)</u>	<u>(98,418)</u>	<u>(98,418)</u>	<u>-</u>
Net change in fund balance	(195,000)	(5,216)	-	5,216
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(195,000)</u></u>	\$ <u><u>(5,216)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>5,216</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – FEMA Grants

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 1,141,300	\$ 902,035	\$ (239,265)
Expenditures:				
Current:				
Public safety	-	1,146,816	1,146,816	-
Excess of revenues over (under) expenditures	-	(5,516)	(244,781)	(239,265)
Other financing sources (uses):				
Other financing uses	-	-	239,203	239,203
Net change in fund balance	-	(5,516)	(5,578)	(62)
Cash fund balance at beginning of year	<u>5,578</u>	<u>5,578</u>	<u>5,578</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>5,578</u></u>	\$ <u><u>62</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(62)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Local T.V. Programming

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>300,000</u>	\$ <u>300,000</u>	\$ <u>321,477</u>	\$ <u>21,477</u>
Expenditures:				
Current:				
Community development	<u>186,565</u>	<u>197,270</u>	<u>162,013</u>	<u>35,257</u>
Excess of revenues over (under) expenditures	113,435	102,730	159,464	56,734
Other financing sources (uses):				
Transfers - out	<u>-</u>	<u>(35,000)</u>	<u>(32,768)</u>	<u>2,232</u>
Net change in fund balance	113,435	67,730	126,696	58,966
Cash fund balance at beginning of year	50,273	50,273	50,273	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(1,220)</u>	<u>(1,220)</u>	<u>(1,220)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>162,488</u></u>	\$ <u><u>116,783</u></u>	\$ <u><u>175,749</u></u>	\$ <u><u>58,966</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Cain Park

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 28,334	\$ 40,195	\$ 38,452	\$ (1,743)
Charges for services	398,013	564,623	540,144	(24,479)
Other revenues	<u>3,653</u>	<u>5,182</u>	<u>4,957</u>	<u>(225)</u>
Total revenues	<u>430,000</u>	<u>610,000</u>	<u>583,553</u>	<u>(26,447)</u>
Expenditures:				
Current:				
Culture and recreation	<u>900,000</u>	<u>900,000</u>	<u>873,178</u>	<u>26,822</u>
Excess of revenues over (under) expenditures	(470,000)	(290,000)	(289,625)	(375)
Other financing sources (uses):				
Transfers - in	<u>200,000</u>	<u>290,000</u>	<u>289,625</u>	<u>375</u>
Net change in fund balance	(270,000)	-	-	-
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(270,000)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Right of Way

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 37,660	\$ -	\$ (37,660)
Fees, licenses, and permits	-	-	<u>45,128</u>	<u>45,128</u>
Total revenues	<u>-</u>	<u>37,660</u>	<u>45,128</u>	<u>7,468</u>
Expenditures:				
Current:				
General government	-	<u>37,660</u>	<u>37,658</u>	<u>2</u>
Net change in fund balance	-	-	7,470	7,470
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,470</u>	\$ <u>7,470</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – ODNR Recycling Grants

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/(Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 9,500	\$ -	\$ (9,500)
Expenditures:				
Current:				
Community development	-	4,532	-	4,532
Excess of revenues over (under) expenditures	-	4,968	-	(4,968)
Other financing sources (uses):				
Transfers – out	-	(4,532)	(4,532)	-
Net change in fund balance	-	436	(4,532)	(4,968)
Cash fund balance at beginning of year	4,532	4,532	4,532	-
Total cash fund balance at end of year	\$ <u>4,532</u>	\$ <u>4,968</u>	\$ -	\$ <u>(4,968)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Indigent Driver’s Alcohol Treatment

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 2,329</u>	\$ <u> 2,329</u>
Expenditures:				
General government	<u> 14,000</u>	<u> 14,000</u>	<u> -</u>	<u> 14,000</u>
Excess of revenues over (under) expenditures	(14,000)	(14,000)	2,329	16,329
Cash fund balance at beginning of year	<u> 44,277</u>	<u> 44,277</u>	<u> 44,277</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> 30,277</u>	\$ <u> 30,277</u>	\$ <u> 46,606</u>	\$ <u> 16,329</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Clerk Computerization

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>140,000</u>	\$ <u>140,000</u>	\$ <u>107,350</u>	\$ <u>(32,650)</u>
Expenditures:				
Current:				
General government	<u>143,850</u>	<u>143,850</u>	<u>66,403</u>	<u>77,447</u>
Net change in fund balance	(3,850)	(3,850)	40,947	44,797
Cash fund balance at beginning of year	1,015,905	1,015,905	1,015,905	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(4,344)</u>	<u>(4,344)</u>	<u>(4,344)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	1,007,711	1,007,711	1,052,508	44,797
Reserved for encumbrances	<u>220</u>	<u>220</u>	<u>220</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,007,931</u></u>	\$ <u><u>1,007,931</u></u>	\$ <u><u>1,052,728</u></u>	\$ <u><u>44,797</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – DUI Enforcement and Education

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 3,260</u>	\$ <u> 3,260</u>
Expenditures:				
Current:				
General government	<u> 10,000</u>	<u> 10,000</u>	<u> -</u>	<u> 10,000</u>
Net change in fund balance	(10,000)	(10,000)	3,260	13,260
Cash fund balance at beginning of year	<u> 43,684</u>	<u> 43,684</u>	<u> 43,684</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> 33,684</u>	\$ <u> 33,684</u>	\$ <u> 46,944</u>	\$ <u> 13,260</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Special Projects

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>150,000</u>	\$ <u>150,000</u>	\$ <u>162,243</u>	\$ <u>12,243</u>
Expenditures:				
Current:				
General government	<u>164,500</u>	<u>164,500</u>	<u>83,899</u>	<u>80,601</u>
Net change in fund balance	(14,500)	(14,500)	78,344	92,844
Cash fund balance at beginning of year	<u>959,182</u>	<u>959,182</u>	<u>959,182</u>	<u>-</u>
Curent year charges against prior years cash fund balance:				
Unreserved	944,682	944,682	1,037,526	92,844
Reserved for encumbrances	<u>144</u>	<u>144</u>	<u>144</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>944,826</u></u>	\$ <u><u>944,826</u></u>	\$ <u><u>1,037,670</u></u>	\$ <u><u>92,844</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Lead Safe Cuyahoga

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u> -</u>	\$ <u> 184,585</u>	\$ <u> 188,675</u>	\$ <u> 4,090</u>
Expenditures:				
Current:				
Community development	<u> 125,000</u>	<u> 184,581</u>	<u> 184,581</u>	<u> -</u>
Excess of revenues over (under) expenditures	(125,000)	4	4,094	4,090
Other financing sources (uses):				
Other financing uses	<u> -</u>	<u> (4,094)</u>	<u> (4,094)</u>	<u> -</u>
Net change in fund balance	(125,000)	(4,090)	-	4,090
Cash fund balance at beginning of year	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> (125,000)</u>	\$ <u> (4,090)</u>	\$ <u> -</u>	\$ <u> 4,090</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Street Lighting

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ <u>685,000</u>	\$ <u>686,000</u>	\$ <u>698,512</u>	\$ <u>12,512</u>
Expenditures:				
Current:				
Public safety	<u>695,000</u>	<u>707,000</u>	<u>703,628</u>	<u>3,372</u>
Excess of revenues over (under) expenditures	(10,000)	(21,000)	(5,116)	15,884
Other financing sources (uses):				
Transfers - in	<u>15,000</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Net change in fund balance	5,000	(7,000)	8,884	15,884
Cash fund balance at beginning of year	<u>109,621</u>	<u>109,621</u>	<u>109,621</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>114,621</u></u>	\$ <u><u>102,621</u></u>	\$ <u><u>118,505</u></u>	\$ <u><u>15,884</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Tree

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses, and permits	\$ 945	\$ 949	\$ 940	\$ (9)
Special assessments	609,025	611,521	606,142	(5,379)
Other revenues	<u>30</u>	<u>30</u>	<u>30</u>	<u>-</u>
Total revenues	<u>610,000</u>	<u>612,500</u>	<u>607,112</u>	<u>(5,388)</u>
Expenditures:				
Current:				
Community development	<u>561,045</u>	<u>561,045</u>	<u>541,016</u>	<u>20,029</u>
Excess of revenues over (under) expenditures	48,955	51,455	66,096	14,641
Other financing sources (uses):				
Transfers - in	<u>15,000</u>	<u>12,500</u>	<u>10,820</u>	<u>(1,680)</u>
Net change in fund balance	63,955	63,955	76,916	12,961
Cash fund balance at beginning of year	144,982	144,982	144,982	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(13)</u>	<u>(13)</u>	<u>(13)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	208,924	208,924	221,885	12,961
Reserved for encumbrances	<u>3,498</u>	<u>3,498</u>	<u>3,498</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>212,422</u></u>	\$ <u><u>212,422</u></u>	\$ <u><u>225,383</u></u>	\$ <u><u>12,961</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Pension Trust

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 298,395	\$ 298,395	\$ 265,550	\$ (32,845)
Intergovernmental grants and contracts	<u>-</u>	<u>-</u>	<u>30,894</u>	<u>30,894</u>
Total revenues	<u>298,395</u>	<u>298,395</u>	<u>296,444</u>	<u>(1,951)</u>
Expenditures:				
Current:				
Public safety	<u>895,000</u>	<u>899,000</u>	<u>898,707</u>	<u>293</u>
Excess of revenues over (under) expenditures	(596,605)	(600,605)	(602,263)	(1,658)
Other financing sources (uses):				
Transfers - in	<u>600,000</u>	<u>605,000</u>	<u>602,263</u>	<u>(2,737)</u>
Net change in fund balance	3,395	4,395	-	(4,395)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>3,395</u></u>	\$ <u><u>4,395</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(4,395)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Fire Pension Trust

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 298,395	\$ 298,395	\$ 265,550	\$ (32,845)
Intergovernmental grants and contracts	<u>-</u>	<u>-</u>	<u>30,894</u>	<u>30,894</u>
Total revenues	<u>298,395</u>	<u>298,395</u>	<u>296,444</u>	<u>(1,951)</u>
Expenditures:				
Current:				
Public safety	<u>1,306,000</u>	<u>1,348,250</u>	<u>1,348,237</u>	<u>13</u>
Excess of revenues over (under) expenditures	(1,007,605)	(1,049,855)	(1,051,793)	(1,938)
Other financing sources (uses):				
Transfers - in	<u>1,011,000</u>	<u>1,061,500</u>	<u>1,051,793</u>	<u>(9,707)</u>
Net change in fund balance	3,395	11,645	-	(11,645)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>3,395</u></u>	\$ <u><u>11,645</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(11,645)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Earned Benefits

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Public safety	\$ 79,426	\$ 87,210	\$ 87,091	\$ 119
Culture and recreation	18,889	20,740	20,711	29
Community development	25,950	28,493	28,454	39
Sanitation	26,944	29,585	29,544	41
Transportation	11,743	12,894	12,876	18
General government	<u>87,048</u>	<u>95,578</u>	<u>95,448</u>	<u>130</u>
Total expenditures	<u>250,000</u>	<u>274,500</u>	<u>274,124</u>	<u>376</u>
Excess of revenues over (under) expenditures	(250,000)	(274,500)	(274,124)	376
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>275,000</u>	<u>274,124</u>	<u>(876)</u>
Net change in fund balance	(250,000)	500	-	(500)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>(250,000)</u>	\$ <u>500</u>	\$ <u>-</u>	\$ <u>(500)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Section 108 Loan Guarantee

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>30,000</u>	\$ <u>112,900</u>	\$ <u>112,368</u>	\$ <u>(532)</u>
Expenditures:				
Current:				
Community development	<u>30,500</u>	<u>33,850</u>	<u>33,316</u>	<u>534</u>
Excess of revenues over (under) expenditures	<u>(500)</u>	<u>79,050</u>	<u>79,052</u>	<u>2</u>
Other financing sources (uses):				
Transfers - in	-	8,345	8,343	(2)
Other financing uses	<u>-</u>	<u>(87,395)</u>	<u>(87,395)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(79,050)</u>	<u>(79,052)</u>	<u>(2)</u>
Net change in fund balance	(500)	-	-	-
Cash fund balance at beginning of year	<u>6,364</u>	<u>6,364</u>	<u>6,364</u>	<u>-</u>
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(6,364)</u>	<u>(6,364)</u>	<u>(6,364)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(500)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Office on Aging Donation

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 3,011	\$ 3,011	\$ 7,207	\$ 4,196
Other revenues	<u>1,989</u>	<u>1,989</u>	<u>4,762</u>	<u>2,773</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>11,969</u>	<u>6,969</u>
Expenditures:				
Current:				
Public health	<u>10,600</u>	<u>10,600</u>	<u>1,533</u>	<u>9,067</u>
Net change in fund balance	(5,600)	(5,600)	10,436	16,036
Cash fund balance at beginning of year	<u>87,231</u>	<u>87,231</u>	<u>87,231</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	81,631	81,631	97,667	16,036
Reserved for encumbrances	<u>66</u>	<u>66</u>	<u>66</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>81,697</u></u>	\$ <u><u>81,697</u></u>	\$ <u><u>97,733</u></u>	\$ <u><u>16,036</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Memorial

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>-</u>	\$ <u>3,375</u>	\$ <u>5,725</u>	\$ <u>2,350</u>
Expenditures:				
Current:				
General government	<u>-</u>	<u>3,375</u>	<u>2,000</u>	<u>1,375</u>
Net change in fund balance	-	-	3,725	3,725
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,725</u></u>	\$ <u><u>3,725</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Animal Adoption

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Public safety	\$ <u>275</u>	\$ <u>275</u>	\$ <u>-</u>	\$ <u>275</u>
Net change in fund balance	(275)	(275)	-	275
Cash fund balance at beginning of year	<u>292</u>	<u>292</u>	<u>292</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>17</u></u>	\$ <u><u>17</u></u>	\$ <u><u>292</u></u>	\$ <u><u>275</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Youth Recreation Donation

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>2,500</u>	\$ <u>2,500</u>	\$ <u>2,541</u>	\$ <u>41</u>
Expenditures:				
Current:				
General government	<u>3,500</u>	<u>3,600</u>	<u>3,559</u>	<u>41</u>
Net change in fund balance	(1,000)	(1,100)	(1,018)	82
Cash fund balance at beginning of year	<u>4,410</u>	<u>4,410</u>	<u>4,410</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>3,410</u></u>	\$ <u><u>3,310</u></u>	\$ <u><u>3,392</u></u>	\$ <u><u>82</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Facility Improvement

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ <u>-</u>	\$ <u>4,315</u>	\$ <u>5,505</u>	\$ <u>1,190</u>
Expenditures:				
Current:				
Public safety	<u>10,000</u>	<u>14,027</u>	<u>10,177</u>	<u>3,850</u>
Net change in fund balance	(10,000)	(9,712)	(4,672)	5,040
Cash fund balance at beginning of year	<u>9,712</u>	<u>9,712</u>	<u>9,712</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(288)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>5,040</u></u>	\$ <u><u>5,040</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Recreation Facility Improvement

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ <u>696,257</u>	\$ <u>696,257</u>	\$ <u>691,704</u>	\$ <u>(4,553)</u>
Expenditures:				
Current:				
Culture and recreation	<u>680,000</u>	<u>680,000</u>	<u>591,227</u>	<u>88,773</u>
Net change in fund balance	16,257	16,257	100,477	84,220
Cash fund balance at beginning of year	380,129	380,129	380,129	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(38,772)</u>	<u>(38,772)</u>	<u>(38,772)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	357,614	357,614	441,834	84,220
Reserved for encumbrances	<u>254,627</u>	<u>254,627</u>	<u>254,627</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>612,241</u></u>	\$ <u><u>612,241</u></u>	\$ <u><u>696,461</u></u>	\$ <u><u>84,220</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Capital Improvements

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ <u>6,281</u>	\$ <u>6,281</u>	\$ <u>6,281</u>	\$ <u>-</u>
Expenditures:				
Current:				
Sanitation	166,690	120,388	94,880	25,508
Transportation	696,743	503,203	396,582	106,621
General government	<u>36,567</u>	<u>26,409</u>	<u>20,813</u>	<u>5,596</u>
Total expenditures	<u>900,000</u>	<u>650,000</u>	<u>512,275</u>	<u>137,725</u>
Excess of revenues over (under) expenditures	(893,719)	(643,719)	(505,994)	(137,725)
Other financing sources (uses):				
Proceeds from sale of debt	<u>893,719</u>	<u>893,719</u>	<u>580,392</u>	<u>(313,327)</u>
Net change in fund balance	-	250,000	74,398	(175,602)
Cash fund balance at beginning of year	519,080	519,080	519,080	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(322,210)</u>	<u>(322,210)</u>	<u>(322,210)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	196,870	446,870	271,268	(175,602)
Reserved for encumbrances	<u>59,894</u>	<u>59,894</u>	<u>59,894</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>256,764</u>	\$ <u>506,764</u>	\$ <u>331,162</u>	\$ <u>(175,602)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Economic Development

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Community development	\$ <u>50,000</u>	\$ <u>32,800</u>	\$ <u>32,768</u>	\$ <u>32</u>
Excess of revenues over (under) expenditures	(50,000)	(32,800)	(32,768)	32
Other financing sources (uses)				
Transfers - in	<u>-</u>	<u>50,000</u>	<u>32,768</u>	<u>(17,232)</u>
Net change in fund balance	(50,000)	17,200	-	(17,200)
Cash fund balance at beginning of year	34,313	34,313	34,313	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(34,313)</u>	<u>(34,313)</u>	<u>(34,313)</u>	<u>-</u>
Cash fund balance at end of year				
Unreserved	(50,000)	17,200	-	(17,200)
Reserved for encumbrances	<u>1,736</u>	<u>1,736</u>	<u>1,736</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>(48,264)</u>	\$ <u>18,936</u>	\$ <u>1,736</u>	\$ <u>(17,200)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – City Hall Maintenance

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>15,000</u>	\$ <u>15,000</u>	\$ <u>12,600</u>	\$ <u>(2,400)</u>
Expenditures:				
Current:				
General government	<u>15,000</u>	<u>15,000</u>	<u>12,995</u>	<u>2,005</u>
Net change in fund balance	-	-	(395)	(395)
Cash fund balance at beginning of year	<u>3,717</u>	<u>3,717</u>	<u>3,717</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>3,717</u></u>	\$ <u><u>3,717</u></u>	\$ <u><u>3,322</u></u>	\$ <u><u>(395)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Recreation Improvements

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Culture and recreation	\$ <u>2,950</u>	\$ <u>2,950</u>	\$ <u>-</u>	\$ <u>2,950</u>
Net change in fund balance	(2,950)	(2,950)	-	2,950
Cash fund balance at beginning of year	46,272	46,272	46,272	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(35,723)</u>	<u>(35,723)</u>	<u>(35,723)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>7,599</u></u>	\$ <u><u>7,599</u></u>	\$ <u><u>10,549</u></u>	\$ <u><u>2,950</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Zagara TIF

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ <u>132,395</u>	\$ <u>129,850</u>	\$ <u>126,965</u>	\$ <u>(2,885)</u>
Expenditures:				
Debt service:				
Principal retirement	200,000	200,000	200,000	-
Interest and fiscal charges	<u>45,850</u>	<u>45,850</u>	<u>42,395</u>	<u>3,455</u>
Total expenditures	<u>245,850</u>	<u>245,850</u>	<u>242,395</u>	<u>3,455</u>
Excess of revenues over (under) expenditures	(113,455)	(116,000)	(115,430)	570
Other financing sources (uses):				
Transfers - in	<u>110,000</u>	<u>116,000</u>	<u>115,430</u>	<u>(570)</u>
Net change in fund balance	(3,455)	-	-	-
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(3,455)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budget) – Ring Road Construction

For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Transportation	\$ <u>105,000</u>	\$ <u>5,970</u>	\$ <u>5,970</u>	\$ <u>-</u>
Excess of revenues over (under) expenditures	(105,000)	(5,970)	(5,970)	-
Other financing sources (uses):				
Transfers - out	<u>-</u>	<u>(329,600)</u>	<u>(308,533)</u>	<u>21,067</u>
Net change in fund balance	(105,000)	(335,570)	(314,503)	21,067
Cash fund balance at beginning of year	<u>764,562</u>	<u>764,562</u>	<u>764,562</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>659,562</u></u>	\$ <u><u>428,992</u></u>	\$ <u><u>450,059</u></u>	\$ <u><u>21,067</u></u>

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City of Cleveland Heights, Ohio

Combining Statements – Agency Funds

For The Year Ended December 31, 2007

Agency Funds

General Liability Contingency – To account for the accumulation of resources to pay for extraordinary losses which may arise as a result of legal action against the City.

Cleveland Heights Municipal Court Agency – To account for assets received and disbursed by the Cleveland Heights Municipal Court pursuant to the laws of the State.

Construction Deposit Agency – To account for the receipt of refundable construction deposits required for the issuance of certain building permits.

Sales Tax Agency – To account for any sales tax collected by the City and due the State Department of Taxation.

Miscellaneous – To account for miscellaneous receipts received in an agency capacity by the City.

N.E.O.R.S.D. (Northeast Ohio Regional Sewer District) – To account for the financial transactions associated with the City acting as a billing agent for the Northeast Ohio Regional Sewer District.

City of Cleveland Heights, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For The Year Ended December 31, 2007

	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2007</u>
General liability contingency:				
Assets:				
Equity in city treasury cash	\$ <u>3,771</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,771</u>
Total assets	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,771</u></u>
Liabilities:				
Restricted deposits	\$ <u>3,771</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,771</u>
Total liabilities	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,771</u></u>
Municipal Court:				
Assets:				
Equity in city treasury cash	\$ <u>363,307</u>	\$ <u>3,023,566</u>	\$ <u>3,034,748</u>	\$ <u>352,125</u>
Total assets	\$ <u><u>363,307</u></u>	\$ <u><u>3,023,566</u></u>	\$ <u><u>3,034,748</u></u>	\$ <u><u>352,125</u></u>
Liabilities:				
Due to others	\$ <u>191,234</u>	\$ <u>1,767,459</u>	\$ <u>1,772,910</u>	\$ <u>185,783</u>
Restricted deposits	<u>172,073</u>	<u>1,256,107</u>	<u>1,261,838</u>	<u>166,342</u>
Total liabilities	\$ <u><u>363,307</u></u>	\$ <u><u>3,023,566</u></u>	\$ <u><u>3,034,748</u></u>	\$ <u><u>352,125</u></u>
Construction deposits:				
Assets:				
Equity in city treasury cash	\$ <u>131,259</u>	\$ <u>200</u>	\$ <u>300</u>	\$ <u>131,159</u>
Total assets	\$ <u><u>131,259</u></u>	\$ <u><u>200</u></u>	\$ <u><u>300</u></u>	\$ <u><u>131,159</u></u>
Liabilities:				
Restricted deposits	\$ <u>131,259</u>	\$ <u>200</u>	\$ <u>300</u>	\$ <u>131,159</u>
Total liabilities	\$ <u><u>131,259</u></u>	\$ <u><u>200</u></u>	\$ <u><u>300</u></u>	\$ <u><u>131,159</u></u>
Sales tax:				
Assets:				
Equity in city treasury cash	\$ <u>2,717</u>	\$ <u>4,601</u>	\$ <u>6,927</u>	\$ <u>391</u>
Total assets	\$ <u><u>2,717</u></u>	\$ <u><u>4,601</u></u>	\$ <u><u>6,927</u></u>	\$ <u><u>391</u></u>
Liabilities:				
Due to other governments	\$ <u>2,717</u>	\$ <u>4,601</u>	\$ <u>6,927</u>	\$ <u>391</u>
Total liabilities	\$ <u><u>2,717</u></u>	\$ <u><u>4,601</u></u>	\$ <u><u>6,927</u></u>	\$ <u><u>391</u></u>
Miscellaneous:				
Assets:				
Equity in city treasury cash	\$ <u>157,295</u>	\$ <u>127,929</u>	\$ <u>134,074</u>	\$ <u>151,150</u>
Total assets	\$ <u><u>157,295</u></u>	\$ <u><u>127,929</u></u>	\$ <u><u>134,074</u></u>	\$ <u><u>151,150</u></u>
Liabilities:				
Restricted deposits	\$ <u>157,295</u>	\$ <u>127,929</u>	\$ <u>134,074</u>	\$ <u>151,150</u>
Total liabilities	\$ <u><u>157,295</u></u>	\$ <u><u>127,929</u></u>	\$ <u><u>134,074</u></u>	\$ <u><u>151,150</u></u>

(continued)

City of Cleveland Heights, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds (Continued)

For The Year Ended December 31, 2007

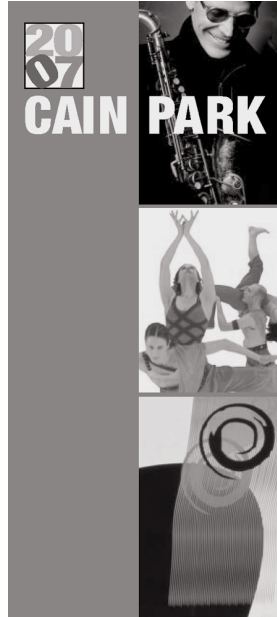
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2007</u>
NEORSD:				
Assets:				
Equity in city treasury cash	\$ <u>105,612</u>	\$ <u>6,091,443</u>	\$ <u>6,094,080</u>	\$ <u>102,975</u>
Total assets	\$ <u><u>105,612</u></u>	\$ <u><u>6,091,443</u></u>	\$ <u><u>6,094,080</u></u>	\$ <u><u>102,975</u></u>
Liabilities:				
Due to other governments	\$ <u>105,612</u>	\$ <u>6,091,443</u>	\$ <u>6,094,080</u>	\$ <u>102,975</u>
Total liabilities	\$ <u><u>105,612</u></u>	\$ <u><u>6,091,443</u></u>	\$ <u><u>6,094,080</u></u>	\$ <u><u>102,975</u></u>
Totals – All Agency Funds:				
Assets:				
Equity in city treasury cash	\$ <u>763,961</u>	\$ <u>9,247,739</u>	\$ <u>9,270,129</u>	\$ <u>741,571</u>
Total assets	\$ <u><u>763,961</u></u>	\$ <u><u>9,247,739</u></u>	\$ <u><u>9,270,129</u></u>	\$ <u><u>741,571</u></u>
Liabilities:				
Due to others	\$ 191,234	\$ 1,767,459	\$ 1,772,910	\$ 185,783
Due to other governments	108,329	6,096,044	6,101,007	103,366
Restricted deposits	<u>464,398</u>	<u>1,384,236</u>	<u>1,396,212</u>	<u>452,422</u>
Total liabilities	\$ <u><u>763,961</u></u>	\$ <u><u>9,247,739</u></u>	\$ <u><u>9,270,129</u></u>	\$ <u><u>741,571</u></u>

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STATISTICAL SECTION



Today, Cain Park produces an exciting summer entertainment season of music, dance, art and more. The Cain Park Arts Festival, a nationally-renowned, three-day juried fine arts show draws thousands of visitors each July from across Northeast Ohio.

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Statistical Section

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

Contents	Pages(s)
<p><i>Financial Trends</i>..... 135 - 142 These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	
<p><i>Revenue Capacity</i>..... 143 - 147 These schedules contain information to help the reader assess the City’s most significant local revenue, the property tax and the municipal income tax.</p>	
<p><i>Debt Capacity</i>..... 148 - 154 These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	
<p><i>Economic and Demographic Information</i> 155 - 156 These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	
<p><i>Operating Information</i>..... 157 - 164 These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Cleveland Heights, Ohio

Net Assets By Component - Last Five Years

Accrual Basis of Accounting

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in Capital Assets	\$ 47,989,231	\$ 46,423,601	\$ 45,120,294	\$ 44,538,645	\$ 45,405,726
Restricted:					
Debt service	2,869,545	2,652,333	3,260,162	3,204,502	5,846,721
Capital projects	1,310,756	1,181,513	531,364	-	-
Community development	1,476,300	1,351,146	1,665,363	-	-
Municipal court special projects	2,106,017	1,992,154	1,825,114	-	-
Other purposes	1,571,300	1,267,905	534,225	4,022,232	4,156,178
Unrestricted	<u>6,636,083</u>	<u>4,855,068</u>	<u>4,434,530</u>	<u>5,602,167</u>	<u>(2,600,022)</u>
Total Governmental Activities Net Assets	<u>63,959,232</u>	<u>59,723,720</u>	<u>57,371,052</u>	<u>57,367,546</u>	<u>52,808,603</u>
Business-Type-Activities					
Invested in Capital Assets, Net of Related Debt	29,324,738	29,185,731	29,521,445	28,494,702	28,549,980
Unrestricted	<u>4,224,348</u>	<u>3,345,378</u>	<u>2,254,038</u>	<u>5,019,373</u>	<u>5,738,795</u>
Total Business-Type Activities Net Assets	<u>33,549,086</u>	<u>32,531,109</u>	<u>31,775,483</u>	<u>33,514,075</u>	<u>34,288,775</u>
Primary Government					
Invested in Capital Assets, Net of Related Debt	77,313,969	75,609,332	74,641,739	73,033,347	73,955,706
Restricted	9,333,918	8,445,051	7,816,228	7,226,734	10,002,899
Unrestricted	<u>10,860,431</u>	<u>8,200,446</u>	<u>6,688,568</u>	<u>10,621,540</u>	<u>3,138,773</u>
Total Primary Government Net Assets	<u>\$ 97,508,318</u>	<u>\$ 92,254,829</u>	<u>\$ 89,146,535</u>	<u>\$ 90,881,621</u>	<u>\$ 87,097,378</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Five Years

Accrual Basis of Accounting

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,347,482	\$ 4,426,901	\$ 4,708,959	\$ 3,461,016	\$ 3,757,832
Public safety	2,913,059	989,133	826,386	822,387	1,023,035
Public health	1,580	6,671	6,706	5,540	-
Culture and recreation	2,050,639	2,265,814	2,150,561	1,893,288	1,755,186
Community development	2,365,009	588,919	459,862	2,566,510	1,341,973
Sanitation	978,584	747,719	722,498	477,887	596,220
Transportation	-	33,259	268,275	2,240,332	295,005
Operating grants and contributions					
General government	184,581	100,279	71,731	99,605	203,808
Public safety	904,391	59,471	46,614	42,057	7,212
Public health	30,240	26,200	27,103	30,521	33,479
Culture and recreation	38,452	21,926	5,000	5,000	5,000
Community development	2,306,553	1,750,245	1,462,627	2,491,578	1,580,209
Sanitation	10,000	10,884	30,719	53,458	48,095
Capital grants and contributions	<u>273,750</u>	<u>338,000</u>	<u>-</u>	<u>212,217</u>	<u>815,829</u>
Total governmental activities program revenues	<u>16,404,320</u>	<u>11,365,421</u>	<u>10,787,041</u>	<u>14,401,396</u>	<u>11,462,883</u>
Business-type activities:					
Charges for services:					
Utilities	12,029,659	11,051,246	9,876,078	9,649,779	10,048,930
Off-street parking	748,120	772,037	735,696	776,248	634,306
Ambulance services	612,138	619,271	639,117	616,941	537,065
Operating grants and contributions					
Utilities	-	-	555,343	94,170	95,330
Ambulance services	5,975	149,934	64,799	4,125	10,090
Capital grants and contributions					
Ambulance services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,510</u>
Total business-type activities program revenues	<u>13,395,892</u>	<u>12,592,488</u>	<u>11,871,033</u>	<u>11,141,263</u>	<u>11,479,231</u>
Total primary government program revenues	<u>\$ 29,800,212</u>	<u>\$ 23,957,909</u>	<u>\$ 22,658,074</u>	<u>\$ 25,542,659</u>	<u>\$ 22,942,114</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Five Years (continued)

Accrual Basis of Accounting

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses					
Governmental activities:					
General government	\$ 11,941,290	\$ 15,103,153	\$ 15,619,750	\$ 13,527,660	\$ 13,763,275
Public safety	19,723,818	18,782,355	18,031,294	18,367,866	17,671,151
Public health	426,606	435,206	447,114	454,038	460,421
Culture and recreation	4,259,479	4,106,053	3,899,948	3,774,060	3,812,176
Community development	6,453,726	6,842,251	5,930,750	7,739,951	7,912,186
Sanitation	3,002,530	3,067,667	2,756,181	3,009,859	2,976,704
Transportation	7,052,660	3,054,535	3,345,499	4,917,119	2,064,177
Interest and fiscal charges	<u>969,947</u>	<u>753,647</u>	<u>1,279,516</u>	<u>1,260,115</u>	<u>1,371,232</u>
Total governmental activities expenses	<u>53,830,056</u>	<u>52,144,867</u>	<u>51,310,052</u>	<u>53,050,668</u>	<u>50,031,322</u>
Business-type activities:					
Utilities	11,502,989	11,509,051	12,196,889	10,101,056	10,945,652
Off-street parking	1,115,903	773,699	870,546	845,685	871,360
Ambulance services	603,274	633,987	557,555	998,800	707,532
Cedar-Lee parking deck	<u>278,986</u>	<u>245,069</u>	<u>50,750</u>	<u>-</u>	<u>-</u>
Total business-type activities expenses	<u>13,501,152</u>	<u>13,161,806</u>	<u>13,675,740</u>	<u>11,945,541</u>	<u>12,524,544</u>
Total primary government expenses	<u>67,331,208</u>	<u>65,306,673</u>	<u>64,985,792</u>	<u>64,996,209</u>	<u>62,555,866</u>
Net (Expense)/Revenue					
Governmental activities	(37,425,736)	(40,779,446)	(40,523,011)	(38,649,272)	(38,568,439)
Business-type activities	<u>(105,260)</u>	<u>(569,318)</u>	<u>(1,804,707)</u>	<u>(804,278)</u>	<u>(1,045,313)</u>
Total primary government net expense	<u>(37,530,996)</u>	<u>(41,348,764)</u>	<u>(42,327,718)</u>	<u>(39,453,550)</u>	<u>(39,613,752)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes levied for:					
General purposes	8,216,507	6,713,918	6,462,966	10,954,701	5,279,179
Debt service	3,806,226	3,496,022	3,913,630	389,310	4,727,127
Police and fire pension	531,102	489,038	472,622	481,968	410,382
Municipal income taxes	21,869,012	23,073,254	21,015,495	21,883,632	20,418,119
Grants and entitlements not restricted to specific programs	6,607,694	8,431,052	7,468,935	6,473,704	7,506,950
Interest earnings	668,428	672,273	372,478	196,901	313,444
Reimbursement received	-	-	-	952,220	891,824
Other revenue	717,745	727,929	1,113,746	147,969	369,107
Gain/(loss) on sale of assets	-	-	-	(67,252)	29,509
Transfers	<u>(755,466)</u>	<u>(590,172)</u>	<u>(128,847)</u>	<u>4,888</u>	<u>4,261</u>
Total governmental activities	<u>41,661,248</u>	<u>43,013,314</u>	<u>40,691,025</u>	<u>41,418,041</u>	<u>39,949,902</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Five Years (continued)

Accrual Basis of Accounting

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Business-type activities					
Interest earnings	351,419	415,954	74,039	33,633	68,751
Reimbursement received	-	-	-	2,000	-
Other revenue	16,352	37,837	68,462	1,000	21,020
Loss on sale of assets	-	-	-	(2,167)	13,650
Transfers	<u>755,466</u>	<u>590,172</u>	<u>128,847</u>	<u>(4,888)</u>	<u>(4,261)</u>
Total business-type activities	<u>1,123,237</u>	<u>1,043,963</u>	<u>271,348</u>	<u>29,578</u>	<u>99,160</u>
Total primary government	\$ <u>42,784,485</u>	\$ <u>44,057,277</u>	\$ <u>40,962,373</u>	\$ <u>41,447,619</u>	\$ <u>40,049,062</u>
Change in net assets:					
Governmental activities	\$ 4,235,512	\$ 2,233,868	\$ 168,014	\$ 2,768,769	\$ 1,381,463
Business-type activities	<u>1,017,977</u>	<u>474,645</u>	<u>(1,533,359)</u>	<u>(774,700)</u>	<u>(946,153)</u>
Total primary government	\$ <u>5,253,489</u>	\$ <u>2,708,513</u>	\$ <u>(1,365,345)</u>	\$ <u>1,994,069</u>	\$ <u>435,310</u>

City of Cleveland Heights, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$ 504,536	\$ 434,892	\$ 235,383	\$ 221,631	\$ 261,183
Unreserved	<u>3,239,649</u>	<u>4,547,592</u>	<u>3,522,250</u>	<u>3,621,791</u>	<u>3,215,530</u>
Total General Fund	<u>3,744,185</u>	<u>4,982,484</u>	<u>3,757,633</u>	<u>3,843,422</u>	<u>3,476,713</u>
All Other Governmental Funds					
Reserved	1,830,706	2,063,226	2,249,303	2,965,651	2,385,227
Unreserved, reported in:					
Special Revenue Funds	2,828,052	1,721,695	811,709	1,767,319	1,731,121
Capital Projects Funds	586,408	571,406	171,120	(1,405,019)	(4,389,548)
Debt Service Funds	<u>2,869,545</u>	<u>2,652,333</u>	<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>
Total All Other Governmental Funds	<u>8,114,711</u>	<u>7,008,660</u>	<u>6,492,294</u>	<u>6,532,453</u>	<u>3,003,521</u>
Total All Funds	\$ <u>11,858,896</u>	\$ <u>11,991,144</u>	\$ <u>10,249,927</u>	\$ <u>10,375,875</u>	\$ <u>6,480,234</u>

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 406,493	\$ 332,784	\$ 478,451	\$ 612,649	\$ 783,345
<u>6,110,977</u>	<u>9,268,819</u>	<u>8,289,391</u>	<u>8,808,680</u>	<u>7,916,012</u>
<u>6,517,470</u>	<u>9,601,603</u>	<u>8,767,842</u>	<u>9,421,329</u>	<u>8,699,357</u>
2,332,517	3,284,437	9,793,216	2,629,208	2,060,616
2,542,932	2,523,464	4,432,990	4,218,833	3,988,464
(1,389,525)	(1,291,739)	3,223,776	3,067,926	3,160,459
<u>3,418,626</u>	<u>3,136,351</u>	<u>(3,633,790)</u>	<u>13,817,804</u>	<u>14,857,990</u>
<u>6,904,550</u>	<u>7,652,513</u>	<u>13,816,192</u>	<u>23,733,771</u>	<u>24,067,529</u>
\$ <u>13,422,020</u>	\$ <u>17,254,116</u>	\$ <u>22,584,034</u>	\$ <u>33,155,100</u>	\$ <u>32,766,886</u>

City of Cleveland Heights, Ohio

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues:					
Property and other					
local taxes	\$ 11,634,160	\$ 10,742,779	\$ 10,930,941	\$ 12,376,008	\$ 10,894,532
Municipal income taxes	22,022,446	22,768,921	20,798,981	20,276,910	19,660,730
Intergovernmental	11,351,954	9,808,274	8,785,344	10,139,761	10,417,178
Charges for services	3,520,404	3,453,756	3,034,867	2,717,941	2,650,325
Fees, licenses and permits	1,546,256	1,258,928	1,327,248	1,099,908	1,036,719
Interest earnings	657,279	628,230	342,165	179,557	276,102
Special assessments	1,469,507	1,460,640	1,461,639	1,237,577	1,169,775
Fines and forfeitures	2,377,640	3,215,637	3,254,822	2,812,162	2,843,230
Reimbursements received	1,017,395	608,570	883,355	1,002,220	-
Other revenues	<u>961,273</u>	<u>1,129,654</u>	<u>1,481,634</u>	<u>1,150,039</u>	<u>2,064,906</u>
 Total revenues	 <u>56,558,314</u>	 <u>55,075,389</u>	 <u>52,300,996</u>	 <u>52,992,083</u>	 <u>51,013,497</u>
Expenditures:					
Current:					
Public safety	17,607,171	18,343,503	18,057,194	17,002,404	17,874,797
Public health	414,663	423,239	432,265	441,036	447,871
Culture and recreation	3,460,288	4,007,032	3,711,215	3,452,859	3,485,167
Community development	5,909,549	6,456,465	5,645,509	7,305,467	6,700,695
Sanitation	2,618,865	3,081,125	3,026,639	2,799,102	2,977,592
Transportation	3,819,214	4,522,818	7,418,116	6,237,771	9,047,135
General government	14,907,466	13,289,052	12,385,439	12,966,859	13,218,508
Debt service:					
Principal	1,880,646	1,773,221	1,640,000	2,680,000	2,570,000
Interest and fiscal charges	1,045,066	1,144,568	1,279,516	1,265,115	1,384,232
Capital outlay	<u>4,353,749</u>	<u>13,676</u>	<u>23,215</u>	<u>37,735</u>	<u>747,810</u>
 Total expenditures	 <u>56,016,677</u>	 <u>53,054,699</u>	 <u>53,619,108</u>	 <u>54,188,348</u>	 <u>58,453,807</u>
Excess of revenues over (under) expenditures	<u>541,637</u>	<u>2,020,690</u>	<u>(1,318,112)</u>	<u>(1,196,265)</u>	<u>(7,440,310)</u>
Other financing sources (uses)					
Issuance of debt	67,050	102,359	1,129,752	3,200,000	-
Proceeds from sale of assets	14,531	139,500	191,259	96,844	309,000
Inception of capital lease	-	68,840	-	-	115,000
Other financing sources	-	-	-	-	-
Other financing uses	-	-	-	-	-
Transfers - in	4,584,852	3,959,609	4,701,322	2,544,116	2,687,283
Transfers - out	<u>(5,340,318)</u>	<u>(4,549,781)</u>	<u>(4,830,169)</u>	<u>(2,539,228)</u>	<u>(2,683,022)</u>
 Total other financing sources (uses)	 <u>(673,885)</u>	 <u>(279,473)</u>	 <u>1,192,164</u>	 <u>3,301,732</u>	 <u>428,261</u>
Net change in fund balances	\$ <u>(132,248)</u>	\$ <u>1,741,217</u>	\$ <u>(125,948)</u>	\$ <u>2,105,467</u>	\$ <u>(7,012,049)</u>
Debt service as a percentage of noncapital expenditures	5.66%	5.50%	5.45%	7.24%	6.85%

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 16,359,936	\$ 11,089,243	\$ 37,094,902	\$ 35,772,759	\$ 15,248,810
19,514,488	19,842,139	-	-	18,129,164
4,204,152	3,983,747	3,477,391	3,110,374	3,515,264
2,355,048	1,698,829	1,524,971	1,659,907	1,784,525
913,301	890,925	1,165,156	1,282,469	1,092,561
681,213	1,630,247	2,472,355	2,173,847	2,251,807
1,221,592	1,043,594	1,073,912	1,058,733	1,045,518
2,365,086	2,210,566	2,223,951	2,055,224	2,156,536
-	-	-	-	-
<u>1,955,416</u>	<u>1,627,149</u>	<u>2,239,142</u>	<u>1,840,791</u>	<u>1,443,404</u>
<u>49,570,232</u>	<u>44,016,439</u>	<u>51,271,780</u>	<u>48,954,104</u>	<u>46,667,589</u>
16,484,752	16,814,398	15,901,028	15,021,518	14,043,553
422,791	478,573	386,699	359,960	323,020
4,226,325	12,031,569	11,657,511	2,938,783	1,961,892
7,168,486	9,088,496	7,302,622	7,481,488	4,758,719
2,875,271	3,042,946	3,221,364	2,944,514	2,616,194
6,132,565	4,711,853	4,737,175	3,723,768	2,105,000
12,859,277	12,563,904	11,529,977	11,100,883	9,536,018
531,726	1,482,142	2,305,910	563,223	5,819,776
2,450,000	4,513,993	2,115,000	2,040,000	1,764,401
<u>1,478,007</u>	<u>1,584,524</u>	<u>1,561,089</u>	<u>1,655,506</u>	<u>1,964,547</u>
<u>54,629,200</u>	<u>66,312,398</u>	<u>60,718,375</u>	<u>47,829,643</u>	<u>44,893,120</u>
<u>(5,058,968)</u>	<u>(22,295,959)</u>	<u>(9,446,595)</u>	<u>1,124,461</u>	<u>1,774,469</u>
-	8,518,519	67,910	2,000,000	-
166,073	-	3,826	(2,134,387)	1,125
-	332,111	115,000	(730,580)	-
1,000,000	-	-	750,883	454
-	-	-	(584,823)	(675)
3,667,678	3,323,391	3,407,922	4,787,470	5,341,456
<u>(3,662,743)</u>	<u>(3,073,861)</u>	<u>(3,401,922)</u>	<u>(4,784,880)</u>	<u>(5,338,454)</u>
<u>1,171,008</u>	<u>9,100,160</u>	<u>192,736</u>	<u>(696,317)</u>	<u>3,906</u>
\$ <u>(3,887,960)</u>	\$ <u>(13,195,799)</u>	\$ <u>(9,253,859)</u>	\$ <u>428,144</u>	\$ <u>1,778,375</u>
7.26%	9.41%	6.29%	7.82%	9.54%

City of Cleveland Heights, Ohio

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Tax Year/ Collection Year	Real Property		Estimated Actual Value(a)	Personal Property Assessed Value	Public Utilities Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
	Assessed Value						
	Commercial	Residential					
2007/2008	\$148,540,150	\$ 819,665,980	\$ 2,766,303,229	\$ 8,925,215	\$ 9,479,500	\$ 986,610,845	\$ 12.90
2006/2007	153,391,080	816,780,760	2,771,919,542	13,941,095	15,185,570	999,298,505	13.00
2005/2006	132,354,280	710,087,650	2,406,976,943	15,873,576	25,325,370	883,640,876	13.00
2004/2005	133,121,050	709,043,670	2,406,184,914	18,345,751	27,401,630	887,912,101	13.10
2003/2004	134,174,420	706,821,340	2,402,845,171	19,034,202	31,031,530	891,061,492	14.00
2002/2003	124,975,940	563,120,040	2,092,855,486	21,123,332	28,711,240	737,930,552	14.10
2001/2002	124,836,080	605,388,740	2,085,499,486	20,182,093	17,405,910	767,812,823	14.00
2000/2001	121,304,650	605,561,490	2,076,760,400	29,093,694	27,071,690	783,031,524	14.10
1999/2000	103,265,710	532,677,610	1,816,980,914	17,814,173	23,144,800	676,902,293	14.80
1998/1999	92,643,810	532,581,060	1,786,356,771	17,799,923	25,053,540	668,078,333	14.80

(a) Estimated Actual Value based on assessment level of 35% from tax year 1976 and later.

Tax rates are per \$1,000 of assessed valuation.

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)

Last Ten Years

Tax Year/ Collection Year	<u>City of Cleveland Heights Direct Rates</u>				<u>Overlapping Rates</u>		
	<u>General Fund</u>	<u>Pension Trust Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>	<u>Cleveland Heights School District(a)</u>	<u>Cuyahoga County</u>	<u>Total</u>
2007/2008	\$ 7.40	\$ 0.60	\$ 4.90	\$ 12.90	\$ 142.60	\$ 18.20	\$ 173.70
2006/2007	7.40	0.60	5.00	13.00	135.50	18.20	166.70
2005/2006	7.40	0.60	5.00	13.00	135.40	18.30	166.70
2004/2005	7.40	0.60	5.10	13.10	135.50	18.30	166.90
2003/2004	7.40	0.60	6.00	14.00	127.00	18.00	159.00
2002/2003	7.40	0.60	6.10	14.10	127.00	16.20	157.30
2001/2002	7.40	0.60	6.00	14.00	127.00	16.20	157.20
2000/2001	7.40	0.60	6.10	14.10	126.30	16.20	156.60
1999/2000	7.40	0.60	6.80	14.80	115.00	15.30	145.10
1998/1999	7.40	0.60	6.80	14.80	115.00	15.30	145.10

(a) includes Metroparks and Library Millage

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Total Collection Including Deficiencies</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Accumulated Delinquency</u>
2006/2007	\$ 12,956,143	\$ 12,012,023	92.7%	\$ 12,735,226	98.29%	\$ 1,149,571
2005/2006	11,482,010	10,926,279	95.2%	11,609,888	101.1%	947,381
2004/2005	11,592,970	10,734,065	92.6%	11,529,456	99.5%	961,632
2003/2004	12,294,389	11,656,435	94.8%	12,493,181	101.6%	1,133,710
2002/2003	10,790,451	10,045,171	93.1%	10,662,371	98.8%	1,250,800
2001/2002	10,446,924	9,671,218	92.6%	10,305,299	98.6%	1,008,768
2000/2001	10,625,214	9,943,816	93.6%	10,421,735	98.1%	934,936
1999/2000	9,743,195	9,252,309	94.9%	9,767,024	100.2%	699,950
1998/1999	9,635,501	9,172,322	95.1%	9,711,046	100.7%	716,147
1997/1998	9,616,713	9,178,450	95.4%	9,475,890	98.5%	678,710

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Principal Property Taxpayers

Current Year and Six Years Ago

<u>Taxpayer</u>	<u>2007</u>			<u>2001</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Severance Spe Lease Co.,LLC(SCIT,Inc.)	\$ 19,141,860	1	1.94%	\$ 12,684,760	1	1.65%
Kaiser Foundation Health Plan of Ohio	11,616,780	2	1.18	7,791,840	2	1.02
The Cleveland Electric Illuminating Company	6,908,750	3	0.70	7,234,170	3	0.94
American Retirement Corporation	3,415,590	4	0.35	3,866,590	5	0.50
Western Reserve (Severance Housing Corp)	2,686,080	5	0.27	2,026,990	10	0.26
Concord Company	2,591,190	6	0.26	2,290,930	6	0.30
Kensington Ltd.Partnership	2,415,000	7	0.24	-	-	-
Waldorf Partners Limited Partnership	2,311,800	8	0.23	2,143,020	8	0.28
Oakwood Club	2,102,780	9	0.22	-	-	-
CAS Real Estate Company	2,053,840	10	0.21	-	-	-
Ohio Bell Telephone Company	-	-	-	6,801,430	4	0.89
SAA Incorporated	-	-	-	2,055,940	9	0.27
Lancashire Towers Associates Ltd Partnership	-	-	-	<u>2,173,640</u>	7	<u>0.28</u>
Total	\$ <u>55,243,670</u>		<u>5.60</u>	\$ <u>49,069,310</u>		<u>6.39</u>
Total Assessed Valuation of City	\$ <u>986,610,845</u>		<u>100.00%</u>	\$ <u>767,512,823</u>		<u>100.00%</u>

Property assessed at 35% of Fair Market Value

Source: Cuyahoga County Auditor

Note: Information prior to 2001 is not available

City of Cleveland Heights, Ohio

Income Tax Revenue Base and Collections

Cash Basis

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentages of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentages of Taxes From Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentages of Taxes From Individuals</u>
2007	2.00%	\$ 22,200,758	\$ 4,165,013	18.76%	\$ 668,921	3.01%	\$ 17,366,824	78.23%
2006	2.00%	19,851,936	6,913,938	34.83%	910,993	4.59%	12,027,005	60.58%
2005	2.00%	19,031,390	6,738,821	35.41%	695,989	3.66%	11,596,580	60.93%
2004	2.00%	18,967,552	6,603,963	34.82%	628,296	3.31%	11,735,293	61.87%
2003	2.00%	18,261,002	6,519,016	35.70%	571,850	3.13%	11,170,136	61.17%
2002	2.00%	17,996,261	6,280,507	34.90%	569,337	3.16%	11,146,417	61.94%

Note: Information prior to 2002 is not available.

Celebrating 70 Years
CAINPARK



CLEVELAND
HEIGHTS
OHIO

City of Cleveland Heights, Ohio

Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

<u>Year</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>	<u>Economic Development Revenue Bonds</u>	<u>Capital Leases</u>	<u>OPWC Loans</u>
2007	\$ 17,795,000	\$ 890,000	\$ 53,000	\$ 1,405,583
2006	19,400,000	1,090,000	86,639	1,414,179
2005	20,935,000	1,285,000	61,019	1,481,006
2004	22,385,000	1,475,000	116,548	369,741
2003	21,680,000	1,660,000	510,650	-
2002	24,070,000	1,840,000	642,769	-
2001	26,365,000	1,995,000	320,005	-
2000	24,355,000	-	376,021	-
1999	26,470,000	-	339,842	-
1998	26,510,000	-	412,851	-

Business-Type Activities			Total Debt	Percentage of Personal Income	Per Capita	Personal Income Per Capita
OPWC Loans	OWDA Loan	Capital Leases				
\$ 1,431,465	\$ 119,926	\$ 695,037	\$ 22,390,011	1.71%	\$ 866	25,804
1,528,364	-	903,602	24,422,784	1.86%	946	25,804
1,801,828	-	391,086	25,954,939	1.98%	1,006	25,804
939,688	-	205,233	25,491,210	1.95%	988	25,804
1,001,891	-	-	24,852,541	1.90%	963	25,804
1,067,414	-	-	27,620,183	2.11%	1,070	25,804
1,160,717	-	-	29,840,722	2.28%	1,156	25,804
1,083,502	-	-	25,814,523	2.10%	1,000	25,804
-	-	-	26,809,842	2.18%	1,187	22,584
-	-	-	26,922,851	2.19%	1,192	22,584

City of Cleveland Heights, Ohio

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

<u>Year</u>	<u>Population(a)</u>	<u>Estimated True Values of Taxable Property (b)</u>	<u>Gross General Bonded Debt</u>	<u>Less Balance In Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio Of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2007	50,769	\$ 986,610,845	\$ 17,795,000	\$ 2,869,545	\$ 14,925,455	1.52%	\$ 293.99
2006	50,769	999,298,505	30,564,333	2,652,333	27,912,000	2.79%	549.78
2005	50,769	883,640,876	30,659,000	3,260,162	27,398,838	3.10%	539.68
2004	50,769	887,912,101	27,884,000	3,204,502	24,679,498	2.78%	486.11
2003	50,769	891,061,492	27,807,000	3,276,721	24,530,279	2.75%	483.17
2002	50,769	737,930,552	24,070,000	3,418,626	20,651,374	2.80%	406.77
2001	50,769	767,812,823	26,365,000	3,136,351	23,228,649	3.03%	457.54
2000	49,958	783,031,524	24,355,000	3,223,776	21,131,224	2.70%	422.98
1999	54,540	676,902,293	26,470,000	3,067,926	23,402,074	3.46%	429.08
1998	54,540	668,078,333	26,510,000	3,160,459	23,349,541	3.50%	428.12

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census
 Years 1998 through 1999 – 1990 Federal Census
 Years 2000 through 2007 – 2000 Federal Census

(b) Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Computation of Direct and Overlapping Debt

December 31, 2007

	<u>Debt Outstanding</u>	<u>Percentage Applicable To City of Cleveland Heights</u>	<u>Amount Applicable To City of Cleveland Heights</u>
Direct			
City of Cleveland Heights	\$ 25,305,000 (a)	100.00%	\$ 25,305,000
Overlapping			
Cleveland Heights - University Heights School District	12,009,871 (b)	78.97%	9,484,195
Cuyahoga County	194,593,691 (b)	3.06%	5,954,567
Greater Cleveland Regional Transit	<u>147,385,000 (b)</u>	3.06%	<u>4,509,981</u>
Total Overlapping Debt	<u>353,988,562</u>		<u>19,948,743</u>
Total Debt	\$ <u>379,293,562</u>		\$ <u>45,253,743</u>

(a) Net General Obligation Debt Outstanding

(b) Gross General Obligation Debt Outstanding

SOURCE: (a) City of Cleveland Heights, Finance Department

(b) Cuyahoga County Auditor's Office

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin

Last Seven Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Assessed Property Value	\$986,610,845	\$999,298,505	\$883,640,876	\$887,912,101	\$891,061,542	\$782,333,792	\$767,512,823
General Bonded Debt Outstanding:							
General Obligation Notes/Bonds	19,400,000	20,935,000	22,385,000	24,880,000	24,070,000	26,365,000	24,355,000
Economic Development Revenue							
Bonds	1,090,000	1,285,000	1,475,000	1,660,000	1,840,000	1,995,000	-
Bond Anticipation Notes	8,512,000	9,724,000	13,223,000	9,626,000	8,741,000	2,345,000	-
OPWC-Issue II Loans:							
Cedar Road CA22B	110,765	119,285	127,806	136,326	144,846	153,367	161,887
Cedar Road CA09B	611,569	658,613	705,657	752,701	799,745	846,789	893,833
Taylor Road CA12D	96,266	102,905	109,544	116,183	122,822	132,780	-
Coventry Road CA04F	332,767	351,254	369,741	-	-	-	-
Meadowbrook Blvd CA20H	<u>1,791,176</u>	<u>1,837,104</u>	-	-	-	-	-
Total Gross Indebtedness	31,944,543	35,013,161	38,395,748	37,171,210	35,718,413	31,837,936	25,410,720
Add:							
Lee Road	67,050	-	-	-	-	-	-
Less:							
General Obligation Notes/Bonds	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue Bonds	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
OPWC-Issue II Loans:							
Cedar Road CA22B	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(91,855)	(45,928)	-	-	-	-	-
General Obligation Bond Retirement							
Fund Balance	<u>2,869,545</u>	<u>2,652,333</u>	<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>
Total Net Debt Applicable to Debt Limit	\$ <u>31,901,593</u>	\$ <u>34,596,876</u>	\$ <u>36,436,220</u>	\$ <u>31,506,509</u>	\$ <u>33,752,250</u>	\$ <u>32,741,039</u>	\$ <u>24,479,858</u>
Percentage of Estimated Actual							
Property Value	3.23%	3.46%	4.12%	3.55%	3.79%	4.19%	3.19%
Total Net Debt per Capita*	\$ 628	\$ 681	\$ 718	\$ 621	\$ 665	\$ 645	\$ 482

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin (continued)

Last Seven Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	\$ 103,594,139	\$ 104,926,343	\$ 92,782,292	\$ 93,230,771	\$ 93,561,462	\$ 82,145,048	\$ 80,588,846
Legal Debt Margin Within 10 1/2% Limitations	\$ <u>71,692,546</u>	\$ <u>70,329,467</u>	\$ <u>56,346,072</u>	\$ <u>61,724,262</u>	\$ <u>59,809,212</u>	\$ <u>49,404,009</u>	\$ <u>56,108,988</u>
Legal Debt Margin as a Percentage of the Debt Limit	69.21%	67.03%	60.73%	66.21%	63.93%	60.14%	69.62%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	\$ 54,263,596	\$ 54,961,418	\$ 48,600,248	\$ 48,835,166	\$ 49,008,385	\$ 43,028,359	\$ 42,213,205
Total Gross Indebtedness	\$ 31,944,543	\$ 35,013,161	\$ 38,395,748	\$ 37,171,210	\$ 35,718,413	\$ 31,837,936	\$ 25,410,720
Add:							
Lee Road	67,050	-	-	-	-	-	-
Less:							
General Obligation Notes/Bonds	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue Bonds	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
OPWC-Issue II Loans							
Cedar Road CA22B	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(91,855)	(45,928)	-	-	-	-	-
General Obligation Bond Retirement Fund Balance	<u>2,869,545</u>	<u>2,652,333</u>	<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>
Net Debt Within 5 1/2% Limitations	<u>31,901,593</u>	<u>34,596,876</u>	<u>36,436,220</u>	<u>31,506,509</u>	<u>33,752,250</u>	<u>32,741,039</u>	<u>24,479,868</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$ <u>22,362,003</u>	\$ <u>20,364,542</u>	\$ <u>12,164,028</u>	\$ <u>17,328,657</u>	\$ <u>15,256,135</u>	\$ <u>10,287,320</u>	\$ <u>17,733,337</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	41.21%	37.05%	25.03%	35.48%	31.13%	23.91%	42.01%

*These numbers are based on the Net Debt. This reflects only debt that is supported through real estate value.

City of Cleveland Heights, Ohio

Pledged Revenue Coverage
Economic Development – Zagara’s TIF

Last Six Fiscal Years

<u>Year</u>	<u>Property Taxes and Interest</u>	<u>Debt Service</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2007	\$ 129,780	\$ 200,000	\$ 42,395	53.54%
2006	145,539	195,000	49,025	59.64%
2005	125,213	190,000	55,200	51.07%
2004	120,847	185,000	60,843	49.16%
2003	300	180,000	66,063	0.12%
2002	757	155,000	93,540	0.30%

Direct operating expenses are not associated with Tax Increment Financing (TIF) Project.

Note: The Zagara-TIF Economic Development Bond was issued in 2001 for \$1,995,000.

City of Cleveland Heights, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total personal Income</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Educational Attainment: High School or Higher</u>	<u>School Enrollment (c)</u>	<u>Cuyahoga County Un- employment Rate</u>	<u>Sales Price of Residential Property</u>	<u>Total Assessed Value (b)</u>
2007	50,769 (a)	\$ 1,310,043,276	\$ 25,804	\$ 47,400	35.2	91.6%	6,286	5.9%	\$ 131,300	\$ 986,610,845
2006	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,473	5.2%	245,290	999,298,505
2005	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,717	5.2%	178,000	883,640,876
2004	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,887	5.8%	160,000	887,912,101
2003	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,044	6.5%	158,710	891,061,492
2002	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,100	6.6%	150,281	737,930,552
2001	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,146	5.2%	141,543	767,812,823
2000	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,315	4.0%	141,362	783,031,524
1999	54,540	1,231,731,360	22,584	43,541	33.7	88.1%	7,456	4.0%	130,807	676,902,293
1998	54,540	1,231,731,360	22,584	43,541	33.7	88.1%	7,362	4.0%	126,584	668,078,333

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census.
 Years 1998 through 1999 - 1990 Federal Census
 Years 2000 through 2007 - 2000 Federal Census

(b) Source: Cuyahoga County Auditor

(c) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us>
 Cleveland Heights – University Heights Schools, Cuyahoga County

City of Cleveland Heights, Ohio

Principal Employers

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2007</u>		<u>1998</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
School District	1,650	4.98%	n/a	
City of Cleveland Heights	921	2.78		
Kaiser Foundation	349	1.05		
Walmart	300	.90		
Home Depot	300	.90		
A1 Healthcare	245	.74		
Hebrew Academy	214	.65		
Motorcars	209	.63		
Cleveland Heights Library	184	.56		
Mosdos Ohr Hatorah	142	.43		
All Other Employers	<u>28,626</u>	<u>86.38</u>		
Total	<u>33,140</u>	<u>100.00%</u>		

Source: Number of employees obtained from the W2's from the Income Tax Department.

n/a – Information not available

City of Cleveland Heights, Ohio

Full-time Equivalent City Government Employees by Function/Program

Last Six Fiscal Years

Function/Program	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General government						
Management/Council	8.07	8.00	8.07	8.50	9.07	8.07
Finance	18.08	21.71	21.71	21.00	23.04	22.92
Planning/Community						
Development	13.65	13.16	13.16	14.50	21.06	20.54
Building/Inspectional	20.22	22.04	22.04	21.50	22.00	27.00
Municipal Court	25.79	23.71	23.71	22.00	24.55	23.89
Other	24.92	27.07	27.07	23.00	26.40	29.70
Public Safety						
Police						
Officers	115.66	108.00	108.00	114.00	117.09	119.34
Civilians/Crossing Guards	4.00	11.95	11.95	4.00	5.00	5.00
Fire						
Firefighters and officers	79.00	79.00	79.00	79.00	78.00	76.00
Civilians/Dispatch	9.00	8.00	8.00	8.00	9.00	10.00
Sanitation	32.00	33.00	32.00	34.00	35.00	36.00
Transportation	26.00	23.00	26.00	23.00	32.00	31.00
Other Public Works Depts	24.00	24.60	24.60	24.00	27.60	31.40
Culture and Recreation	71.94	70.33	70.33	48.00	65.90	82.34
Public Utilities						
Off-Street Parking	3.00	2.00	2.00	1.00	2.00	2.00
Water	19.00	20.00	20.00	19.50	23.00	23.00
Wastewater	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>13.00</u>	<u>11.00</u>	<u>11.00</u>
	<u>504.33</u>	<u>505.57</u>	<u>507.64</u>	<u>478.00</u>	<u>531.71</u>	<u>559.20</u>

Source: City of Cleveland Heights Payroll/Human Resources Department

Note: Information prior to 2002 is not available

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program

Last Five Years

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety					
Fire					
EMS Calls	4,047	3,984	4,168	4,034	4,159
Fire Calls	1,304	1,261	1,143	1,141	1,269
Fires With Loss	51	55	88	51	78
Fire Safety Inspections	1,000+	1,000+	1,000+	1,000+	1,000+
Number of Times Mutual Aid Given to Fire & EMS	90	103	89	84	26
Number of Times Mutual Aid Received for Fire & EMS	82	42	77	80	56
Civil Service					
Number of Police Entry Tests Administered	-	1	-	1	n/a
Number of Fire Entry Tests Administered	1	-	1	-	n/a
Number of Fire Promotional Tests Administered	-	-	1	-	n/a
Number of Hires of Police Officers From Certified Lists	2	-	-	4	n/a
Number of Hires of Fire/Medics From Certified Lists	-	1	1	-	n/a
Number of Promotions From Fire Certified Lists	-	1	2	-	n/a
Municipal Court					
Number of Civil Cases	2,014	2,700	1,270	1,831	1,630
Number of Criminal Cases	3,582	3,408	2,985	2,956	3,218
Public Health (c)					
Vital Statistics					
Certified Certificates Sold					
Number of Births	-	177	224	186	185
Number of Deaths	-	646	586	553	569

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Certificates Issued					
Burial Permits Issued	-	650	770	721	615
Culture & Recreation					
Senior Activity Center Receipts	\$ 46,198	\$ 47,239	\$ 49,503	\$ 54,307	\$ 59,306
Swimming Pools Receipts	103,788	97,851	108,565	99,862	92,037
Ice Program Receipts	52,876	83,050	76,679	98,986	126,268
General Recreation Program Receipts	71,849	76,648	77,122	63,873	61,098
Child Care/Summer Program Receipts	211,603	202,417	206,777	185,493	154,387
Sports Programs Receipts	224,013	222,546	223,602	218,709	167,484
(a) Community Center Programs Receipts	708,994	737,836	678,549	632,413	697,677
Cain Park Programs Receipts	583,553	732,301	666,202	602,292	459,432
Total Recreation Receipts	2,002,874	2,199,888	2,086,999	1,955,935	1,817,689
Community Development					
Annual Entitlement Grant Award	1,778,281	1,773,674	1,968,638	2,072,000	2,102,000
Program Income Received	373,184	440,590	498,877	479,534	461,804
Sanitation					
(b) Refuse Disposal Costs Per Year January thru December	n/a	n/a	634,747	642,686	693,349

(a) Community Center Renovation Completed
Several programs were moved to the new facility.

(b) Beginning 2004, expenses were paid out of Department 6203
Prior to that expenses were paid out of Department 6204
Objects of expenditure were 2045.0 thru 2045.04

(c) Public Health handled at the County level in 2007

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Transportation/Streets					
Crackseal Coating Program (lbs.)	12,000	15,000	15,000	32,000	4,400
Street Repair					
(Curbs, aprons, berms, asphalt) (hours)	8,000	8,320	8,320	8,320	n/a
Line Striping (hours)	700	643	775	800	2,003
Street Sweeping (hours)	2,400	2,712	1,501	1,953	n/a
Cold Patch (hours)	3,916	4,160	4,160	4,160	n/a
Snow & Ice Removal-Regular Hours	5,107	3,456	2,900	2,300	n/a
Snow & Ice Removal-Overtime Hours	4,476	2,356	8,275	3,507	n/a
Landscaping Stump-Chipper Service (hours)	5,198	4,128	3,800	3,975	n/a
Leaf Collection-Fall (hours)	17,875	16,695	8,704	n/a	n/a
Equipment Repair/Body Shop (hours)	19,720	21,500	21,500	21,500	n/a
Number of Trees Planted Per Year	270	278	304	552	353
Tons of Snow Melting Salt Purchased	13,403	6,910	18,780	14,371	n/a
Cost of Salt/Calcium Chloride Purchased	\$ 438,970	\$ 221,946	\$ 586,406	\$ 455,917	\$ 524,151
Skunk Removals	165	101	134	421	1,770
Water Department					
Water Rates per 1,000 cu ft of Water Used	46.73	41.73	41.23	40.02	38.91
Average Number of Water Accounts Billed					
Monthly (cu ft)	15,920	15,915	15,970	15,980	15,583
Total Water Collections Annually					
(Including P & I)	\$ 9,429,481	\$ 8,802,440	\$ 7,995,432	\$ 7,283,991	\$ 7,973,477
Payments to Cleveland for Bulk Water Purchases	\$ 7,355,075	\$ 7,509,876	\$ 8,170,774	\$ 7,139,993	n/a
Wastewater Department					
Wastewater Rates per 1,000 Cu Ft of					
Water Used (Local)	10.05	10.05	10.05	7.05	7.05
Sewer & Sanitary Calls For Service	526	549	439	489	612

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government					
Council & Clerk					
Number of Ordinances Passed	42	45	62	65	69
Number of Resolutions Passed	116	98	106	123	115
Number of Planning Commission Docket Items	23	25	30	33	38
Number of Board of Zoning Appeals Docket Items	26	24	27	39	n/a
Finance Department					
Number of Checks/Accounts Payable					
Vouchers Issued	7,090	7,252	7,404	7,861	n/a
Amount of Checks Written	\$ 32,223,691	\$ 26,767,750	\$ 29,584,579	\$ 30,834,075	n/a
Interest Earnings for Fiscal Year					
(cash basis)	\$ 1,026,304	\$ 987,192	\$ 437,830	\$ 369,534	\$ 556,306
Number of Journal Entries Issued	371	278	302	305	n/a
Agency Ratings-Moody's Finance Services	Aa3	Aa3	Aa3	Aa3	Aa2
Income Tax Department					
Number of Refund Checks/Vouchers Issued	1,247	1,332	1,229	1,304	n/a
Amount of Checks Written	\$ 362,176	\$ 307,635	\$ 367,483	\$ 392,189	\$ 292,108
Number of Individual Returns	17,797	18,569	19,112	17,161	n/a
Number of Business Returns	1,881	1,912	1,809	1,859	n/a
Number of Business Withholding Returns	1,386	1,760	1,691	1,628	n/a
Amount of Penalties and Interest					
Collected	\$ 91,867	\$ 271,651	\$ 99,467	\$ 181,190	n/a
Annual Number of Corporate Withholding					
Forms Processed	1,760	1,760	1,691	1,628	n/a
Annual Number of Balance Due					
Statements Processed	58,087	58,087	79,710	78,217	n/a
Annual Number of Estimated Payment					
Forms Processed	58,087	58,087	79,710	78,217	n/a
Annual Number of Reconciliations of					
Withholdings Processed	1,348	1,837	1,683	1,617	n/a

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Building Department Indicators (b)					
Construction Permits Issued-Residential	1,741	1,499	1,893	1,932	n/a
Construction Permits Issued-Commercial	171	137	178	175	n/a
Estimated Value of					
Construction-Residential (Millions)	\$12.902	\$15.055	\$16.065	\$13.479	n/a
Estimated Value of					
Construction-Commercial (Millions)	\$27.378	\$18.528	\$36.806	\$16.682	n/a
Number of Permits Issued	4,563	4,103	5,109	5,307	n/a
Amount of Revenue Generated					
From Permits	\$309,977	\$426,412	\$522,638	\$331,876	n/a
Amount of Revenue Generated					
From Fees/Licenses	\$568,550	\$426,650	\$547,318	\$403,715	n/a
Number of Contractor Registrations Issued	1,269	1,187	1,311	1,222	n/a
Number of Inspections Performed	9,150	9,458	9,018	8,501	n/a

(b) Source: Building Department's Annual Report

Note: Information prior to 2003 is not available

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program

Last Five Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government					
Square Footage Occupied	68,000	68,000	68,000	68,000	68,000
Administrative Vehicles	16	17	18	18	11
Inspection Vehicles	18	17	17	17	19
Municipal Court Vehicles	2	2	2	2	2
Lands and Buildings Vehicles	16	22	23	19	20
Police					
Stations	1	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877	18,877
Vehicles	118	107	119	127	113
Fire					
Stations	2	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068	24,068
Vehicles	19	20	20	23	20
Recreation					
Number of Parks	6	6	6	6	6
Number of Pools	2	2	2	2	2
Number of Ice Rinks	2	2	2	2	2
Number of Tennis Courts	18	18	18	18	18
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9
Number of Basketball Courts	5	5	5	5	5
Square Footage of Community Center	150,000	150,000	150,000	150,000	150,000
Vehicles	13	17	20	21	21

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program (continued)

Last Five Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Other Public Works					
Streets (miles)	137	137	137	137	137
Curbs (miles)	249	249	249	249	249
Square Footage of Garage/Transfer Station	42,244	42,244	42,244	42,244	42,244
Service Vehicles	145	117	90	101	92
Wasterwater					
Sanitary Sewers (miles)	150	150	150	150	150
Storm Sewers (miles)	150	150	150	150	150

Source:

City of Cleveland Heights, Planning Department
City of Cleveland Heights, Building Department
City of Cleveland Heights, Parks and Recreation Department
City of Cleveland Heights, Payroll Department
City of Cleveland Heights, Water Department
City of Cleveland Heights, Street Maintenance Department

Note: Information prior to 2003 is not available

Celebrating 70 Years
CAINPARK



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Mary Taylor, CPA
Auditor of State

CITY OF CLEVELAND HEIGHTS

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
DECEMBER 24, 2008**