

***CITY OF FAIRVIEW PARK  
CUYAHOGA COUNTY***

**AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2006**

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





Mary Taylor, CPA  
Auditor of State

City Council  
City of Fairview Park  
20777 Lorain Road  
Fairview Park, Ohio 44126

We have reviewed the *Report of Independent Accountants* of the City of Fairview Park, Cuyahoga County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 3, 2008

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**CITY OF FAIRVIEW PARK, OHIO**  
**AUDIT REPORT**  
**For the Year Ended December 31, 2006**

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

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**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**

City of Fairview Park  
Cuyahoga County  
20777 Lorain Road  
Fairview Park, Ohio 44126

To City Council:

We have audited the financial statements of the governmental activities, the business-type activities each major fund and the aggregate remaining fund information of the City of Fairview Park, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's financial statements and have issued our report thereon dated November 16, 2007. 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 Controls Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider 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 City'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 City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying schedule of findings, items 2006-FPCC-01 through 2006-FPCC-06, to be significant deficiencies in internal control over financial reporting.

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 City'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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiencies described above to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, 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 several instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2006-FPCC-01, 2006-FPCC-02, 2006-FPCC-04 and 2006-FPCC-05.

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

We also noted certain matters that we have reported to management of the City in a separate letter dated November 16, 2007.

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

*Charles E. Harris and Associates, Inc.*  
November 16, 2007

**CITY OF FAIRVIEW PARK  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
December 31, 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2006-FPCC-01 Non-compliance Citation and Material Weakness**

Ohio Revised Code Section 5705.41 (B) states that no subdivision or taxing authority shall make any expenditure of money unless it has been appropriated as provided in such chapter.

At December 31, 2006, the following funds' expenditures plus encumbrances exceeded total appropriations:

Fund	Appropriations	Expenditures Plus Encumbrances	Variances
General Fund	\$ 8,592,797	\$ 9,187,021	\$ (594,224)
SCM&R Fund	615,027	632,468	(17,441)
Police & Fire Pension Fund	777,924	847,106	(69,182)
Federal Grants Fund	0	14,926	(14,926)
P.O.P.A.S Fund	11,000	50,972	(39,972)
Lorain Road Redevelopment Fund	1,280,000	1,304,148	(24,148)
Recreation Construction Fund	14,317,987	14,319,485	(1,498)

The legal level of controls violations were not disclosed due to the General Fund being in violation at the fund level.

We recommend City management monitor expenditures versus appropriations to avoid overspending.

Management indicated they have implemented procedures to minimize such issues in 2007.

**FINDING NUMBER 2006-FPCC-02 Non-compliance Citation and Material Weakness**

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

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

CITY OF FAIRVIEW PARK  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS – (continued)  
December 31, 2006

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>
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**FINDING NUMBER 2006-FPCC-02 Non-compliance Citation and Material Weakness (continued)**

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

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

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

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

The City did not make the proper certification of funds in all instances. Forty-eight of 60 selections tested during the audit period had the certifications after the obligation date. We recommend that the City institute the use of purchase orders for any expenditure to be made and certify expenditures prior to incurring the liability. In instances where prior certification is not practical, we recommend the issuance of a “Then and Now” certificate.

Management indicates that they will attempt to certify funds prior to the purchase.

**CITY OF FAIRVIEW PARK  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS – (continued)  
December 31, 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2006-FPCC-03 – Material Weakness**

**Bank Reconciliations**

A necessary step in the internal control over financial reporting is to prove both the balance of the bank and the balance of cash in the accounting records. A bank reconciliation means accounting for the differences between the balance on the bank statement(s) and the cash and investment balances according to the entity's records. This process involves reconciling the bank balance to the cash and investment balance. For January 1, 2006 through December 31, 2006, the City had numerous adjustments that were reconciled in 2007.

Without complete and accurate monthly bank reconciliations, the City's internal control is weakened, which could hinder the detection of errors or irregularities by the City's management in a timely manner.

The City should perform and complete monthly bank reconciliations in a timely manner. Also, a copy of each monthly bank reconciliation and the listing of outstanding checks should be filed in the bank activity folder along with the bank statements and supporting documents for the applicable month, and the City Council should sign and date the bank reconciliations to indicate that they have been reviewed and approved.

Management intends to reconcile their bank accounts on a monthly basis.

**FINDING NUMBER 2006-FPCC-04 Non-compliance Citation and Material Weakness**

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund as certified by the county budget commission. This section also provides that no appropriation measure shall become effective until the City obtains the County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources.

At the year ended December 31, 2006, the following funds' appropriations exceeded total estimated resources:

**Special Revenue Funds:**

- State Grants Fund (\$3,100)
- Emergency Medical Fund (\$71,152)

**Debt Service Fund:**

- Bond Retirement Fund (\$1,690,473)

Management indicated that they will attempt to better monitor appropriations and estimated resources.

**CITY OF FAIRVIEW PARK  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS – (continued)  
December 31, 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2006-FPCC-05 – Non-Compliance Citation and Material Weakness**

Ohio Rev. Code Section 5705.14, 5705.15, and 5705.16 states that no transfer can be made from one fund of a subdivision to any other fund, except money may be transferred from the general fund to any fund of the subdivision by resolution of the taxing authority or from one fund to another as is specifically authorized in Ohio Rev. Code Section 5705.14.

During 2006, the City transferred funds from the following funds to the General Fund:

- P.O.P.A.S. Fund – Special Revenue Fund
- Law Enforcement Trust Fund – Special Revenue Fund
- Health Insurance Reserved Fund – Internal Service Fund

The financial statements and the City’s books have been adjusted to reflect the repayment of funds.

Management indicated that procedures have been implemented to avoid improper transfers in the future.

**FINDING NUMBER 2006-FPCC-06 – Material Weakness**

During our audit, it was noted that numerous capital assets were not recorded on the City’s capital asset records in prior years. Management has performed a capital asset valuation and properly included these assets on the valuation and recorded these in the financial statements.

We recommend that management follow their formulated capital asset procedure to properly capture all capital assets as purchased and include them in the sub-ledger. This will ensure that all capital assets of the City are recorded properly for financial statement and insurance purposes.

We also noted that in prior years, the Recreation/Community Center Fund, which records operating activity of the recreation/community center was classified as a capital projects fund. In 2006, this fund was reclassified to a special revenue fund.

Management indicated that they have had the valuation done and are working diligently on streamlining their capital asset management system. Also, management will review the funds of the City and verify that they are recorded in the financial statements appropriately.

CITY OF FAIRVIEW PARK  
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2005-FPCC-01	Contrary to Ohio Rev. Code Section 5705.41(B), the City had expenditure plus encumbrances over appropriations in numerous funds.	No	Repeated as 2006-FPCC-01
2005-FPCC-02	Contrary to Ohio Rev. Code Section 5705.41(D)(1), the City made expenditures before encumbering the funds.	No	Repeated as 2006-FPCC-02
2005-FPCC-03	Monthly bank reconciliations not performed.	No	Repeated as 2006-FPCC-03

*CITY OF FAIRVIEW PARK, OHIO*

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Comprehensive Annual Financial Report

Year Ended December 31, 2006

Prepared by: Lisa M. Rocco, Finance Director  
and Department of Finance



***City of Fairview Park, Ohio***  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2006**

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***City of Fairview Park, Ohio***  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2006**

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***City of Fairview Park, Ohio***  
**Comprehensive Annual Financial Report**  
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## INTRODUCTORY SECTION





# City of Fairview Park

– Established in 1910 –

Department of Finance

20777 Lorain Road • Fairview Park, Ohio 44126-2018 • [www.fairviewpark.org](http://www.fairviewpark.org)

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**Eileen Ann Patton**

Mayor

**Lisa M. Rocco**

Finance Director

November 16, 2007

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

It gives me great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Fairview Park. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the City for the year ended December 31, 2006. In addition, this report includes the third year of the new reporting model as promulgated by Governmental Accounting Standards Board (GASB) Statement No. 34. Note 1 to the basic financial statements provides additional information concerning this implementation.

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

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

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

## **REPORTING ENTITY**

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

The City participates in the Rocky River Wastewater Treatment Plan, which is a joint venture, discussed in Note 15 of the notes to the basic financial statements. The City is associated with the Westshore Council of Governments and Tri-City Park, which are identified as jointly governed organizations. These organizations are presented in Note 16 of the notes to the basic financial statements.

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

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

### *The City*

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

In the 2000 Census classifications, the City was in the Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA), comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. It was also in the Cleveland-Akron Consolidated Metropolitan Statistical Area (CMSA). Effective in 2003, the PMSA was redefined to exclude Ashtabula County and was re-classified as the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA). The CMSA was re-classified as the Cleveland-Akron-Elyria Combined Statistical Area(CSA). Only limited statistics are now available for the new MSA and CSA.

The City's 2000 population was 17,572. The City's Area is approximately 4.77 square miles, broken down by land use as follows:

	<u>Area</u>	<u>Percent of Assessed Valuation of Real Property</u>
Residential	54.5%	81.7%
Commercial/Industrial	9.7	14.9
Public Utility	0.1	1.5
Governmental (including parks) and Other Tax Exempt	34.3	(a)
Agricultural	0	0
Undeveloped	1.4	(b)

(a) Not applicable. Exempt from property taxation.

(b) Included in above categories.

Sources: City Building Department and County Auditor.

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

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

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

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

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

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

### City Government

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

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

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

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

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

### **ECONOMIC CONDITION AND OUTLOOK**

During the year, 14 new businesses were issued occupancy permits by the City. The most notable include the new Chipotle Mexican Grill, newly reconstructed Applebee's, grand opening of new Club House at Big Met Golf Course and the end of the year saw the acquisition of the Tops supermarket by Giant Eagle.

In 2006, the City portion of the Gemini Project proceeded on time and slightly under budget. During the year, a new concession stand was constructed at the stadium and new visitor's bleachers. In addition, work began on the construction of the 87,000 sq. foot recreation/community center and is well underway, with completion and a grand opening by the end of the year.

Also, this year the city will be working very closely with the school district on the sale and redevelopment of the Board of Education building and the Garnett and Coffinberry properties into a new upscale housing. These two projects, when completed, will result in an addition to the tax base and an enhancement to their surrounding neighborhoods.

Our Recreation Department will be offering some new programming for 2007. They include RadKids – a personal safety and empowerment education for kids, basketball camps featuring Derek Polk - former pro and Harlem Globetrotter, a baseball camp by Aspiring Athletes and a girl's volleyball league. Programs are being designed and reviewed for the new Recreation Community Center. Programs will include dance classes for all ages, aerobic and spinning classes, a full aquatic program, indoor sports programs, open gym volleyball, basketball and badminton, along with arts and craft classes. In anticipation of the new Recreation Community Center, the department purchased a new software program called PEAK. This software is designed to handle all recreation schedules, memberships, registrations, point of sale, timekeeping, reporting and other programming needs. The Fairview Park Recreation Staff partnered with the Rocky River Recreation Staff on the training expenses for the new software.

### **FIRST RING CONSORTIUM**

Fairview Park continues to be deeply involved in the First Ring Consortium, an organization comprised of 17 mature cities that surround Cleveland whose objective is to foster community and economic development through the identification of common problems and the implementation of common solutions.

### **SERVICE**

The privatization of rubbish, which was contracted with Republic Waste Services which began in November, provides the same level of services to our residents as before while reducing the City's cost of collection including the indirect cost of worker's injuries, lost time and Workers Compensation. No service workers lost their jobs as a result of this change and there is no charge to residents for this service.

At the same time, in an effort to generate additional savings, the City consolidated all of its recycling disposal activities with Allied Waste/BFI in Oberlin. This change resulted in no increase in disposal costs while it represents approximately a 33% reduction in transportation and vehicle maintenance expenses.

The street repair program completed its 17th year with ten streets being repaired at a cost of \$801,657 plus engineering expenses during 2006.

Work was completed during the year on the televising, grouting and dye testing of the balance of all sanitary sewer mains and homes in the Ward 4 area at a cost of \$222,137.00. Caulking and repairs to the main sanitary sewers in this area were completed as needed. Televising, grouting and dye testing will continue in 2007 on a priority basis in certain areas of the City not previously completed or in areas such as Ward 5 that was the first group completed in the early 1990's, but now shows signs of dried and broken grouting seals which can contribute to infiltration and flooding.

To further enhance access to and from our largest City park, work began in 2006 on the installation of a new automated traffic signal at the West 210 entrance to Bohlken Park at a cost of \$85,296.00.

This light was truly a combined effort of one of our Fairview students who approached us with placing a light at this area for pedestrian and bicycle riders to cross the street into the park in a safe manner. After a request for financial assistance was turned down by the county, the Richard Jacobs group stepped up to assist during the construction at Westgate and this light is now up and operational.

## **BUILDING**

Last year 1,730 permits were issued for various projects, including new residential and commercial construction. Construction for 2006 was valued at 28 million dollars, an increase of 19 million dollars compared with 2005. This is due to the Gemini Project, the new Westgate, and the new Fairview Center office park at W. 227th and Brookpark. There were 964 inspections conducted under these permits.

## **FINANCIAL INFORMATION**

### *Basis of Accounting*

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

### *Internal Accounting Controls*

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

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

### *Budgetary Controls*

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

Additional information regarding the City's budgetary accounting can be found in Note 1 of the basic financial statements.

## **CASH MANAGEMENT**

The City of Fairview Park continued to maintain its strong financial reserves during 2006. The City's general fund unencumbered cash balance at year-end was \$92,636. The general fund unencumbered cash balance decreased by \$672,687 or 86.4% during the year 2006.

Cash management is a vital component of the City's overall financial strategy. The Finance Director maintains an aggressive cash management program. Major considerations in cash flows are necessary to pay City liabilities and available interest rates. As City funds become available, they are invested immediately in sweep accounts maintained at the City approved depository banks, short-term federal agencies or other securities authorized by state statutes. During 2006, \$254,975 of interest was deposited in the general fund, \$1,032 in the Recreation special revenue fund, \$13,477 in the Capital Projects, \$889,773 in the Recreation Construction, \$3,159 in the Permanent Improvement, \$602 in the Lorain Road Revitalization, and \$615 in the Recreation/Community Center capital project funds and \$1,375 in the Sanitary sewer fund in accordance with City ordinances. The increase from the previous year was due to increasing interest rates.

## **RISK MANAGEMENT**

The primary technique used for risk management is the purchase of insurance policies from commercial insurers. The types of insurance carried include: general liability, public officials liability, police professional liability, employee medical insurance, and State of Ohio Workers' Compensation. Deductibles vary on these policies depending on past experience with the type of liability covered. Should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the City.

Additional information on the City's risk management activity can be found in Note 9 of the basic financial statements.

## **DEBT MANAGEMENT**

Effective June 7, 2006 the City maintains an A1 credit rating from Moody's Investors Service, Inc. All bonds of the City are backed by its full faith and credit.

Under current state statutes, the total voted net debt of the City, less the same exempt debt, shall never exceed 10.5% of the total assessed property valuation. The total unvoted debt less the same exempt debt, shall never exceed 5.5% of the assessed valuation. At December 31, 2006, the total legal debt margin was \$13,268 (in thousands).

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Fairview Park for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2005. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This Comprehensive Annual Financial Report (CAFR) will not be submitted to the GFOA for the Certificate of Achievement program, although we anticipate submitting our 2007 CAFR for this program.

## **INDEPENDENT AUDIT**

Included in this report is an unqualified audit opinion rendered on the City's Financial Statements as of December 31, 2006, by our independent auditor, Charles E. Harris & Associates, Inc. Their audit was conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

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

## **ACKNOWLEDGMENTS**

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

I would like to acknowledge the efforts of the entire staff of the Finance Department, for their contributions to this report. Special thanks are extended to Mayor Eileen A. Patton and Members of City Council for their enthusiastic support of this project. The guidance and assistance provided by the accounting firm of Charles E. Harris & Associates. They provided valuable assistance in a most professional manner.

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

Sincerely,

A handwritten signature in black ink that reads "Lisa M. Rocco". The signature is written in a cursive, flowing style.

Lisa M. Rocco  
Finance Director

*City of Fairview Park, Ohio*

For the year ended December 31, 2006

***CITY OFFICIALS***

Elected Officials

*Mayor*

Eileen Ann Patton

*Council Members*

Maureen Sweeney, President  
James Robatin  
William Minek  
Frederic Gauthier

William B. Westfall  
Julie Thonas  
Peggy Cleary

Appointed Officials

*Director of Law*

Lucian C. Rego

*Director of Finance*

Lisa M. Rocco

*Police Chief*

Patrick Nelson

*Fire Chief*

David Simon

*Director of Public Service*

James M. Kennedy

*Recreation Director*

Timothy J. Pinchek

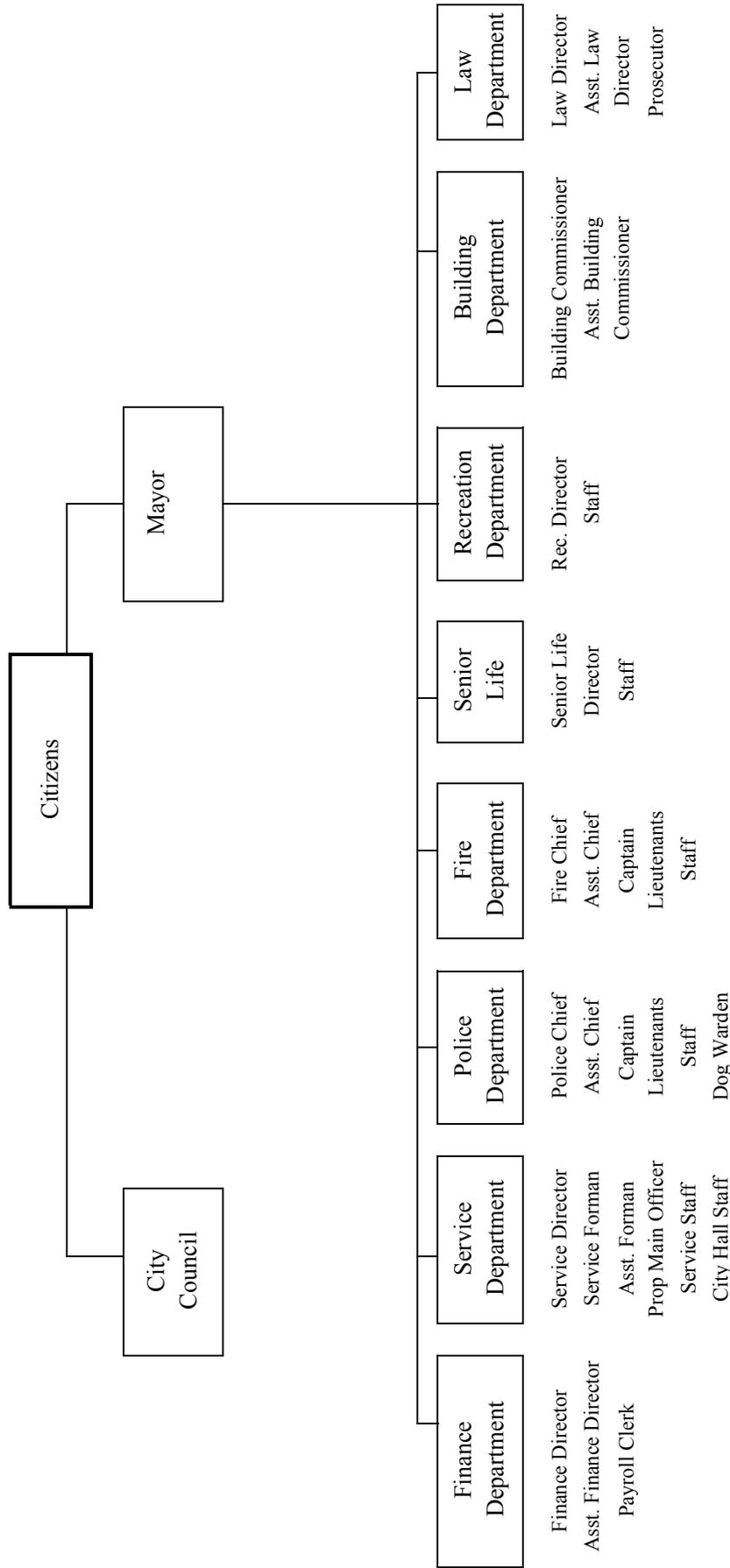
*Building Commissioner*

Selwyn Kulcsar

*Senior Life Director*

Nell Ellis

*City of Fairview Park, Ohio*  
 Organizational Chart  
 December 31, 2006



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairview Park  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

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.



President

Executive Director

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## FINANCIAL SECTION



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

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

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**REPORT OF INDEPENDENT ACCOUNTANTS**

City of Fairview Park  
Cuyahoga County  
20777 Lorain Road  
Fairview Park, Ohio 44126

To City Council:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Fairview Park, Cuyahoga County (the City), as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

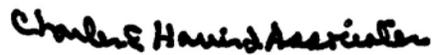
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 16, 2007 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Charles E. Harris" followed by "Associates" in a smaller, less legible script.

*Charles E. Harris & Associates, Inc.*  
November 16, 2007

**City of Fairview Park**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2006*  
*Unaudited*

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This discussion and analysis of The City of Fairview Park's (the City's) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key Financial highlights for 2006 are as follows:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$55.8 million (*net assets*). Of this amount, \$5.2 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- General revenues, for governmental activities, accounted for \$15,245,627 or 88% of total governmental activities revenue. Program specific revenues accounted for \$2,048,259 or 12% of total governmental activities revenue.
- The City had \$16,736,171 in expenses related to governmental activities; \$2,048,259 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$12,718,823 were sufficient to offset these program expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19.7 million, a decrease of \$3.2 million in comparison with the prior year.
- The general fund, had revenues of \$9,286,617 in 2006 or 53.7% of total governmental funds. Expenditures of the general fund were \$8,989,707, or 41.5% of total governmental funds. The general fund balance decreased \$177,724, or 11.6% in 2006.

### **Overview of the Financial Statements**

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

### **Government-wide Financial Statements**

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

**City of Fairview Park**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2006*  
*Unaudited*

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

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

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

The government-wide financial statements can be found starting on page 13 of this report.

### **Fund financial statements**

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

### ***Governmental Funds***

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

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

The City of Fairview Park maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund, the Recreation/Community Center Fund, the Recreation Construction Fund, and the Bond Retirement Fund; which are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

**City of Fairview Park**  
*Management's Discussion and Analysis*  
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*Unaudited*

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***Proprietary Funds***

The City of Fairview Park maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer operation and the lease activity to the Fairview Park City School District. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance of health related employee benefits and employee section 125 contribution. Because these services predominately benefit governmental rather than business-type functions, they have been included with the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer operation and lease activity. Only the sewer operation is considered to be the major proprietary fund of the City. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statement elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22 to 24 of this report.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 to 54 of this report.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found on pages 55 to 102 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Fairview Park, assets exceeded liabilities by \$55.8 million at the close of the fiscal year.

The statement of net assets provides the perspective of the City as a whole.

**City of Fairview Park**  
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Table 1 below provides a summary of the City's net assets for 2006 compared to 2005:

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 28,406,848	\$ 31,164,455	\$ 5,096,044	\$ 5,348,139	\$ 33,502,892	\$ 36,512,594
Capital assets	<u>46,660,040</u>	<u>44,059,229</u>	<u>11,801,844</u>	<u>12,149,886</u>	<u>58,461,884</u>	<u>56,209,115</u>
<b>Total assets</b>	<u><b>75,066,888</b></u>	<u><b>75,223,684</b></u>	<u><b>16,897,888</b></u>	<u><b>17,498,025</b></u>	<u><b>91,964,776</b></u>	<u><b>92,721,709</b></u>
Current liabilities	6,076,209	5,770,366	188,035	245,269	6,264,244	6,015,635
Long-term liabilities	<u>29,015,931</u>	<u>30,036,285</u>	<u>888,513</u>	<u>1,120,943</u>	<u>29,904,444</u>	<u>31,157,228</u>
<b>Total liabilities</b>	<u><b>35,092,140</b></u>	<u><b>35,806,651</b></u>	<u><b>1,076,548</b></u>	<u><b>1,366,212</b></u>	<u><b>36,168,688</b></u>	<u><b>37,172,863</b></u>
Invested in capital assets, net of related debt	19,977,172	16,189,541	11,521,380	12,390,088	31,498,552	28,579,629
Restricted net assets	19,048,960	22,134,727	-	-	19,048,960	22,134,727
Unrestricted net assets	<u>948,616</u>	<u>1,092,765</u>	<u>4,299,960</u>	<u>3,741,725</u>	<u>5,248,576</u>	<u>4,834,490</u>
<b>Total net assets</b>	<u><b>\$ 39,974,748</b></u>	<u><b>\$ 39,417,033</b></u>	<u><b>\$ 15,821,340</b></u>	<u><b>\$ 16,131,813</b></u>	<u><b>\$ 55,796,088</b></u>	<u><b>\$ 55,548,846</b></u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2006, the City's assets exceeded liabilities by \$55,796,088. This amounts to \$39,974,748 in governmental activities and \$15,821,340 in business-type activities. Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 63.6% of total governmental and business-type assets. Capital assets include land, land improvements, buildings, equipment, infrastructure, and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2006, were \$31,498,552. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. As of December 31, 2006, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$19,048,960 or 48%, represent resources that are subject to external restrictions on how they may be used. Of the total restricted net assets, \$15,635,792 is restricted for capital projects and \$3,413,168 is restricted for other purposes. The governmental activities unrestricted net assets of \$948,616 may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Fairview Park**  
*Management's Discussion and Analysis*  
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*Unaudited*

Table 2 below shows the changes in net assets for governmental and business-type activities for year 2006 compared to 2005:

	Table 2 Change in Net Assets					
	Governmental		Business-Type		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program revenue:						
Charges for services	\$ 1,277,041	\$ 1,225,350	\$ 1,736,787	\$ 1,721,031	\$ 3,013,828	\$ 2,946,381
Operating grants and contribution	771,218	911,772	-	-	771,218	911,772
Capital grants and contribution	-	75,502	-	-	-	75,502
General revenue:						
Income taxes	8,150,959	5,811,251	-	-	8,150,959	5,811,251
Property taxes	4,567,864	4,576,025	-	-	4,567,864	4,576,025
Grant and entitlement not restricted to specific programs	1,196,593	1,704,562	-	-	1,196,593	1,704,562
Investment earnings	1,162,601	526,847	1,375	10,009	1,163,976	536,856
Other	167,610	155,629	655	-	168,265	155,629
<b>Total revenue</b>	<u>17,293,886</u>	<u>14,986,938</u>	<u>1,738,817</u>	<u>1,731,040</u>	<u>19,032,703</u>	<u>16,717,978</u>
Expenses:						
General government	2,249,139	2,279,103	-	-	2,249,139	2,279,103
Security of persons and property	6,617,530	6,697,803	-	-	6,617,530	6,697,803
Public health and welfare	2,405	72,513	-	-	2,405	72,513
Transportation	3,263,865	3,643,981	-	-	3,263,865	3,643,981
Community environment	1,741,880	1,877,840	-	-	1,741,880	1,877,840
Leisure time activities	1,645,018	985,749	-	-	1,645,018	985,749
Interest and fiscal charges	1,216,334	779,562	-	-	1,216,334	779,562
Sewer	-	-	2,049,290	2,335,183	2,049,290	2,335,183
<b>Total expenses</b>	<u>16,736,171</u>	<u>16,336,551</u>	<u>2,049,290</u>	<u>2,335,183</u>	<u>18,785,461</u>	<u>18,671,734</u>
<b>Increase (decrease) in net assets</b>	557,715	(1,349,613)	(310,473)	(604,143)	247,242	(1,953,756)
<b>Beginning net assets, as restated</b>	<u>39,417,033</u>	<u>40,766,646</u>	<u>16,131,813</u>	<u>16,735,956</u>	<u>55,548,846</u>	<u>57,502,602</u>
<b>Ending net assets</b>	<u>\$ 39,974,748</u>	<u>\$ 39,417,033</u>	<u>\$ 15,821,340</u>	<u>\$ 16,131,813</u>	<u>\$ 55,796,088</u>	<u>\$ 55,548,846</u>

**City of Fairview Park**  
*Management's Discussion and Analysis*  
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*Unaudited*

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***Governmental Activities***

Governmental activities net assets increased \$557,715 or 1.4% in 2006 over 2005. This increase was not due any one significant item.

Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$6,617,530 of expenses, or 39.5% of total governmental expenses of the City. These expenses were funded by \$738,051 in charges to users of services and operating grants. General government expenses, which primarily include legislative, executive and financial management, totaled \$2,249,139 or 13.4% of total governmental expenses. General government expenses were covered by \$221,924 of direct charges to users and operating grants.

General revenues totaled \$15,245,627, and amounted to 88.2% of total revenues. These revenues primarily consist of property and income tax revenue of \$12,718,823, or 83.4% of total general revenues. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with a majority of the revenue being local government and local government revenue assistance. For 2006, these revenues totaled \$1,196,593, or 7.8% of the total general revenues.

***Business-type Activities***

The sewer fund represents the City's business-type activities. This program had program revenues of \$1,736,787 and expenses of \$2,049,290 for year 2006. Business-type activities reported a decrease in net assets of \$310,473, or 1.9% as compared to 2005. For this year, the decrease in net assets was attributed to operating activities.

Charges for services were the largest program revenue in the business-type activities, accounting for \$1,736,787 or 99.9% of the total business-type revenues. The majority of the receipts were used to fund the sewer operations and capital improvements of the sewer infrastructure.

***Program Expenses***

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government-wide activities, the total cost of services and the net cost of services for 2006 compared to 2005. That is, it identifies the cost of these services supported by general revenues.

**City of Fairview Park**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2006*  
*Unaudited*

Table 3  
 Program Expenses

	<u>2006</u>		<u>2005</u>		<u>Totals</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<i>Governmental Activities:</i>						
General government	\$ 2,249,139	\$ 2,027,215	\$ 2,279,103	\$ 1,992,464	\$ 4,528,242	\$ 4,019,679
Security of persons and property	6,617,530	5,879,479	6,697,803	5,947,294	13,315,333	11,826,773
Public health and welfare	2,405	2,405	72,513	72,413	74,918	74,818
Transportation	3,263,865	2,554,470	3,643,981	2,787,454	6,907,846	5,341,924
Community environment	1,741,880	1,572,046	1,877,840	1,756,071	3,619,720	3,328,117
Leisure time activities	1,645,018	1,435,963	985,749	788,669	2,630,767	2,224,632
Interest and fiscal charges	1,216,334	1,216,334	779,562	779,562	1,995,896	1,995,896
<i>Business-Type Activities:</i>						
Sewer	<u>2,049,290</u>	<u>312,503</u>	<u>2,335,183</u>	<u>614,152</u>	<u>4,384,473</u>	<u>926,655</u>
Total expenses	<u>\$ 18,785,461</u>	<u>\$ 15,000,415</u>	<u>\$ 18,671,734</u>	<u>\$ 14,738,079</u>	<u>\$ 37,457,195</u>	<u>\$ 29,738,494</u>

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

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

**Governmental Funds**

The general fund is the operating fund of the City. At the end of the year, the fund balance of the general fund was \$1,359,107, an 11.6% decrease from the prior year. The primary reason for the decrease of the general fund balance in 2006 was attributed to an increase in expenditures. The fund balance of the bond retirement debt service fund decreased \$169,301 to an ending deficit fund balance of (\$64,650) in 2006. The increased fund balance of \$2,501,001, or 202.1%, in the Recreation/Community Center special revenue fund is primarily the result of the decrease in expenditure requirements of the current year's projects and increase income tax revenue. Finally, the recreation construction capital project fund's balance decreased by \$5,828,694 over the 2006 fund balance. The decrease was attributed to the spending of proceeds of new debt issued in a previous year.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 16. These funds are accounted for by using the modified accrual basis of accounting.

**City of Fairview Park**  
*Management's Discussion and Analysis*  
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**General Fund Budgeting Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2006 the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City allows small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of the City's major activities such as the Police Department and the Fire Department as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

There most significant changes from the original budgeted revenues as compared to the final budgeted amounts were \$613,211 and \$552,970 in municipal income tax and property tax, respectively. These differences were caused by the conservative budgeting nature of the original budgeting process. Actual revenues were less than the final amount by \$822,804. This difference was caused mainly due to a decrease in estimated taxes and intergovernmental revenues.

Final budgeted expenditures were equal to the original budgeted expenditures. Actual expenditures of \$9,187,021 for the year were \$594,224 higher than the \$8,592,797 original and final budgeted amounts. The majority of this change was reported in security of persons and property and general government.

**Capital Assets**

At the end of year 2006, the City had \$58,461,884 (net of accumulated depreciation) invested in land, land improvements, buildings, equipment, vehicles and infrastructure. Of this total, \$46,660,040 was reported in governmental activities and \$11,801,844 was reported in business-type activities. Table 4 below reports year 2006 balances compared to 2005:

Table 4  
 Capital Assets, at Fiscal Year End  
 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 988,780	\$ 988,780	\$ -	\$ -	\$ 988,780	\$ 988,780
Land improvements	681,301	755,067	-	-	681,301	755,067
Buildings	1,753,637	1,774,456	191,729	22,910	1,945,366	1,797,366
Equipment	655,669	442,262	10,289	120	665,958	442,382
Vehicles	679,870	783,380	-	-	679,870	783,380
Infrastructure	34,803,002	36,499,765	11,599,826	11,964,598	46,402,828	48,464,363
Construction in progress	<u>7,097,781</u>	<u>2,559,292</u>	<u>-</u>	<u>162,258</u>	<u>7,097,781</u>	<u>2,721,550</u>
<b>Total</b>	<u>\$46,660,040</u>	<u>\$43,803,002</u>	<u>\$11,801,844</u>	<u>\$12,149,886</u>	<u>\$58,461,884</u>	<u>\$55,952,888</u>

**City of Fairview Park**  
*Management's Discussion and Analysis*  
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*Unaudited*

The most significant change during 2006 to the total amount of capital assets was an increase of \$4,538,489 to construction in progress for governmental activities. For the governmental activities this increase was due to the continuation of a prior year project and other related developmental activities. See Note 6 to the basic financial statements for detail on the governmental and business-type activities capital assets.

**Debt Administration**

At December 31, 2006 the City had total long-term debt outstanding of \$27,770,924. Of this total, \$985,667 is due within one year and \$27,770,924 is due in more than one year. Table 5 below summarizes the bonds and loans outstanding:

Additional information concerning the City's capital leases and debt can be found at Note 10 and 11 of the basic financial statements.

Table 5  
 Outstanding Debt at Year End

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General Obligation Bonds	\$25,065,437	\$ 25,861,999	\$ -	\$ 115,000	\$25,065,437	\$ 25,976,999
Long-term Notes	1,500,446	1,524,260	280,464	316,598	1,780,910	1,840,858
Capital Leases	363,336	489,227	-	-	363,336	489,227
Capital Charges Agreement	-	-	561,241	628,410	561,241	628,410
	<u>                  </u>					
Total	<u>\$26,929,219</u>	<u>\$ 27,875,486</u>	<u>\$ 841,705</u>	<u>\$ 1,060,008</u>	<u>\$27,770,924</u>	<u>\$ 28,935,494</u>

**Contacting the City's Finance Department**

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

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**City of Fairview Park, Ohio**

**Statement of Net Assets**

**December 31, 2006**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 18,634,687	\$ 726,405	\$ 19,361,092
Cash and cash equivalents in segregated accounts	854,329	-	854,329
Receivables:			
Income tax	2,656,379	-	2,656,379
Property and other taxes	4,436,424	-	4,436,424
Accounts	189,836	262,618	452,454
Special assessments	264,160	-	264,160
Accrued interest	29,899	-	29,899
Intergovernmental	1,047,124	-	1,047,124
Materials and supplies inventory	25,641	957	26,598
Prepaid items	22,018	-	22,018
Deferred charges	246,351	-	246,351
Investment in joint venture	-	4,106,064	4,106,064
Nondepreciable capital assets	8,086,561	-	8,086,561
Depreciable capital assets, net	38,573,479	11,801,844	50,375,323
Total assets	<u>75,066,888</u>	<u>16,897,888</u>	<u>91,964,776</u>
<u>Liabilities:</u>			
Accounts payable	1,024,237	173,472	1,197,709
Contracts payable	171,319	-	171,319
Accrued wages and benefits	42,715	1,946	44,661
Intergovernmental payable	566,783	12,617	579,400
Deferred revenue	4,091,479	-	4,091,479
Accrued interest payable	112,607	-	112,607
Claims payable	67,069	-	67,069
Long-term liabilities:			
Due within one year	1,558,298	116,394	1,674,692
Due in more than one year	27,457,633	772,119	28,229,752
Total liabilities	<u>35,092,140</u>	<u>1,076,548</u>	<u>36,168,688</u>
<u>Net assets:</u>			
Invested in capital assets, net of related debt	19,977,172	11,521,380	31,498,552
Restricted for:			
Capital projects	15,635,792	-	15,635,792
Other purposes	3,413,168	-	3,413,168
Unrestricted	948,616	4,299,960	5,248,576
Total net assets	<u>\$ 39,974,748</u>	<u>\$ 15,821,340</u>	<u>\$ 55,796,088</u>

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2006**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 2,249,139	\$ 209,604	\$ 12,320	\$ -
Security of persons and property	6,617,530	715,704	22,347	-
Public health and welfare	2,405	-	-	-
Transportation	3,263,865	-	709,395	-
Community environment	1,741,880	169,834	-	-
Leisure time activities	1,645,018	181,899	27,156	-
Interest and fiscal charges	1,216,334	-	-	-
Total governmental activities	<u>16,736,171</u>	<u>1,277,041</u>	<u>771,218</u>	<u>-</u>
<u>Business-Type Activities:</u>				
Sewer	<u>2,049,290</u>	<u>1,736,787</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>2,049,290</u>	<u>1,736,787</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 18,785,461</u>	<u>\$ 3,013,828</u>	<u>\$ 771,218</u>	<u>\$ -</u>

General revenues:  
Property taxes levied for:  
    General purposes  
    Capital improvements  
    Special purposes  
Income tax levied for:  
    General purposes  
    Recreation and community center  
    Capital improvements  
Grants and entitlements not restricted to specific programs  
Investment earnings  
Other  
Total general revenues

Change in net assets

Net assets, beginning of year, as restated  
Net assets, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (2,027,215)	\$ -	\$ (2,027,215)
(5,879,479)	-	(5,879,479)
(2,405)	-	(2,405)
(2,554,470)	-	(2,554,470)
(1,572,046)	-	(1,572,046)
(1,435,963)	-	(1,435,963)
(1,216,334)	-	(1,216,334)
<u>(14,687,912)</u>	<u>-</u>	<u>(14,687,912)</u>
-	(312,503)	(312,503)
-	(312,503)	(312,503)
<u>\$ (14,687,912)</u>	<u>\$ (312,503)</u>	<u>\$ (15,000,415)</u>
3,467,149	-	3,467,149
294,107	-	294,107
806,608	-	806,608
4,236,452	-	4,236,452
2,518,921	-	2,518,921
1,395,586	-	1,395,586
1,196,593	-	1,196,593
1,162,601	1,375	1,163,976
167,610	655	168,265
<u>15,245,627</u>	<u>2,030</u>	<u>15,247,657</u>
557,715	(310,473)	247,242
<u>39,417,033</u>	<u>16,131,813</u>	<u>55,548,846</u>
<u>\$ 39,974,748</u>	<u>\$ 15,821,340</u>	<u>\$ 55,796,088</u>

**City of Fairview Park, Ohio**

**Balance Sheet**

**Governmental Funds**

**December 31, 2006**

	General	Recreation/ Community Center	Bond Retirement	Recreation Construction	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Equity in pooled cash and cash equivalents	\$ 148,393	\$ 3,124,219	\$ 27,162	\$ 12,749,255	\$ 2,352,979	\$ 18,402,008
Cash and cash equivalents:						
In segregated accounts	-	-	-	854,329	-	854,329
Receivables:						
Income tax	1,627,921	682,996	-	-	345,462	2,656,379
Property and other taxes	3,222,129	-	-	-	1,214,295	4,436,424
Accounts	19,878	-	-	-	169,958	189,836
Interfund	549,689	123,000	-	-	50,299	722,988
Special assessments	-	-	-	-	264,160	264,160
Accrued interest	1,196	-	-	28,703	-	29,899
Intergovernmental	573,975	-	-	-	473,149	1,047,124
Materials and supplies inventory	6,022	-	-	-	19,619	25,641
Prepaid items	22,018	-	-	-	-	22,018
Total assets	<u>\$ 6,171,221</u>	<u>\$ 3,930,215</u>	<u>\$ 27,162</u>	<u>\$ 13,632,287</u>	<u>\$ 4,889,921</u>	<u>\$ 28,650,806</u>
Liabilities and fund balances						
<u>Liabilities:</u>						
Accounts payable	\$ 140,947	\$ 91	\$ -	\$ 649,134	\$ 234,065	\$ 1,024,237
Contracts payable	-	-	-	-	171,319	171,319
Interfund payable	-	-	91,812	-	631,176	722,988
Accrued wages	34,274	-	-	-	8,370	42,644
Intergovernmental payable	277,062	2,642	-	-	287,022	566,726
Deferred revenue	4,359,831	189,151	-	-	1,857,893	6,406,875
Total liabilities	<u>4,812,114</u>	<u>191,884</u>	<u>91,812</u>	<u>649,134</u>	<u>3,189,845</u>	<u>8,934,789</u>
<u>Fund balances:</u>						
Reserved for encumbrances	24,344	91	-	8,796,387	81,758	8,902,580
Unreserved, undesignated, Reported in:						
General fund	1,334,763	-	-	-	-	1,334,763
Special revenue funds	-	3,738,240	-	-	590,822	4,329,062
Debt service fund	-	-	(64,650)	-	-	(64,650)
Capital projects fund	-	-	-	4,186,766	1,027,496	5,214,262
Total fund balances	<u>1,359,107</u>	<u>3,738,331</u>	<u>(64,650)</u>	<u>12,983,153</u>	<u>1,700,076</u>	<u>19,716,017</u>
Total liabilities and fund balances	<u>\$ 6,171,221</u>	<u>\$ 3,930,215</u>	<u>\$ 27,162</u>	<u>\$ 13,632,287</u>	<u>\$ 4,889,921</u>	<u>\$ 28,650,806</u>

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**December 31, 2006**

Total governmental fund balances \$ 19,716,017

*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 funds. 46,660,040

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 165,482

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

Property and other taxes	\$ 278,379	
Income taxes	1,074,483	
Intergovernmental	633,822	
Special assessments	264,160	
Charges for services	64,552	
Deferred charges	246,351	
Total		2,561,747

Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. (112,607)

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

General obligation bonds	\$ (25,065,437)	
Long term notes	(1,500,446)	
Capital lease payable	(363,336)	
Compensated absences	(2,086,712)	
Total		<u>(29,015,931)</u>

Net assets of governmental activities \$ 39,974,748

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

**For the Year Ended December 31, 2006**

	General	Recreation/ Community Center	Bond Retirement	Recreation Construction	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Income tax	\$ 4,148,168	\$ 2,612,820	\$ -	\$ -	\$ 1,447,683	\$ 8,208,671
Property and other taxes	3,369,014	-	-	-	1,088,168	4,457,182
Charges for services	65,979	15,518	-	795	548,030	630,322
Licenses and permits	209,573	-	-	-	-	209,573
Fines, licenses, and permits	90,276	-	-	-	104,363	194,639
Intergovernmental	1,008,608	-	-	-	1,006,280	2,014,888
Special assessments	-	-	-	-	251,996	251,996
Investment income	254,975	615	-	889,773	18,270	1,163,633
Rentals	10,429	-	-	-	-	10,429
Other	129,595	-	199	11,073	23,842	164,709
Total revenue	<u>9,286,617</u>	<u>2,628,953</u>	<u>199</u>	<u>901,641</u>	<u>4,488,632</u>	<u>17,306,042</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	1,554,005	-	-	-	21,755	1,575,760
Security of persons and property	4,791,918	-	-	-	1,749,217	6,541,135
Public health and welfare	2,405	-	-	-	-	2,405
Transportation	372,757	-	-	-	1,723,854	2,096,611
Community environment	1,720,999	-	-	-	14,927	1,735,926
Leisure time activities	402,058	225,952	-	658,026	387,780	1,673,816
Capital outlay	113,044	-	-	4,514,184	91,297	4,718,525
<b>Debt service:</b>						
Principal retirement	28,992	-	28,814	550,000	1,486,899	2,094,705
Interest and fiscal charges	3,529	-	140,686	1,008,125	88,808	1,241,148
Total expenditures	<u>8,989,707</u>	<u>225,952</u>	<u>169,500</u>	<u>6,730,335</u>	<u>5,564,537</u>	<u>21,680,031</u>
Excess of revenues over (under) expenditures	<u>296,910</u>	<u>2,403,001</u>	<u>(169,301)</u>	<u>(5,828,694)</u>	<u>(1,075,905)</u>	<u>(4,373,989)</u>
<b>Other financing sources (uses):</b>						
Loans issued	-	-	-	-	1,200,000	1,200,000
Transfers - in	-	98,000	-	-	764,634	862,634
Transfers - out	(474,634)	-	-	-	(388,000)	(862,634)
Total other financing sources (uses)	<u>(474,634)</u>	<u>98,000</u>	<u>-</u>	<u>-</u>	<u>1,576,634</u>	<u>1,200,000</u>
Net change in fund balance	<u>(177,724)</u>	<u>2,501,001</u>	<u>(169,301)</u>	<u>(5,828,694)</u>	<u>500,729</u>	<u>(3,173,989)</u>
Fund balances at beginning of year	<u>1,536,831</u>	<u>1,237,330</u>	<u>104,651</u>	<u>18,811,847</u>	<u>1,199,347</u>	<u>22,890,006</u>
Fund balances at end of year	<u>\$ 1,359,107</u>	<u>\$ 3,738,331</u>	<u>\$ (64,650)</u>	<u>\$ 12,983,153</u>	<u>\$ 1,700,076</u>	<u>\$ 19,716,017</u>

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2006**

Net change in fund balances - Total governmental funds \$ (3,173,989)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

In the current period, these amounts are:

Capital asset additions	\$ 4,718,525	
Depreciation expense	<u>(2,085,185)</u>	
Excess of capital asset additions over depreciation expense		2,633,340

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (32,529)

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

Property and other taxes	\$ 110,679	
Income taxes	(57,711)	
Intergovernmental	(48,107)	
Special assessments	(8,029)	
Charges for services	<u>(8,988)</u>	
Net change in deferred revenues during the year		(12,156)

Some items 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. These activities consist of:

Decrease in compensated absences	\$ 74,087	
Increase in accrued interest	<u>(11,074)</u>	
Total additional expenditures		63,013

The internal service fund used by management to charge the costs of dental and vision claims to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 149,443

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,968,814

Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 125,891

Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. (1,200,000)

The amortization of issuance costs and bond premium is reflected as an expense in the statement of activities.

Issuance cost	\$ (15,674)	
Premium	<u>51,562</u>	
Total additional expenses		<u>35,888</u>

Change in net assets of governmental activities \$ 557,715

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Income tax	\$ 3,504,642	\$ 4,117,853	\$ 3,762,530	\$ (355,323)
Property and other taxes	3,160,348	3,713,318	3,401,849	(311,469)
Charges for services	31,540	31,540	66,274	34,734
Licenses and permits	228,132	268,048	208,403	(59,645)
Fines, licenses, and permits	90,000	90,000	91,728	1,728
Intergovernmental	1,245,361	1,463,263	1,082,166	(381,097)
Investment income	100,000	100,000	255,872	155,872
Rentals	10,750	10,750	10,429	(321)
Other	17,000	17,000	109,717	92,717
Total revenue	<u>8,387,773</u>	<u>9,811,772</u>	<u>8,988,968</u>	<u>(822,804)</u>
<u>Expenditures:</u>				
Current:				
General government	1,611,602	1,611,602	1,743,734	(132,132)
Security of persons and property	4,564,943	4,564,943	4,893,429	(328,486)
Public health and welfare	2,465	2,465	2,465	-
Transportation	406,283	406,283	405,318	965
Community environment	1,626,400	1,626,400	1,761,507	(135,107)
Leisure time activities	381,104	381,104	380,568	536
Total expenditures	<u>8,592,797</u>	<u>8,592,797</u>	<u>9,187,021</u>	<u>(594,224)</u>
Excess of revenues over (under) expenditures	<u>(205,024)</u>	<u>1,218,975</u>	<u>(198,053)</u>	<u>(1,417,028)</u>
<u>Other financing sources (uses):</u>				
Transfers - out	<u>(474,635)</u>	<u>(474,635)</u>	<u>(474,634)</u>	<u>1</u>
Total other financing sources (uses)	<u>(474,635)</u>	<u>(474,635)</u>	<u>(474,634)</u>	<u>1</u>
Net change in fund balance	(679,659)	744,340	(672,687)	(1,417,027)
Fund balance at beginning of year	680,743	680,743	680,743	-
Prior year encumbrances appropriated	84,579	84,579	84,579	-
Fund balance at end of year	<u>\$ 85,663</u>	<u>\$ 1,509,662</u>	<u>\$ 92,635</u>	<u>\$ (1,417,027)</u>

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Recreation/Community Center Fund**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final Budget	Actual	
<u>Revenues:</u>				
Income tax	\$ 1,760,000	\$ 2,339,658	\$ 2,297,526	\$ (42,132)
Charges for services	-	-	15,518	15,518
Investment income	72,000	72,000	615	(71,385)
Total revenue	<u>1,832,000</u>	<u>2,411,658</u>	<u>2,313,659</u>	<u>(97,999)</u>
<u>Expenditures:</u>				
Current:				
Leisure time activities	652,800	652,800	223,310	429,490
Debt service:				
Interest and fiscal charges	1,008,125	1,008,125	-	1,008,125
Total expenditures	<u>1,660,925</u>	<u>1,660,925</u>	<u>223,310</u>	<u>1,437,615</u>
Excess of revenues over (under) expenditures	<u>171,075</u>	<u>750,733</u>	<u>2,090,349</u>	<u>1,339,616</u>
<u>Other financing sources (uses):</u>				
Transfers - in	-	-	98,000	98,000
Net change in fund balance	171,075	750,733	2,188,349	1,437,616
Fund balance at beginning of year	935,779	935,779	935,779	-
Fund balance at end of year	<u>\$ 1,106,854</u>	<u>\$ 1,686,512</u>	<u>\$ 3,124,128</u>	<u>\$ 1,437,616</u>

**City of Fairview Park, Ohio**

**Statement of Fund Net Assets**

**Proprietary Funds**

**December 31, 2006**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Gilles-Sweet	Total	Activities Internal Service
<u>Assets:</u>				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 725,996	\$ 409	\$ 726,405	\$ 232,679
Receivables:				
Accounts	262,618	-	262,618	-
Materials and supplies inventory	957	-	957	-
Total current assets	989,571	409	989,980	232,679
Non-current assets:				
Investment in joint venture	4,106,064	-	4,106,064	-
Capital assets:				
Depreciable capital assets, net	11,801,844	-	11,801,844	-
Total non-current assets	15,907,908	-	15,907,908	-
Total assets	\$ 16,897,479	\$ 409	\$ 16,897,888	\$ 232,679
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	\$ 173,472	\$ -	\$ 173,472	\$ -
Accrued wages and benefits	1,946	-	1,946	71
Compensated absences payable	23,480	-	23,480	-
Intergovernmental payable	12,617	-	12,617	57
Claims payable	-	-	-	67,069
Capital agreement payable	56,780	-	56,780	-
OPWC loans payable	36,134	-	36,134	-
Total current liabilities	304,429	-	304,429	67,197
Long-term liabilities:				
Compensated absences payable	23,328	-	23,328	-
Capital agreement payable, net of current portion	504,461	-	504,461	-
OPWC loans payable, net of current portion	244,330	-	244,330	-
Total long-term liabilities	772,119	-	772,119	-
Total liabilities	1,076,548	-	1,076,548	67,197
<u>Net assets:</u>				
Invested in capital assets, net of related debt	11,521,380	-	11,521,380	-
Unrestricted	4,299,551	409	4,299,960	165,482
Total net assets	\$ 15,820,931	\$ 409	\$ 15,821,340	\$ 165,482

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**

**Statement of Revenues, Expenses and Changes in Fund Net Assets**

**Proprietary Funds**

**For the Year Ended December 31, 2006**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Gilles-Sweet	Total	Activities Internal Service
<u>Operating revenues:</u>				
Charges for services	\$ 1,730,224	\$ -	\$ 1,730,224	\$ 1,327,917
Tap-in fees	6,563	-	6,563	-
Other	655	-	655	-
Total operating revenue	<u>1,737,442</u>	<u>-</u>	<u>1,737,442</u>	<u>1,327,917</u>
<u>Operating expenses:</u>				
Personal services	547,143	-	547,143	16,377
Contractual services	999,896	-	999,896	243,618
Supplies and materials	14,745	-	14,745	-
Claims	-	-	-	918,479
Depreciation	370,449	-	370,449	-
Total operating expenses	<u>1,932,233</u>	<u>-</u>	<u>1,932,233</u>	<u>1,178,474</u>
Operating income (loss)	<u>(194,791)</u>	<u>-</u>	<u>(194,791)</u>	<u>149,443</u>
<u>Non-operating revenues (expenses):</u>				
Interest	1,375	-	1,375	-
Investment in joint venture	(113,703)	-	(113,703)	-
Interest and fiscal charges	(3,354)	-	(3,354)	-
Total non-operating revenues (expenses):	<u>(115,682)</u>	<u>-</u>	<u>(115,682)</u>	<u>-</u>
Change in net assets	(310,473)	-	(310,473)	149,443
Net assets at beginning of year	<u>16,131,404</u>	<u>409</u>	<u>16,131,813</u>	<u>16,039</u>
Net assets at end of year	<u>\$ 15,820,931</u>	<u>\$ 409</u>	<u>\$ 15,821,340</u>	<u>\$ 165,482</u>

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2006**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Gilles-Sweet	Total	Activities Internal Service
Cash flows from operating activities:				
Cash received from customers	\$ 1,626,770	\$ -	\$ 1,626,770	\$ 1,327,917
Cash payments for employee services and benefits	(438,611)	-	(438,611)	(261,904)
Cash payments to suppliers for goods and services	(1,194,358)	-	(1,194,358)	(920,379)
Net cash provided by (used for) operating activities	(6,199)	-	(6,199)	145,634
Cash flows from capital and related financing activities:				
Interest paid on debt	(4,025)	-	(4,025)	-
Principal payment on bonds and loans	(151,134)	-	(151,134)	-
Principal payment on capital agreement	(67,169)	-	(67,169)	-
Acquisition of capital assets	(22,407)	-	(22,407)	-
Net cash used for capital and related financing activities	(244,735)	-	(244,735)	-
Cash flows from investing activities:				
Capital contributed to joint venture	(98,962)	-	-	-
Investment income	1,375	-	1,375	-
Net cash provided by investing activities	(97,587)	-	1,375	-
Net increase (decrease) in cash and cash equivalents	(348,521)	-	(348,521)	145,634
Cash and cash equivalents at beginning of year	1,074,517	409	1,074,926	87,045
Cash and cash equivalents at end of year	\$ 725,996	\$ 409	\$ 726,405	\$ 232,679
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (194,791)	\$ -	\$ (194,791)	\$ 149,443
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	370,449	-	370,449	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(110,672)	-	(110,672)	-
Materials and supplies inventory	(495)	-	(495)	-
Increase (decrease) in liabilities:				
Accounts payable	(29,947)	-	(29,947)	(6,787)
Claims payable	-	-	-	2,900
Accrued wages and benefits	(1,890)	-	(1,890)	21
Compensated absences	(14,127)	-	(14,127)	-
Due to other governments	(24,726)	-	(24,726)	57
Net cash provided by (used for) operating activities	\$ (6,199)	\$ -	\$ (6,199)	\$ 145,634

See accompanying notes to the basic financial statements.

***City of Fairview Park, Ohio***  
**Statement of Fiduciary Assets and Liabilities**  
**December 31, 2006**

	<u>Agency</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 105,213
Total assets	<u>\$ 105,213</u>
<u>Liabilities:</u>	
Accounts payable	\$ 3,963
Intergovernmental payable	705
Undistributed monies	86,820
Refundable deposits	<u>13,725</u>
Total liabilities	<u>\$ 105,213</u>

See accompanying notes to the basic financial statements.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note 1 – Summary of Significant Accounting Policies**

**A. Description of the City**

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

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

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

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

**B. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are fairly presented and complete. The primary government consists of all funds, departments, boards and commissions that are not legally separate from the City. The City provides various services including public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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The Rocky River Wastewater Treatment Plant is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a management board consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The board has complete authority over all aspects of the plant's operation. The City has an explicit and measurable equity interest in the Rocky River Wastewater Treatment Plant. There exists a residual interest in the assets upon venture's liabilities (See Note 15).

The City is associated with the Westshore Council of Governments and Tri-City Park, which are identified as jointly governed organizations. These organizations are presented in Note 16 to the basic financial statements.

**C. Basis of Presentation**

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

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

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**D. Fund Accounting**

The City accounting system is organized and operated on the basis of funds. The operation of each fund is accounted for within a set of self-balancing accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are classified into three categories: governmental, proprietary, and fiduciary.

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

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

*Recreation/Community Center Fund* This special revenue fund is used to account for that portion of income tax collection of the City and expenditures in regards to the recreation and community center.

*Bond Retirement Fund* This debt service fund is used to account for the accumulation of resources for and the payment of principal, interest, and related cost on general long-term debts.

*Recreation Construction Fund* This capital projects fund is used to account for the use of bond proceeds in constructing and furnishing a new recreation center and facility.

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

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

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

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

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

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

***E. Measurement Focus***

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

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

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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***F. Basis of Accounting***

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, including income taxes, estate taxes, motel-hotel taxes, property taxes, estate taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes, estate taxes, and motel-hotel taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from the non-exchange transactions must also be available before it can be recognized.

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

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

Delinquent property taxes and property taxes for which there is an enforcement legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met also recorded as deferred revenue.

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

**G. Budgetary Data**

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

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

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

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

*Estimated Resources* - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized property taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificate of estimated resources issued during 2006.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

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

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

#### ***H. Cash and Cash Equivalents***

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

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

#### ***I. Materials and Supplies Inventory***

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

On the fund financial statements, inventories of governmental funds are stated at cost, on the first-in, first-out basis. Cost of inventory items are recorded as expenditures in the governmental fund types when purchased.

#### ***J. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2006 are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**K. Investment in Joint Venture**

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

**L. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds. The City uses a capitalization threshold of \$1,000.

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

Interest incurred during the construction of capital assets is also capitalized for business-type activities. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2006, interest costs incurred on construction projects were not material.

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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***M. Deferred Charges and Bond Premiums***

In the fund financial statements, governmental fund types recognize bond premiums and issuance costs in the current period. Although, in the government-wide financial statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

***N. Compensated Absences***

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

In accordance with the provision of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if 1) employees' rights to receive compensation are attributable to services already rendered; and 2) it is probable that the City will compensate the employees for the benefits through paid time off or some other means. A liability for sick leave is based on the sick leave accumulated at December 31, 2006. Sick leave benefits are accrued as a liability using the vesting method. An accrual for sick leave is made when it is expected to be liquidated with available financial resources are recorded as an expenditure and fund liability of the governmental fund that will pay it.

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

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

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

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

***P. Interfund Transactions***

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

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

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

***Q. Fund Balance Reserves and Designations***

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

***R. Operating Revenues and Expenses***

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

***S. Net Assets***

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

***T. Estimates***

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**Note 2 – Restatement of Net Assets and Change in Accounting**

The Recreation/Community Center fund was previously reported as a nonmajor capital projects fund and is now being reported as a major special revenue fund as the facility has began collecting user fees and accumulating income tax revenue. An error was discovered which required a restatement of net assets. Following the close of the previous year, the City discovered that several capital assets were not recorded. A summary of the restatements is presented below:

	Governmental Activities	Business-type Activities	Total
Net assets at December 31, 2005	\$ 39,160,806	\$ 16,131,813	\$ 55,292,619
Capital assets	528,652	-	528,652
Capital assets being depreciated	(272,425)	-	(272,425)
Restated net assets at January 1, 2006	\$ 39,417,033	\$ 16,131,813	\$ 55,548,846

**Note 3 - Budgetary Basis of Accounting**

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

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis financial statement to the budgetary basis financial statement for the general fund and the recreation/community center fund.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
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Net Change in Fund Balance

	General	Recreation Community Center
GAAP Basis	\$ (177,724)	\$ 2,501,001
Revenue accruals	162,351	(315,294)
Expenditure accruals	(587,780)	2,733
Encumbrances (budget basis) outstanding at year end	(69,534)	(91)
Budget Basis	\$ (672,687)	\$ 2,188,349

**Note 4 – 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 public deposits that Council has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim monies may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

1. Commercial paper note issues of United States corporations having assets that exceed \$500 million. Such notes are to be rated "prime" (P-1) by Moody's Investor's Service and (A-1) by Standard & Poor's and must mature no later than 180 days after the date of purchase by the City; and
2. Bankers acceptances from members of the Federal Deposit Insurance Corporation which are eligible for purchase by the Federal Reserve System and which mature no later than 180 days after the date of purchase by the City.

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

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

During 2006, investments were limited to STAROhio.

**A. Undeposited Cash**

At year-end, the City had \$375 in undeposited cash on hand which is included as part of "equity in pooled cash and investments."

**B. Deposits**

*Custodial credit risk* is the risk that, in the event of a bank failure, the City's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government.

These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The City's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of December 31, the carrying amount of the City's deposits was \$15,083,439. The City's bank balance of \$15,344,053 was exposed to custodial credit risk as follows:

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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Uninsured and collateral held by pledging bank's  
trust department in the City's name \$ 15,182,568

**C. Investments**

As of December 31, the City had the following investment:

Investment type	Fair Value	Maturity	Rating
STAROhio	\$ 5,236,820	N/A	AAAm <sup>(1)</sup>

<sup>(1)</sup> Standard and Poor's rating

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2006.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2006 amounted to \$254,975, which includes \$184,322 assigned from other City funds.

*Credit risk* is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAROhio an AAAM rating. The City's investment policy requires certain credit ratings for some investments as allowed by state law.

**Note 5 – Taxes**

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied by October 1 in the preceding calendar year on assessed values as of January 1 of the preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2003. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semi-annually, payment is due December 31 with the remainder payable by June 20, unless extended.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable by September 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Fairview Park. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable at December 31, 2006. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the availability period are not subject to reasonable estimate at December 31, 2006 nor are they intended to finance 2006 operations. The receivable is, therefore, offset by deferred revenue.

The full tax rate for all City operations for the year ended December 31, 2006 was \$11.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based were as follows:

Property Category	Assessed Value	Percent
<u>Real Property</u>		
Residential and agricultural	\$ 312,301,780	81.71%
Commercial and industrial	56,857,330	14.88%
 <u>Tangible Personal Property</u>		
General	7,440,181	1.95%
Public utilities	5,600,560	1.47%
Total Assessed Value	\$ 382,199,851	100%

**B. Income Taxes**

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

**Note 6 – Capital Assets**

Capital asset activity for the year ending December 31, 2006 was as follows:

	Restated Balance 12/31/2005	Increases	Decreases	Balance 12/31/2006
<b>Government activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 988,780	\$ -	\$ -	\$ 988,780
Construction in Progress	<u>2,559,292</u>	<u>4,538,489</u>	<u>-</u>	<u>7,097,781</u>
Total capital assets, not depreciated:	<u>3,548,072</u>	<u>4,538,489</u>	<u>-</u>	<u>8,086,561</u>
Capital assets, being depreciated:				
Buildings	3,222,016	42,834	-	3,264,850
Equipment and Furniture	1,739,083	100,085	(161,247)	1,677,921
Infrastructure	50,134,329	-	-	50,134,329
Land Improvement	1,406,397	-	-	1,406,397
Vehicles	<u>3,613,317</u>	<u>37,117</u>	<u>-</u>	<u>3,650,434</u>
Total capital assets, being depreciated:	<u>60,115,142</u>	<u>180,036</u>	<u>(161,247)</u>	<u>60,133,931</u>
Less accumulated depreciation for:				
Buildings	(1,447,560)	(63,653)	-	(1,511,213)
Equipment and Furniture	(1,061,128)	(89,842)	128,718	(1,022,252)
Infrastructure	(13,634,564)	(1,696,763)	-	(15,331,327)
Land Improvement	(665,504)	(59,592)	-	(725,096)
Vehicles	<u>(2,795,229)</u>	<u>(175,335)</u>	<u>-</u>	<u>(2,970,564)</u>
Total accumulated depreciation	<u>(19,603,985)</u>	<u>(2,085,185)</u>	<u>128,718</u>	<u>(21,560,452)</u>
Total capital assets, being depreciated, net	<u>40,511,157</u>	<u>(1,905,149)</u>	<u>(32,529)</u>	<u>38,573,479</u>
Governmental activities capital assets, net	<u>\$ 44,059,229</u>	<u>\$ 2,633,340</u>	<u>\$ (32,529)</u>	<u>\$ 46,660,040</u>

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2006 is as follows:

<u>Depreciation Expense:</u>	
General government	\$ 700,790
Security of persons and property	147,663
Community environment	77,755
Leisure time activities	15,777
Transportation	<u>1,143,200</u>
Total depreciation expense	<u>\$ 2,085,185</u>

	Balance 1/1/2006	Increases	Decreases	Balance 12/31/2006
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Construction in Progress	\$ 162,258	\$ -	\$ (162,258)	\$ -
Total capital assets, not depreciated:	<u>162,258</u>	<u>-</u>	<u>(162,258)</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings	79,000	173,877	-	252,877
Equipment and Furniture	52,122	10,788	-	62,910
Land Improvement	10,296	-	-	10,296
Infrastructure	<u>20,647,746</u>	<u>-</u>	<u>-</u>	<u>20,647,746</u>
Total capital assets, being depreciated:	<u>20,789,164</u>	<u>184,665</u>	<u>-</u>	<u>20,973,829</u>
Less accumulated depreciation for:				
Buildings	(56,090)	(5,058)	-	(61,148)
Equipment and Furniture	(52,002)	(619)	-	(52,621)
Land Improvement	(10,296)	-	-	(10,296)
Infrastructure	<u>(8,683,148)</u>	<u>(364,772)</u>	<u>-</u>	<u>(9,047,920)</u>
Total accumulated depreciation	<u>(8,801,536)</u>	<u>(370,449)</u>	<u>-</u>	<u>(9,171,985)</u>
Total capital assets being depreciated, net	<u>11,987,628</u>	<u>(185,784)</u>	<u>-</u>	<u>11,801,844</u>
Business-type activities capital assets, net	<u>\$ 12,149,886</u>	<u>\$ (185,784)</u>	<u>\$ (162,258)</u>	<u>\$ 11,801,844</u>

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note 7 – Receivables**

Receivables at December 31, 2006 primarily consisted of taxes, accounts (billings for user charged services), intergovernmental receivables, entitlement or shared revenues and special assessments. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivables follows:

	Governmental Activities
Project reimbursement	\$ 127,500
Gasoline tax	298,462
Local government	369,695
Public utility reimbursement	13,044
Court	2,913
Rollback/Homestead	232,447
Liquor permit	3,063
 Total	 \$ 1,047,124

**Note 8 – Internal Balances**

The interfund payable for the year ended December 31, 2006 consisted of the following:

Due to general fund from:	
Bond retirement fund	\$ 91,812
Nonmajor governmental funds	457,877
Total due to general fund from other funds	\$ 549,689
Due to recreation/community center fund from:	
Nonmajor governmental funds	\$ 123,000
Due to nonmajor governmental funds from:	
Other nonmajor governmental funds	\$ 50,299

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

Interfund transfers for the year ended December 31, 2006 consisted of the following:

Transfers from general fund to:	
Nonmajor governmental funds	\$ <u>474,634</u>
Transfers from nonmajor governmental funds to:	
Recreation/Community Center fund	\$ 98,000
Other nonmajor governmental funds	<u>290,000</u>
Total transfers from nonmajor funds	\$ <u>388,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 9 - Risk Management**

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

The City maintains comprehensive insurance coverage with independent third parties for real property, building, vehicle, general liability and professional liability insurance. Settled claims have not exceeded commercial coverage in any of the past three years. Also, the City did not significantly reduce its limits of liability during 2006.

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

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

The City provides employees medical, prescription, and dental benefits through a self-insurance program. All funds of the City participate in the program and make payments to the health insurance reserve internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The medical self-insurance fund provides coverage for up to a maximum of \$50,000 for each individual. The City utilizes a third party administrator, to review all claims which are then paid by the City. The City purchases stop-loss coverage at a cost of \$101,000 annually. Stop-loss coverage provides the amount for the total claims in excess of 110% of projected claims liabilities. During 2006, a total of \$1,178,474 was paid in benefits and administrative costs. Changes in the internal service fund's claim liability amount in 2005 and 2006 were as follows:

		Beginning Balance		Current Year Claims		Claim Payments		Ending Balance
2005	\$	91,044		969,197		(996,072)	\$	64,169
2006	\$	64,169		918,479		(915,579)	\$	67,069

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note 10 - Capital Lease**

In a prior year, the City entered into a capital lease for the acquisition of capital equipment and vehicles. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers all benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis.

Governmental activities capital assets consisting of machinery, equipment, and vehicles have been capitalized in the amount of \$764,802. The capitalized amount is equal to the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition.

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at December 31, 2006:

	Year	Honeywell Conservation Projects	Vehicle Lease-Purchase Agreement	Total
	2007	\$ 32,521	\$ 83,976	\$ 116,497
	2008	27,101	83,976	111,077
	2009	-	83,976	83,976
	2010	-	83,976	83,976
		<u>59,622</u>	<u>335,904</u>	<u>395,526</u>
Total Minimum Lease Payments		59,622	335,904	395,526
Less: Amount Representing Interest		<u>(2,683)</u>	<u>(29,507)</u>	<u>(32,190)</u>
Present Value of Minimum Lease Payments		<u>\$ 56,939</u>	<u>\$ 306,397</u>	<u>\$ 363,336</u>

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**Note 11 - Long-Term Obligations**

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

	<u>Balance</u> <u>1/1/2005</u>	<u>Addition</u>	<u>Deletion</u>	<u>Balance</u> <u>12/31/2006</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds:					
1999 Various Purpose, 3.7-5.3%	\$ 820,000	\$ -	\$ (190,000)	\$ 630,000	\$ 200,000
2005 Refunding Bonds, 3-4.125%	2,380,000	-	(5,000)	2,375,000	15,000
2005 Various Purpose, 3-5%	21,800,000	-	(550,000)	21,250,000	550,000
Premium on bonds	861,999	(51,562)	-	810,437	-
Total General Obligation Bonds	<u>25,861,999</u>	<u>(51,562)</u>	<u>(745,000)</u>	<u>25,065,437</u>	<u>765,000</u>
Long-Term Notes:					
Economic Development, 5.98%	-	1,200,000	-	1,200,000	-
Economic Development, 3.05%	1,200,000	-	(1,200,000)	-	-
Lorain Road Revitalization, 4.6-6.6%	324,260	-	(23,814)	300,446	25,408
Total Long-Term Notes	<u>1,524,260</u>	<u>1,200,000</u>	<u>(1,223,814)</u>	<u>1,500,446</u>	<u>25,408</u>
Capital Leases:					
Honeywell Conservation Projects 4.9%	85,931	-	(28,992)	56,939	30,430
Ambulance Lease-Purchase	27,898	-	(27,898)	-	-
Vehicle Lease Purchase Agreement 4.2%	375,398	-	(69,001)	306,397	71,915
Total Capital Leases	<u>489,227</u>	<u>-</u>	<u>(125,891)</u>	<u>363,336</u>	<u>102,345</u>
Other Long-Term Obligation:					
Compensated Absences Payable	<u>2,160,799</u>	<u>634,739</u>	<u>(708,826)</u>	<u>2,086,712</u>	<u>665,545</u>
Total Long-Term Liabilities in Governmental Activities	<u>\$ 30,036,285</u>	<u>\$ 1,783,177</u>	<u>\$ (2,803,531)</u>	<u>\$ 29,015,931</u>	<u>\$ 1,558,298</u>

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

	Balance 1/1/2005	Addition	Deletion	Balance 12/31/2006	Due Within One Year
<b>Business-Type Activities:</b>					
General Obligation Bonds:					
1986 Sewer Improvement 7.0%	\$ 115,000	\$ -	\$ (115,000)	\$ -	\$ -
Long-Term Notes:					
OPWC 0.0%	316,598	-	(36,134)	280,464	36,134
Other Long-Term Obligations:					
1990 Capital Charges Agreement, 0%	10,380	-	(10,380)	-	-
1994 Capital Charges Agreement, 0%	618,030	-	(56,789)	561,241	56,780
Compensated Absences Payable	60,935	21,461	(35,588)	46,808	23,480
Total Other Long-Term Obligations	689,345	21,461	(102,757)	608,049	80,260
Total Long-Term Liabilities					
In Business-Type Activities	\$ 1,120,943	\$ 21,461	\$ (253,891)	\$ 888,513	\$ 116,394

The 1999 Various Purpose General Obligation Bonds, the Economic Development Notes and the Lorain Road Revitalization Notes will be paid from the Bond Retirement fund. The proceeds of the bonds were used to refund the general obligation bond anticipation notes used to improve and expand the City's park and recreational facilities, construct the senior center, acquire equipment and vehicles and pay the unfunded pension liability. The proceeds of the notes were used to purchase properties on Lorain Road.

In December 2005, the City issued \$2,380,000 in General Obligation Bonds with an average interest rate of 3.6% to advance refund \$2,420,000 of outstanding 1999 Various Purpose General Obligation Bonds with an average interest rate of 4.5%. The proceeds consisted of principal and \$22,561 of premium. The net proceeds of \$2,101,896 (after payment of underwriting fees, insurance, and other issuance costs of \$300,665) was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments. As a result, this portion of the general obligation bonds are considered to be defeased and the liability is not reported by the City. The premium on the general obligation bonds was not significant and will not be amortized over the life of the new bonds. Additionally, on December 31, 2005, the City issued \$21,800,000 in Various Purpose General Obligation Bonds. The bonds will be paid from the Bond Retirement fund. The proceeds of the bonds will be used to improve and expand the City's recreational facilities. The premium on the bonds was significant and is amortized over the life of the bonds using the bonds outstanding method of amortization.

The City advance refunded the 1999 Various Purpose General Obligation Bonds to reduce their total debt service payments over the next 14 years by \$92,802 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$75,582.

In 2006, the City received proceeds of a loan in the amount of \$1,200,000. The note will be paid from the Lorain Road Revitalization capital projects fund and matures in 2009. The proceeds of the loans will be used to revitalize Lorain Road.

Compensated absences reported in the "compensated absences payable" account will be paid from the funds from which the employees' salaries are paid, which is primarily the general fund.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

The business-type activities related general obligation bonds and Ohio Public Works Commission loans will be paid from user charges.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2006 are as follows:

<u>Years</u>	<u>General Obligation Bonds</u>			<u>Long-Term Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2007	\$ 765,000	\$ 1,116,935	\$ 1,881,935	\$ 25,408	\$ 90,896	\$ 116,304
2008	525,000	1,090,785	1,615,785	27,109	89,195	116,304
2009	535,000	1,071,465	1,606,465	1,228,924	50,826	1,279,750
2010	495,000	1,050,887	1,545,887	30,860	13,924	44,784
2011	350,000	1,031,088	1,381,088	32,925	11,859	44,784
2012-2016	2,990,000	4,874,238	7,864,238	155,220	23,159	178,379
2017-2021	4,795,000	4,096,000	8,891,000	-	-	-
2022-2026	6,500,000	2,850,000	9,350,000	-	-	-
2027-2030	7,300,000	942,500	8,242,500	-	-	-
Totals	<u>\$ 24,255,000</u>	<u>\$ 18,123,898</u>	<u>\$ 42,378,898</u>	<u>\$ 1,500,446</u>	<u>\$ 279,859</u>	<u>\$ 1,780,305</u>

	<u>1994 Capital Charges</u>		<u>OPWC Loans</u>	
	<u>Principal</u>	<u>Payment</u>	<u>Principal</u>	<u>Payment</u>
2007	\$ 56,780	\$ 56,780	\$ 36,134	\$ 36,134
2008	56,824	56,824	36,134	36,134
2009	56,817	56,817	36,134	36,134
2010	56,796	56,796	36,134	36,134
2011	56,783	56,783	36,134	36,134
2012-2016	277,241	277,241	99,794	99,794
Total	<u>\$ 561,241</u>	<u>\$ 561,241</u>	<u>\$ 280,464</u>	<u>\$ 280,464</u>

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note 12 - Other Employee Benefits**

*Compensated Absences*

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

Upon retirement, a union employee and police department employee can be paid for one half of their accumulated hours of sick leave up to 1,100, and a non-union employee can be paid for one half of their accumulated hours of sick leave up to 980 hours. Fire department employees can be paid for one half of their accumulated sick leave up to 1,307 hours. Upon retirement, termination, or death of the employee, accrued vacation is paid for time the employees have earned but not used.

As of December 31, 2006, the liability for unpaid compensated absences was \$2,133,520 for the entire City.

**Note 13 - Defined Benefit Pension Plans**

*A. Ohio Public Employees Retirement System*

All City full-time employees, other than Police and Firemen, participate in the Ohio Public Employees Retirement System (OPERS) which is administered by the Ohio Public Employees Retirement Board. OPERS administers three separate pension plans: (1) The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan. (2) The Member-Directed Plan (MD) - a defined contribution plan; in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vest) employer contributions plus any investment earning. (3) The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefit and annual cost-of-living adjustments to members of 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 in Chapter 145 of the Ohio Revised Code. OPERS issued a stand-alone financial report. Interest parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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The Ohio Revised Code provides statutory authority for member and employer contribution. For 2006, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Plan. The 2006 member contribution rates were 9 percent for members in classifications other than law enforcement and public safety. For local government employer units, the City's the contribution rate was 13.70 percent of covered payroll. The City's required contributions to OPERS for the years ended December 31, 2006, 2005, and 2004 were \$350,891, \$321,578 and \$444,141, respectively. The full amount has been contributed for 2005 and 2004, and 80 percent has been contributed for 2006. \$99,624 representing the unpaid contribution for 2006 is recorded as a liability within the respective funds.

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

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations, while the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters to fund pension obligations. Contributions are authorized by State statute. The City's contributions to the PFDPF for police and firefighters were \$229,772 and \$323,283 for the year ended December 31, 2006, \$218,324 and \$308,227 for 2005, \$353,983 and \$436,879 for 2004. The full amount has been contributed for 2005 and 2004 respectively. For 2006, 62.8 and 74.7 percent has been contributed for police and firefighters, respectively. \$262,525 representing the unpaid contribution for 2006 is reported as a liability within the respective funds.

**Note 14 - Postemployment Benefits**

*A. Ohio Public Employees Retirement System*

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

OPERS provides retirement, disability, survivor and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plan must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered to be an Other Postemployment Benefit (OPEB) as described in GASB Statement 12.

*City of Fairview Park, Ohio*  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety with separate employee contribution rates and benefits. For local government employer units, the City's contribution rate was 13.70 percent of covered payroll, of which 4.5 percent was used to fund health care for the year. The Ohio Revised Code provides the statutory authority to require public employers to fund post retirement health care through their contributions to OPERS.

OPEBs are advance-funded on an actuarially determined basis. An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2006 was 6.5 percent. An annual increase of 4 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4 percent base increase, were assumed to range from 0.5 to 6.3 percent. Health care costs were assumed to increase at the projected wages inflation rate plus an additional factor ranging from one to six percent for the next eight years. In subsequent years (nine and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation).

At year-end 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 376,109. The rates stated above are the actuarially determined contribution requirements for OPERS. The portion of employer contributions that were used to fund post employment benefits was \$146,970. \$12 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2006. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expense. The board defined allocation was 7.75 percent of covered payroll in 2006 and 2005. 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.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$151,552 for police and \$154,181 for firefighters. The OP&F total health care expense for the year ended December 31, 2006, the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006, was 14,120 for police and 10,563 for firefighters.

**Note 15 - Joint Venture - Rocky River Wastewater Treatment Plant**

The Rocky River Wastewater Treatment Plant (the "Plant") is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The Plant is governed by a management board consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The board has complete authority over all aspects of the Plant's operations. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage liens located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City's continued participation, and the City has an equity interest in the Plant. The City's equity interest is \$4,106,064 which represents 16.5 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Ave., Rocky River, Ohio 44116.

**Note 16 - Jointly Governed Organizations**

A. *Westshore Council of Governments*

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

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

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**B. Tri-City Park**

The Tri-City Park (the "Park") provides a recreational park to the cities of Rocky River, Westlake and Fairview Park. The Park is governed by a board consisting of the elected mayors of the three cities. The board exercises total control over the operation of the Park including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each city's degree of control is limited to its representation on the board. In 2006, the City did not contribute to the Park. Complete financial statements can be obtained from the City of Westlake, 27216 Hilliard, Westlake, Ohio 44145.

**Note 17 – Accountability and Compliance**

**A. Fund Deficits**

The following funds had a deficit fund balance or deficit net assets as of December 31, 2006:

Fund	Deficit Fund Balance
<u>Special Revenue Fund:</u>	
Recreation	\$ 34,056
Police and Fire Pension	236,685
Fire Operating Levy	4,291
State Grants	6,100
 <u>Capital Project Fund:</u>	
Lorain Road Revitalization	405,851
 <u>Debt Service Fund:</u>	
Bond Retirement	64,650

The deficit in the recreation, police and fire operating levy, and state grant special revenue funds; Lorain road revitalization capital project fund and bond retirement debt service fund are largely the result of the recognition of liabilities in accordance with general accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**City of Fairview Park, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**B. Compliance**

*Expenditures and Encumbrances Exceeding Appropriation:* Section 5705.41(B), Revised Code, prohibits the City from making expenditure unless it has been properly appropriated. The table below lists several funds that were found to have expenditures plus encumbrances in excess of appropriations.

<u>Fund/Department</u>	<u>Excess</u>	<u>Fund</u>	<u>Excess</u>
<u>General Fund</u>		<u>Special Revenue Funds</u>	
General government		Street construction, maintenance and repair	\$ 17,441
Department of mayor and administration	\$ 16,904	Police and fire pension	69,182
Office of the city manager	27,901	Federal grants	14,926
Department of finance and tax	23,233	P.O.P.A.S.	39,972
Department of data processing	11,537		
Mayor's court	23,939	<u>Capital Projects Fund</u>	
Division of lands and buildings	18,036	Lorain Road revitalization	24,148
Department of law	10,707	Recreation construction	1,498
Security of persons and property			
Division of police	216,845		
Division of emergency services	111,942		
Community and economic environment			
Environmental improvement	26,141		
Division of housing and building code	74,289		
Tree commission	34,677		

*Appropriations Exceeding Estimated resources:* Section 5705.39, Revised Code, prohibits appropriations from exceeding estimated resources. The bond retirement debt service fund and state grants and emergency medical system special revenue funds were found to have appropriation exceeding estimated resources.

Section 5705.41(D), Revised Code, prohibits the City from entering into a contract or ordering an expenditure of money unless a certificate signed by a fiscal officer is attached thereto. During the year, the City had several instances of noncompliance.

Section 5705.10, Revised Code, prohibits the City from having negative fund balances. The police and fire pension fund reported a negative fund balance at December 31, 2006. The general fund makes transfers throughout the year to this fund to cover negative cash balances.

Sections 5705.14, 5705.15, and 5705.16 states that no transfer can be made from one fund of the City to any other fund, except money may be transferred from the general fund to any fund of the City by resolution of the taxing authority or from one fund to another as is specifically authorized in Section 5705.14. During 2006, the City transferred funds from the following funds to the general fund: the P.O.P.A.S. and law enforcement trust special revenue funds and the health insurance reserve internal service fund. The financial statements and the City's records have been adjusted to reflect the repayment of funds.

## Combining Statements

## Combining Statements – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

Special revenue funds are used to account for types of resources for which specific uses are mandated by City ordinances or Federal and State statutes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Combining Statements – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds (continued)*

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

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

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

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

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

### *Nonmajor Capital Project Funds*

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

Capital Projects Fund To record a portion of the income tax collection and record expenditures for street construction projects within the City and repayment on related bonded debt.

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

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

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

**City of Fairview Park, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 863,229	\$ 1,489,750	\$ 2,352,979
Receivables:			
Income tax	-	345,462	345,462
Property and other taxes	885,896	328,399	1,214,295
Accounts	169,958	-	169,958
Interfund	5,299	45,000	50,299
Special assessments	264,160	-	264,160
Intergovernmental	322,869	150,280	473,149
Materials and supplies inventory	19,619	-	19,619
Total assets	<u>\$ 2,531,030</u>	<u>\$ 2,358,891</u>	<u>\$ 4,889,921</u>
Liabilities and fund balances			
<u>Liabilities:</u>			
Accounts payable	\$ 57,993	\$ 176,072	\$ 234,065
Contracts payable	-	171,319	171,319
Interfund payable	163,176	468,000	631,176
Accrued wages	8,370	-	8,370
Intergovernmental payable	287,022	-	287,022
Deferred revenue	1,422,147	435,746	1,857,893
Total liabilities	<u>1,938,708</u>	<u>1,251,137</u>	<u>3,189,845</u>
<u>Fund balances:</u>			
Reserved for encumbrances	1,500	80,258	81,758
Unreserved, undesignated,			
Reported in:			
Special revenue funds	590,822	-	590,822
Capital projects fund	-	1,027,496	1,027,496
Total fund balances	<u>592,322</u>	<u>1,107,754</u>	<u>1,700,076</u>
Total liabilities and fund balances	<u>\$ 2,531,030</u>	<u>\$ 2,358,891</u>	<u>\$ 4,889,921</u>

**City of Fairview Park, Ohio**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

**For the Year Ended December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Income tax	\$ -	\$ 1,447,683	\$ 1,447,683
Property and other taxes	797,602	290,566	1,088,168
Charges for services	548,030	-	548,030
Fines, licenses, and permits	104,363	-	104,363
Intergovernmental	828,720	177,560	1,006,280
Special assessments	251,996	-	251,996
Investment income	1,032	17,238	18,270
Other	23,842	-	23,842
Total revenue	<u>2,555,585</u>	<u>1,933,047</u>	<u>4,488,632</u>
<u>Expenditures:</u>			
Current:			
General government	4,695	17,060	21,755
Security of persons and property	1,671,503	77,714	1,749,217
Transportation	632,038	1,091,816	1,723,854
Community environment	14,927	-	14,927
Leisure time activities	387,780	-	387,780
Capital outlay	-	91,297	91,297
Debt service:			
Principal retirement	-	1,486,899	1,486,899
Interest and fiscal charges	-	88,808	88,808
Total expenditures	<u>2,710,943</u>	<u>2,853,594</u>	<u>5,564,537</u>
Excess of revenues over (under) expenditures	<u>(155,358)</u>	<u>(920,547)</u>	<u>(1,075,905)</u>
<u>Other financing sources (uses):</u>			
Loans issued	-	1,200,000	1,200,000
Transfers - in	614,634	150,000	764,634
Transfers - out	<u>(388,000)</u>	<u>-</u>	<u>(388,000)</u>
Total other financing sources (uses)	<u>226,634</u>	<u>1,350,000</u>	<u>1,576,634</u>
Net change in fund balance	71,276	429,453	500,729
Fund balances at beginning of year	<u>521,046</u>	<u>678,301</u>	<u>1,199,347</u>
Fund balances at end of year	<u>\$ 592,322</u>	<u>\$ 1,107,754</u>	<u>\$ 1,700,076</u>

**City of Fairview Park, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**

	Street Construction Maintenance and Repair Fund	State Highway Fund	Recreation Fund	Police and Fire Pension Fund	S.A.V.E. Fund
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 38,015	\$ 31,952	\$ 123,965	\$ -	\$ 400
<u>Receivables:</u>					
Property and other taxes	-	-	377,470	226,480	-
Accounts	-	-	-	-	-
Interfund	-	-	-	5,299	-
Special assessments	-	-	-	-	-
Intergovernmental	276,090	22,372	-	6,044	-
Materials and supplies inventory	19,619	-	-	-	-
Total assets	<u>\$ 333,724</u>	<u>\$ 54,324</u>	<u>\$ 501,435</u>	<u>\$ 237,823</u>	<u>\$ 400</u>
<u>Liabilities and fund balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 19,492	\$ -	\$ 6,649	\$ -	\$ -
Interfund payable	1,300	-	142,000	13,776	-
Accrued wages	6,302	-	1,693	-	-
Intergovernmental payable	26,849	-	13,256	231,545	-
Deferred revenue	181,644	14,714	371,893	229,187	-
Total liabilities	<u>235,587</u>	<u>14,714</u>	<u>535,491</u>	<u>474,508</u>	<u>-</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	-	-	-	-
Unreserved, undesignated, Reported in:					
Special revenue funds	98,137	39,610	(34,056)	(236,685)	400
Total fund balances	<u>98,137</u>	<u>39,610</u>	<u>(34,056)</u>	<u>(236,685)</u>	<u>400</u>
Total liabilities and fund balances	<u>\$ 333,724</u>	<u>\$ 54,324</u>	<u>\$ 501,435</u>	<u>\$ 237,823</u>	<u>\$ 400</u>

<u>Street Lighting Fund</u>	<u>Fire Operating Levy Fund</u>	<u>Federal Grants Fund</u>	<u>State Grants Fund</u>	<u>Fairview Park Sidewalk Fund</u>	<u>Bain Park Restoration Fund</u>	<u>Law Enforcement Trust Fund</u>
\$ 421,962	\$ -	\$ 14,988	\$ -	\$ 4,924	\$ 22,466	\$ 12,611
-	281,946	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
264,160	-	-	-	-	-	-
-	18,363	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 686,122</u>	<u>\$ 300,309</u>	<u>\$ 14,988</u>	<u>\$ -</u>	<u>\$ 4,924</u>	<u>\$ 22,466</u>	<u>\$ 12,611</u>
\$ 30,085	-	-	-	-	-	-
-	-	-	6,100	-	-	-
-	-	-	-	-	-	-
-	8,603	-	-	-	-	-
264,160	295,997	-	-	-	-	-
<u>294,245</u>	<u>304,600</u>	<u>-</u>	<u>6,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
391,877	(4,291)	14,988	(6,100)	4,924	22,466	12,611
<u>391,877</u>	<u>(4,291)</u>	<u>14,988</u>	<u>(6,100)</u>	<u>4,924</u>	<u>22,466</u>	<u>12,611</u>
<u>\$ 686,122</u>	<u>\$ 300,309</u>	<u>\$ 14,988</u>	<u>\$ -</u>	<u>\$ 4,924</u>	<u>\$ 22,466</u>	<u>\$ 12,611</u>

(Continued)

**City of Fairview Park, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**

	DUI Education Fund	P.O.P.A.S. Fund	Civil Reimbursement Fund	New Levy/ Project Account Fund	Cable TV Franchise Fee Fund
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 5,697	\$ 101,979	\$ 2,688	\$ 1	\$ 56,854
<u>Receivables:</u>					
Property and other taxes	-	-	-	-	-
Accounts	250	5,703	-	-	50,598
Interfund	-	-	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 5,947</u>	<u>\$ 107,682</u>	<u>\$ 2,688</u>	<u>\$ 1</u>	<u>\$ 107,452</u>
<u>Liabilities and fund balances</u>					
<u>Liabilities:</u>					
Accounts payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Accrued wages	-	-	-	-	-
Intergovernmental payable	-	1,544	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	-	-	-	-
Unreserved, undesignated,					
Reported in:					
Special revenue funds	<u>5,947</u>	<u>106,138</u>	<u>2,688</u>	<u>1</u>	<u>107,452</u>
Total fund balances	<u>5,947</u>	<u>106,138</u>	<u>2,688</u>	<u>1</u>	<u>107,452</u>
Total liabilities and fund balances	<u>\$ 5,947</u>	<u>\$ 107,682</u>	<u>\$ 2,688</u>	<u>\$ 1</u>	<u>\$ 107,452</u>

<u>DARE Fund</u>	<u>Emergency Medical System Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 20,702	\$ 4,025	\$ 863,229
-	-	885,896
-	113,407	169,958
-	-	5,299
-	-	264,160
-	-	322,869
-	-	19,619
<u>\$ 20,702</u>	<u>\$ 117,432</u>	<u>\$ 2,531,030</u>
-	\$ 1,767	\$ 57,993
-	-	163,176
-	375	8,370
-	5,225	287,022
-	64,552	1,422,147
<u>-</u>	<u>71,919</u>	<u>1,938,708</u>
-	1,500	1,500
<u>20,702</u>	<u>44,013</u>	<u>590,822</u>
<u>20,702</u>	<u>45,513</u>	<u>592,322</u>
<u>\$ 20,702</u>	<u>\$ 117,432</u>	<u>\$ 2,531,030</u>

**City of Fairview Park, Ohio**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Special Revenue Funds**

**For the Year Ended December 31, 2006**

	Street Construction Maintenance and Repair Fund	State Highway Fund	Recreation Fund	Police and Fire Pension Fund	S.A.V.E. Fund
<u>Revenues:</u>					
Property and other taxes	\$ -	\$ -	\$ 333,978	\$ 200,379	\$ -
Charges for services	-	-	158,057	-	-
Fines, licenses, and permits	-	-	-	-	-
Intergovernmental	647,671	52,475	26,124	17,962	-
Special assessments	-	-	-	-	-
Investment income	-	-	1,032	-	-
Other	-	-	11,832	-	-
Total revenue	<u>647,671</u>	<u>52,475</u>	<u>531,023</u>	<u>218,341</u>	<u>-</u>
<u>Expenditures:</u>					
Current:					
General government	-	-	-	-	-
Security of persons and property	-	-	-	838,336	-
Transportation	632,038	-	-	-	-
Community environment	-	-	-	-	-
Leisure time activities	-	-	379,177	-	-
Total expenditures	<u>632,038</u>	<u>-</u>	<u>379,177</u>	<u>838,336</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>15,633</u>	<u>52,475</u>	<u>151,846</u>	<u>(619,995)</u>	<u>-</u>
<u>Other financing sources (uses):</u>					
Transfers - in	-	-	-	613,170	-
Transfers - out	-	-	(98,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(98,000)</u>	<u>613,170</u>	<u>-</u>
Net change in fund balance	15,633	52,475	53,846	(6,825)	-
Fund balances at beginning of year	<u>82,504</u>	<u>(12,865)</u>	<u>(87,902)</u>	<u>(229,860)</u>	<u>400</u>
Fund balances at end of year	<u>\$ 98,137</u>	<u>\$ 39,610</u>	<u>\$ (34,056)</u>	<u>\$ (236,685)</u>	<u>\$ 400</u>

Street Lighting Fund	Fire Operating Levy Fund	Federal Grants Fund	State Grants Fund	Fairview Park Sidewalk Fund	Bain Park Restoration Fund	Law Enforcement Trust Fund
\$ -	\$ 263,245	\$ -	\$ -	\$ -	\$ -	\$ -
215	-	-	-	-	-	-
-	-	-	-	-	-	-
-	33,682	28,459	-	-	-	-
251,996	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	12,010	-
<u>252,211</u>	<u>296,927</u>	<u>28,459</u>	<u>-</u>	<u>-</u>	<u>12,010</u>	<u>-</u>
-	-	-	-	-	4,695	-
207,005	297,476	-	-	-	-	-
-	-	-	-	-	-	-
-	-	14,927	-	-	-	-
-	8,603	-	-	-	-	-
<u>207,005</u>	<u>306,079</u>	<u>14,927</u>	<u>-</u>	<u>-</u>	<u>4,695</u>	<u>-</u>
<u>45,206</u>	<u>(9,152)</u>	<u>13,532</u>	<u>-</u>	<u>-</u>	<u>7,315</u>	<u>-</u>
-	-	-	1,464	-	-	-
-	-	-	-	-	-	-
-	-	-	1,464	-	-	-
45,206	(9,152)	13,532	1,464	-	7,315	-
346,671	4,861	1,456	(7,564)	4,924	15,151	12,611
<u>\$ 391,877</u>	<u>\$ (4,291)</u>	<u>\$ 14,988</u>	<u>\$ (6,100)</u>	<u>\$ 4,924</u>	<u>\$ 22,466</u>	<u>\$ 12,611</u>

(Continued)

**City of Fairview Park, Ohio**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Special Revenue Funds**

**For the Year Ended December 31, 2006**

	DUI Education Fund	P.O.P.A.S. Fund	Civil Reimbursement Fund	New Levy/ Project Account Fund	Cable TV Franchise Fee Fund
<u>Revenues:</u>					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	129,468	-	-	-
Fines, licenses, and permits	125	-	-	-	104,238
Intergovernmental	-	-	163	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	<u>125</u>	<u>129,468</u>	<u>163</u>	<u>-</u>	<u>104,238</u>
<u>Expenditures:</u>					
Current:					
General government	-	-	-	-	-
Security of persons and property	1,619	52,516	-	-	-
Transportation	-	-	-	-	-
Community environment	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Total expenditures	<u>1,619</u>	<u>52,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(1,494)</u>	<u>76,952</u>	<u>163</u>	<u>-</u>	<u>104,238</u>
<u>Other financing sources (uses):</u>					
Transfers - in	-	-	-	-	-
Transfers - out	-	-	-	-	(290,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(290,000)</u>
Net change in fund balance	(1,494)	76,952	163	-	(185,762)
Fund balances at beginning of year	<u>7,441</u>	<u>29,186</u>	<u>2,525</u>	<u>1</u>	<u>293,214</u>
Fund balances at end of year	<u>\$ 5,947</u>	<u>\$ 106,138</u>	<u>\$ 2,688</u>	<u>\$ 1</u>	<u>\$ 107,452</u>

DARE Fund	Emergency Medical System Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 797,602
-	260,290	548,030
-	-	104,363
22,184	-	828,720
-	-	251,996
-	-	1,032
-	-	23,842
22,184	260,290	2,555,585
-	-	4,695
22,800	251,751	1,671,503
-	-	632,038
-	-	14,927
-	-	387,780
22,800	251,751	2,710,943
(616)	8,539	(155,358)
-	-	614,634
-	-	(388,000)
-	-	226,634
(616)	8,539	71,276
21,318	36,974	521,046
\$ 20,702	\$ 45,513	\$ 592,322

**City of Fairview Park, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2006**

	Capital Projects Fund	Permanent Improvement Fund	Lorain Road Revitalization Fund	Senior Center Construction Fund	Total Nonmajor Capital Projects Funds
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 1,202,822	\$ 213,921	\$ 62,149	\$ 10,858	\$ 1,489,750
Receivables:					
Income tax	345,462	-	-	-	345,462
Property and other taxes	-	328,399	-	-	328,399
Interfund	-	-	-	45,000	45,000
Intergovernmental	127,500	22,780	-	-	150,280
Total assets	<u>\$ 1,675,784</u>	<u>\$ 565,100</u>	<u>\$ 62,149</u>	<u>\$ 55,858</u>	<u>\$ 2,358,891</u>
<u>Liabilities and fund balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 164,572	\$ 11,500	\$ -	\$ -	\$ 176,072
Contracts payable	171,319	-	-	-	171,319
Interfund payable	-	-	468,000	-	468,000
Deferred revenue	89,427	346,319	-	-	435,746
Total liabilities	<u>425,318</u>	<u>357,819</u>	<u>468,000</u>	<u>-</u>	<u>1,251,137</u>
<u>Fund balances:</u>					
Reserved for encumbrances	79,579	679	-	-	80,258
Unreserved, undesignated, Reported in:					
Capital projects fund	1,170,887	206,602	(405,851)	55,858	1,027,496
Total fund balances	<u>1,250,466</u>	<u>207,281</u>	<u>(405,851)</u>	<u>55,858</u>	<u>1,107,754</u>
Total liabilities and fund balances	<u>\$ 1,675,784</u>	<u>\$ 565,100</u>	<u>\$ 62,149</u>	<u>\$ 55,858</u>	<u>\$ 2,358,891</u>

**City of Fairview Park, Ohio**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Capital Projects Funds**

**For the Year Ended December 31, 2006**

	Capital Projects Fund	Permanent Improvement Fund	Lorain Road Revitalization Fund	Senior Center Construction Fund	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>					
Income tax	\$ 1,447,683	\$ -	\$ -	\$ -	\$ 1,447,683
Property and other taxes	-	290,566	-	-	290,566
Intergovernmental	137,500	40,060	-	-	177,560
Investment income	13,477	3,159	602	-	17,238
Total revenue	<u>1,598,660</u>	<u>333,785</u>	<u>602</u>	<u>-</u>	<u>1,933,047</u>
<u>Expenditures:</u>					
Current:					
General government	-	17,060	-	-	17,060
Security of persons and property	-	77,714	-	-	77,714
Transportation	1,041,927	-	49,889	-	1,091,816
Capital outlay	29,117	62,180	-	-	91,297
Debt service:					
Principal retirement	190,000	96,899	1,200,000	-	1,486,899
Interest and fiscal charges	18,980	15,569	54,259	-	88,808
Total expenditures	<u>1,280,024</u>	<u>269,422</u>	<u>1,304,148</u>	<u>-</u>	<u>2,853,594</u>
Excess of revenues over (under) expenditures	<u>318,636</u>	<u>64,363</u>	<u>(1,303,546)</u>	<u>-</u>	<u>(920,547)</u>
<u>Other financing sources (uses):</u>					
Loans issued	-	-	1,200,000	-	1,200,000
Transfers - in	-	-	150,000	-	150,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,350,000</u>	<u>-</u>	<u>1,350,000</u>
Net change in fund balance	318,636	64,363	46,454	-	429,453
Fund balances at beginning of year	<u>931,830</u>	<u>142,918</u>	<u>(452,305)</u>	<u>55,858</u>	<u>678,301</u>
Fund balances at end of year	<u>\$ 1,250,466</u>	<u>\$ 207,281</u>	<u>\$ (405,851)</u>	<u>\$ 55,858</u>	<u>\$ 1,107,754</u>

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

**City of Fairview Park, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Income tax	\$ 3,504,642	\$ 4,117,853	\$ 3,762,530	\$ (355,323)
Property and other taxes	3,160,348	3,713,318	3,401,849	(311,469)
Charges for services	31,540	31,540	66,274	34,734
Licenses and permits	228,132	268,048	208,403	(59,645)
Fines, licenses, and permits	90,000	90,000	91,728	1,728
Intergovernmental	1,245,361	1,463,263	1,082,166	(381,097)
Investment income	100,000	100,000	255,872	155,872
Rentals	10,750	10,750	10,429	(321)
Other	17,000	17,000	109,717	92,717
Total revenue	8,387,773	9,811,772	8,988,968	(822,804)
<b>Expenditures:</b>				
Current:				
General government				
Board of appeals	537	537	417	120
Mayor's office	148,523	148,523	165,427	(16,904)
Service director	228,080	228,080	255,981	(27,901)
Finance department	375,937	375,937	399,170	(23,233)
Legal department	149,169	149,169	160,706	(11,537)
Engineering	5,897	5,897	5,897	-
Municipal land and buildings	279,557	279,557	303,496	(23,939)
Civil service	5,794	5,794	5,790	4
County and state fees	143,169	143,169	161,205	(18,036)
Legislative	94,246	94,246	104,953	(10,707)
Other administrative	180,693	180,693	180,692	1
Total general government	1,611,602	1,611,602	1,743,734	(132,132)
Security of persons and property				
Police department	2,427,551	2,427,551	2,644,396	(216,845)
Traffic Control	174,272	174,272	173,971	301
Fire department	1,963,120	1,963,120	2,075,062	(111,942)
Total Security of persons and property	4,564,943	4,564,943	4,893,429	(328,486)
Public health and welfare				
Public health	2,465	2,465	2,465	-
Transportation				
Motor vehicle maintenance	406,283	406,283	405,318	965

(continued)

**City of Fairview Park, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community and economic environment				
Planning and design commission	1,953	1,953	1,953	-
Building department	228,053	228,053	254,194	(26,141)
Recycling and solid waste disposal	1,085,003	1,085,003	1,159,292	(74,289)
Senior life office	311,391	311,391	346,068	(34,677)
Total Community and economic environment	1,626,400	1,626,400	1,761,507	(135,107)
Leisure time activities				
Parks and property maintenance	381,104	381,104	380,568	536
Total expenditures	8,592,797	8,592,797	9,187,021	(594,224)
Excess of revenues over (under) expenditures	(205,024)	1,218,975	(198,053)	(1,417,028)
<u>Other financing sources (uses):</u>				
Transfers - out	(474,635)	(474,635)	(474,634)	1
Total other financing sources (uses)	(474,635)	(474,635)	(474,634)	1
Net change in fund balance	(679,659)	744,340	(672,687)	(1,417,027)
Fund balance at beginning of year	680,743	680,743	680,743	-
Prior year encumbrances appropriated	84,579	84,579	84,579	-
Fund balance at end of year	<u>\$ 85,663</u>	<u>\$ 1,509,662</u>	<u>\$ 92,635</u>	<u>\$ (1,417,027)</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Bond Retirement Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Other	\$ 199	\$ 199	\$ -
<u>Expenditures:</u>			
Debt service:			
Principal retirement	1,746,849	28,814	1,718,035
Interest and fiscal charges	140,286	140,686	(400)
Total expenditures	<u>1,887,135</u>	<u>169,500</u>	<u>1,717,635</u>
Net change in fund balance	(1,886,936)	(169,301)	1,717,635
Fund balance at beginning of year	196,463	196,463	-
Fund balance at end of year	<u>\$ (1,690,473)</u>	<u>\$ 27,162</u>	<u>\$ 1,717,635</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Recreation Construction Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ -	\$ 795	\$ 795
Investment income	925,919	914,047	(11,872)
Rentals	-	11,075	11,075
Total revenue	<u>925,919</u>	<u>925,917</u>	<u>(2)</u>
<u>Expenditures:</u>			
Current:			
Capital outlay	14,317,987	14,319,485	(1,498)
Debt service:			
Principal retirement	550,000	550,000	-
Interest and fiscal charges	1,008,125	1,008,125	-
Total expenditures	<u>15,876,112</u>	<u>15,877,610</u>	<u>(1,498)</u>
Net change in fund balance	(14,950,193)	(14,951,693)	(1,500)
Fund balance at beginning of year	19,089,494	19,089,494	-
Prior year encumbrances appropriated	124,663	124,663	-
Fund balance at end of year	<u>\$ 4,263,964</u>	<u>\$ 4,262,464</u>	<u>\$ (1,500)</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Street Construction, Maintenance and Repair Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 669,821	\$ 669,821	\$ -
<u>Expenditures:</u>			
Current:			
Transportation	615,027	632,468	(17,441)
Net change in fund balance	54,794	37,353	(17,441)
Fund balance at beginning of year	593	593	-
Prior year encumbrances appropriated	69	69	-
Fund balance at end of year	<u>\$ 55,456</u>	<u>\$ 38,015</u>	<u>\$ (17,441)</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**State Highway Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 54,271	\$ 54,271	\$ -
<u>Expenditures:</u>			
Current:			
Transportation	71,000	43,623	27,377
Net change in fund balance	(16,729)	10,648	27,377
Fund balance at beginning of year	304	304	-
Prior year encumbrances appropriated	21,000	21,000	-
Fund balance at end of year	<u>\$ 4,575</u>	<u>\$ 31,952</u>	<u>\$ 27,377</u>

**City of Fairview Park, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Recreation Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property and other taxes	\$ 335,371	\$ 333,902	\$ (1,469)
Charges for services	158,000	158,057	57
Intergovernmental	24,864	26,124	1,260
Investment income	1,032	1,032	-
Other	11,832	11,832	-
Total revenue	<u>531,099</u>	<u>530,947</u>	<u>(152)</u>
<u>Expenditures:</u>			
Current:			
Leisure time activities	416,297	398,343	17,954
Debt service:			
Principal retirement	62,454	-	62,454
Total expenditures	<u>478,751</u>	<u>398,343</u>	<u>80,408</u>
Excess of revenues over (under) expenditures	<u>52,348</u>	<u>132,604</u>	<u>80,256</u>
<u>Other financing sources (uses):</u>			
Transfers - out	<u>(98,000)</u>	<u>(98,000)</u>	<u>-</u>
Net change in fund balance	(45,652)	34,604	80,256
Fund balance at beginning of year	81,848	81,845	(3)
Prior year encumbrances appropriated	7,034	7,034	-
Fund balance at end of year	<u>\$ 43,230</u>	<u>\$ 123,483</u>	<u>\$ 80,253</u>

**City of Fairview Park, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Police and Fire Pension Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property and other taxes	\$ 230,878	\$ 200,340	\$ (30,538)
Intergovernmental	33,594	17,962	(15,632)
Total revenue	<u>264,472</u>	<u>218,302</u>	<u>(46,170)</u>
<u>Expenditures:</u>			
Current:			
Security of persons and property	<u>777,924</u>	<u>847,106</u>	<u>(69,182)</u>
Excess of revenues over (under) expenditures	<u>(513,452)</u>	<u>(628,804)</u>	<u>(115,352)</u>
<u>Other financing sources (uses):</u>			
Transfers - in	<u>567,000</u>	<u>613,170</u>	<u>46,170</u>
Net change in fund balance	53,548	(15,634)	(69,182)
Fund balance at beginning of year	<u>1,858</u>	<u>1,858</u>	<u>-</u>
Fund balance at end of year	<u>\$ 55,406</u>	<u>\$ (13,776)</u>	<u>\$ (69,182)</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**S.A.V.E. Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenue	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	400	400	-
Fund balance at end of year	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ -</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Street Lighting Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ -	\$ 215	\$ 215
Special assessments	252,211	251,996	(215)
Total revenue	<u>252,211</u>	<u>252,211</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Security of persons and property	<u>262,309</u>	<u>207,547</u>	<u>54,762</u>
Net change in fund balance	(10,098)	44,664	54,762
Fund balance at beginning of year	346,789	346,789	-
Prior year encumbrances appropriated	<u>30,509</u>	<u>30,509</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 367,200</u></u>	<u><u>\$ 421,962</u></u>	<u><u>\$ 54,762</u></u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Fire Operating Levy Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property and other taxes	\$ 249,634	\$ 263,180	\$ 13,546
Intergovernmental	47,228	33,682	(13,546)
Total revenue	<u>296,862</u>	<u>296,862</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Security of persons and property	<u>297,476</u>	<u>297,476</u>	<u>-</u>
Net change in fund balance	(614)	(614)	-
Fund balance at beginning of year	<u>614</u>	<u>614</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Federal Grants Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 28,459	\$ 28,459	\$ -
<u>Expenditures:</u>			
Community and economic environment	-	14,926	(14,926)
Net change in fund balance	28,459	13,533	(14,926)
Fund balance at beginning of year	1,455	1,455	-
Fund balance at end of year	<u>\$ 29,914</u>	<u>\$ 14,988</u>	<u>\$ (14,926)</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**State Grants Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,464	\$ -	\$ (1,464)
<u>Expenditures:</u>			
Current:			
General government	3,100	-	3,100
Excess of revenues over (under) expenditures	(1,636)	-	1,636
<u>Other financing sources (uses):</u>			
Transfers - in	-	1,464	1,464
Net change in fund balance	(1,636)	1,464	3,100
Fund balance at beginning of year	(1,464)	(1,464)	-
Fund balance (deficit) at end of year	<u>\$ (3,100)</u>	<u>\$ -</u>	<u>\$ 3,100</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Fairview Park Sidewalk Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenue	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	4,924	4,924	-
Fund balance at end of year	<u>\$ 4,924</u>	<u>\$ 4,924</u>	<u>\$ -</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Bain Park Restoration Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Other	\$ 12,010	\$ 12,010	\$ -
<u>Expenditures:</u>			
Current:			
General government	5,528	4,695	833
Net change in fund balance	6,482	7,315	833
Fund balance at beginning of year	14,623	14,623	-
Prior year encumbrances appropriated	528	528	-
Fund balance at end of year	<u>\$ 21,633</u>	<u>\$ 22,466</u>	<u>\$ 833</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Law Enforcement Trust Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenue	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
<u>Other financing sources (uses):</u>			
Transfers - out	(12,500)	-	12,500
Net change in fund balance	(12,500)	-	12,500
Fund balance at beginning of year	12,611	12,611	-
Fund balance at end of year	<u>\$ 111</u>	<u>\$ 12,611</u>	<u>\$ 12,500</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**DUI Education Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Fines, licenses, and permits	\$ 4,206	\$ 4,206	\$ -
<u>Expenditures:</u>			
Current:			
Security of persons and property	6,087	1,619	4,468
Net change in fund balance	(1,881)	2,587	4,468
Fund balance at beginning of year	523	523	-
Prior year encumbrances appropriated	2,587	2,587	-
Fund balance at end of year	<u>\$ 1,229</u>	<u>\$ 5,697</u>	<u>\$ 4,468</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**P. O. P. A. S. Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ 123,765	\$ 123,765	\$ -
<u>Expenditures:</u>			
Current:			
Security of persons and property	11,000	50,972	(39,972)
Net change in fund balance	112,765	72,793	(39,972)
Fund balance at beginning of year	29,186	29,186	-
Fund balance at end of year	\$ 141,951	\$ 101,979	\$ (39,972)

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Civil Reimbursement Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 163	\$ 163	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	163	163	-
Fund balance at beginning of year	2,524	2,524	-
Fund balance at end of year	<u>\$ 2,687</u>	<u>\$ 2,687</u>	<u>\$ -</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**New Levy/Project Account Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenue	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	1	1	-
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Cable TV Franchise Fee Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Fines, licenses, and permits	\$ 99,660	\$ 99,660	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	99,660	99,660	-
<u>Other financing sources (uses):</u>			
Transfers - out	(290,000)	(290,000)	-
Net change in fund balance	(190,340)	(190,340)	-
Fund balance at beginning of year	247,194	247,194	-
Fund balance at end of year	<u>\$ 56,854</u>	<u>\$ 56,854</u>	<u>\$ -</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**DARE Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 22,184	\$ 22,184	\$ -
<u>Expenditures:</u>			
Current:			
Security of persons and property	42,000	22,800	19,200
Net change in fund balance	(19,816)	(616)	19,200
Fund balance at beginning of year	21,318	21,318	-
Fund balance at end of year	<u>\$ 1,502</u>	<u>\$ 20,702</u>	<u>\$ 19,200</u>

**City of Fairview Park, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Emergency Medical System Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ 246,327	\$ 246,327	\$ -
<u>Expenditures:</u>			
Current:			
Security of persons and property	322,562	250,385	72,177
Net change in fund balance	(76,235)	(4,058)	72,177
Fund balance at beginning of year	248	248	-
Prior year encumbrances appropriated	4,835	4,835	-
Fund balance at end of year	\$ (71,152)	\$ 1,025	\$ 72,177

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Capital Projects Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Income tax	\$ 1,274,279	\$ 1,280,924	\$ 6,645
Intergovernmental	-	10,000	10,000
Investment income	30,000	13,477	(16,523)
Total revenue	<u>1,304,279</u>	<u>1,304,401</u>	<u>122</u>
<u>Expenditures:</u>			
Current:			
General government	43,422	-	43,422
Capital outlay	1,279,025	1,149,553	129,472
Debt service:			
Principal retirement	190,000	190,000	-
Interest and fiscal charges	18,980	18,980	-
Total expenditures	<u>1,531,427</u>	<u>1,358,533</u>	<u>172,894</u>
Net change in fund balance	(227,148)	(54,132)	173,016
Fund balance at beginning of year	893,350	893,349	(1)
Prior year encumbrances appropriated	276,427	276,427	-
Fund balance at end of year	<u>\$ 942,629</u>	<u>\$ 1,115,644</u>	<u>\$ 173,015</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Permanent Improvement Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property and other taxes	\$ 276,100	\$ 290,494	\$ 14,394
Intergovernmental	57,612	40,060	(17,552)
Investment income	-	3,159	3,159
Total revenue	<u>333,712</u>	<u>333,713</u>	<u>1</u>
<u>Expenditures:</u>			
Current:			
General government	17,300	17,054	246
Capital outlay	241,725	241,546	179
Debt service:			
Principal retirement	192,245	-	192,245
Total expenditures	<u>451,270</u>	<u>258,600</u>	<u>192,670</u>
Net change in fund balance	(117,558)	75,113	192,671
Fund balance at beginning of year	138,129	138,129	-
Fund balance at end of year	<u>\$ 20,571</u>	<u>\$ 213,242</u>	<u>\$ 192,671</u>

***City of Fairview Park, Ohio***  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Lorain Road Revitalization Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Investment income	\$ 602	\$ 602	\$ -
<u>Expenditures:</u>			
Current:			
Transportation	25,741	49,889	(24,148)
Debt service:			
Principal retirement	1,200,000	1,200,000	-
Interest and fiscal charges	54,259	54,259	-
Total expenditures	<u>1,280,000</u>	<u>1,304,148</u>	<u>(24,148)</u>
Excess of revenues over (under) expenditures	<u>(1,279,398)</u>	<u>(1,303,546)</u>	<u>(24,148)</u>
<u>Other financing sources (uses):</u>			
Proceeds of loans	1,200,000	1,200,000	-
Transfers - in	150,000	150,000	-
Total other financing sources (uses)	<u>1,350,000</u>	<u>1,350,000</u>	<u>-</u>
Net change in fund balance	70,602	46,454	(24,148)
Fund balance at beginning of year	15,695	15,695	-
Fund balance at end of year	<u>\$ 86,297</u>	<u>\$ 62,149</u>	<u>\$ (24,148)</u>

**City of Fairview Park, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Senior Center Construction Fund**  
**For the Year Ended December 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenue	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
General government	10,000	-	10,000
Net change in fund balance	(10,000)	-	10,000
Fund balance at beginning of year	10,857	10,858	1
Fund balance at end of year	<u>\$ 857</u>	<u>\$ 10,858</u>	<u>\$ 10,001</u>

## Combining Statements – Fiduciary Funds

### *AGENCY FUNDS*

To account for assets held by the City as an agent for individuals, private organizations, and/or other governmental units.

The City's agency funds account for donations to Senior Life Program and a special holding account, collections from assessment of building due to the State of Ohio, and deposits held for contractors, architects, and others for street cleaning, street opening, sidewalk, grade deposits, architect review, and engineering review.

**City of Fairview Park, Ohio**

**Combining Statement of Changes in Assets and Liabilities**

**Agency Funds**

**For the Year Ended December 31, 2006**

<b>Special Holding Account</b>	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 45,305	\$ 28,053	\$ 10,457	\$ 62,901
<u>Receivables:</u>				
Accounts	526	-	526	-
Total assets	<u>\$ 45,831</u>	<u>\$ 28,053</u>	<u>\$ 10,983</u>	<u>\$ 62,901</u>

<u>Liabilities:</u>				
Accounts payable	\$ 434	\$ 356	\$ 434	\$ 356
Undistributed monies	45,397	27,697	10,549	62,545
Total liabilities	<u>\$ 45,831</u>	<u>\$ 28,053</u>	<u>\$ 10,983</u>	<u>\$ 62,901</u>

<b>State Building 3% Assessment</b>	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
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<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 184	\$ 4,413	\$ 3,892	\$ 705
Total assets	<u>\$ 184</u>	<u>\$ 4,413</u>	<u>\$ 3,892</u>	<u>\$ 705</u>

<u>Liabilities:</u>				
Intergovernmental payable	\$ 184	\$ 4,413	\$ 3,892	\$ 705
Total liabilities	<u>\$ 184</u>	<u>\$ 4,413</u>	<u>\$ 3,892</u>	<u>\$ 705</u>

<b>Grade Deposit</b>	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
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<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 6,144	\$ 2,447	\$ 3,832	\$ 4,759
Total assets	<u>\$ 6,144</u>	<u>\$ 2,447</u>	<u>\$ 3,832</u>	<u>\$ 4,759</u>

<u>Liabilities:</u>				
Accounts payable	\$ 308	-	\$ 308	-
Refundable deposits	5,836	2,447	3,524	4,759
Total liabilities	<u>\$ 6,144</u>	<u>\$ 2,447</u>	<u>\$ 3,832</u>	<u>\$ 4,759</u>

(Continued)

**City of Fairview Park, Ohio**

**Combining Statement of Changes in Assets and Liabilities**

**Agency Funds**

**For the Year Ended December 31, 2006**

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>Street Cleaning</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,100	\$ 250	\$ 750	\$ 2,600
Total assets	<u>\$ 3,100</u>	<u>\$ 250</u>	<u>\$ 750</u>	<u>\$ 2,600</u>

<u>Liabilities:</u>				
Refundable deposits	\$ 3,100	\$ 250	\$ 750	\$ 2,600
Total liabilities	<u>\$ 3,100</u>	<u>\$ 250</u>	<u>\$ 750</u>	<u>\$ 2,600</u>

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>Street Opening</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 2,994	\$ 250	\$ 750	\$ 2,494
Total assets	<u>\$ 2,994</u>	<u>\$ 250</u>	<u>\$ 750</u>	<u>\$ 2,494</u>

<u>Liabilities:</u>				
Refundable deposits	\$ 2,994	\$ 250	\$ 750	\$ 2,494
Total liabilities	<u>\$ 2,994</u>	<u>\$ 250</u>	<u>\$ 750</u>	<u>\$ 2,494</u>

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>Architect Deposit</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 79	\$ 25,201	\$ 22,793	\$ 2,487
Total assets	<u>\$ 79</u>	<u>\$ 25,201</u>	<u>\$ 22,793</u>	<u>\$ 2,487</u>

<u>Liabilities:</u>				
Accounts payable	\$ 73	\$ 1,883	\$ 73	\$ 1,883
Refundable deposits	6	23,318	22,720	604
Total liabilities	<u>\$ 79</u>	<u>\$ 25,201</u>	<u>\$ 22,793</u>	<u>\$ 2,487</u>

**City of Fairview Park, Ohio**

**Combining Statement of Changes in Assets and Liabilities**

**Agency Funds**

**For the Year Ended December 31, 2006**

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>Sidewalk Deposit</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 169	\$ -	\$ -	\$ 169
Total assets	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169</u>

<u>Liabilities:</u>				
Refundable deposits	\$ 169	\$ -	\$ -	\$ 169
Total liabilities	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169</u>

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>Senior Life Donation</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 31,130	\$ 19,875	\$ 25,006	\$ 25,999
Receivables:				
Accounts	510	-	510	-
Total assets	<u>\$ 31,640</u>	<u>\$ 19,875</u>	<u>\$ 25,516</u>	<u>\$ 25,999</u>

<u>Liabilities:</u>				
Accounts payable	\$ 1,336	\$ 1,724	\$ 1,336	\$ 1,724
Undistributed monies	30,304	18,151	24,180	24,275
Total liabilities	<u>\$ 31,640</u>	<u>\$ 19,875</u>	<u>\$ 25,516</u>	<u>\$ 25,999</u>

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>Survey Sanitary/Storm Sewer</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,249	\$ 454	\$ 604	\$ 3,099
Total assets	<u>\$ 3,249</u>	<u>\$ 454</u>	<u>\$ 604</u>	<u>\$ 3,099</u>

<u>Liabilities:</u>				
Refundable deposits	\$ 3,249	\$ 454	\$ 604	\$ 3,099
Total liabilities	<u>\$ 3,249</u>	<u>\$ 454</u>	<u>\$ 604</u>	<u>\$ 3,099</u>

**City of Fairview Park, Ohio**

**Combining Statement of Changes in Assets and Liabilities**

**Agency Funds**

**For the Year Ended December 31, 2006**

<b>Totals</b>	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 92,354	\$ 80,943	\$ 68,084	\$ 105,213
Receivables:				
Accounts	1,036	-	1,036	-
Total assets	<u>\$ 93,390</u>	<u>\$ 80,943</u>	<u>\$ 69,120</u>	<u>\$ 105,213</u>
<u>Liabilities:</u>				
Accounts payable	\$ 2,151	\$ 3,963	\$ 2,151	\$ 3,963
Intergovernmental payable	184	4,413	3,892	705
Undistributed monies	75,701	45,848	34,729	86,820
Refundable deposits	15,354	26,719	28,348	13,725
Total liabilities	<u>\$ 93,390</u>	<u>\$ 80,943</u>	<u>\$ 69,120</u>	<u>\$ 105,213</u>

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## STATISTICAL SECTION



## Statistical Section

This part of the City'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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	<b>S2 - S5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	<b>S6 - S12</b>
<b>Debt Capacity</b> 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.	<b>S13 - S17</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>S18 - S19</b>
<b>Operating Information</b> 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.	<b>S20 - S21</b>

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 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

**CITY OF FAIRVIEW PARK, OHIO**  
**Net Assets by Component (1)**  
**Last Four Years (\$000 omitted)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Governmental Activities</u></b>				
Invested in capital assets, net of related debt	\$ 37,934	\$ 36,989	\$ 16,189	\$ 19,977
Restricted	1,899	2,305	22,135	19,049
Unrestricted	<u>1,844</u>	<u>1,216</u>	<u>836</u>	<u>949</u>
Total governmental activities net assets	<u>\$ 41,677</u>	<u>\$ 40,510</u>	<u>\$ 39,160</u>	<u>\$ 39,975</u>
<b><u>Business-Type Activities</u></b>				
Invested in capital assets, net of related debt	\$ 11,521	\$ 11,713	\$ 12,390	\$ 11,521
Unrestricted	<u>6,213</u>	<u>5,698</u>	<u>3,742</u>	<u>4,300</u>
Total business-type activities net assets	<u>\$ 17,734</u>	<u>\$ 17,411</u>	<u>\$ 16,132</u>	<u>\$ 15,821</u>
<b><u>Primary Government</u></b>				
Invested in capital assets, net of related debt	\$ 49,455	\$ 48,702	\$ 28,579	\$ 31,498
Restricted	1,899	2,305	22,135	19,049
Unrestricted	<u>8,057</u>	<u>6,914</u>	<u>4,578</u>	<u>5,249</u>
Total primary government net assets	<u>\$ 59,411</u>	<u>\$ 57,921</u>	<u>\$ 55,292</u>	<u>\$ 55,796</u>

(1) Accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

**CITY OF FAIRVIEW PARK, OHIO**

**Changes in Net Assets, Last Four Years (\$000 omitted) (1)**

<b>Expenses</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Activities:</b>				
General government	\$ 2,633	\$ 2,597	\$ 2,279	\$ 2,249
Security of persons and property	6,004	6,093	6,698	6,618
Public health and welfare	49	57	72	2
Transportation	1,980	3,171	3,644	3,264
Community environment	1,761	1,755	1,878	1,742
Leisure time activities	693	864	985	1,645
Other	-	3	-	-
Interest and fiscal charges	276	269	780	1,216
Total governmental activities expenses	<u>13,396</u>	<u>14,809</u>	<u>16,336</u>	<u>16,736</u>
<b>Business-Type Activities:</b>				
Sewer	1,780	2,429	2,335	2,049
Gilles-Sweet	8	2	-	-
Total business-type activities	<u>1,788</u>	<u>2,431</u>	<u>2,335</u>	<u>2,049</u>
Total primary government expenses	<u>\$ 15,184</u>	<u>\$ 17,240</u>	<u>\$ 18,671</u>	<u>\$ 18,785</u>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for services</b>				
General government	\$ -	\$ -	\$ 186	\$ 210
Security of persons and property	773	735	729	715
Transportation	-	91	-	-
Community environment	322	210	122	170
Leisure time activities	159	170	188	182
Operating grants, contributions and interest	538	1,408	912	771
Capital grants and contributions	-	-	75	-
Total governmental activities program revenues	<u>1,792</u>	<u>2,614</u>	<u>2,212</u>	<u>2,048</u>
<b>Business-Type Activities:</b>				
Charges for services	1,831	1,824	1,721	1,737
Capital grants and contributions	-	423	-	-
Total business-type activities program revenues	<u>1,831</u>	<u>2,247</u>	<u>1,721</u>	<u>1,737</u>
Total primary government program revenues	<u>\$ 3,623</u>	<u>\$ 4,861</u>	<u>\$ 3,933</u>	<u>\$ 3,785</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ 11,604	\$ 12,195	\$ 14,124	\$ 14,688
Business-type activities	(43)	184	614	312
Total primary government net expense	<u>\$ 11,561</u>	<u>\$ 12,379</u>	<u>\$ 14,738</u>	<u>\$ 15,000</u>
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental Activities:</b>				
Property taxes levied for General purposes	\$ 2,784	\$ 2,865	\$ 3,435	\$ 3,467
Property taxes levied for Capital improvements	309	295	309	294
Property taxes levied for Special purposes	774	812	831	807
Income tax levied for General purposes	4,366	3,625	3,510	4,235
Income tax levied for Recreation and community center	-	-	-	2,519
Income tax levied for Capital improvements	1,456	1,215	2,301	1,395
Grants and entitlements not restricted to specific programs	2,597	1,992	1,705	1,197
Investment earnings	63	76	527	1,163
Other	196	127	156	168
Total governmental activities	<u>12,545</u>	<u>11,007</u>	<u>12,774</u>	<u>15,245</u>
<b>Business-Type Activities:</b>				
Investment earnings	14	10	10	1
Other	-	-	-	1
Total business-type activities	<u>14</u>	<u>10</u>	<u>10</u>	<u>2</u>
Total primary government	<u>\$ 12,559</u>	<u>\$ 11,017</u>	<u>\$ 12,784</u>	<u>\$ 15,247</u>
<b>Change in net assets</b>				
Governmental activities	\$ 941	\$ (1,188)	\$ (1,350)	\$ 557
Business-type activities	57	(174)	(604)	(310)
Total primary government	<u>\$ 998</u>	<u>\$ (1,362)</u>	<u>\$ (1,954)</u>	<u>\$ 247</u>

(1) Accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

**CITY OF FAIRVIEW PARK, OHIO**  
**Fund Balances, Governmental Funds (1)**  
**Last Four Years (\$000 omitted)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Reserved	\$ 464	\$ 464	\$ 525	\$ 24
Unreserved	<u>2,304</u>	<u>1,648</u>	<u>1,011</u>	<u>1,335</u>
Total general fund	<u>\$ 2,768</u>	<u>\$ 2,112</u>	<u>\$ 1,536</u>	<u>\$ 1,359</u>
All Other Governmental Funds				
Reserved	\$ 887	\$ 359	\$ 263	\$ 8,878
Unreserved, reported in:				
Special revenue funds	715	729	510	4,329
Capital projects funds	(10)	683	20,476	5,214
Debt service funds	<u>(92)</u>	<u>(92)</u>	<u>105</u>	<u>(64)</u>
Total all other governmental funds	<u>\$ 1,500</u>	<u>\$ 1,679</u>	<u>\$ 21,354</u>	<u>\$ 18,357</u>

(1) Modified accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

**CITY OF FAIRVIEW PARK, OHIO**

**Changes in Fund Balance, Governmental Funds, Last Ten Years (\$000 omitted)**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>REVENUES</u></b>										
Taxes	\$ 7,225	\$ 7,624	\$ 7,966	\$ 7,574	\$ 8,539	\$ 8,699	\$ 8,817	\$ 8,667	\$ 10,266	\$ 12,666
Charges for services	288	201	297	245	216	454	541	504	568	630
Fines, licenses and permits	288	709	620	597	458	486	422	383	373	404
Intergovernmental revenues	2,356	2,542	2,025	4,147	3,485	2,428	3,164	3,404	2,417	2,015
Special assessments	201	208	225	226	223	230	231	231	248	252
Investment income	102	145	306	409	250	96	63	76	534	1,164
Rentals	-	-	11	12	11	10	-	-	14	10
Other	164	253	27	257	71	52	196	151	160	165
Total revenues	<u>10,624</u>	<u>11,682</u>	<u>11,477</u>	<u>13,467</u>	<u>13,253</u>	<u>12,455</u>	<u>13,434</u>	<u>13,416</u>	<u>14,580</u>	<u>17,306</u>
<b><u>EXPENDITURES</u></b>										
General government	1,509	1,606	1,639	1,914	1,612	1,843	1,872	1,847	1,571	1,576
Security of persons and property	4,293	4,879	5,062	5,566	5,485	5,574	5,761	5,989	6,424	6,541
Public health and welfare	49	55	52	53	61	58	49	57	73	2
Transportation	855	802	888	853	973	764	933	931	2,395	2,097
Community environment	1,015	1,293	1,203	1,393	1,495	1,594	1,593	1,607	1,718	1,736
Leisure time activities	661	815	908	2,122	1,527	738	714	839	967	1,674
Capital outlay	818	1,029	2,044	4,065	2,659	1,893	2,065	1,982	3,422	4,718
Debt service:										
Principal retirement	650	530	660	230	245	1,793	230	1,721	431	2,095
Interest and fiscal charges	195	165	178	180	322	297	274	263	612	1,241
Bond issuance costs	-	-	-	-	-	-	-	-	278	-
Total expenditures	<u>10,045</u>	<u>11,174</u>	<u>12,634</u>	<u>16,376</u>	<u>14,379</u>	<u>14,554</u>	<u>13,491</u>	<u>15,236</u>	<u>17,891</u>	<u>21,680</u>
Excess of revenues over (under) expenditures	<u>579</u>	<u>508</u>	<u>(1,157)</u>	<u>(2,909)</u>	<u>(1,126)</u>	<u>(2,099)</u>	<u>(57)</u>	<u>(1,820)</u>	<u>(3,311)</u>	<u>(4,374)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>										
Issuance of loans	-	-	-	-	-	-	-	-	-	1,200
Proceeds of bonds	-	-	4,325	-	-	-	-	-	21,800	-
Proceeds of notes	-	-	-	1,941	-	1,400	-	1,200	-	-
Inception of capital lease	-	-	257	-	-	-	505	162	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	915	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	2,380	-
Sale of capital assets	-	-	-	-	-	420	-	-	2	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(2,373)	-
Transfers in	-	-	624	1,086	758	2,897	1,082	2,734	707	863
Transfer out	-	-	(712)	(1,086)	(758)	(2,897)	(1,082)	(2,734)	(707)	(863)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,494</u>	<u>1,941</u>	<u>-</u>	<u>1,820</u>	<u>505</u>	<u>1,362</u>	<u>22,724</u>	<u>1,200</u>
Net change in fund balance	<u>\$ 579</u>	<u>\$ 508</u>	<u>\$ 3,337</u>	<u>\$ (968)</u>	<u>\$ (1,126)</u>	<u>\$ (279)</u>	<u>\$ 448</u>	<u>\$ (458)</u>	<u>\$ 19,413</u>	<u>\$ (3,174)</u>
Debt service as a percentage of noncapital expenditures	9.2%	6.9%	7.9%	3.3%	4.8%	16.5%	4.4%	15.0%	9.1%	19.7%

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(1) Modified accrual basis of accounting.

**CITY OF FAIRVIEW PARK, OHIO**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Collection Years**

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	\$ 369,159	1,054,740	5,601	\$ 6,365	\$ 7,440	\$ 29,760	\$ 382,200	\$ 1,090,865
2005	381,563	1,090,180	6,432	7,309	7,058	28,232	395,053	1,125,721
2004	379,251	1,083,574	6,317	7,178	8,737	34,948	394,305	1,125,701
2003	356,530	1,018,657	6,691	7,603	11,237	44,948	374,458	1,071,209
2002	359,239	1,026,397	6,685	7,597	12,416	49,664	378,340	1,083,658
2001	360,993	1,031,409	9,122	10,366	12,604	50,416	382,719	1,092,190
2000	324,605	927,443	9,611	10,922	11,895	47,580	346,111	985,944
1999	320,707	916,306	9,441	10,728	11,702	46,808	341,850	973,842
1998	317,905	908,300	9,385	10,665	11,820	47,280	339,110	966,245
1997	293,690	839,114	9,589	10,897	11,394	45,576	314,673	895,587

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Source: Cuyahoga County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility real property is assessed at 88% of true value.
- (3) Tangible personal property is assessed at 25%.

**CITY OF FAIRVIEW PARK, OHIO**  
**Property Tax Levies and Collections**  
**Last Ten Calendar Years (\$000 omitted)**

<u>Year</u>	<u>Current Tax Levy</u>	<u>(1) Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>	<u>Total Direct Tax Rate</u>
2006	\$ 4,339	\$ 4,158	95.83%	\$ 141	3.25%	282.10
2005	4,980	4,678	93.94%	124	2.49%	272.10
2004	4,465	4,265	95.52%	152	3.40%	261.70
2003	4,760	4,593	96.49%	179	3.76%	261.70
2002	4,255	4,132	97.11%	160	3.76%	241.50
2001	4,304	4,141	96.21%	167	3.88%	245.80
2000	3,923	3,822	97.43%	129	3.29%	239.60
1999	3,879	3,798	97.91%	104	2.68%	229.80
1998	4,007	3,750	93.59%	109	2.72%	232.60
1997	3,702	3,522	95.14%	144	3.89%	229.40

Source: Cuyahoga County Auditor

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

**CITY OF FAIRVIEW PARK, OHIO**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$1,000 of Assessed Valuation)**  
**Last Ten Collection Years**

Collection Year	City Direct Rates						Overlapping Rates					Total Levy
	General Fund	Recreation Purposes	Permanent Improvement	Police Pension	Fire Pension	Fire Levy	County Levy	Fairview Park School District	Berea School District	Rocky River School District	Polaris JVSD	
2006	8.33	1.00	0.87	0.30	0.30	1.00	20.20	95.60	74.90	77.20	2.40	282.10
2005	8.33	1.00	0.87	0.30	0.30	1.00	20.30	90.90	69.70	77.00	2.40	272.10
2004	8.33	1.00	0.87	0.30	0.30	1.00	19.40	86.30	69.80	72.00	2.40	261.70
2003	8.33	1.00	0.87	0.30	0.30	1.00	19.40	86.30	69.80	72.00	2.40	261.70
2002	8.33	1.00	0.87	0.30	0.30	1.00	17.60	78.40	63.80	67.50	2.40	241.50
2001	8.33	1.00	0.87	0.30	0.30	1.00	17.60	82.20	63.80	68.00	2.40	245.80
2000	8.33	1.00	0.87	0.30	0.30	1.00	16.70	76.20	63.90	68.60	2.40	239.60
1999	8.33	1.00	0.87	0.30	0.30	1.00	16.70	76.20	58.00	64.40	2.40	229.50
1998	8.33	1.00	0.87	0.30	0.30	1.00	18.00	78.10	57.90	64.40	2.40	232.60
1997	8.33	1.00	0.87	0.30	0.30	1.00	18.00	78.40	57.90	60.90	2.40	229.40

Source: Cuyahoga County Auditor

**CITY OF FAIRVIEW PARK, OHIO**

**Schedules of Principal Taxpayers - Real Property (\$000 omitted)  
2006 and 2000 (1)**

	2006			
	Taxable	Rank	Percentage of	
	Assessed		Total City	Taxable
<u>Taxpayer</u>	Value		Assessed Value	Value
Z & Sons Limited Partnership	\$ 6,746	1		1.83%
Westgate Mall, Inc.	5,710	2		1.55%
Fairview Shopping Center Corp.	4,139	3		1.12%
Lawn Village Inc.	2,439	4		0.66%
Cleveland Electric Illuminating Co	2,206	5		0.60%
200 West Apartments	1,989	6		0.54%
Ohio Bell Telephone Co.	1,265	7		0.34%
Stallard-Schrier Fan LTD Par	1,024	8		0.28%
North Solon Office	1,019	9		0.28%
Fairview Reality Invest Ltd.	1,003	10		0.27%
	<u>\$ 27,540</u>			<u>7.46%</u>
	<u>\$ 369,159</u>			

	2000			
	Taxable	Rank	Percentage of	
	Assessed		Total City	Taxable
<u>Taxpayer</u>	Value		Assessed Value	Value
Westgate Joint Venture	\$ 13,922	1		4.29%
Z & Sons Limited Partnership	7,019	2		2.16%
Fairview Shopping Center Corp.	3,937	3		1.21%
Cleveland Electric Illuminating Co	3,068	4		0.95%
Westgate Joint Venture	2,798	5		0.86%
Higbee Co./Dillard's	2,459	6		0.76%
Lawn Village Inc.	2,355	7		0.73%
Ohio Bell Telephone Co.	2,167	8		0.67%
200 West Apartments	1,942	9		0.60%
East Ohio Gas	1,842	10		0.57%
Total of above	<u>\$ 41,509</u>			<u>12.79%</u>
Total City	<u>\$ 324,605</u>			

Source: Cuyahoga County Auditor

(1) Information prior to 2000 is not available.

**CITY OF FAIRVIEW PARK, OHIO**

**Schedules of Principal Taxpayers - Personal Property (\$000 omitted)  
2006 and 1999**

	2006		
	Taxable	Percentage of	
	Assessed	Rank	Total City
	Value	Assessed	Value
<b><u>Taxpayer</u></b>			
Ohio Bell Telephone	\$ 788	1	10.59%
Target Corp	405	2	5.44%
Kohl's Department Stores	282	3	3.79%
Alltell Ohio Limited	212	4	2.85%
Wideopenwest Cleveland LL	157	5	2.11%
Cox Com Inc.	154	6	2.07%
New Cingular Wireless PCS	103	7	1.38%
Quadax Inc.	91	8	1.22%
West Valley Regional	77	9	1.03%
Sprintcom Inc	62	10	0.83%
	<u>\$ 2,331</u>		<u>31.33%</u>
	<u>\$ 7,440</u>		

	1999		
	Taxable	Percentage of	
	Assessed	Rank	Total City
	Value	Assessed	Value
<b><u>Taxpayer</u></b>			
Higbee Co./Dillard's	\$ 816	1	6.97%
First National Supermarkets	796	2	6.80%
Quadax Inc	223	3	1.91%
Gap, Inc.	166	4	1.42%
RE May, Inc.	147	5	1.26%
Reserves Network Inc.	132	6	1.13%
Cox Cable Cleveland	119	7	1.02%
Schreibman Jewelry, Inc.	104	8	0.89%
Musicland Group, Inc.	87	9	0.74%
Fairview Photo Service, Inc.	68	10	0.58%
Total of above	<u>\$ 2,658</u>		<u>22.71%</u>
Total City	<u>\$11,702</u>		

Source: Cuyahoga County Auditor

(1) Information prior to 1999 is not available.

**CITY OF FAIRVIEW PARK, OHIO**  
**Schedules of Principal Taxpayers - Public Utility (\$000 omitted)**  
**2006 and 2005**

<b>Taxpayer</b>	2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
	Cleveland Electric Illum	\$ 2,206	1
Ohio Bell Telephone Co.	1,265	2	22.59%
East Ohio Gas Co.	642	3	11.46%
Alltel Ohio Limited	287	4	5.12%
American Transmission	254	5	4.53%
Ohio Bell Telephone	220	6	3.93%
Cleveland Electric Illum Co	206	7	3.68%
New Cingular Wireless PCS	95	8	1.70%
American Fiber Systems	74	9	1.32%
Qwest Communications	60	10	1.07%
	<u>\$ 5,309</u>		<u>94.79%</u>
	<u>\$ 5,601</u>		

<b>Taxpayer</b>	2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
	Cleveland Electric Illum	\$ 2,255	1
Ohio Bell Telephone Co.	1,863	2	28.96%
East Ohio Gas Co.	653	3	10.15%
Alltel Ohio Limited	282	4	4.38%
American Transmission	252	5	3.92%
New Cingular Wireless PCS	128	6	1.99%
Sprintcom, Inc.	60	7	0.93%
Qwest Communications	59	8	0.92%
Cleveland PCS LLC	21	9	0.33%
Nextel West Corporation	21	10	0.33%
Total of above	<u>\$ 5,594</u>		<u>86.97%</u>
Total City	<u>\$ 6,432</u>		

Source: Cuyahoga County Auditor

(1) Information prior to 2005 is not available.

**CITY OF FAIRVIEW PARK, OHIO**  
**Income Tax Rates and Collections**  
**Last Ten Calendar Years**

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding (1)	Percentage of Taxes from Withholding	Taxes From Net Profits (1)	Percentage of Taxes from Net Profits	Taxes From Individuals (1)	Percentage of Taxes from Individuals
2006	2.00%	\$7,312,059	\$3,054,047	41.77%	\$391,453	5.35%	\$3,766,939	51.52%
2005	2.00	5,427,291	2,679,923	49.38	299,053	5.51	2,423,038	44.65
2004	2.00	4,792,476	2,376,802	49.59	212,993	4.44	2,125,312	44.35
2003	1.50	4,651,691	n/a	0.00	n/a	0.00	n/a	0.00
2002	1.50	4,552,366	n/a	0.00	n/a	0.00	n/a	0.00
2001	1.50	4,598,943	n/a	0.00	n/a	0.00	n/a	0.00
2000	1.50	4,350,251	n/a	0.00	n/a	0.00	n/a	0.00
1999	1.50	4,383,978	n/a	0.00	n/a	0.00	n/a	0.00
1998	1.50	n/a	n/a	0.00	n/a	0.00	n/a	0.00
1997	1.50	n/a	n/a	0.00	n/a	0.00	n/a	0.00

Source: City income tax records.

(1) Information not available prior to 2004.

**CITY OF FAIRVIEW PARK, OHIO**  
**Ratios of Outstanding Debt by Type**  
**Last Nine Years (\$000 omitted) (2)**

Fiscal Year	Governmental Activities (1)			Business-Type Activities (1)			Total Primary Government
	General Obligation Bonds	Long Term Notes	Capital Leases	General Obligation Bonds	OPWC Loans	Capital Charges Agreement	
2006	\$25,065	\$ 1,500	\$ 363	\$ -	\$ 280	\$ 561	\$ 27,769
2005	25,862	1,524	489	115	317	628	28,935
2004	3,240	1,546	717	230	371	716	6,820
2003	3,450	1,767	645	345	407	74	6,688
2002	3,655	1,767	165	460	443	116	6,606
2001	3,850	1,940	190	575	479	251	7,285
2000	4,095	1,940	226	690	497	-	7,448
1999	4,325	-	-	805	542	-	5,672
1998	-	660	-	925	45	-	1,630

(1) Details regarding the City's outstanding debt can be found in Note 11 in the current financial statements.

(2) Information prior to 1998 is not available.

**CITY OF FAIRVIEW PARK, OHIO**

**Ratios of General Bonded Debt Outstanding**

**Last Nine Years (\$000 omitted, except per capita)**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2006	\$25,065	6.34%	143
2005	25,977	6.58%	148
2004	3,470	0.88%	197
2003	3,795	1.01%	216
2002	4,115	1.09%	234
2001	4,425	1.16%	252
2000	4,785	1.38%	272
1999	5,130	1.50%	285
1998	925	0.27%	51

(1) Details regarding the City's outstanding debt can be found in Note 11 in the current financial statements.

**CITY OF FAIRVIEW PARK, OHIO**

**Direct and Overlapping Governmental Activities Debt (\$000 omitted)**

**December 31, 2006**

<b>Governmental Unit</b>	<u>Debt Outstanding</u>	<u>Percentage applicable to City (1)</u>	<u>Amount applicable to City</u>
Fairview Park City School District	\$ 31,960	94.43%	\$ 30,180
Rocky River City School District	21,865	5.51%	1,205
Berea City School District	11,129	6.00%	668
Cuyahoga County	214,339	1.25%	2,679
Greater Cleveland Regional Transit Authority	156,500	1.25%	<u>1,956</u>
Subtotal, overlapping debt			36,688
<b>City of Fairview Park governmental activities direct debt</b>			<u>26,630</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 63,318</u></u>

(1) Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF FAIRVIEW PARK, OHIO**  
**Legal Debt Margin Information**  
**Last Eight Years (\$000 omitted)**

<u>Legal Debt Margin Calculation for Year Ending December 31, 2006</u>	<u>Unvoted</u>	<u>Overall</u>
Total assessed valuation	\$ 382,200	382,200
Debt limitation - 5.5% of assessed valuation	<u>21,021</u>	
Debt limitation - 10.5% of assessed valuation		<u>40,131</u>
Debt applicable to limitation:		
Gross indebtedness	27,406	27,406
Exempt debt:		
OPWC loans	(280)	(280)
Capital charge agreements	(561)	(561)
Amount available in debt service fund	<u>65</u>	<u>65</u>
Total debt applicable to limitation	<u>26,630</u>	<u>26,630</u>
Legal debt margin	<u>\$ (5,609)</u>	<u>13,501</u>

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	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 35,894	\$ 36,342	\$ 40,185	\$ 39,726	\$ 39,318	\$ 41,402	\$ 41,481	\$ 40,131
Total net debt applicable to limit	4,325	6,061	5,776	5,422	5,654	5,596	27,770	26,630
Legal debt margin	\$ 31,569	\$ 30,281	\$ 34,409	\$ 34,304	\$ 33,664	\$ 35,806	\$ 13,711	\$ 13,501
Total net debt applicable to limit as a percentage of debt limit	12.05%	16.68%	14.37%	13.65%	14.38%	13.52%	66.95%	66.36%

**CITY OF FAIRVIEW PARK, OHIO**

**Schedules of Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures**

**Last Ten Years (\$000 omitted)**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>GENERAL BONDED DEBT</u></b>										
Debt service	\$ 120	120	120	345	360	310	320	325	2,535	745
General governmental expenditures	\$ 10,045	11,175	12,634	16,373	14,380	14,555	13,467	15,235	17,891	21,680
Ratio of debt service to general governmental expenditures	1.19	1.07	0.95	2.11	2.50	2.13	2.38	2.13	14.17	3.44

Note: All years presented are reported on a GAAP basis.

**CITY OF FAIRVIEW PARK, OHIO**  
**Schedules of Principal Employers**  
**2006 and 2001 (1)**

<u>Employer</u>	<u>2006</u> <u>Rank</u>	<u>2001</u> <u>Rank</u>
US Department of Interior	1	-
Fairview Park City School District	2	2
Quadax, Inc.	3	4
Cleveland Metroparks System	4	-
McGowan & Company, Inc.	5	-
Cuyahoga County Auditor	6	6
Quadax, Inc.	7	-
West Side Cardiology Associate	8	-
Analex Corporation	9	-
Zin Technologies	10	8
NASA Marshall Space Flight Cente	-	1
Dillard's Department Stores	-	3
Fredon Mortgage Corporation	-	5
Louis P. Caravella Jr. MD, Inc.	-	7
Accounting Service Center	-	9
Tops Markets LLC	-	10

(1) Information prior to 2001 is not available.

**CITY OF FAIRVIEW PARK, OHIO**  
**Demographic and Economic Statistics**  
**Last Ten Years (\$000 omitted)**

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Montgomery County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2006	17,572	\$483,423,292	\$27,511	\$50,436	40.8	4,560	1,822	6.1%	\$151,749	\$382,200
2005	17,572	483,423,292	27,511	38,377	40.8	4,560	1,822	5.7%	156,985	395,053
2004	17,572	483,423,292	27,511	38,377	40.8	4,560	1,831	6.8%	157,998	394,305
2003	17,572	483,423,292	27,511	38,377	40.8	4,560	1,870	6.2%	148,057	374,458
2002	17,572	483,423,292	27,511	38,377	40.8	4,560	1,899	6.0%	145,971	378,340
2001	17,572	483,423,292	27,511	38,377	40.8	4,560	1,903	4.6%	145,883	382,719
2000	17,572	483,423,292	27,511	38,377	40.8	4,560	1,974	4.5%	132,300	346,111
1999	18,028	n/a	n/a	n/a	n/a	n/a	2,076	4.5%	138,900	341,850
1998	18,028	n/a	n/a	n/a	n/a	n/a	2,091	4.8%	140,300	339,110
1997	18,028	n/a	n/a	n/a	n/a	n/a	2,052	5.2%	127,600	314,673

- (1) Source: U. S. Census
  - (a) Years 2000 through 2006 - 2000 Federal Census
  - (b) Years 1997 through 1999 - 1990 Federal Census
- (2) Source: Ohio Department of Education
- (3) Source: Ohio Department of Job and Family Services
- (4) Source: Cuyahoga County Auditor
- (5) Computation of per capita personal income multiplied by population

**CITY OF FAIRVIEW PARK, OHIO**  
**Operating Indicators by Function/Program**  
**Last Five Years**

Function/Program	2006	2005	2004	2003	2002
<b>General Government</b>					
<b>Council and Clerk</b>					
Number of Ordinances Passed	67	69	56	55	67
Number of Resolutions Passed	30	24	29	17	27
Number of Planning Commission docket items	17	36	24	34	52
Zoning Board of Appeals docket items	12	11	12	8	20
<b>Finance Department</b>					
Number of payroll checks issued	5,735	0	0	0	0
Number of checks/ vouchers issued	2,868	2,424	2,635	2,559	2,347
Amount of checks written (in millions)	\$24,515,579	\$18,784,193	\$19,403,725	\$17,022,821	\$11,395,977
Interest earnings for fiscal year (cash basis)	\$1,184,028	\$490,426	\$79,842	\$78,709	\$123,304
Number of Budget Adjustments issued	2	2	2	2	2
Agency Ratings - Moody's Financial Services	A-	A-	A-	A-	A-
Health Insurance Costs vs General Fund Expenditures %	12.03%	12.78%	0.00%	12.10%	10.85%
General Fund Receipts (cash basis)	\$8,988,968	\$8,618,575	\$9,125,767	\$9,012,735	\$8,732,098
General Fund Expenditures (cash basis)	\$9,187,021	\$9,401,877	\$9,647,796	\$8,740,672	\$8,756,001
General Fund Cash Balances	\$177,215	\$346,660	\$1,129,962	\$1,651,991	\$1,380,288
<b>Engineer Contracted Services</b>					
Dollar amount of Construction overseen by Engineer	\$836,855	\$1,120,762	\$2,902,333	\$2,459,200	\$824,104
<b>Civil Service</b>					
Number of police entry tests administered	0	0	1	0	0
Number of fire entry tests administered	1	0	0	0	0
Number of police promotional tests administered	0	0	158	0	0
Number of hires of Police Officers from certified lists	0	1	0	0	0
Number of hires of Fire/Medics from certified lists	0	0	0	2	1
<b>Building Department Indicators</b>					
Construction Permits Issued	312	629	436	353	410
Estimated Value of Construction	\$28,319,012	\$9,093,247	\$4,872,485	\$4,750,630	\$9,273,481
Number of permits issued	1,730	1,854	1,794	1,866	1,879
Amount of Revenue generated from permits	\$206,663	\$129,783	\$122,069	\$145,641	\$157,267
Number of contract registrations issued	322	404	324	403	380
Number of rental inspections performed	1,783	1,783	1,783	1,783	1,787
Annual Apartment/Rooming House License Fees	\$10,482	\$10,482	\$10,482	\$4,520	\$4,516

**CITY OF FAIRVIEW PARK, OHIO**  
**Operating Indicators by Function/Program**  
**Last Five Years**

Function/Program	2006	2005	2004	2003	2002
<b>Security of Persons &amp; Property</b>					
<i>Police</i>					
Total Calls for Services	10,930	9,596	10,486	11,020	10,991
Number of traffic citations issued	5,586	5,029	4,612	4,960	5,699
Number of parking citations issued	1,941	1,897	2,114	2,839	1,523
Number of criminal arrests	124	128	118	159	144
Number of accident reports completed	239	204	251	239	240
Part 1 Offenses (major offenses)	73	102	70	98	76
Reserve officers hours worked	1,500	1,625	1,540	1,870	1,830
DUI Arrests	62	43	59	58	78
Prisoners Processed - Temporary Holdings	593	576	624	688	696
Prisoner meal costs	\$11,484	\$11,277	\$12,843	\$18,401	\$0
Property damage accidents	171	147	188	178	173
Fatalities from Motor Vehicle Accidents	0	0	0	1	0
Gasoline costs of fleet	\$43,102	\$37,880	\$28,990	\$23,000	\$0
DARE youth program (hours)	1,400	1,400	1,400	1,400	1,400
Community Diversion Program Youths (Be Proud)/(hours ser	0	32	152	56	264
<i>Fire</i>					
EMS Calls	1,531	1,521	1,464	1,291	1,293
Ambulance Billing Collections (net)	\$248,375	\$275,508	\$256,338	\$234,221	\$221,296
Fire Calls	144	132	124	133	156
Fire Safety Inspections	580	1,033	1,118	1,120	1,190
Number of times Mutual Aid given to Fire and EMS	93	106	81	88	84
Number of times Mutual Aid received for Fire and EMS	60	51	51	35	42
<b>Public Health and Welfare</b>					
Cemetery cremations	2	0	0	0	0
Cemetery receipts	\$200	\$0	\$0	\$0	\$0
<b>Leisure Time Activities</b>					
<i>Recreation</i>					
Recreation Swimming pool receipts	\$16,934	\$14,440	\$0	\$0	\$942
Recreation Mens & Womens Leagues receipts	24,414	25,460	19,755	28,246	19,790
Recreation Programs	49,537	46,143	43,383	36,319	46,043
Youth Soccer League	16,095	17,273	19,428	11,993	13,891
Youth Baseball League	36,681	37,907	39,470	40,428	41,389
Facilities rentals	3,830	5,846	8,761	5,407	5,735
Miscellaneous	35,405	45,381	41,692	35,394	40,599
Total Recreation Department receipts	<u>\$182,896</u>	<u>\$192,450</u>	<u>\$172,489</u>	<u>\$157,787</u>	<u>\$168,389</u>
<b>Community Development</b>					
Grant amounts received due to Economic Development Dept.	\$50,000	\$0	\$0	\$106,285	\$423,026
<b>Basic Utility Services</b>					
Refuse disposal per year (in tons) January through December	8,432	8,682	8,313	8,745	8,100
Refuse disposal costs per year January through December	\$261,923	\$230,673	\$229,877	\$243,532	\$241,501
Annual recycling tonnage (excluding leaf, and compost items)	1,184	1,015	1,155	1,239	1,159
Percentage of waste recycled	36.51%	35.56%	36.32%	35.91%	29.51%

(1) Information prior to 2002 is not available





**Mary Taylor, CPA**  
Auditor of State

**CITY OF FAIRVIEW PARK**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 17, 2008**