

CITY OF WARRENSVILLE HEIGHTS, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006



ISSUED BY THE DEPARTMENT OF FINANCE

RUBIN K. MOULTRIE, CPA,

FINANCE DIRECTOR



Mary Taylor, CPA
Auditor of State

Honorable Mayor and Members of Council
City of Warrensville Heights
4301 Warrensville Center Road
Warrensville Heights, Ohio 44128

We have reviewed the *Independent Auditors' Report* of the City of Warrensville Heights, Cuyahoga County, prepared by Ciuni & Panichi, 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 Warrensville Heights is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 12, 2007

This Page is Intentionally Left Blank.

City of Warrensville Heights

4301 WARRENSVILLE CENTER ROAD
WARRENSVILLE HEIGHTS, OHIO 44128
(216) 587-6500



Marcia L. Fudge
Mayor

June 25, 2007

Dear Citizens of Warrensville Heights:

Our fourth annual Comprehensive Annual Financial Report "CAFR" details the City's financial status and actions for the 2006 fiscal year.

This "CAFR" presents a full and complete disclosure of the City's finances and operations for 2006. I am confident the material contained herein accurately reflects to the reader the City's overall financial position.

As you will see the City continues to improve its financial operations at a time of economic uncertainty in the State of Ohio. Our finance department, administrators and Council members are committed to an effective system of checks and balances and responsible fiscal policies.

We are proud of our work and thank all residents for their support.

Sincerely,

Marcia L. Fudge
Mayor

City of Warrensville Heights

Elected Officials



Marcia L. Fudge
Mayor



Pauline C. Goode
Ward 6



Clinton Hall, Sr.
Ward 5



Dorise Thompson
Ward 1



Deborah A. Hill
Ward 2



Ruby Nelson
Ward 4



Kimberley Hodge Edwards
Ward 7



Elona C. White
Ward 3

Introductory Section

City of Warrensville Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
Table of Contents

<i>I. Introductory Section</i>	Page
Title Page	
Table of Contents	i
Transmittal Letter	iv
Organizational Chart	viii
City of Warrensville Heights Elected and Appointed City Officials	ix
GFOA Certificate of Achievement.....	x
<i>II. Financial Section</i>	
Independent Accountant’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual: General Fund	18
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	19
Notes to the Basic Financial Statements	20
Combining and Individual Fund Statements and Schedules:	
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions.....	47
Combining Balance Sheet - Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	51
Combining Balance Sheet - Nonmajor Special Revenue Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	58

City of Warrensville Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
Table of Contents (continued)

Combining Balance Sheet - Nonmajor Capital Projects Funds.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	66
Combining Statement - Agency Funds:	
Fund Descriptions.....	68
Combining Statement of Changes in Assets and Liabilities - Agency Funds	69
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	72
General Obligation Bond Retirement Fund.....	76
Cinema Park Fund	77
Nonmajor Funds:	
Street Construction, Maintenance and Repair Fund.....	78
State Highway Fund	79
Police Salary and Equipment Fund	80
Fire Salary and Equipment Fund.....	81
Street Lighting Fund.....	82
Building Levy Fund.....	83
Law Enforcement Trust Fund.....	84
Bureau of Justice Grant Fund.....	85
Fire Pension Fund.....	86
Police Pension Fund	87
DARE Grant Fund.....	88
Community Development Block Grant Fund.....	89
Juvenile Diversion Program Fund	90
Fire Department Child Safety Grant Fund	91
EMS Computer Grant Fund	92
Local Law Enforcement Block Grant Fund	93
Sidewalk Replacement Fund	94
COPS Grant Fund.....	95
FEMA Grant Fund.....	96
Cleveland Browns Foundation Fund	97
CRA Monitoring Fee Fund.....	98
The Cleveland Foundation Fund	99
Economic Development Stimulus Incentive Grant Fund	100
Grass Refuse Fund.....	101
OBWC Transitional Work Grant Fund.....	102
Homeland Security Grant Fund.....	103
Civic Center Park Restoration Grant Fund.....	104
G.R.E.A.T. Grant Fund	105
NOACA TLCI Fund	106
Street Improvement Fund	107
Building Repair and Improvement Fund	108
Information Technology System Fund	109
Land Acquisition Fund	110

City of Warrensville Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
Table of Contents (continued)

Snavelly Project Fund.....	111
Emery Woods Project Fund	112
Siren Warning System Fund.....	113
Route 8/Northfield Road Project Fund.....	114
Sidewalk Repair and Replacement Project Fund	115
Town Center Project Fund	116
Generators Fund	117

III. Statistical Section

Statistical Section Descriptions.....	S1
Net Assets By Component – Last Four Years	S3
Changes in Net Assets – Last Four Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years	S6
Changes in Fund Balances – Last Ten Years.....	S8
Assessed Valuation and Estimated Actual Values of Taxable Property - Last Ten Years	S10
Direct and Overlapping Property Tax Rates – Last Ten Years.....	S12
Property Tax Levies and Collections – Last Ten Years.....	S14
Principal Taxpayers – Real Estate Tax	S16
Income Tax Revenue Base Collections – Last Ten Years	S17
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S18
Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita – Last Ten Years	S19
Legal Debt Margin – Last Ten Years.....	S20
Computation of Direct and Overlapping Governmental Activities Debt.....	S22
Principal Employers – Current Year and Nine Years Ago	S23
Demographic and Economic Statistics – Last Ten Years	S24
Operating Indicators by Function/Program – Last Five Years	S26
Capital Assets Statistics by Function/Program – Last Ten Years.....	S28
Full-Time Equivalent City Government Employees by Function/Program – Last Five Years	S30



Marcia L. Fudge
Mayor

City of Warrensville Heights

4301 Warrensville Center Road
Warrensville Heights, Ohio 44128
(216) 587-6500

Rubin K. Moultrie, C.P.A.
Director of Finance

June 18, 2007

Citizens of Warrensville Heights and
Honorable Members of City Council
Warrensville Heights, Ohio 44128

We are pleased to submit the comprehensive annual financial report of the City of Warrensville Heights for the year ended December 31, 2006.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days fiscal year end. This report is submitted to satisfy that requirement for the year ended December 31, 2006.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ciuni & Panichi, Inc., a CPA firm, has issued an unqualified ("clean") opinion on the City of Warrensville Heights financial statements for the year ended December 31, 2006. The independent accountant's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent accountant's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

The City and Form of Government

The City of Warrensville Heights, Ohio, is located in the southeast portion of Cuyahoga County, eight miles from downtown Cleveland. The City was incorporated as a village in 1927, and became a city in 1960. The City has 15,109 residents, according to the most recent data from the United States Census Bureau.

The City is in the Cleveland Primary Metropolitan Statistical Area, comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. The City is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area which is the 11th most populous of twenty in the country.

The City operates under and is governed by its Charter which voters first adopted in 1958 and which has been amended from time to time. The last amendment was made in 2002. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter also establishes certain administrative departments. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member Council. Formerly, the seven members of Council were elected at large, every two years, and served staggered terms so that no more than four members of Council would be elected at any biennial election. At the municipal election in November, 2002, the electors of the City voted to amend the Charter of the City to require the election of members of Council by specified wards for terms of four years. Thus, at the municipal election in November, 2003, the voters of the City elected seven members of Council by wards, each to serve for a term of four years. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The President is elected by a majority of the Council for a one-year term. 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 and serves in a part-time capacity. The Mayor presides at all meetings of Council and may veto any legislation passed by Council. A two-third vote of all members of Council will override a veto.

The Mayor appoints all of the directors of the City departments, including the Directors of Law, Finance, Service, Economic Development, Community Liaison, Personnel, Civic Center, the City Engineer and the Building Commissioner. The Mayor also appoints the Chiefs of Police and Fire and Police and Fire personnel after competitive civil service examinations. Additionally, the Mayor also appoints members to a number of boards and commissions, and in accordance with civil service requirements, may remove all appointed officials and employees, except Council officers and employees.

The Mayor also serves in the additional capacity of Safety Director.

The City provides basic services to its residents including police and fire protection, planning, zoning, street maintenance and repair, refuse collection, and general administrative services. Warrensville Heights residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District and the City of Bedford Heights.

Economic Condition and Outlook

The City is an inner ring suburb of the City of Cleveland. Primarily a residential community of beautifully maintained neighborhoods, it also has a thriving and engaging business community. The City is home to one of the most technologically advanced hospitals in Northeast Ohio; South Pointe, which is an affiliate of the renowned Cleveland Clinic, provides quality health care to Warrensville Heights residents as well as to our neighboring communities. The following industries are vital to the City's financial condition and contribute to the stable economic condition of the City: Sherwin-Williams Automotive Finishes Corporation's Research and Development facility and training center; Heinen's Incorporated, a retail food chain, headquarters and warehouse facility; Henkel Corporation manufactures and markets a broad range of high-performance adhesives, sealants and coatings; Marcus Thomas, a leading advertising firm, has its headquarters in our friendly City. The City continues to make significant progress in its efforts to strengthen its economic base and community development.

Residential and commercial properties have grown considerably over the past few years resulting in several new subdivisions, offices and retail spaces, and a new hotel. The assessed value of commercial and residential properties has increased 40% since 1997. This is a key indicator of the City's economic health and stability.

The City's income collection remains strong and accounted for over 75% of the General Fund revenues.

The area of Warrensville Heights known as Harvard Park is the focal point of economic growth in the City. The development features lodging, retail and several restaurants. Winegardner & Hammond, Inc. a full service hotel management company, opened a 300-room, full service Marriott Hotel and conference center in 2005 on Harvard Road just west of Interstate 271. The eight story hotel features a restaurant, meeting space with executive boardroom, comprehensive audio visual services, guest rooms designed for business travelers and a ballroom that accommodates 600 for receptions. Filene's Basement, an off-price store that offers brand name and designer fashions for men and women, anchors the retail space along with DSW Shoes, and Value City Furniture. The area also features Abuelo's, an upscale Mexican restaurant born of the hospitality and delicious cuisine of authentic restaurants in Old Mexico, DiBella's Old Fashioned Submarines, and Chipotles. Groundbreaking has started on several retail establishments and a restaurant that will open spring and fall 2007.

The City established its first Community Reinvestment Area (CRA) in June 1994 under State law. It has since created two additional CRA's to include more land within the boundaries of the City. This program offers real property tax abatement for construction and expansion of commercial facilities located within a designated area. The City has been able to recruit new commercial companies and retain existing ones as a result of the CRA program. Abatement has been granted up to 50 percent over 15 years. The City shares a percentage of the increased payroll withholding taxes through the abatement period with the school district.

During 2006, Regency Hospital Company commenced construction of a 40-bed health care facility. The hospital is a Long Term Acute Care (LTAC) facility that treats complex patients who have suffered recent catastrophic illness or injury and require an extended length of stay. The facility is located in the City's first Planned Unit Development (PUD), a mixed use area that consists of an office park and residential cluster homes. The Hospital will create over 120 new jobs with an estimated payroll of \$4.5 million. The City issued notes in anticipation of the levy and collection of special assessments, to pay the cost of constructing the infrastructure at this development site.

During 2006, plans proposed by Rysar Properties for the redevelopment of the former site of the Miles Drive-In Theatre were approved by the City. The new subdivision, Cinema Park, will offer 97 single family homes on the 21-acre site. The price of these homes ranges from \$175,000 to \$250,000. Construction of the three and four bedroom homes will commence in spring 2007. The development will pay homage to the property's past by naming model houses after famous movies and streets after movie stars. The City is participating in this project by offering 75 percent tax abatement for 12 years and issuing notes in anticipation of the levy and collection of special assessments, to pay the cost of constructing the infrastructure. When completed, Cinema Park will add an estimated \$18 to \$22 million to the City's total residential property value.

In 2006, Sherwin-Williams relocated and consolidated its Aerosol Research and Development staff to the research and development campus of the Automotive Division. The company invested over \$4 million in building improvements and machinery. About 50 new positions were added to the research campus with a payroll approximating \$3 million.

Major Initiatives

For the year 2006, the City of Warrensville Heights continued its commitment to provide quality services and facilities to the City's residents and business community. Emphasis continued to be placed on improving services, upgrading infrastructure and enhancing the Green Road Park and the Senior and Civic Center.

The City received a grant for \$69,000 from the Northeast Ohio Area wide Coordinating Agency (NOACA) to conduct a transportation study on the Richmond Road corridor. For a number of years, Richmond Road was a two-lane roadway serving Warrensville Heights and adjacent suburbs. However, in the past five years, the 1.75 mile segment has seen a development explosion. Expanding and planned development includes: Harvard Business Park, Interchange Corporate Center, Highland Business Park, Cuyahoga Community Corporate College, B.J. Wholesale club, and Chartwell Office Park. Although Richmond Road has been widened to a four-lane thoroughfare, planning for the corridor did not account for recent planned development. The grant will allow the City to develop a strategic plan to be incorporated into the existing comprehensive plan for the Richmond Road corridor. The purpose of the plan will be to guide development along the corridor to assure well-planned, sustainable economic growth for the long term.

The City was awarded a \$103,782 grant from the Federal Emergency Management Agency (FEMA) for the purchase of a generator for City Hall and portable radios for the firefighters. The generator will allow the City to continue with all essential services due to a power outage, flood or fire. The radios allow the City to better equip the firefighters for the rapidly changing firefighting life safety demands confronting our communities. The Fire Department responded to 278 fire related and 1,775 emergency medical service calls in 2006.

The City received a grant of \$150,000 from the County of Cuyahoga Community Development Block grant for the restoration of the Senior and Civic Center Park complex. The grant will be used for reconstruction of the walking path, repairs to the restroom and drinking water facilities, installation of lighting and security cameras and replacement of non-compliant playground equipment. The restoration project is estimated to cost approximately \$225,000.

Long-Term Financial Planning

The Administration is committed to working with the business community and residents to assure that the City of Warrensville Heights provides a high quality of life and services.

Redevelopment of two abandoned commercial properties continues to be a primary focus. The City submitted a winning application for Clean Ohio Revitalization Funds and received a grant in the amount of \$1,637,000. Remediation of the site was completed in 2006. With these funds, the environmental hazards were removed and the buildings demolished. The City plans to develop this 16-acre site as a mixed-use project and is awaiting a Covenant-Not-to-Sue letter from the State of Ohio for the property. The City is committed to constructing a community center to be part of the town center redevelopment. The project has been designated as the "Warrensville Heights Town Center Project" since it is in the center of the City.

Awards and Acknowledgements

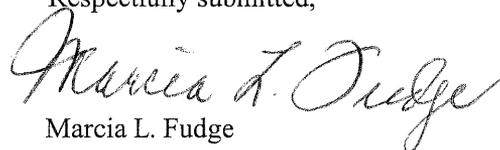
Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warrensville Heights for its comprehensive annual financial report for the year ended December 31, 2005.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report which satisfies all program standards. Such a report must also conform to generally accepted accounting principles and satisfy all applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Acknowledgments This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to Council and to Mayor Marcia L. Fudge for their enthusiastic support and their granting of funds for this project. Appreciation is also expressed to all City Hall Department Heads for their cooperation and assistance.

Respectfully submitted,

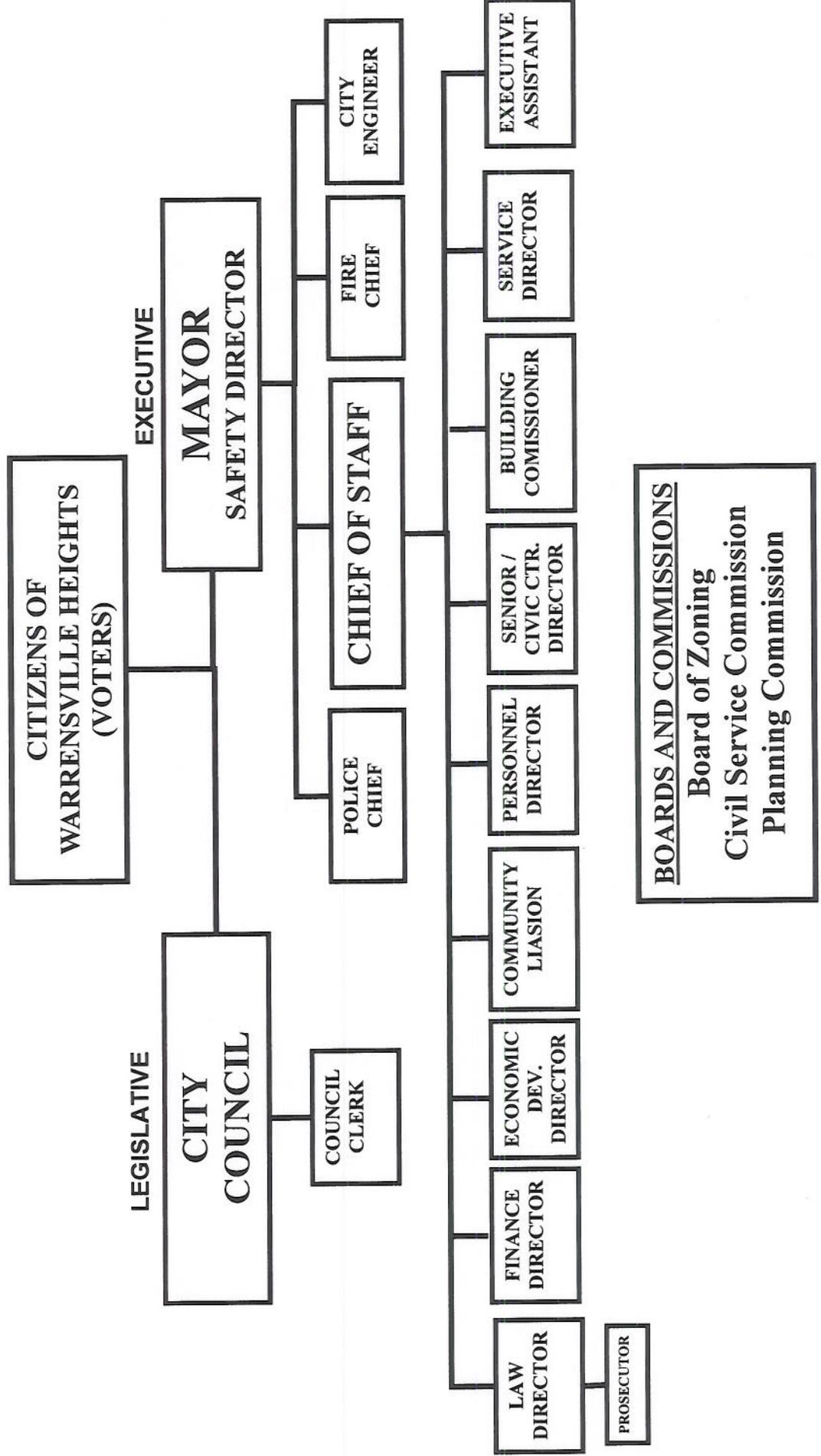


Marcia L. Fudge
Mayor



Rubin K. Moultrie CPA
Finance Director

CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART



The Boards and Commissions are appointed by the Mayor

CITY OF WARRENSVILLE HEIGHTS
ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR MARCIA L. FUDGE

CITY COUNCIL

Dorise Thompson, President, Ward 1

Deborah A. Hill, Ward 2

Elona C. White, Ward 3

Ruby Nelson, Ward 4

Clinton Hall, Ward 5

Pauline Goode, Ward 6

Kimberly Hodge-Edwards, Ward 7

APPOINTED OFFICIALS

Barbara L. Walker, Chief of Staff

Edward C. Coaxum Jr., Director of Law

Rubin K. Moultrie, Director of Finance

A. C. Williams, Director of Service

Frank Bova, Chief of Police

Stanley Martin, Chief of Fire

Carolyn Patrick, Personnel Director

Bradley Sellers, Economic Development Director

Melvin Lester, Building Commissioner

Brenda Wade, Director Civic and Senior Center

GPD Associates, City Engineer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warrensville Heights
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

Financial Section

Independent Auditors' Report

Members of the City Council
Warrensville Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio 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 City of Warrensville Heights' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

As described in Note 3, during the year ended December 31, 2006, the City implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section" and GASB Statement No. 47, "Accounting for Termination Benefits."

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2007, on our consideration of the City of Warrensville Heights, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10, 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 have applied certain limited procedures, which consisted 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warrensville Heights, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules 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 and statistical sections 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.

Cini & Parichi, Inc.

Cleveland, Ohio
June 18, 2007

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

The discussion and analysis of the City of Warrensville Heights'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 are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City of Warrensville Heights exceed its liabilities at December 31, 2006 by \$906,716.
- Total assets increased by \$1,170,243 in 2006 which represents an increase of 5.00 percent from 2005. The increase was due primarily to an increase in cash and cash equivalents and property taxes receivable.
- Total liabilities increased by \$2,046,254 in 2006 which represents an increase of 9.46 percent from 2005. The reason for the increase is due mainly to an increase in contracts payable, deferred revenue, and long-term liabilities.
- In total, net assets of the City decreased by \$876,011 during 2006. This represents a decrease of 49.14 percent from 2005. The reason for this decrease is due mainly to an increase in long-term liability due to liabilities increasing at a larger rate than that of assets.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the City of Warrensville Heights basic financial statements. These statements are organized so that readers can understand the City as a financial whole or as an entire operating entity. The statements then proceed to provide an increasing detailed look at specific financial conditions.

The statement of Net Assets and Statement of Activities provide information about the activities of the whole City. They provide both an aggregate view of the City's finances in addition to a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

The City of Warrensville Heights as a Whole

Statement of Net Assets and the Statement of Activities

The statement of Net Assets presents information, excluding fiduciary funds, on all the City of Warrensville Heights's assets and liabilities, with the difference between the two reported as net assets. This change is important because it serves as a useful indicator of whether the City's financial position is improving or deteriorating. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base, change in the tax law, and the condition of capital assets should also be considered.

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

In the Statement of Net Assets and the Statement of Activities, all of the City's activities are reported as Governmental Activities, which include all of the City's services including police, fire, administration and all other departments. The City of Warrensville Heights does not operate any business type activities and has no component units. Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting similar to the accounting methods used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

- Assets
- Liabilities
- Net Assets
- Program Revenues and Expenses
- Net Assets Beginning of Year and Year End

Reporting the City of Warrensville Heights's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial reports provide detailed information about the City's major funds. The City of Warrensville Heights has established many funds that account for the multitude of services, facilities and infrastructure provided to our residents.

Governmental Funds

The Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of resources available at the end of the year. All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year end available for spending in future periods. Our funds are reported using an accounting method called modified accrual accounting which measure cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the basic services it provides. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

Government-wide Financial Analysis – City of Warrensville Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2006 compared to 2005.

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Table 1
Net Assets

	Governmental Activities		Change
	2006	2005	
Assets			
Current and Other Assets	\$11,212,124	\$10,045,934	\$1,166,190
Capital Assets, Net	13,374,597	13,370,544	4,053
Total Assets	24,586,721	23,416,478	1,170,243
Liabilities			
Current Liabilities	5,194,172	3,562,731	1,631,441
Long-Term Liabilities			
Due Within One Year	14,397,816	12,930,333	1,467,483
Due in More Than One Year	4,088,017	5,140,687	(1,052,670)
Total Liabilities	23,680,005	21,633,751	2,046,254
Net Assets			
Invested in Capital Assets, Net of Related Debt	1,196,985	1,893,723	(696,738)
Restricted for:			
Capital Projects	1,352	803,927	(802,575)
Debt Service	0	8,333	(8,333)
Streets	552,258	275,643	276,615
Police	224,613	107,801	116,812
Fire	80,301	220,475	(140,174)
Other Purposes	189,078	111,153	77,925
Unrestricted (Deficit)	(1,337,871)	(1,638,328)	300,457
Total Net Assets	\$906,716	\$1,782,727	(\$876,011)

Total assets increased by \$1,170,243 from 2005 to 2006. Of that increase, the most significant changes were in cash and cash equivalents, which increased by \$892,323, and property taxes receivable, which increased by \$659,767.

Total liabilities increased by \$2,046,254 in 2006. The majority of the increase resulted from the City issuance of general obligation notes to pay the cost of infrastructure improvements at the Cinema Park housing development.

Unrestricted net assets had a deficit balance of \$1,337,871 at December 31, 2006 which is an increase over last year's deficit balance of \$1,638,328. The reason the City has a negative unrestricted net assets amount is that in the past, bonded debt was issued for operation and maintenance purposes. The increase in the unrestricted net assets balance is due to the City paying down on this outstanding bonded debt.

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Table 2 shows the change in net assets for the year ended December 31, 2006 compared to 2005.

Table 2
 Changes in Net Assets

	Governmental Activities		Change
	2006	2005	
Revenues			
Program Revenues			
Charges for Services	\$950,805	\$1,210,488	(\$259,683)
Operating Grants and Contributions	1,059,569	897,674	161,895
Capital Grants	384,163	329,517	54,646
Total Program Revenues	<u>2,394,537</u>	<u>2,437,679</u>	<u>(43,142)</u>
General Revenues			
Property Taxes	2,502,585	2,275,169	227,416
Municipal Income Tax	10,625,219	10,318,081	307,138
Grants and Entitlements	1,073,104	1,456,018	(382,914)
Investment Income	173,564	126,112	47,452
Other	59,474	322,867	(263,393)
Total General Revenues	<u>14,433,946</u>	<u>14,498,247</u>	<u>(64,301)</u>
Total Revenues	<u>16,828,483</u>	<u>16,935,926</u>	<u>(107,443)</u>
Program Expenses			
General Government	3,051,683	2,732,119	319,564
Public Safety			
Police	5,577,552	5,408,241	169,311
Fire	3,468,166	3,810,719	(342,553)
Public Health Services	64,406	56,006	8,400
Leisure Time Activities	322,467	295,706	26,761
Community Development	1,073,550	1,169,496	(95,946)
Transportation	2,269,955	2,399,454	(129,499)
Basic Utility Services	1,327,001	1,457,364	(130,363)
Interest and Fiscal Charges	549,714	544,927	4,787
Total Program Expenses	<u>17,704,494</u>	<u>17,874,032</u>	<u>(169,538)</u>
Decrease in Net Assets	<u>(876,011)</u>	<u>(938,106)</u>	<u>62,095</u>
Net Assets Beginning of Year - Restated	<u>1,782,727</u>	<u>2,720,833</u>	<u>(938,106)</u>
Net Assets End of Year	<u>\$906,716</u>	<u>\$1,782,727</u>	<u>(\$876,011)</u>

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. Under the accrual basis of accounting, the City's income tax accounted for \$10,625,219 or 63.14 percent of total revenues. The City has an income tax rate of 2.0 percent. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their City tax for Warrensville Heights. In recent history, the City has experienced consistent growth in income tax collections. The electorates of the City voted to change the income tax rate from 1.75 percent to 2.0 percent in 2001, which took effect in January 2002.

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

The City has enjoyed consistent growth in its income tax collection despite the downturn in the local economy. The new office developments at the Highland Business Park, the opening of the Marriott Hotel and expansions at Sherwin-Williams Research Center have increased the City's tax base. The catalyst behind its historical growth has been the policy of the City's economic development programs. The City has taken an aggressive approach in meeting some of the needs of its corporate citizens.

The City remains committed to collecting all taxes due to it and in 2006 worked in conjunction with the Central Collection Agency and the City Prosecutor to identify and assess individuals and businesses that were delinquent in filing their income tax returns. The City has two part-time employees' working exclusively with delinquent income taxpayers.

The City saw decreases in its charges for services and grants and entitlements revenue. The decrease in the charges for services program revenue was due to the City collecting a substantial amount of building permits fees for major construction projects within the City in the prior year. The decrease in grants and entitlements revenue is due to a significant amount of grant reimbursement received in 2005 from the Ohio Department of Development and the Federal Emergency Management Agency (FEMA).

Public safety, including the police and fire departments, accounted for program expenses of \$9,045,718, which is 51.09 percent of total City expenses for the 2006. The transportation expenses, primarily the Service Department, accounted for \$2,269,955, or 12.82 percent of total expenses.

The police and fire departments continue to provide the public with informative programs in a professional manner. The departments will continue to look for ways to expand our services and develop new public education programs for the community.

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$16,980,884 and expenditures of \$18,790,107. The most significant fund is our General Fund with an unreserved fund balance at year end of \$1,181,879. The combined fund balance for all of the City's funds was \$3,847,624.

The City's other major funds include the general obligation bond retirement fund and the cinema park capital projects fund. The general obligation bond retirement fund is used to pay down on the City's outstanding general obligation and special assessment bonds, and also accounts for property tax and special assessment revenue, which helps to make it a major fund. The cinema park fund received note proceeds which were used to help pay the cost of the infrastructure improvements at the new housing development project. The general obligation bond retirement's fund balance decreased by \$95,590 to \$69,298 at December 31, 2006. The cinema park capital projects fund's fund balance is \$828,710, as the City expended \$1,481,290 of the \$2,310,000 in notes proceeds.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and after a

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

discussion at a Finance Committee meeting, which is open to the public, the budget is adopted by City Council at a regularly held council meeting at the department level in the general fund and at the fund level for all other funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund.

The General Fund supports many of our major activities including the police department, fire department, and most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Both the original revenue and expenditure budget is designed to be very conservative requiring additional spending requests to be approved by Council throughout the year. During the course of 2006, the City amended its general fund budget numerous times, in response to conservative revenue projections being surpassed. The original budgeted revenue amount and the final budgeted revenue amount were equal. The original budgeted expenditure amount exceeded the final budget by \$212,477. The bargaining units for the police department have reached a labor agreement with the City. The original budget had anticipated a settlement in 2006.

The final budgeted revenues exceeded actual revenues by \$227,663, primarily due to the City receiving less income tax than anticipated.

Capital Assets and Debt Administration

Capital Assets

At the end of 2006, the City of Warrensville Heights had \$13,374,597 invested in land, construction in progress, buildings, improvements, machinery and equipment, vehicles, furniture and fixtures and infrastructure. Table 3 shows 2006 balances of capital assets as compared to 2005.

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

	Governmental Activities	
	2006	2005
Land	\$3,133,700	\$3,133,700
Construction in Progress	490,509	0
Buildings	1,498,680	1,428,741
Land Improvements	58,122	68,786
Machinery and Equipment	353,491	504,509
Vehicles	974,156	1,194,172
Furniture and Fixtures	40,249	40,538
Infrastructure		
Roads	4,150,010	4,255,343
Sanitary Sewers	970,643	994,135
Waterlines	789,461	808,390
Storm Sewers	915,576	942,230
Total Capital Assets	\$13,374,597	\$13,370,544

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Capital assets increased by \$4,053 in 2006. The reason for this increase was due largely in part to structural improvement to the frontage of City Hall.

The City Engineer maintains a comprehensive listing of all the roads, sewer and waterlines and bridges and culverts within the City of Warrensville Heights. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. The City has taken an aggressive approach in pursuing funding to assist in the financing of infrastructure projects. See note 11 of the basic financial statements for additional information on capital assets.

Long-Term Obligations

At December 31, 2006, the City of Warrensville Heights had \$18,485,833 in outstanding long-term obligations, of which \$3,378,500 was in general obligation bonds and \$12,479,000 in various purpose notes. Table 4 summarizes the long-term obligations outstanding.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2006	2005
General Obligation Bonds	\$3,378,500	\$3,978,714
Special Assessment Bonds	362,917	456,272
Notes Payable	12,479,000	11,025,000
Note Premium	0	28,525
Compensated Absences	1,759,847	1,822,484
Capital Leases	505,569	760,025
Total	\$18,485,833	\$18,071,020

The general obligation bonds were issued in 1999 for the following purposes; improving Sunset Drive, Banbury Circle, Ascot Lane and certain other streets by paving and resurfacing them, renovating, remodeling and furnishing City Hall, acquiring a recycling packer for the Service department, refurbishing the culverts on Mill Creek, Longbrook Road and South Miles Road, and reconstructing the roof at City Hall, Fire Station number 2, and the Service Garage.

The Special Assessment Bonds were issued in 1986, 1988 and 1990 for neighborhood street improvement projects. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor.

The City of Warrensville Heights' overall legal debt margin was \$28,500,432 with an unvoted debt margin of \$13,352,987 on December 31, 2006. For more information about the City's long-term obligations, see Note 12 to the basic financial statements.

During 2006, the City issued \$2,130,000, \$7,889,000, and \$2,460,000 in various purpose improvement bond anticipation notes. The \$2,130,000 issue is at 3.70 percent and will mature on February 8, 2007. The \$7,889,000 issue is at 4.00 percent and will mature on May 31, 2007. The \$2,460,000 issue is at 3.95 percent

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

and will mature on September 20, 2007. Proceeds from the sales was used to retire \$1,950,000 and \$9,075,000 notes due February and June 2006 and to provide new monies to pay, in anticipation of the levy and collection of special assessments, the costs of infrastructure improvements at Cinema Park housing development and the cost of various street improvements.

Current Financial Related Activities

The City of Warrensville Heights has enjoyed strong growth in revenues and at the same time adopted a strong, fiscally responsible financial plan to live within our means. The Mayor encouraged Directors to operate their department with minimal increases and to continue maintaining City services at a high level. While the cost increases for medical insurance are unavoidable in today's environment, the City is working diligently with the collective bargaining units to maintain a high level of coverage for all employees at the lowest cost possible.

Contacting the City of Warrensville Heights's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director Rubin K. Moultrie, CPA, at the City of Warrensville Heights, 4301 Warrensville Center Road, Warrensville heights, Ohio 44128, (216) 587-1104, or e-mail to rmoultrie@cityofwarrensville.com.

Basic Financial Statements

City of Warrensville Heights, Ohio

Statement of Net Assets

December 31, 2006

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$4,295,563
Materials and Supplies Inventory	75,824
Accounts Receivable	171,452
Intergovernmental Receivable	788,497
Prepaid Items	60,140
Income Taxes Receivable	2,215,073
Property Taxes Receivable	3,142,276
Special Assessments Receivable	395,499
Deferred Charges	67,800
Nondepreciable Capital Assets	3,624,209
Depreciable Capital Assets, net	<u>9,750,388</u>
<i>Total Assets</i>	<u>24,586,721</u>
Liabilities	
Accounts Payable	100,496
Accrued Wages	180,036
Contracts Payable	947,732
Intergovernmental Payable	659,322
Accrued Interest Payable	241,517
Judgment Payable	250,000
Deferred Revenue	2,815,069
Long-Term Liabilities:	
Due Within One Year	14,397,816
Due In More Than One Year	<u>4,088,017</u>
<i>Total Liabilities</i>	<u>23,680,005</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	1,196,985
Restricted for:	
Capital Projects	1,352
Debt Service	0
Streets	552,258
Police	224,613
Fire	80,301
Other Purposes	189,078
Unrestricted (Deficit)	<u>(1,337,871)</u>
<i>Total Net Assets</i>	<u><u>\$906,716</u></u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2006

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense)
		Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental Activities:					
General Government	\$3,051,683	\$182,754	\$5,600	\$0	(\$2,863,329)
Security of Persons and Property:					
Police	5,577,552	313,492	62,244	0	(5,201,816)
Fire	3,468,166	211,625	2,500	0	(3,254,041)
Public Health Services	64,406	3,057	2,112	0	(59,237)
Leisure Time Activities	322,467	15,816	0	0	(306,651)
Community Development	1,073,550	51,681	388,722	0	(633,147)
Transportation	2,269,955	103,251	598,391	384,163	(1,184,150)
Basic Utility Services	1,327,001	69,129	0	0	(1,257,872)
Interest and Fiscal Charges	549,714	0	0	0	(549,714)
<i>Total Governmental Activities</i>	<u>\$17,704,494</u>	<u>\$950,805</u>	<u>\$1,059,569</u>	<u>\$384,163</u>	<u>(15,309,957)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					1,236,022
Debt Service					553,998
Other Purposes					712,565
Income Taxes Levied for General Purposes					10,625,219
Grants and Entitlements not Restricted to					
Specific Programs					1,073,104
Investment Earnings					173,564
Miscellaneous					59,474
<i>Total General Revenues</i>					<u>14,433,946</u>
Change in Net Assets					(876,011)
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>					<u>1,782,727</u>
<i>Net Assets End of Year</i>					<u><u>\$906,716</u></u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio

Balance Sheet

Governmental Funds

December 31, 2006

	General	General Obligation Bond Retirement	Cinema Park	Other Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$694,777	\$69,298	\$1,776,442	\$1,755,046
Materials and Supplies Inventory	75,824	0	0	0
Accounts Receivable	171,452	0	0	0
Interfund Receivable	36,861	0	0	75,924
Intergovernmental Receivable	498,943	16,650	0	272,904
Prepaid Items	60,140	0	0	0
Income Taxes Receivable	2,215,073	0	0	0
Property Taxes Receivable	1,297,844	864,604	0	979,828
Special Assessments Receivable	0	395,499	0	0
<i>Total Assets</i>	<u>\$5,050,914</u>	<u>\$1,346,051</u>	<u>\$1,776,442</u>	<u>\$3,083,702</u>
Liabilities				
Accounts Payable	\$72,158	\$0	\$0	\$28,338
Accrued Wages	180,036	0	0	0
Contracts Payable	0	0	947,732	0
Intergovernmental Payable	572,821	0	0	86,501
Interfund Payable	0	0	0	112,785
Judgment Payable	250,000	0	0	0
Deferred Revenue	2,701,211	1,276,753	0	1,181,150
<i>Total Liabilities</i>	<u>3,776,226</u>	<u>1,276,753</u>	<u>947,732</u>	<u>1,408,774</u>
Fund Balances				
Reserved for Encumbrances	92,809	0	0	28,436
Unreserved				
Undesignated, Reported in:				
General Fund	1,181,879	0	0	0
Special Revenue Funds	0	0	0	698,223
Debt Service Funds	0	69,298	0	0
Capital Projects Funds	0	0	828,710	948,269
<i>Total Fund Balances</i>	<u>1,274,688</u>	<u>69,298</u>	<u>828,710</u>	<u>1,674,928</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,050,914</u>	<u>\$1,346,051</u>	<u>\$1,776,442</u>	<u>\$3,083,702</u>

See accompanying notes to the basic financial statements

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

Total Governmental Funds	Total Governmental Funds Balances	\$3,847,624
	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$4,295,563	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,374,597
75,824		
171,452		
112,785	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
788,497	Property Taxes	\$327,207
60,140	Income Tax	999,135
2,215,073	Intergovernmental	488,028
3,142,276	Charges for Services	134,176
395,499	Special Assessments	395,499
\$11,257,109	Total	2,344,045
\$100,496	Bond issuance costs will be amortized over the life of the bonds on the statement of net assets	67,800
180,036		
947,732	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(241,517)
659,322		
112,785		
250,000	Long-term liabilities, including bonds, notes and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:	
5,159,114	General Obligation Bonds	(3,378,500)
7,409,485	Special Assessment Bonds	(362,917)
121,245	Notes Payable	(12,479,000)
1,181,879	Compensated Absences	(1,759,847)
698,223	Capital Leases	(505,569)
69,298	Total	(18,485,833)
1,776,979		
3,847,624	<i>Net Assets of Governmental Activities</i>	\$906,716
\$11,257,109		

City of Warrensville Heights, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	General Obligation Bond Retirement	Cinema Park	Other Governmental Funds
Revenues				
Property and Other Taxes	\$1,196,064	\$550,712	\$0	\$698,117
Income Taxes	10,568,048	0	0	0
Special Assessments	0	475,297	0	0
Intergovernmental	1,076,356	33,300	0	1,101,763
Interest	173,560	0	0	4
Fees, Licenses and Permits	400,117	0	0	30,564
Fines and Forfeitures	283,167	0	0	0
Charges for Services	330,243	0	0	4,098
Other	49,844	0	0	9,630
<i>Total Revenues</i>	<u>14,077,399</u>	<u>1,059,309</u>	<u>0</u>	<u>1,844,176</u>
Expenditures				
Current:				
General Government	2,530,921	0	0	87,563
Security of Persons and Property:				
Police	4,633,627	0	0	175,530
Fire	2,975,396	0	0	224,766
Public Health Services	50,615	0	0	0
Leisure Time Activities	261,904	0	0	0
Community Development	636,989	0	0	281,730
Transportation	1,379,824	0	0	433,143
Basic Utility Services	1,144,734	0	0	0
Capital Outlay	0	0	1,481,290	923,438
Debt Service:				
Principal Retirement	265,136	705,000	0	0
Interest and Fiscal Charges	38,012	520,499	0	39,990
<i>Total Expenditures</i>	<u>13,917,158</u>	<u>1,225,499</u>	<u>1,481,290</u>	<u>2,166,160</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>160,241</u>	<u>(166,190)</u>	<u>(1,481,290)</u>	<u>(321,984)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	10,680	0	0	0
Current Refunding	0	(11,025,000)	0	0
Notes Issued	0	9,695,600	2,310,000	473,400
Transfers In	0	1,400,000	0	79,263
Transfers Out	(139,263)	0	0	(1,340,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(128,583)</u>	<u>70,600</u>	<u>2,310,000</u>	<u>(787,337)</u>
<i>Net Change in Fund Balances</i>	31,658	(95,590)	828,710	(1,109,321)
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>1,243,030</u>	<u>164,888</u>	<u>0</u>	<u>2,784,249</u>
<i>Fund Balances End of Year</i>	<u>\$1,274,688</u>	<u>\$69,298</u>	<u>\$828,710</u>	<u>\$1,674,928</u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio

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

Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	(\$344,543)
\$2,444,893	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
10,568,048	Governmental funds report capital outlays as expenditures.	
475,297	However, in the statement of activities, the cost of those assets is	
2,211,419	allocated over their estimated useful lives as depreciation expense.	
173,564	This is the amount by which capital outlays exceeded depreciation	
430,681	in the current period.	
283,167	Capital Outlay	\$631,941
334,341	Depreciation	<u>(627,888)</u>
59,474		
16,980,884	Total	4,053
	Revenues in the statement of activities that do not provide current	
	financial resources are not reported as revenues in the funds.	
	Property Taxes	57,692
2,618,484	Income Tax	57,171
	Intergovernmental	(78,746)
4,809,157	Charges for Services	(97,384)
3,200,162	Special Assessments	<u>(91,134)</u>
50,615		
261,904	Total	(152,401)
918,719	Repayment of bond, note and capital lease principal is an expenditure	
1,812,967	in the governmental funds, but the repayment reduces long-term	
1,144,734	liabilities in the statement of net assets.	11,995,136
2,404,728		
	Some expenses reported in the statement of activities do not require	
970,136	the use of current financial resources and therefore are not reported	
598,501	as expenditures in governmental funds.	
18,790,107	Accrued Interest on Bonds	42,993
	Amortization of Bond Issuance Cost	(11,300)
	Amortization of Accounting Loss	(11,431)
(1,809,223)	Amortization of Note Premium	<u>28,525</u>
10,680	Total	48,787
(11,025,000)	Some expenses do not require the use of current financial resources	
12,479,000	and therefore are not reported as expenditures in governmental funds.	
1,479,263	Compensated Absences	62,637
(1,479,263)		
1,464,680	Other financing sources in the governmental funds increase long-term	
	liabilities in the statement of net assets.	
	Refunding Notes Issued	(12,479,000)
(344,543)	Inception of Capital Lease	<u>(10,680)</u>
4,192,167	Total	<u>(12,489,680)</u>
\$3,847,624	<i>Change in Net Assets of Governmental Activities</i>	<u><u>(\$876,011)</u></u>

City of Warrensville Heights, 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$1,226,074	\$1,226,074	\$1,196,064	(\$30,010)
Income Taxes	10,848,068	10,848,068	10,639,369	(208,699)
Intergovernmental	962,863	962,863	1,093,967	131,104
Interest	85,000	85,000	173,560	88,560
Fees, Licenses and Permits	365,250	365,250	437,365	72,115
Fines and Forfeitures	350,000	350,000	284,511	(65,489)
Charges for Services	392,950	392,950	349,562	(43,388)
Other	221,700	221,700	49,844	(171,856)
<i>Total Revenues</i>	<u>14,451,905</u>	<u>14,451,905</u>	<u>14,224,242</u>	<u>(227,663)</u>
Expenditures				
Current:				
General Government	3,034,765	3,028,732	2,638,580	390,152
Security of Persons and Property:				
Police	4,922,636	4,622,636	4,500,357	122,279
Fire	3,249,623	3,252,574	3,191,438	61,136
Public Health Services	41,786	51,000	50,615	385
Leisure Time Activities	309,695	309,695	259,260	50,435
Community Development	611,828	646,828	628,195	18,633
Transportation	1,464,601	1,510,992	1,492,314	18,678
Basic Utility Services	1,157,426	1,157,426	1,156,133	1,293
<i>Total Expenditures</i>	<u>14,792,360</u>	<u>14,579,883</u>	<u>13,916,892</u>	<u>662,991</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(340,455)</u>	<u>(127,978)</u>	<u>307,350</u>	<u>435,328</u>
Other Financing Uses				
Advances Out	0	(9,000)	(9,000)	0
Transfers Out	0	(144,883)	(139,263)	5,620
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(153,883)</u>	<u>(148,263)</u>	<u>5,620</u>
<i>Net Change in Fund Balance</i>	<u>(340,455)</u>	<u>(281,861)</u>	<u>159,087</u>	<u>440,948</u>
<i>Fund Balance Beginning of Year</i>	373,037	373,037	373,037	0
Prior Year Encumbrances Appropriated	34,089	34,089	34,089	0
<i>Fund Balance End of Year</i>	<u>\$66,671</u>	<u>\$125,265</u>	<u>\$566,213</u>	<u>\$440,948</u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2006

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$175,015</u>
Liabilities	
Deposits Held and Due to Others	<u>\$175,015</u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Description of the City and Reporting Entity

The City of Warrensville Heights (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 May 6, 1958. Legislative authority is vested in a seven-member Council. Council members are elected for a four year term. The Mayor is the chief executive and administrative officer who is also elected for a four year term.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Warrensville Heights this includes the agencies and departments that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair and general administrative services. The City's departments include a public safety department, a public service department, a street maintenance department, a parks and recreation department, a planning and zoning department and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

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

The City is associated with one jointly governed organization and one insurance purchasing pool. These organizations are the First Suburbs Consortium of Northeast Ohio Council of Governments and the Ohio Association of Public Treasurers Group Rating Program. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City of Warrensville Heights have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

A. Basis of Presentation

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

B. Fund Accounting

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

Governmental Funds

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

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

General Obligation Bond Retirement Fund - The General Obligation Bond Retirement Fund accounts for property tax collections and special assessments revenue which are used to pay the voted general obligation refunding bonds and special assessment bonds principal, interest and related costs.

Cinema Park Fund - The Cinema Park Fund accounts for note proceeds used to pay the cost of the infrastructure improvements at the new housing development project.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds are for holding deposits from contractors, for collecting Senior Civic Center rental deposits, for payroll clearing and for holding deposits from the exterior maintenance program.

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 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 are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

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

During the year, the City's investments were limited to repurchase agreements, reported at cost, and STAROhio.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2006.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund and the bureau of justice grant and local law enforcement block grant special revenue funds. Interest revenue credited to the general fund during 2006 amounted to \$173,560, which includes \$145,487 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

F. Prepaid Items

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

G. Inventory

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

H. Capital Assets

The City's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back-trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. 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.

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Description	Estimated Lives
Buildings	50 years
Land Improvements	30 years
Machinery and Equipment	5-15 years
Furniture and Fixtures	7 years
Vehicles	5-15 years
Infrastructure	75 years

The City's infrastructure consists of roads, sewers and waterlines and includes infrastructure acquired prior to December 31, 1980.

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets.

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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 contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

L. Fund Balance Reserves

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$1,361,487 of restricted net assets. Net assets restricted for other purposes include street lighting, and community and economic development.

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

N. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

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

O. Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the refunding general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight line method of amortization is not materially different from the effective-interest method.

P. Deferred Loss on Refunding

The difference between the reacquisition price and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old or new debt whichever is shorter and is presented net of the refunding general obligation bonds payable on the statement of net assets.

Q. Extraordinary and Special Items

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

R. Estimates

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

S. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The community navigator service award grant and juvenile accountability grant special revenue funds did not have any budgetary activity in 2006, therefore, budgetary information is not provided. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level in the general fund and at the fund level for all other funds. The Finance Director has been authorized to allocate appropriations at the object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original and final appropriations were enacted by Council.

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

Note 3 - Change in Accounting Principles and Restatement of Prior Year Net Assets

A. Change in Accounting Principles

For fiscal year 2006, the City has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section" and GASB Statement No. 47, "Accounting for Termination Benefits."

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section. GASB Statement No. 47 established standards of accounting and financial reporting for termination benefits.

The implementation of GASB Statement No. 47 did not materially affect the presentation of the financial statements of the City.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

B. Restatement of Prior Year Net Assets

During 2006, it was determined that intergovernmental receivables were overstated by \$49,855 and capital assets were understated by \$75,305. These adjustments had the following effect on net assets at December 31, 2005.

	Governmental Activities
Net Assets at December 31, 2005	\$1,757,277
Adjustments;	
Intergovernmental Receivable	(49,855)
Capital Assets	75,305
Restated Net Assets at December 31, 2005	\$1,782,727

Note 4 – Compliance and Accountability

A. Accountability

The following funds had deficit fund balances as of December 31, 2006:

Fire Pension	\$1
Community Development Block Grant	5,975
Community Navigator Service Award Grant	1,600
Juvenile Accountability Grant	2,940
COPS Grant	21,162
Grass Refuse	8,781
G.R.E.A.T. Grant	333
Land Acquisition Capital Projects	29,000

The special revenue funds' deficits are caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

B. Compliance

The following fund had original appropriations in excess of original estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Original Estimated Resources Plus Carryover Balances	Original Appropriations	Excess
<i>Special Revenue Funds:</i>			
FEMA Grant	\$136,041	\$146,808	\$10,767

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The following fund had final appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Estimated Resources Plus Carryover Balances	Final Appropriations	Excess
<i>Special Revenue Funds:</i>			
FEMA Grant	\$136,041	\$146,808	\$10,767

Although these violations were not corrected by year end, management has indicated that appropriations will be closely monitored to ensure no future violations.

Note 5 - 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), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the general fund are as follows:

GAAP Basis	\$31,658
Net Adjustment for Revenue Accruals	136,996
Beginning Unrecorded Cash	(17,258)
Ending Unrecorded Cash	16,425
Net Adjustment for Expenditures Accruals	112,405
Advance Out	(9,000)
Encumbrances	<u>(112,139)</u>
Budget Basis	<u><u>\$159,087</u></u>

Note 6 – Deposits and Investments

Monies held by the City are classified by State statute into three categories.

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

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

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 held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

6. The State Treasurer’s investment pool (STAR Ohio); and
7. Certain bankers’ acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

At year end, the City had \$600 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents”.

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,622,704 of the City’s bank balance of \$3,126,300 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2006, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1
Repurchase Agreements:		
Federal Home Loan Mortgage Corporation	\$553,000	\$553,000
STAROhio	1,006,149	1,006,149
Total Investments	\$1,559,149	\$1,559,149

Interest Rate Risk. The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Credit Risk. The repurchase agreements were backed by Federal Home Loan Mortgage Corporation Securities which carry a rating of Aaa by Moody's. STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Corporation Securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2006:

Investment Issuer	Percentage of Investments
Repurchase Agreements:	
Federal Home Loan Mortgage Corporation Securities	35.47 %
STAROhio	64.53
Total	100.00 %

Note 7 - Receivables

Receivables at December 31, 2006, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$298,865 in the general obligation bond retirement fund. At December 31, 2006 the amount of delinquent special assessments was \$32,582.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes which became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005 on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may be annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable September 20.

The full tax rate for all City operations for the year ended December 31, 2006, was \$13.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$260,938,780
Public Utility Property	13,108,230
Tangible Personal Property	<u>28,901,882</u>
Total Assessed Values	<u><u>\$302,948,892</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Warrensville Heights. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2006 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, and the police salary and equipment, fire salary and equipment, street lighting, building levy, fire pension and police pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

The City levies a two percent income tax on substantially all income earned within the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their City tax for Warrensville Heights. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the general fund.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Local Government and Local Government	
Revenue Assistance	\$465,679
Homestead and Rollback	51,574
Highway Distribution Tax	43,317
Gasoline and Excise Tax	157,284
Auto Registration Tax	44,561
Permissive Motor Vehicle License Tax	10,975
Estate Tax	6,715
Other	8,392
Total	\$788,497

Note 8 - Interfund Balances

Interfund balances at December 31, 2006, consist of the following interfund receivables and payables:

Interfund Payable	Interfund Receivable		
	General	Town Center Capital Project	Total
<i>Nonmajor Governmental Funds:</i>			
Street Lighting	\$1,000	\$0	\$1,000
Community Development Block Grant	9,000	0	9,000
Community Navigator Service Award Grant	1,600	0	1,600
Juvenile Accountability Grant	2,940	0	2,940
COPS Grant	21,566	0	21,566
Grass Refuse	755	0	755
Land Acquisition	0	75,924	75,924
Total	\$36,861	\$75,924	\$112,785

The loan to the Street Lighting fund was made to support programs and projects in this fund. The loan to the Community Development Block Grant was made to cover expenditures until a reimbursement is received. The loans to the Community Navigator Service Award Grant and Juvenile Accountability Grant special revenue funds were authorized to be partially returned to the funds from which they were previously advanced. The loans to the COPS Grant special revenue fund were made to cover deficit cash balances at year end. The loans to the Grass Refuse and Clean Ohio special revenue funds were made to cover expenditures until reimbursement is received. All of the loans will be repaid in 2007.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 9 - Interfund Transfers

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

Transfers To	Transfers From		Total
	General	Nonmajor Governmental Funds	
General Obligation Bond Retirement	\$60,000	\$1,340,000	\$1,400,000
Nonmajor Governmental Funds	79,263	0	79,263
Total	\$139,263	\$1,340,000	\$1,479,263

The transfers from the General fund to the DARE, Community Development Block Grant, Civic Center Park, and NOACA TLCI Grant special revenue funds were made to meet the City's matching fund requirements for the grants.

The transfers from the General Fund, Sidewalks Replacement, and Town Center capital projects funds to the General Obligation Bond Retirement fund were made for the annual debt service payments, which include the retirement of general obligation bonds, special assessment bonds, and notes.

Note 10 – Contractual Commitments

The City had the following contractual commitments outstanding at December 31, 2006:

Project	Contractor	Contract Amount Outstanding
Town Center	Homrich, Inc.	\$78,315
Cinema Park	Digioia-Suburban	1,054,021
	Total	\$1,132,336

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 11 - Capital Assets

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

	Balance 12/31/2005	Additions	Deductions	Balance 12/31/2006
Governmental Activities				
<i>Capital Assets not being Depreciated:</i>				
Land	\$3,133,700	\$0	\$0	\$3,133,700
Construction in Progress	0	490,509	0	490,509
Total Capital Assets not being Depreciated	<u>3,133,700</u>	<u>490,509</u>	<u>0</u>	<u>3,624,209</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	2,462,783	127,732	0	2,590,515
Land Improvements	363,668	0	0	363,668
Machinery and Equipment	1,498,208	0	0	1,498,208
Furniture and Fixtures	78,969	0	0	78,969
Vehicles	4,178,261	13,700	0	4,191,961
Infrastructure:				
Roads	7,037,737	0	0	7,037,737
Sanitary Sewers	2,275,185	0	0	2,275,185
Waterlines	1,842,207	0	0	1,842,207
Storm Sewers	2,002,836	0	0	2,002,836
Total Capital Assets being Depreciated	<u>21,739,854</u>	<u>141,432</u>	<u>0</u>	<u>21,881,286</u>
Less Accumulated Depreciation:				
Buildings	(1,034,042)	(57,793)	0	(1,091,835)
Land Improvements	(294,882)	(10,664)	0	(305,546)
Machinery and Equipment	(993,699)	(151,018)	0	(1,144,717)
Furniture and Fixtures	(38,431)	(289)	0	(38,720)
Vehicles	(2,984,089)	(233,716)	0	(3,217,805)
Infrastructure:				
Roads	(2,782,394)	(105,333)	0	(2,887,727)
Sanitary Sewers	(1,281,050)	(23,492)	0	(1,304,542)
Waterlines	(1,033,817)	(18,929)	0	(1,052,746)
Storm Sewers	(1,060,606)	(26,654)	0	(1,087,260)
Total Accumulated Depreciation	<u>(11,503,010)</u>	<u>(627,888) *</u>	<u>0</u>	<u>(12,130,898)</u>
Total Capital Assets being Depreciated, Net	<u>10,236,844</u>	<u>(486,456)</u>	<u>0</u>	<u>9,750,388</u>
Governmental Activities Capital Assets, Net	<u>\$13,370,544</u>	<u>\$4,053</u>	<u>\$0</u>	<u>\$13,374,597</u>

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

* Depreciation expense was charged to governmental activities as follows:

General Government	\$111,592
Security of Persons and Property:	
Police	87,379
Fire	107,755
Public Health Services	6,118
Leisure Time Activities	32,940
Community Development	15,004
Transportation	205,568
Basic Utility Services	61,532
Total Depreciation Expense	\$627,888

Note 12 - Long-Term Obligations

Original issue amounts and interest rates of the City's debt issues are as follows.

Debt Issue	Interest Rate	Original Issue	Year of Maturity
<i>General Obligation Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05% - 3.125%	\$2,131,447	2012
1999 Street Improvement	3.90% - 5.40%	4,155,000	2014
<i>Special Assessment Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05% - 3.125%	493,553	2012
1988 Street Improvement	7.625%	1,730,000	2008
<i>Long-Term Notes:</i>			
2006 Bond Anticipation Note			
Streets	3.70%	\$135,000	2007
Voice and Data		733,000	
Real Property Purchase		1,160,000	
Generators		102,000	
Total Bond Anticipation Note		\$2,130,000	
2006 Bond Anticipation Note			
Crack Seal	4.00%	\$589,000	2007
Voice and Data		726,000	
Cranwood		595,000	
Right-of-Way		63,000	
Emery Woods		1,354,000	
Snavelly		1,907,000	
Harvard/Evanston/Lower Marvin		486,000	
Shurmer, McCann, Belfoire, Angelo		1,490,000	
Warning System		70,000	
Walford		218,000	
Ingleside		136,000	
Sidewalk Repair and Replacement		80,000	
Town Center		175,000	
Total Bond Anticipation Note		\$7,889,000	
2006 Bond Anticipation Note			
Sanitary Sewer Improvements	3.95%	\$2,310,000	2007
Street Improvements		150,000	
Total Bond Anticipation Note		\$2,460,000	

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

A schedule of changes in bonds and other long-term obligations of the City during 2006 follows:

	Restated Amount Outstanding 12/31/2005	Additions	Deletions	Amount Outstanding 12/31/2006	Amount Due In One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
2003 Various Purpose					
Improvement Refunding Bonds	\$1,688,728	\$0	\$241,645	\$1,447,083	\$240,948
Unamortized Loss	(80,014)	0	(11,431)	(68,583)	0
Total Refunding Bonds	1,608,714	0	230,214	1,378,500	240,948
1999 Street Improvement	2,370,000	0	370,000	2,000,000	390,000
<i>Total General Obligation Bonds</i>	3,978,714	0	600,214	3,378,500	630,948
<i>Special Assessment Bonds with Governmental Commitment</i>					
2003 Various Purpose					
Improvement Refunding Bonds	371,272	0	43,355	327,917	49,052
1986 Street Improvement	35,000	0	35,000	0	0
1988 Street Improvement	50,000	0	15,000	35,000	15,000
<i>Total Special Assessment Bonds</i>	456,272	0	93,355	362,917	64,052
<i>Long-Term Notes</i>					
2005 Bond Anticipation Notes	1,950,000	0	1,950,000	0	0
2005 Bond Anticipation Notes	9,075,000	0	9,075,000	0	0
2006 Bond Anticipation Notes	0	2,130,000	0	2,130,000	2,130,000
2006 Bond Anticipation Notes	0	6,535,000	0	6,535,000	6,535,000
2006 Bond Anticipation Notes	0	1,354,000	0	1,354,000	1,354,000
2006 Bond Anticipation Notes	0	2,460,000	0	2,460,000	2,460,000
Note Premium	28,525	0	28,525	0	0
<i>Total Long-Term Notes</i>	11,053,525	12,479,000	11,053,525	12,479,000	12,479,000
<i>Other Long-Term Obligations</i>					
Compensated Absences	1,822,484	845,459	908,096	1,759,847	1,065,948
Capital Leases	760,025	10,680	265,136	505,569	157,868
<i>Total Governmental Activities</i>	\$18,071,020	\$13,335,139	\$12,920,326	\$18,485,833	\$14,397,816

The voted General Obligation and Special Assessment Refunding Bonds for Various Purpose Improvements and the Street Improvement general obligation bonds will be paid with property tax revenue and special assessment revenue from the general obligation bond retirement fund. The Special Assessment Street Improvement Bonds will be paid with special assessment revenue from the general obligation bond retirement fund. The Special Assessment bonds issued are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The \$1,950,000 various purpose improvement bond anticipation note issued February 9, 2005 at 2.75 percent and outstanding at December 31, 2005, was rolled over into the \$2,130,000 various purpose improvement bond anticipation note, issued February 9, 2006 at 2.75 percent and maturing February 8, 2007. The note is backed by the full faith and credit of the City of Warrensville Heights.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The \$9,075,000 various purpose improvement bond anticipation note issued July 14, 2005 at 4.00 percent and outstanding at December 31, 2005, was rolled over into the \$7,889,000 various purpose improvement bond anticipation note, issued May 31, 2006 at 4.00 percent and maturing May 31, 2007. The note is backed by the full faith and credit of the City of Warrensville Heights.

On September 21, 2006, the City issued \$2,460,000 in a various improvement note for the purpose of sanitary sewer and street improvements. The note has an interest rate of 4.00 percent and has a maturity date of September 20, 2007. The note is backed by the full faith and credit of the City of Warrensville Heights.

Compensated absences will be paid from the general fund.

As of December 31, 2006, the City's overall legal debt margin was \$28,500,432 and the unvoted legal debt margin was \$13,352,987.

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

	General Obligation Bonds		Special Assessment Bonds		Totals
	Principal	Interest	Principal	Interest	
2007	\$630,948	\$127,105	\$64,052	\$24,133	\$846,238
2008	660,252	105,298	69,748	19,882	855,180
2009	684,556	81,549	55,444	15,056	836,605
2010	393,860	55,968	56,140	11,387	517,355
2011	407,467	43,604	62,533	7,666	521,270
2012-2014	670,000	58,930	55,000	1,760	785,690
Total	\$3,447,083	\$472,454	\$362,917	\$79,884	\$4,362,338

Note 13 – Capital Leases

During 2006, the City entered into lease agreements for a copier. The City also has existing leases for copiers, vehicles, a street sweeper, a fire truck, police equipment and a postage meter. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, "Accounting for Leases," and have been recorded on the government-wide statements. The machinery and equipment and vehicles have been capitalized in the amount of \$1,918,649, the present value of the minimum lease payments at the inception of the lease.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The assets acquired through capital leases are as follows:

<i>Asset:</i>	<u>Governmental Activities</u>
Machinery and Equipment	\$168,756
Vehicles	1,749,893
Historical Cost	<u>1,918,649</u>
Less: Accumulated Depreciation	<u>(725,995)</u>
Total Book Value as of December 31, 2006	<u><u>\$1,192,654</u></u>

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

<u>Year Ending December 31,</u>	
2007	\$180,935
2008	163,334
2009	122,125
2010	<u>88,376</u>
Total Minimum Lease Payments	554,770
Less: Amount Representing Interest	<u>(49,201)</u>
Present Value of Minimum Lease	<u><u>\$505,569</u></u>

Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements for the general fund. These expenditures are reflected as program expenditures on a budgetary basis.

Note 14 - Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006, the City contracted with Arch Insurance Company and Travelers Property Casualty Insurance Company for various types of insurance as follows:

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Company	Coverage	Amount
Arch Insurance Company	Comprehensive Municipal Liability Coverage:	
	Combined Single Limit (Per Occurrence)/Aggregate	\$1,000,000 / \$3,000,000
	Property Legal Liability (Fire Damage)	50,000
	Premises Medical Payments (Per Person)	10,000
	Employee Benefits Liability (Per Occurrence)/Aggregate	1,000,000 / 3,000,000
	Ohio Stop Gap	1,000,000
	Automobile Liability and Physical Damage Coverage:	
	Combined Bodily Injury and Property Damage	1,000,000
	Public Officials Errors and Omissions:	
	Per Occurrence	1,000,000
	Aggregate	1,000,000
	Police Professional Liability:	
	Per Occurrence	1,000,000
	Aggregate	1,000,000
	Property (Building and Contents) Coverage	14,290,377
Inland Marine Coverage	1,083,910	
Travelers Property Casualty	Boiler and Machinery Coverage	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

B. Workers' Compensation

The City participates in the Ohio Association of Public Treasurers (OAPT) risk reduction group rating program for workers' compensation premiums (Note 19). The OAPT uses a shared savings pool option to equalize the savings on workers' compensation premiums for all members. Participants benefit from reduced premiums, cost effective claims management, legal representation and consulting services. Each entity within the group pays its workers' compensation premium to the State of Ohio based on the rate for the OAPT, and total group savings are calculated and distributed based on each participant's performance as compared to the overall savings of the group. Each entity must then either contribute money to or receive money from the shared savings pool based on performance in order to equalize the savings for all members. Member participation in the OAPT group risk reduction program is open to those public entities that meet the group's selection requirements. Integrated Consulting Services, LTD provides administrative, cost containment and actuarial services for group members.

Note 15 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary. The City's contribution rate for pension benefits for 2006 was 13.7 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 16.93 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$350,725, \$347,145, and \$362,647 respectively; 72.59 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$4,274 made by the City and \$2,808 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Plan members 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 officers and 24 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$271,040 and \$335,121 for the year ended December 31, 2006, \$276,221 and \$339,090 for the year ended December 31, 2005, and \$276,532 and \$336,526 for the year ended December 31, 2004, equal to the required contribution for each year. The full amount has been contributed for 2005 and 2004. 75.18 percent for police and 76.27 percent for firefighters has been contributed for 2006.

Note 16 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

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

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$146,900. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 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. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. Police and Firemen's Disability and Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors 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 health care contributions.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$178,772 for police and \$159,827 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005 (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters.

Note 17 - Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. All City employees earn vacation ranging from two to six weeks based upon length of service.

General administration employees not covered by a collective bargaining agreement earn sick leave of 120 hours annually, without limit on the amount they can accumulate. General administration employees may carry forward a maximum of 336 hours of vacation leave unless the employee's department head certifies to the Mayor that the employee has exceeded the maximum vacation hours allowed as a result of the employee's inability to use vacation leave due to staffing requirements. Upon separation from the City, a maximum of 25 percent of accumulated sick leave or no more than 190 hours and 336 hours of vacation leave shall be paid.

Fire department employees earn 168 hours of sick leave annually and may carry forward an unlimited amount. Upon separation from the City, fire department employees will be paid for 37.5 percent of their accumulated sick balance up to 1,080 hours. Additionally, the maximum amount of vacation leave that may be carried forward annually is 120 hours. Upon separation from the City, fire department employees shall be paid at 37.5 percent for any unused vacation balance.

Police officers earn 120 hours of sick leave per year and may carry forward an unlimited amount of sick leave annually. However, only 480 hours of vacation time may be carried forward annually. Police officers separating from employment will be paid for any unused vacation balance with a maximum of 480 hours. Police officers with at least ten years of continuous City service will be paid 30 percent of their accumulated sick leave balance upon separation from the City, with a maximum of 400 hours.

Police dispatchers earn 120 hours of sick leave annually and may carry forward an unlimited amount; the maximum amount of vacation leave that may be carried forward is 336 hours. Upon separation from employment, dispatchers may be paid for all accumulated vacation leave up to 336 hours; however they are only paid for accumulated sick leave at 30 percent of total or a maximum of 232 hours if separation is by retirement and with at least ten years of continuous service with the City.

Note 18 - Jointly Governed Organization

First Suburbs Consortium of Northeast Ohio Council of Governments The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 12 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2006, the City of Warrensville Heights contributed \$6,000 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Note 19 – Insurance Purchasing Pool

Ohio Association of Public Treasurers Group Rating Program The City is a participant in the Ohio Association of Public Treasurers (OAPT) Group Rating Program, an insurance purchasing pool. The business and affairs of the OAPT are conducted by a nine member board of trustees consisting of active members as elected by the general membership at the annual conference for staggered three year terms. The Group Rating Program is administered through a committee specifically established for this purpose. The committee reports discretely to the board of trustees. Each year, the participants pay an enrollment fee to the Program to cover the costs of administration.

Note 20 - Contingencies

A. Litigation

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

B. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2006.

Note 21 - Subsequent Event

On February 6, 2007, the City refinanced the 2006 general obligation bond anticipation notes in the amount of \$2,130,000 for \$2,170,000 at 3.7 percent. The notes will mature February 5, 2008. On May 31, 2007, the City refinanced the 2006 general obligation bond anticipation notes in the amount of \$7,889,000 for \$7,711,000 at 4.05 percent. The notes will mature on May 31, 2008.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund The Street Construction, Maintenance and Repair Fund accounts for ninety-two and one half percent (92.5%) of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund The State Highway Fund accounts for seven and one half percent (7.5%) of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Police Salary and Equipment Fund The Police Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the police department.

Fire Salary and Equipment Fund The Fire Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the fire department.

Street Lighting Fund The Street Lighting Fund accounts for property tax revenue levied to provide street lighting within the City.

Building Levy Fund The Building Levy Fund accounts for property tax revenue levied for the payment of repairs to City owned buildings.

Law Enforcement Trust Fund The Law Enforcement Trust Fund accounts for confiscated monies from criminals that are designated, by State statute, for expenditures that would enhance the police department.

Bureau of Justice Grant Fund The Bureau of Justice Grant Fund accounts for monies to be expended for safety equipment in the police department.

Fire Pension Fund The Fire Pension Fund accounts for the accumulation of property taxes levied for the payment of employer's pension contributions.

Police Pension Fund The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of employer's pension contributions.

DARE Grant Fund The DARE Grant Fund accounts for grant monies received which are used to educate the public regarding drug abuse and drug abuse prevention.

Community Development Block Grant Fund The Community Development Block Grant Fund accounts for revenues received from the federal government and City matching funds and expenditures as prescribed under the Community Development Block Grant Program.

Juvenile Diversion Program Fund The Juvenile Diversion Program Fund accounts for monies received from Cuyahoga County to be used to establish or expand community policing programs.

Community Navigator Service Award Grant Fund The Community Navigator Service Award Grant Fund accounts for monies to provide services in the community to grandparents and other kinship caregivers. This fund did not have any budgetary activity in 2006, therefore, budgetary information is not provided.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Fire Department Child Safety Grant Fund The Fire Department Child Safety Grant Fund accounts for monies to be used for fire safety programs for children.

EMS Computer Grant Fund The EMS Computer Grant Fund accounts for monies used for the purchase of computers in the fire department.

Local Law Enforcement Block Grant Fund The Local Law Enforcement Block Grant Fund accounts for monies used for the purchase of equipment in the police department.

Sidewalk Replacement Fund The Sidewalk Replacement Fund accounts for monies received from the Cuyahoga County Community Development department for the inspection and improvement of sidewalks within the City.

Juvenile Accountability Grant Fund The Juvenile Accountability Grant Fund accounts for revenues and expenditures for the young leaders program. This fund did not have any budgetary activity in 2006, therefore, budgetary information is not provided.

COPS Grant Fund The Cops Grant Fund accounts for monies from the Federal government to be used for the purchase of equipment, computer software and other costs associated with police mobile computing.

FEMA Grant Fund This grant accounts for monies received from the Federal Emergency Management Agency to be expended on personal protective equipment for use by the fire department.

Cleveland Browns Foundation Fund The Cleveland Browns Foundation Fund accounts for monies to be used for youth crime prevention programs.

CRA Monitoring Fee Fund The CRA Monitoring Fee Fund accounts for monies received from companies that have a Community Reinvestment Agreement with the City. Funds are to be used exclusively for the purpose of complying with section 3735.671(D) of the Revised Code.

The Cleveland Foundation Fund The Cleveland Foundation Fund accounts for monies received from the Cleveland Foundation to be used for a summer and after school family based prevention program within the City.

Economic Development Stimulus Incentive Grant Fund The Economic Development Stimulus Incentive Grant Fund accounts for monies received from building permits issued to developers of the Emery Woods housing project.

Grass Refuse Fund The Grass Refuse Fund accounts for monies received from a special assessment to be used for various expenses incurred by the City for upkeep on unkempt lots and/or lawns.

OBWC Transitional Work Grant Fund The OBWC Transitional Work Grant Fund accounts for state grant monies used to keep injured workers on the job and to lower workers' compensation costs.

Homeland Security Grant Fund The Homeland Security Grant Fund accounts for federal grant monies received to provide overtime payments to the service department employees participating in emergency preparedness.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Civic Center Park Restoration Grant Fund The Civic Center Park Restoration Grant Fund accounts for local grant monies used for the assessment, consultation, and implementation of sewer and drainage requirements; sidewalk repairs and reconstruction; provision of recreation facilities; and rehabilitation of community housing and code enforcement.

G.R.E.A.T. Grant Fund The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang-prevention education activities and programming for elementary school students.

Northeast Ohio Areawide Coordinating Agency (NOACA) Transportation for Livable Communities Initiative Grant (TLCI) Fund The NOACA TLCI Grant Fund accounts for local grant monies used for the study of transportation and traffic on Richmond Road.

Nonmajor Capital Projects Funds

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

Street Improvement Fund The Street Improvement Fund accounts for grant monies and note proceeds used for the improvement of streets and curbs within the City.

Building Repair and Improvement Fund The Building Repair and Improvement Fund accounts for resources to be used for improving and refurbishing City owned buildings.

Information Technology System Fund The Information Technology System Fund accounts for resources to be used for purchasing computer hardware, application software, network telephone systems and other technology system upgrades.

Land Acquisition Fund The Land Acquisition Fund accounts for resources set aside for future economic growth and development.

Snavelly Project Fund The Snavelly Project Fund accounts for note proceeds used to pay for the costs of construction a new development in the City which will consist of new office buildings and houses.

Emery Woods Project Fund The Emery Woods Project Fund accounts for note proceeds used to pay for the costs of constructing a new development in the City which will consist of new houses.

Siren Warning System Fund The Siren Warning System Fund accounts for monies received from a note issuance to be used for installing sirens throughout the City.

Route 8/Northfield Road Project Fund The Route 8/Northfield Road Fund accounts for monies received from a note issuance to be used for the City's portion of the Route 8/Northfield Road project.

Sidewalk Repair and Replacement Project Fund The Sidewalk Replacement Grant Fund accounts for monies received from a note issuance and a grant to be used for the City's Sidewalk Replacement program.

Town Center Project Fund The Town Center Fund accounts for monies received from a note issuance and a grant from the Ohio Department of Development to be used for the City's Town Center project.

Generators Fund The Generator Fund accounts for monies received from a note issuance to be used for the purchase and installation of a generator at city hall.

City of Warrensville Heights, Ohio

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$778,967	\$976,079	\$1,755,046
Interfund Receivable	0	75,924	75,924
Intergovernmental Receivable	272,904	0	272,904
Property Taxes Receivable	979,828	0	979,828
<i>Total Assets</i>	<u>\$2,031,699</u>	<u>\$1,052,003</u>	<u>\$3,083,702</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$25,080	\$3,258	\$28,338
Intergovernmental Payable	86,501	0	86,501
Interfund Payable	36,861	75,924	112,785
Deferred Revenue	1,181,150	0	1,181,150
<i>Total Liabilities</i>	<u>1,329,592</u>	<u>79,182</u>	<u>1,408,774</u>
Fund Balances			
Reserved for Encumbrances	3,884	24,552	28,436
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	698,223	0	698,223
Capital Projects Funds	0	948,269	948,269
<i>Total Fund Balances</i>	<u>702,107</u>	<u>972,821</u>	<u>1,674,928</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,031,699</u>	<u>\$1,052,003</u>	<u>\$3,083,702</u>

City of Warrensville Heights, 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
Revenues			
Property and Other Taxes	\$698,117	\$0	\$698,117
Intergovernmental	652,204	449,559	1,101,763
Interest	4	0	4
Fees, Licenses and Permits	30,564	0	30,564
Charges for Services	4,098	0	4,098
Other	9,630	0	9,630
<i>Total Revenues</i>	<u>1,394,617</u>	<u>449,559</u>	<u>1,844,176</u>
Expenditures			
Current:			
General Government	87,563	0	87,563
Security of Persons and Property:			
Police	175,530	0	175,530
Fire	224,766	0	224,766
Community Development	281,730	0	281,730
Transportation	433,143	0	433,143
Capital Outlay	0	923,438	923,438
Debt Service:			
Interest and Fiscal Charges	0	39,990	39,990
<i>Total Expenditures</i>	<u>1,202,732</u>	<u>963,428</u>	<u>2,166,160</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>191,885</u>	<u>(513,869)</u>	<u>(321,984)</u>
Other Financing Sources (Uses)			
Notes Issued	0	473,400	473,400
Transfers In	79,263	0	79,263
Transfers Out	0	(1,340,000)	(1,340,000)
<i>Total Other Financing Sources (Uses)</i>	<u>79,263</u>	<u>(866,600)</u>	<u>(787,337)</u>
<i>Net Change in Fund Balances</i>	271,148	(1,380,469)	(1,109,321)
<i>Fund Balances Beginning of Year</i>	<u>430,959</u>	<u>2,353,290</u>	<u>2,784,249</u>
<i>Fund Balances End of Year</i>	<u><u>\$702,107</u></u>	<u><u>\$972,821</u></u>	<u><u>\$1,674,928</u></u>

City of Warrensville Heights, Ohio

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2006

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment
Assets				
Equity in Pooled Cash and Cash Equivalents	\$136,543	\$28,220	\$115,542	\$46,419
Intergovernmental Receivable	236,926	19,210	2,058	2,058
Property Taxes Receivable	0	0	164,227	164,227
<i>Total Assets</i>	<u>\$373,469</u>	<u>\$47,430</u>	<u>\$281,827</u>	<u>\$212,704</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$542	\$0	\$0	\$0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	170,713	13,841	166,285	166,285
<i>Total Liabilities</i>	<u>171,255</u>	<u>13,841</u>	<u>166,285</u>	<u>166,285</u>
Fund Balances				
Reserved for Encumbrances	134	0	0	3,750
Unreserved, Undesignated (Deficit)	202,080	33,589	115,542	42,669
<i>Total Fund Balances (Deficit)</i>	<u>202,214</u>	<u>33,589</u>	<u>115,542</u>	<u>46,419</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$373,469</u>	<u>\$47,430</u>	<u>\$281,827</u>	<u>\$212,704</u>

Street Lighting	Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension
\$108,037	\$39,654	\$30,399	\$2,153	\$7,174	\$77,703
6,567	1,739	0	0	2,173	2,173
315,998	109,834	0	0	112,771	112,771
<u>\$430,602</u>	<u>\$151,227</u>	<u>\$30,399</u>	<u>\$2,153</u>	<u>\$122,118</u>	<u>\$192,647</u>
\$14,608	\$0	\$0	\$0	\$0	\$0
0	0	0	0	7,175	77,703
1,000	0	0	0	0	0
322,565	111,573	0	0	114,944	114,944
<u>338,173</u>	<u>111,573</u>	<u>0</u>	<u>0</u>	<u>122,119</u>	<u>192,647</u>
0	0	0	0	0	0
92,429	39,654	30,399	2,153	(1)	0
<u>92,429</u>	<u>39,654</u>	<u>30,399</u>	<u>2,153</u>	<u>(1)</u>	<u>0</u>
<u>\$430,602</u>	<u>\$151,227</u>	<u>\$30,399</u>	<u>\$2,153</u>	<u>\$122,118</u>	<u>\$192,647</u>

(continued)

City of Warrensville Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2006

	DARE Grant	Community Development Block Grant	Juvenile Diversion Program	Community Navigator Service Award Grant	Fire Department Child Safety Grant
Assets					
Equity in Pooled Cash and Cash Equivalents	\$30,274	\$3,025	\$7,762	\$0	\$808
Intergovernmental Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$30,274</u>	<u>\$3,025</u>	<u>\$7,762</u>	<u>\$0</u>	<u>\$808</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Intergovernmental Payable	0	0	0	0	0
Interfund Payable	0	9,000	0	1,600	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>9,000</u>	<u>0</u>	<u>1,600</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated (Deficit)	30,274	(5,975)	7,762	(1,600)	808
<i>Total Fund Balances (Deficit)</i>	<u>30,274</u>	<u>(5,975)</u>	<u>7,762</u>	<u>(1,600)</u>	<u>808</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$30,274</u>	<u>\$3,025</u>	<u>\$7,762</u>	<u>\$0</u>	<u>\$808</u>

EMS Computer Grant	Local Law Enforcement Block Grant	Sidewalk Replacement	Juvenile Accountability Grant	COPS Grant	FEMA Grant
\$3,104	\$21	\$7,104	\$0	\$404	\$37,039
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$3,104</u>	<u>\$21</u>	<u>\$7,104</u>	<u>\$0</u>	<u>\$404</u>	<u>\$37,039</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	2,940	21,566	0
0	0	0	0	0	0
0	0	0	2,940	21,566	0
0	0	0	0	0	0
3,104	21	7,104	(2,940)	(21,162)	37,039
3,104	21	7,104	(2,940)	(21,162)	37,039
<u>\$3,104</u>	<u>\$21</u>	<u>\$7,104</u>	<u>\$0</u>	<u>\$404</u>	<u>\$37,039</u>

(continued)

City of Warrensville Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2006

	Cleveland Browns Foundation	CRA Monitoring Fee	The Cleveland Foundation	Economic Development Stimulus Incentive Grant	Grass Refuse
Assets					
Equity in Pooled Cash and Cash Equivalents	\$568	\$24,350	\$4,819	\$46,619	\$1,630
Intergovernmental Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$568</u>	<u>\$24,350</u>	<u>\$4,819</u>	<u>\$46,619</u>	<u>\$1,630</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$9,656
Intergovernmental Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	755
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,411</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated (Deficit)	568	24,350	4,819	46,619	(8,781)
<i>Total Fund Balances (Deficit)</i>	<u>568</u>	<u>24,350</u>	<u>4,819</u>	<u>46,619</u>	<u>(8,781)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$568</u>	<u>\$24,350</u>	<u>\$4,819</u>	<u>\$46,619</u>	<u>\$1,630</u>

Civic Center Park Restoration Grant	G.R.E.A.T. Grant	NOACA TLCI Grant	Total Nonmajor Special Revenue Funds
\$15,065	\$1,290	\$3,241	\$778,967
0	0	0	272,904
0	0	0	979,828
<u>\$15,065</u>	<u>\$1,290</u>	<u>\$3,241</u>	<u>\$2,031,699</u>
\$0	\$0	\$274	\$25,080
0	1,623	0	86,501
0	0	0	36,861
0	0	0	1,181,150
0	1,623	274	1,329,592
0	0	0	3,884
15,065	(333)	2,967	698,223
15,065	(333)	2,967	702,107
<u>\$15,065</u>	<u>\$1,290</u>	<u>\$3,241</u>	<u>\$2,031,699</u>

City of Warrensville Heights, 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	State Highway	Police Salary and Equipment	Fire Salary and Equipment	Street Lighting
Revenues					
Property and Other Taxes	\$0	\$0	\$124,339	\$124,339	\$225,403
Intergovernmental	490,640	39,782	4,113	4,113	13,134
Interest	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>490,640</u>	<u>39,782</u>	<u>128,452</u>	<u>128,452</u>	<u>238,537</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	0	0	14,642	0	0
Fire	0	0	0	86,313	0
Community Development	0	0	0	0	201,500
Transportation	412,599	20,544	0	0	0
<i>Total Expenditures</i>	<u>412,599</u>	<u>20,544</u>	<u>14,642</u>	<u>86,313</u>	<u>201,500</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	78,041	19,238	113,810	42,139	37,037
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	78,041	19,238	113,810	42,139	37,037
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>124,173</u>	<u>14,351</u>	<u>1,732</u>	<u>4,280</u>	<u>55,392</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$202,214</u></u>	<u><u>\$33,589</u></u>	<u><u>\$115,542</u></u>	<u><u>\$46,419</u></u>	<u><u>\$92,429</u></u>

Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension	DARE Grant
\$80,372	\$0	\$0	\$71,832	\$71,832	\$0
3,479	0	0	4,343	4,344	19,144
0	0	4	0	0	0
0	0	0	0	0	0
0	4,098	0	0	0	0
0	0	0	0	0	0
<u>83,851</u>	<u>4,098</u>	<u>4</u>	<u>76,175</u>	<u>76,176</u>	<u>19,144</u>
79,963	0	0	0	0	0
0	14,733	0	0	76,704	28,000
0	0	0	75,648	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>79,963</u>	<u>14,733</u>	<u>0</u>	<u>75,648</u>	<u>76,704</u>	<u>28,000</u>
3,888	(10,635)	4	527	(528)	(8,856)
0	0	0	0	0	18,788
3,888	(10,635)	4	527	(528)	9,932
35,766	41,034	2,149	(528)	528	20,342
<u>\$39,654</u>	<u>\$30,399</u>	<u>\$2,153</u>	<u>(\$1)</u>	<u>\$0</u>	<u>\$30,274</u>

(continued)

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2006

	Community Development Block Grant	Juvenile Diversion Program	Community Navigator Service Award Grant	Fire Department Child Safety Grant	EMS Computer Grant
Revenues					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	15,800	18,100	0	0	2,500
Interest	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>15,800</u>	<u>18,100</u>	<u>0</u>	<u>0</u>	<u>2,500</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	0	16,118	0	0	0
Fire	0	0	0	0	3,451
Community Development	24,250	0	0	0	0
Transportation	0	0	0	0	0
<i>Total Expenditures</i>	<u>24,250</u>	<u>16,118</u>	<u>0</u>	<u>0</u>	<u>3,451</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,450)	1,982	0	0	(951)
Other Financing Sources					
Transfers In	2,475	0	0	0	0
<i>Net Change in Fund Balances</i>	(5,975)	1,982	0	0	(951)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>5,780</u>	<u>(1,600)</u>	<u>808</u>	<u>4,055</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$5,975)</u>	<u>\$7,762</u>	<u>(\$1,600)</u>	<u>\$808</u>	<u>\$3,104</u>

Local Law Enforcement Block Grant	Sidewalk Replacement	Juvenile Accountability Grant	COPS Grant	FEMA Grant	Cleveland Browns Foundation
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	55,598	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	55,598	0
0	0	0	0	(55,598)	0
0	0	0	0	0	0
0	0	0	0	(55,598)	0
21	7,104	(2,940)	(21,162)	92,637	568
\$21	\$7,104	(\$2,940)	(\$21,162)	\$37,039	\$568

(continued)

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2006

	CRA Monitoring Fee	The Cleveland Foundation	Economic Development Stimulus Incentive Grant	Grass Refuse
Revenues				
Property and Other Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Fees, Licenses and Permits	17,350	0	13,214	0
Charges for Services	0	0	0	0
Other	0	0	0	9,630
<i>Total Revenues</i>	<u>17,350</u>	<u>0</u>	<u>13,214</u>	<u>9,630</u>
Expenditures				
Current:				
General Government	2,000	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	3,756
Community Development	0	0	0	13,900
Transportation	0	0	0	0
<i>Total Expenditures</i>	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>17,656</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	15,350	0	13,214	(8,026)
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	15,350	0	13,214	(8,026)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>9,000</u>	<u>4,819</u>	<u>33,405</u>	<u>(755)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$24,350</u>	<u>\$4,819</u>	<u>\$46,619</u>	<u>(\$8,781)</u>

OBWC Transitional Work Grant	Homeland Security Grant	Civic Center Park Restoration Grant	G.R.E.A.T. Grant	NOACA TLCI Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$698,117
5,600	2,112	0	25,000	0	652,204
0	0	0	0	0	4
0	0	0	0	0	30,564
0	0	0	0	0	4,098
0	0	0	0	0	9,630
5,600	2,112	0	25,000	0	1,394,617
5,600	0	0	0	0	87,563
0	0	0	25,333	0	175,530
0	0	0	0	0	224,766
0	2,112	29,935	0	10,033	281,730
0	0	0	0	0	433,143
5,600	2,112	29,935	25,333	10,033	1,202,732
0	0	(29,935)	(333)	(10,033)	191,885
0	0	45,000	0	13,000	79,263
0	0	15,065	(333)	2,967	271,148
0	0	0	0	0	430,959
\$0	\$0	\$15,065	(\$333)	\$2,967	\$702,107

City of Warrensville Heights, Ohio

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2006

	<u>Street Improvement</u>	<u>Building Repair and Improvement</u>	<u>Information Technology System</u>	<u>Land Acquisition</u>	<u>Snavelly Project</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$447,971	\$1,738	\$49,099	\$46,924	\$90,432
Interfund Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$447,971</u></u>	<u><u>\$1,738</u></u>	<u><u>\$49,099</u></u>	<u><u>\$46,924</u></u>	<u><u>\$90,432</u></u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$3,258	\$0	\$0
Interfund Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,924</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>3,258</u>	<u>75,924</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	20,799	0	3,132
Unreserved, Undesignated (Deficit)	<u>447,971</u>	<u>1,738</u>	<u>25,042</u>	<u>(29,000)</u>	<u>87,300</u>
<i>Total Fund Balances (Deficit)</i>	<u>447,971</u>	<u>1,738</u>	<u>45,841</u>	<u>(29,000)</u>	<u>90,432</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$447,971</u></u>	<u><u>\$1,738</u></u>	<u><u>\$49,099</u></u>	<u><u>\$46,924</u></u>	<u><u>\$90,432</u></u>

Emery Woods Project	Siren Warning System	Route 8/ Northfield Road Project	Sidewalk Repair and Replacement Project	Town Center Project	Generators	Total Nonmajor Capital Projects Funds
\$257,179	\$12,457	\$3,146	\$9,081	\$30,586	\$27,466	\$976,079
0	0	0	0	75,924	0	75,924
<u>\$257,179</u>	<u>\$12,457</u>	<u>\$3,146</u>	<u>\$9,081</u>	<u>\$106,510</u>	<u>\$27,466</u>	<u>\$1,052,003</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$3,258
0	0	0	0	0	0	75,924
0	0	0	0	0	0	79,182
621	0	0	0	0	0	24,552
256,558	12,457	3,146	9,081	106,510	27,466	948,269
257,179	12,457	3,146	9,081	106,510	27,466	972,821
<u>\$257,179</u>	<u>\$12,457</u>	<u>\$3,146</u>	<u>\$9,081</u>	<u>\$106,510</u>	<u>\$27,466</u>	<u>\$1,052,003</u>

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006

	Street Improvement	Building Repair and Improvement	Information Technology System	Land Acquisition	Snavelly Project
Revenues					
Intergovernmental	\$0	\$0	\$0	\$449,559	\$0
Expenditures					
Capital Outlay	199,473	0	58,189	448,041	108,197
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>199,473</u>	<u>0</u>	<u>58,189</u>	<u>448,041</u>	<u>108,197</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(199,473)</u>	<u>0</u>	<u>(58,189)</u>	<u>1,518</u>	<u>(108,197)</u>
Other Financing Sources (Uses)					
Proceeds of Notes	265,600	0	33,400	45,000	11,000
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>265,600</u>	<u>0</u>	<u>33,400</u>	<u>45,000</u>	<u>11,000</u>
<i>Net Change in Fund Balances</i>	66,127	0	(24,789)	46,518	(97,197)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>381,844</u>	<u>1,738</u>	<u>70,630</u>	<u>(75,518)</u>	<u>187,629</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$447,971</u>	<u>\$1,738</u>	<u>\$45,841</u>	<u>(\$29,000)</u>	<u>\$90,432</u>

Emery Woods Project	Siren Warning System	Route 8/ Northfield Road Project	Sidewalk Repair and Replacement Project	Town Center Project	Generators	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$449,559
35,004	0	0	0	0	74,534	923,438
14,000	0	4,000	0	21,990	0	39,990
49,004	0	4,000	0	21,990	74,534	963,428
(49,004)	0	(4,000)	0	(21,990)	(74,534)	(513,869)
600	1,400	5,000	900	8,500	102,000	473,400
0	0	0	(340,000)	(1,000,000)	0	(1,340,000)
600	1,400	5,000	(339,100)	(991,500)	102,000	(866,600)
(48,404)	1,400	1,000	(339,100)	(1,013,490)	27,466	(1,380,469)
305,583	11,057	2,146	348,181	1,120,000	0	2,353,290
\$257,179	\$12,457	\$3,146	\$9,081	\$106,510	\$27,466	\$972,821

Combining Statements - Agency Funds

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Developers Deposits Fund The Deposits Fund accounts for deposits from contractors, held by the City, to insure compliance with various City ordinances regarding development within the City.

Senior Civic Center Rental Fund The Senior Civic Center Rental Fund accounts for monies received as security deposit for rental of the civic and senior center.

Payroll Clearing Fund The Payroll Clearing Fund accounts for payroll deductions collected for other governmental units or entities.

Exterior Maintenance Fund The Exterior Maintenance Fund accounts for deposits from exterior maintenance program participants. Monies are used for the residents' share of improvement cost.

City of Warrensville Heights, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006

	Beginning Balance 12/31/05	Additions	Deductions	Ending Balance 12/31/06
<i>Developers Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$130,469	\$284,973	\$303,907	\$111,535
Liabilities				
Deposits Held and Due to Others	\$130,469	\$284,973	\$303,907	\$111,535
 <i>Senior Civic Center Rental Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,485	\$1,400	\$1,350	\$1,535
Liabilities				
Deposits Held and Due to Others	\$1,485	\$1,400	\$1,350	\$1,535
 <i>Payroll Clearing Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$61,945	\$0	\$0	\$61,945
Liabilities				
Deposits Held and Due to Others	\$61,945	\$0	\$0	\$61,945
 <i>Exterior Maintenance Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$15,305	\$15,305	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$15,305	\$15,305	\$0

(continued)

City of Warrensville Heights, Ohio

Combining Statement of Changes in Assets and Liabilities

Agency Funds (continued)

For the Year Ended December 31, 2006

	Beginning Balance 12/31/05	Additions	Deductions	Ending Balance 12/31/06
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$193,899</u>	<u>\$301,678</u>	<u>\$320,562</u>	<u>\$175,015</u>
Liabilities				
Deposits Held and Due to Others	<u>\$193,899</u>	<u>\$301,678</u>	<u>\$320,562</u>	<u>\$175,015</u>

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

City of Warrensville Heights, 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		
Revenues				
Property and Other Taxes	\$1,226,074	\$1,226,074	\$1,196,064	(\$30,010)
Income Taxes	10,848,068	10,848,068	10,639,369	(208,699)
Intergovernmental	962,863	962,863	1,093,967	131,104
Interest	85,000	85,000	173,560	88,560
Fees, Licenses and Permits	365,250	365,250	437,365	72,115
Fines and Forfeitures	350,000	350,000	284,511	(65,489)
Charges for Services	392,950	392,950	349,562	(43,388)
Other	221,700	221,700	49,844	(171,856)
<i>Total Revenues</i>	14,451,905	14,451,905	14,224,242	(227,663)
Expenditures				
Current:				
General Government:				
Council				
Personal Services	130,548	132,303	124,163	8,140
Materials and Supplies	54,175	54,904	22,510	32,394
Contractual Services	63,734	61,931	28,827	33,104
Capital Outlay	2,171	2,200	1,236	964
Total Council	250,628	251,338	176,736	74,602
Mayor				
Personal Services	305,265	305,265	304,620	645
Materials and Supplies	6,700	6,700	6,502	198
Contractual Services	19,812	19,812	18,799	1,013
Total Mayor	331,777	331,777	329,921	1,856
Finance Department				
Personal Services	225,367	369,222	369,575	(353)
Materials and Supplies	6,363	10,285	10,198	87
Contractual Services	279,255	178,993	55,965	123,028
Capital Outlay	21	35	32	3
Total Finance Department	511,006	558,535	435,770	122,765
Income Tax				
Personal Services	28,545	28,545	18,766	9,779
Materials and Supplies	2,000	2,000	1,043	957
Contractual Services	165,725	165,725	151,093	14,632
Capital Outlay	35	35	32	3
Total Income Tax	196,305	196,305	170,934	25,371
Legal				
Personal Services	152,689	172,575	170,668	1,907
Materials and Supplies	1,584	1,790	1,356	434
Contractual Services	76,073	85,981	81,476	4,505
Total Legal	\$230,346	\$260,346	\$253,500	\$6,846

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Resources				
Personal Services	\$104,414	\$104,384	\$102,116	\$2,268
Materials and Supplies	3,385	3,385	2,527	858
Contractual Services	18,596	18,596	11,140	7,456
Capital Outlay	0	350	0	350
Total Human Resources	126,395	126,715	115,783	10,932
Boards and Commissions				
Personal Services	5,093	10,093	5,465	4,628
Materials and Supplies	1,000	1,000	100	900
Contractual Services	9,640	9,640	7,856	1,784
Total Boards and Commissions	15,733	20,733	13,421	7,312
Engineering				
Contractual Services	35,070	40,070	31,828	8,242
Information Technology				
Personal Services	34,500	34,500	0	34,500
Contractual Services	189,295	189,295	172,128	17,167
Other	1,155	2,350	0	2,350
Total Information Technology	224,950	226,145	172,128	54,017
Lands and Buildings				
Personal Services	862	1,050	(655)	1,705
Materials and Supplies	25,256	30,756	25,297	5,459
Contractual Services	264,346	321,917	270,926	50,991
Capital Outlay	3,695	4,500	3,751	749
Total Lands and Buildings	294,159	358,223	299,319	58,904
Other Government				
Personal Services	28,494	22,632	19,913	2,719
Materials and Supplies	29,752	23,631	20,834	2,797
Contractual Services	703,376	567,189	553,753	13,436
Capital Outlay	56,774	45,093	44,740	353
Total Other Government	818,396	658,545	639,240	19,305
Total General Government	3,034,765	3,028,732	2,638,580	390,152
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	4,261,313	3,990,353	3,947,146	43,207
Materials and Supplies	182,622	171,010	142,221	28,789
Contractual Services	252,728	236,658	209,549	27,109
Capital Outlay	21,358	20,000	14,339	5,661
Total Police Department	4,718,021	4,418,021	4,313,255	104,766
Traffic Waiver				
Personal Services	43,615	43,615	42,738	877
Materials and Supplies	5,000	5,000	1,216	3,784
Contractual Services	156,000	156,000	143,148	12,852
Total Traffic Waiver	204,615	204,615	187,102	17,513
Total Police	\$4,922,636	\$4,622,636	\$4,500,357	\$122,279

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Department				
Personal Services	\$3,092,173	\$3,094,980	\$3,057,513	\$37,467
Materials and Supplies	46,039	46,081	42,445	3,636
Contractual Services	106,416	106,513	87,372	19,141
Capital Outlay	4,995	5,000	4,108	892
Total Fire	3,249,623	3,252,574	3,191,438	61,136
Total Security of Persons and Property	8,172,259	7,875,210	7,691,795	183,415
Public Health Services:				
Health and Human Services				
Contractual Services	41,786	51,000	50,615	385
Leisure Time Activities:				
Community Activities				
Materials and Supplies	9,700	9,700	9,493	207
Contractual Services	52,475	52,475	49,314	3,161
Other	4,325	4,325	3,003	1,322
Total Community Activities	66,500	66,500	61,810	4,690
Civic Center				
Personal Services	207,845	207,845	170,965	36,880
Materials and Supplies	15,222	15,222	12,483	2,739
Contractual Services	8,350	8,350	2,315	6,035
Capital Outlay	11,778	11,778	11,687	91
Total Civic Center	243,195	243,195	197,450	45,745
Total Leisure Time Activities	309,695	309,695	259,260	50,435
Community Development:				
Economic Development				
Personal Services	80,598	80,598	78,710	1,888
Materials and Supplies	1,100	1,100	863	237
Contractual Services	7,010	7,010	2,877	4,133
Capital Outlay	1,450	1,450	0	1,450
Total Economic Development	90,158	90,158	82,450	7,708
Building Department				
Personal Services	453,748	484,191	474,876	9,315
Materials and Supplies	18,948	20,219	19,976	243
Contractual Services	47,100	50,260	48,953	1,307
Capital Outlay	1,874	2,000	1,940	60
Total Building Department	521,670	556,670	545,745	10,925
Total Community Development	\$611,828	\$646,828	\$628,195	\$18,633

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation:				
Service Department				
Personal Services	\$971,543	\$1,090,167	\$1,081,663	\$8,504
Materials and Supplies	241,877	276,077	270,352	5,725
Contractual Services	242,331	139,648	135,699	3,949
Capital Outlay	8,850	5,100	4,600	500
Total Transportation	1,464,601	1,510,992	1,492,314	18,678
Basic Utility Services:				
Solid Waste				
Personal Services	920,226	920,226	919,052	1,174
Contractual Services	237,200	237,200	237,081	119
Total Basic Utility Services	1,157,426	1,157,426	1,156,133	1,293
<i>Total Expenditures</i>	14,792,360	14,579,883	13,916,892	662,991
<i>Excess of Revenues Over (Under) Expenditures</i>	(340,455)	(127,978)	307,350	435,328
Other Financing Uses				
Advances Out	0	(9,000)	(9,000)	0
Transfers Out	0	(144,883)	(139,263)	5,620
<i>Total Other Financing Uses</i>	0	(153,883)	(148,263)	5,620
<i>Net Change in Fund Balance</i>	(340,455)	(281,861)	159,087	440,948
<i>Fund Balance Beginning of Year</i>	373,037	373,037	373,037	0
Prior Year Encumbrances Appropriated	34,089	34,089	34,089	0
<i>Fund Balance End of Year</i>	\$66,671	\$125,265	\$566,213	\$440,948

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$538,527	\$538,527	\$550,712	\$12,185
Intergovernmental	33,000	33,000	33,300	300
Donations	200,000	200,000	475,297	275,297
<i>Total Revenues</i>	771,527	771,527	1,059,309	287,782
Expenditures				
Debt Service:				
Principal Retirement	705,000	705,000	705,000	0
Interest and Fiscal Charges	681,364	681,364	520,499	160,865
<i>Total Expenditures</i>	1,386,364	1,386,364	1,225,499	160,865
<i>Excess of Revenues Under Expenditures</i>	(614,837)	(614,837)	(166,190)	448,647
Other Financing Sources (Uses)				
Notes Issued	11,448,916	11,448,916	9,695,600	(1,753,316)
Current Refunding	(11,025,000)	(11,025,000)	(11,025,000)	0
Transfers In	150,000	150,000	1,400,000	1,250,000
<i>Total Other Financing Sources (Uses)</i>	573,916	573,916	70,600	(503,316)
<i>Net Change in Fund Balance</i>	(40,921)	(40,921)	(95,590)	(54,669)
<i>Fund Balance Beginning of Year</i>	164,888	164,888	164,888	0
<i>Fund Balance End of Year</i>	\$123,967	\$123,967	\$69,298	(\$54,669)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cinema Park Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	2,310,000	2,310,000	533,558	1,776,442
<i>Excess of Revenues Under Expenditures</i>	(2,310,000)	(2,310,000)	(533,558)	1,776,442
Other Financing Sources				
Notes Issued	2,310,000	2,310,000	2,310,000	0
<i>Net Change in Fund Balance</i>	0	0	1,776,442	1,776,442
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,776,442</u>	<u>\$1,776,442</u>

City of Warrensville Heights, 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*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$445,600	\$459,600	\$512,544	\$52,944
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Personal Services	342,000	359,000	342,000	17,000
Materials and Supplies	40,000	50,000	36,764	13,236
Contractual Services	22,000	25,000	23,934	1,066
Total Street Maintenance	404,000	434,000	402,698	31,302
Snow and Ice Removal				
Materials and Supplies	40,000	40,000	3,198	36,802
Contractual Services	5,000	5,000	0	5,000
Capital Outlay	2,000	2,000	0	2,000
Total Snow and Ice Removal	47,000	47,000	3,198	43,802
Traffic Control				
Materials and Supplies	3,000	3,000	0	3,000
Contractual Services	30,000	30,000	24,911	5,089
Total Traffic Control	33,000	33,000	24,911	8,089
<i>Total Expenditures</i>	484,000	514,000	430,807	83,193
<i>Net Change in Fund Balance</i>	(38,400)	(54,400)	81,737	136,137
<i>Fund Balance Beginning of Year</i>	54,676	54,676	54,676	0
<i>Fund Balance End of Year</i>	\$16,276	\$276	\$136,413	\$136,137

City of Warrensville Heights, 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*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$41,000	\$41,000	\$41,558	\$558
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Personal Services	35,000	35,000	20,000	15,000
Materials and Supplies	13,000	13,000	544	12,456
<i>Total Expenditures</i>	<u>48,000</u>	<u>48,000</u>	<u>20,544</u>	<u>27,456</u>
<i>Net Change in Fund Balance</i>	(7,000)	(7,000)	21,014	28,014
<i>Fund Balance Beginning of Year</i>	<u>7,206</u>	<u>7,206</u>	<u>7,206</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$206</u>	<u>\$206</u>	<u>\$28,220</u>	<u>\$28,014</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Salary and Equipment Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$117,512	\$117,512	\$124,339	\$6,827
Intergovernmental	9,600	9,600	4,113	(5,487)
<i>Total Revenues</i>	127,112	127,112	128,452	1,340
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	109,233	109,233	2,063	107,170
Capital Outlay	13,000	13,000	12,579	421
<i>Total Expenditures</i>	122,233	122,233	14,642	107,591
<i>Net Change in Fund Balance</i>	4,879	4,879	113,810	108,931
<i>Fund Balance Beginning of Year</i>	1,732	1,732	1,732	0
<i>Fund Balance End of Year</i>	\$6,611	\$6,611	\$115,542	\$108,931

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Salary and Equipment Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$117,862	\$117,762	\$124,339	\$6,577
Intergovernmental	9,600	9,600	4,113	(5,487)
<i>Total Revenues</i>	127,462	127,362	128,452	1,090
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	112,233	112,233	85,000	27,233
Contractual Services	10,000	10,000	4,063	5,937
Capital Outlay	5,000	5,000	1,000	4,000
<i>Total Expenditures</i>	127,233	127,233	90,063	37,170
<i>Net Change in Fund Balance</i>	229	129	38,389	38,260
<i>Fund Balance Beginning of Year</i>	4,280	4,280	4,280	0
<i>Fund Balance End of Year</i>	\$4,509	\$4,409	\$42,669	\$38,260

City of Warrensville Heights, 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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$201,922	\$209,779	\$225,403	\$15,624
Intergovernmental	33,357	25,500	13,134	(12,366)
<i>Total Revenues</i>	235,279	235,279	238,537	3,258
Expenditures				
Current:				
Community Development:				
Street Lighting				
Contractual Services	259,335	259,335	186,892	72,443
<i>Net Change in Fund Balance</i>	(24,056)	(24,056)	51,645	75,701
<i>Fund Balance Beginning of Year</i>	56,392	56,392	56,392	0
<i>Fund Balance End of Year</i>	<u>\$32,336</u>	<u>\$32,336</u>	<u>\$108,037</u>	<u>\$75,701</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Levy Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$75,897	\$75,897	\$80,372	\$4,475
Intergovernmental	7,100	7,100	3,479	(3,621)
<i>Total Revenues</i>	82,997	82,997	83,851	854
Expenditures				
Current:				
General Government:				
Building Levy				
Materials and Supplies	1,500	1,500	0	1,500
Contractual Services	93,020	93,020	88,077	4,943
Capital Outlay	14,926	14,926	1,040	13,886
<i>Total Expenditures</i>	109,446	109,446	89,117	20,329
<i>Net Change in Fund Balance</i>	(26,449)	(26,449)	(5,266)	21,183
<i>Fund Balance Beginning of Year</i>	41,900	41,900	41,900	0
Prior Year Encumbrances Appropriated	3,020	3,020	3,020	0
<i>Fund Balance End of Year</i>	\$18,471	\$18,471	\$39,654	\$21,183

City of Warrensville Heights, 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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$5,000	\$5,000	\$4,098	(\$902)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	35,000	35,000	14,733	20,267
Capital Outlay	10,000	10,000	0	10,000
<i>Total Expenditures</i>	45,000	45,000	14,733	30,267
<i>Net Change in Fund Balance</i>	(40,000)	(40,000)	(10,635)	29,365
<i>Fund Balance Beginning of Year</i>	41,034	41,034	41,034	0
<i>Fund Balance End of Year</i>	\$1,034	\$1,034	\$30,399	\$29,365

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bureau of Justice Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,000	\$2,000	\$0	(\$2,000)
Interest	300	300	4	(296)
<i>Total Revenues</i>	2,300	2,300	4	(2,296)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Capital Outlay	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	300	300	4	(296)
<i>Fund Balance Beginning of Year</i>	2,149	2,149	2,149	0
<i>Fund Balance End of Year</i>	<u>\$2,449</u>	<u>\$2,449</u>	<u>\$2,153</u>	<u>(\$296)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$69,497	\$69,497	\$71,832	\$2,335
Intergovernmental	5,600	5,600	4,343	(1,257)
<i>Total Revenues</i>	75,097	75,097	76,175	1,078
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	74,500	74,500	70,000	4,500
<i>Net Change in Fund Balance</i>	597	597	6,175	5,578
<i>Fund Balance Beginning of Year</i>	999	999	999	0
<i>Fund Balance End of Year</i>	<u>\$1,596</u>	<u>\$1,596</u>	<u>\$7,174</u>	<u>\$5,578</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$69,497	\$69,497	\$71,832	\$2,335
Intergovernmental	5,600	5,600	4,344	(1,256)
<i>Total Revenues</i>	75,097	75,097	76,176	1,079
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	74,500	74,500	0	74,500
<i>Net Change in Fund Balance</i>	597	597	76,176	75,579
<i>Fund Balance Beginning of Year</i>	1,527	1,527	1,527	0
<i>Fund Balance End of Year</i>	<u>\$2,124</u>	<u>\$2,124</u>	<u>\$77,703</u>	<u>\$75,579</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$28,000	\$28,000	\$19,144	(\$8,856)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	28,000	28,000	28,000	0
<i>Excess of Revenues Under Expenditures</i>	0	0	(8,856)	(8,856)
Other Financing Sources				
Transfers In	0	0	18,788	18,788
<i>Net Change in Fund Balance</i>	0	0	9,932	9,932
<i>Fund Balance Beginning of Year</i>	20,342	20,342	20,342	0
<i>Fund Balance End of Year</i>	<u>\$20,342</u>	<u>\$20,342</u>	<u>\$30,274</u>	<u>\$9,932</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$30,775	\$30,775	\$15,800	(\$14,975)
Expenditures				
Current:				
Community Development:				
Community Development Block Grant				
Contractual Services	30,775	30,775	24,250	6,525
<i>Excess of Revenues Under Expenditures</i>	0	0	(8,450)	(8,450)
Other Financing Sources				
Advances In	0	0	9,000	9,000
Transfers In	0	0	2,475	2,475
<i>Total Other Financing Sources</i>	0	0	11,475	11,475
<i>Net Change in Fund Balance</i>	0	0	3,025	3,025
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,025</u>	<u>\$3,025</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Program Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$12,000	\$19,700	\$18,100	(\$1,600)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	9,675	16,100	13,263	2,837
Materials and Supplies	825	6,825	355	6,470
Capital Outlay	1,500	2,500	2,500	0
<i>Total Expenditures</i>	12,000	25,425	16,118	9,307
<i>Net Change in Fund Balance</i>	0	(5,725)	1,982	7,707
<i>Fund Balance Beginning of Year</i>	5,780	5,780	5,780	0
<i>Fund Balance End of Year</i>	\$5,780	\$55	\$7,762	\$7,707

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Child Safety Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	808	808	808	0
<i>Fund Balance End of Year</i>	<u>\$808</u>	<u>\$808</u>	<u>\$808</u>	<u>\$0</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
EMS Computer Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,500	\$3,500	\$2,500	(\$1,000)
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	1,850	1,850	1,822	28
Capital Outlay	28,317	28,317	28,296	21
<i>Total Expenditures</i>	30,167	30,167	30,118	49
<i>Net Change in Fund Balance</i>	(26,667)	(26,667)	(27,618)	(951)
<i>Fund Balance Beginning of Year</i>	4,055	4,055	4,055	0
Prior Year Encumbrances Appropriated	26,667	26,667	26,667	0
<i>Fund Balance End of Year</i>	<u>\$4,055</u>	<u>\$4,055</u>	<u>\$3,104</u>	<u>(\$951)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Law Enforcement Block Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	21	21	21	0
<i>Fund Balance End of Year</i>	\$21	\$21	\$21	\$0

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Replacement Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$7,104	\$7,104
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	7,104	7,104
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$7,104	\$7,104

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$6,123	\$6,123	\$0	(\$6,123)
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	6,123	6,123	0	(6,123)
<i>Fund Deficit Beginning of Year</i>	404	404	404	0
<i>Fund Balance End of Year</i>	\$6,527	\$6,527	\$404	(\$6,123)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Capital Outlay	146,808	146,808	99,002	47,806
<i>Net Change in Fund Balance</i>	(146,808)	(146,808)	(99,002)	47,806
<i>Fund Balance Beginning of Year</i>	92,637	92,637	92,637	0
Prior Year Encumbrances Appropriated	43,404	43,404	43,404	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$10,767)</u>	<u>(\$10,767)</u>	<u>\$37,039</u>	<u>\$47,806</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland Browns Foundation Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	568	568	568	0
<i>Fund Balance End of Year</i>	\$568	\$568	\$568	\$0

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CRA Monitoring Fee Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$1,500	\$1,500	\$17,350	\$15,850
Expenditures				
Current:				
General Government:				
CRA Monitoring Fee:				
Materials and Supplies	1,500	1,500	2,000	(500)
<i>Net Change in Fund Balance</i>	0	0	15,350	15,350
<i>Fund Balance Beginning of Year</i>	9,000	9,000	9,000	0
<i>Fund Balance End of Year</i>	<u>\$9,000</u>	<u>\$9,000</u>	<u>\$24,350</u>	<u>\$15,350</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
The Cleveland Foundation Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	4,819	4,819	4,819	0
<i>Fund Balance End of Year</i>	<u>\$4,819</u>	<u>\$4,819</u>	<u>\$4,819</u>	<u>\$0</u>

City of Warrensville Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Stimulus Incentive Grant Fund
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$65,000	\$65,000	\$13,214	(\$51,786)
Expenditures				
Current:				
Community Development:				
Economic Development and Assistance				
Contractual Services	96,000	96,000	0	96,000
<i>Net Change in Fund Balance</i>	(31,000)	(31,000)	13,214	44,214
<i>Fund Balance Beginning of Year</i>	33,405	33,405	33,405	0
<i>Fund Balance End of Year</i>	<u>\$2,405</u>	<u>\$2,405</u>	<u>\$46,619</u>	<u>\$44,214</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grass Refuse Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$8,000	\$8,000	\$9,630	\$1,630
Expenditures				
Current:				
Community Development:				
Building				
Contractual Services	8,000	8,000	8,000	0
<i>Net Change in Fund Balance</i>	0	0	1,630	1,630
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,630</u>	<u>\$1,630</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
OBWC Transitional Work Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$5,600	\$5,600	\$5,600	\$0
Expenditures				
Current:				
General Government				
Human Resources				
Contractual Services	5,600	5,600	5,600	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Homeland Security Grant Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,112	\$2,112	\$2,112	\$0
Expenditures				
Current:				
Community Development				
Homeland Security Grant				
Personal Services	2,112	2,112	2,112	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Civic Center Park Restoration Grant Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$195,490	\$195,490	\$0	(\$195,490)
Expenditures				
Current:				
Community Development:				
Economic Development and Assistance				
Contractual Services	170,937	170,937	29,935	141,002
Capital Outlay	24,553	24,553	0	24,553
<i>Total Expenditures</i>	<u>195,490</u>	<u>195,490</u>	<u>29,935</u>	<u>165,555</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	0	0	(29,935)	(29,935)
Other Financing Sources				
Transfers In	0	45,490	45,000	(490)
<i>Net Change in Fund Balance</i>	0	45,490	15,065	(30,425)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$45,490</u>	<u>\$15,065</u>	<u>(\$30,425)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
G.R.E.A.T. Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$250,000	\$250,000	\$25,000	(\$225,000)
Expenditures				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	69,839	69,839	11,086	58,753
Materials and Supplies	70,265	70,265	12,624	57,641
Contractual Services	109,896	109,896	0	109,896
<i>Total Expenditures</i>	250,000	250,000	23,710	226,290
<i>Net Change in Fund Balance</i>	0	0	1,290	1,290
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$1,290	\$1,290

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
NOACA TLCI Grant Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$69,000	\$69,000	\$0	(\$69,000)
Expenditures				
Current:				
Community Development:				
Economic Development and Assistance				
Contractual Services	<u>69,000</u>	<u>69,000</u>	<u>9,759</u>	<u>59,241</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	0	0	(9,759)	(9,759)
Other Financing Sources				
Transfers In	<u>0</u>	<u>13,000</u>	<u>13,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	13,000	3,241	(9,759)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$13,000</u>	<u>\$3,241</u>	<u>(\$9,759)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Improvement Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	312,493	547,493	201,729	345,764
<i>Excess of Revenues Under Expenditures</i>	(312,493)	(547,493)	(201,729)	345,764
Other Financing Sources				
Notes Issued	47,000	197,000	265,600	68,600
<i>Net Change in Fund Balance</i>	(265,493)	(350,493)	63,871	414,364
<i>Fund Balance Beginning of Year</i>	318,607	318,607	318,607	0
Prior Year Encumbrances Appropriated	65,493	65,493	65,493	0
<i>Fund Balance End of Year</i>	<u>\$118,607</u>	<u>\$33,607</u>	<u>\$447,971</u>	<u>\$414,364</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Repair and Improvement Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	1,738	1,738	1,738	0
<i>Fund Balance End of Year</i>	<u>\$1,738</u>	<u>\$1,738</u>	<u>\$1,738</u>	<u>\$0</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Information Technology System Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Materials and Supplies	37,500	37,500	17,500	20,000
Contractual Services	46,623	74,623	63,063	11,560
<i>Total Expenditures</i>	84,123	112,123	80,563	31,560
<i>Excess of Revenues Under Expenditures</i>	(84,123)	(112,123)	(80,563)	31,560
Other Financing Sources				
Notes Issued	11,920	39,920	33,400	(6,520)
<i>Net Change in Fund Balance</i>	(72,203)	(72,203)	(47,163)	25,040
<i>Fund Balance Beginning of Year</i>	43,082	43,082	43,082	0
Prior Year Encumbrances Appropriated	29,123	29,123	29,123	0
<i>Fund Balance End of Year</i>	<u>\$2</u>	<u>\$2</u>	<u>\$25,042</u>	<u>\$25,040</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$800,000	\$800,000	\$449,559	(\$350,441)
Expenditures				
Capital Outlay:				
Contractual Services	790,000	790,000	432,041	357,959
Capital Outlay	15,000	16,000	16,000	0
<i>Total Expenditures</i>	<u>805,000</u>	<u>806,000</u>	<u>448,041</u>	<u>357,959</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,000)	(6,000)	1,518	7,518
Other Financing Sources				
Notes Issued	15,000	15,000	45,000	30,000
<i>Net Change in Fund Balance</i>	10,000	9,000	46,518	37,518
<i>Fund Balance Beginning of Year</i>	<u>406</u>	<u>406</u>	<u>406</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$10,406</u>	<u>\$9,406</u>	<u>\$46,924</u>	<u>\$37,518</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Snavely Project Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	122,264	122,264	111,351	10,913
<i>Excess of Revenues Under Expenditures</i>	(122,264)	(122,264)	(111,351)	10,913
Other Financing Sources				
Notes Issued	15,000	15,000	11,000	(4,000)
<i>Net Change in Fund Balance</i>	(107,264)	(107,264)	(100,351)	6,913
<i>Fund Balance Beginning of Year</i>	184,519	184,519	184,519	0
Prior Year Encumbrances Appropriated	3,132	3,132	3,132	0
<i>Fund Balance End of Year</i>	<u>\$80,387</u>	<u>\$80,387</u>	<u>\$87,300</u>	<u>\$6,913</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emery Woods Project Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	57,000	61,250	35,625	25,625
Debt Service:				
Interest and Fiscal Charges	18,000	18,000	14,000	4,000
<i>Total Expenditures</i>	<u>75,000</u>	<u>79,250</u>	<u>49,625</u>	<u>29,625</u>
<i>Excess of Revenues Under Expenditures</i>	(75,000)	(79,250)	(49,625)	29,625
Other Financing Sources				
Notes Issued	45,000	45,000	600	(44,400)
<i>Net Change in Fund Balance</i>	(30,000)	(34,250)	(49,025)	(14,775)
<i>Fund Balance Beginning of Year</i>	301,333	301,333	301,333	0
Prior Year Encumbrances Appropriated	4,250	4,250	4,250	0
<i>Fund Balance End of Year</i>	<u>\$275,583</u>	<u>\$271,333</u>	<u>\$256,558</u>	<u>(\$14,775)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Siren Warning System Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Capital Outlay	4,000	4,000	0	4,000
<i>Excess of Revenues Under Expenditures</i>	(4,000)	(4,000)	0	4,000
Other Financing Sources				
Notes Issued	4,000	4,000	1,400	(2,600)
<i>Net Change in Fund Balance</i>	0	0	1,400	1,400
<i>Fund Balance Beginning of Year</i>	11,057	11,057	11,057	0
<i>Fund Balance End of Year</i>	<u>\$11,057</u>	<u>\$11,057</u>	<u>\$12,457</u>	<u>\$1,400</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Route 8/Northfield Road Project Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Interest and Fiscal Charges	0	4,000	4,000	0
<i>Excess of Revenues Under Expenditures</i>	0	(4,000)	(4,000)	0
Other Financing Sources				
Notes Issued	0	4,000	5,000	1,000
<i>Net Change in Fund Balance</i>	0	0	1,000	1,000
<i>Fund Balance Beginning of Year</i>	2,146	2,146	2,146	0
<i>Fund Balance End of Year</i>	\$2,146	\$2,146	\$3,146	\$1,000

City of Warrensville Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Repair and Replacement Project Fund
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	\$0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Sources (Uses)				
Notes Issued	0	0	900	900
Transfers Out	(4,000)	(344,000)	(340,000)	4,000
<i>Total Other Financing Sources (Uses)</i>	(4,000)	(344,000)	(339,100)	4,900
<i>Net Change in Fund Balance</i>	(4,000)	(344,000)	(339,100)	4,900
<i>Fund Balance Beginning of Year</i>	348,181	348,181	348,181	0
<i>Fund Balance End of Year</i>	<u>\$344,181</u>	<u>\$4,181</u>	<u>\$9,081</u>	<u>\$4,900</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Town Center Project Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Interest and Fiscal Charges	25,000	25,000	21,990	3,010
<i>Excess of Revenues Under Expenditures</i>	(25,000)	(25,000)	(21,990)	3,010
Other Financing Sources (Uses)				
Notes Issued	0	0	8,500	8,500
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	0
<i>Total Other Financing Sources (Uses)</i>	(1,000,000)	(1,000,000)	(991,500)	8,500
<i>Net Change in Fund Balance</i>	(1,025,000)	(1,025,000)	(1,013,490)	11,510
<i>Fund Balance Beginning of Year</i>	1,044,076	1,044,076	1,044,076	0
<i>Fund Balance End of Year</i>	<u>\$19,076</u>	<u>\$19,076</u>	<u>\$30,586</u>	<u>\$11,510</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Generators Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	102,000	102,000	74,534	27,466
<i>Excess of Revenues Under Expenditures</i>	(102,000)	(102,000)	(74,534)	27,466
Other Financing Sources				
Notes Issued	102,000	102,000	102,000	0
<i>Net Change in Fund Balance</i>	0	0	27,466	27,466
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$27,466</u>	<u>\$27,466</u>

This Page Intentionally Left Blank

Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S3-S9
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.	S10-S17
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S18-S22
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S23-S25
Operating Information 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.	S26-S29

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

This Page Intentionally Left Blank

City of Warrensville Heights, Ohio

Net Assets By Component

Last Four Years

(Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$1,196,985	\$1,893,723	\$1,815,033	\$3,349,635
Restricted:				
Capital Projects	1,352	803,927	2,229,153	52,718
Debt Service	0	8,333	522,748	885,749
Streets	552,258	275,643	223,231	202,700
Police	224,613	107,801	151,774	200,209
Fire	80,301	220,475	159,505	68,363
Other Purposes	189,078	111,153	67,074	84,299
Unrestricted (Deficit)	<u>(1,337,871)</u>	<u>(1,638,328)</u>	<u>(2,447,685)</u>	<u>(3,040,172)</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$906,716</u>	<u>\$1,782,727</u>	<u>\$2,720,833</u>	<u>\$1,803,501</u>

City of Warrensville Heights, Ohio

Changes in Net Assets

Last Four Years

(Accrual Basis of Accounting)

	2006	2005	2004	2003
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$182,754	\$206,353	\$229,899	\$150,756
Security of Persons and Property:				
Police	313,492	393,133	340,291	319,549
Fire	211,625	261,603	251,186	158,352
Public Health Services	3,057	4,312	4,218	2,312
Leisure Time Activities	15,816	20,300	29,167	16,224
Community Development	51,681	81,530	53,263	26,513
Transportation	103,251	135,615	139,022	149,413
Basic Utility Services	69,129	107,642	114,253	23,818
Subtotal - Charges for Services	<u>950,805</u>	<u>1,210,488</u>	<u>1,161,299</u>	<u>846,937</u>
Operating Grants and Contributions:				
General Government	5,600	0	0	0
Security of Persons and Property:				
Police	62,244	61,567	114,500	156,790
Fire	2,500	84,303	232,682	78,811
Public Health Services	2,112	0	0	0
Leisure Time Activities	0	2,100	0	16,720
Community Development	388,722	218,345	225,048	286,294
Transportation	598,391	531,359	481,407	428,710
Basic Utility Services	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,059,569</u>	<u>897,674</u>	<u>1,053,637</u>	<u>967,325</u>
Capital Grants and Contributions:				
General Government	0	0	0	45,813
Security of Persons and Property:				
Police	0	0	0	77,000
Fire	0	0	0	49,258
Public Health Services	0	0	0	660
Leisure Time Activities	0	0	0	4,906
Community Development	0	0	0	15,920
Transportation	384,163	244,517	975,197	274,723
Basic Utility Services	0	85,000	106,460	6,807
Subtotal - Capital Grants and Contributions	<u>384,163</u>	<u>329,517</u>	<u>1,081,657</u>	<u>475,087</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,394,537</u>	<u>2,437,679</u>	<u>3,296,593</u>	<u>2,289,349</u>

(continued)

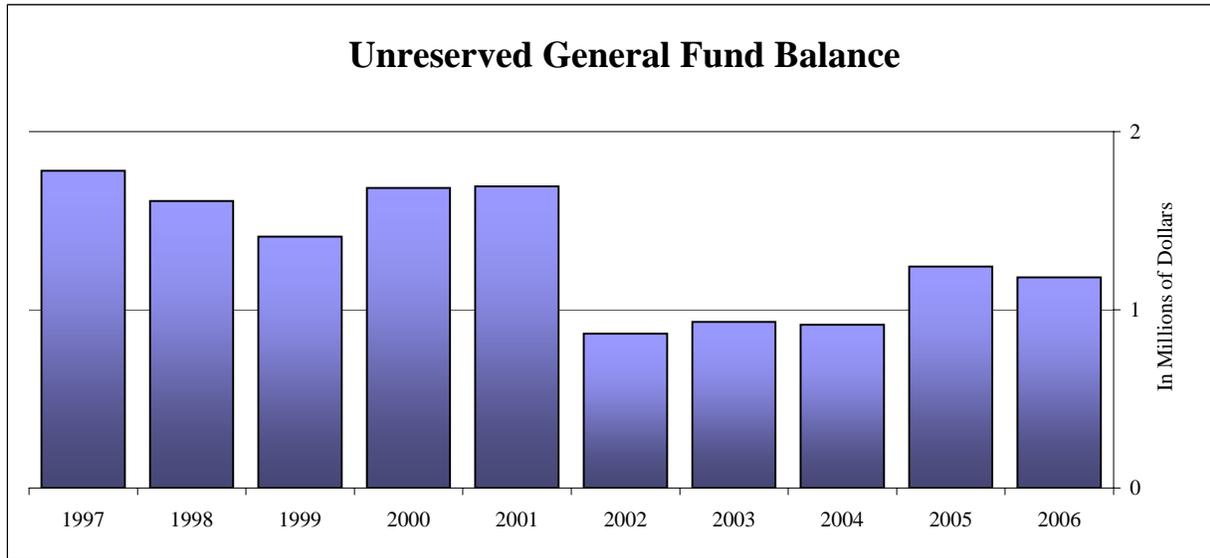
City of Warrensville Heights, Ohio
Changes in Net Assets (continued)
Last Four Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003
Expenses				
Governmental Activities:				
General Government	\$3,051,683	\$2,732,119	\$2,799,313	\$2,721,824
Security of Persons and Property:				
Police	5,577,552	5,408,241	4,890,454	4,653,737
Fire	3,468,166	3,810,719	3,219,919	3,003,340
Public Health Services	64,406	56,006	47,829	40,420
Leisure Time Activities	322,467	295,706	361,980	323,941
Community Development	1,073,550	1,169,496	1,066,080	960,744
Transportation	2,269,955	2,399,454	2,384,519	3,096,239
Basic Utility Services	1,327,001	1,457,364	1,355,302	499,304
Interest and Fiscal Charges	549,714	544,927	421,671	378,320
<i>Total Governmental Activities Expenses</i>	<u>17,704,494</u>	<u>17,874,032</u>	<u>16,547,067</u>	<u>15,677,869</u>
Net (Expense)/Revenue				
Governmental Activities	<u>(15,309,957)</u>	<u>(15,436,353)</u>	<u>(13,250,474)</u>	<u>(13,388,520)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	1,236,022	1,061,074	1,106,842	957,923
Debt Service	553,998	547,017	496,018	512,457
Other Purposes	712,565	667,078	631,777	681,792
Municipal Income Taxes levied for:				
General Purposes	10,625,219	10,318,081	10,527,562	9,860,864
Grants and Entitlements not Restricted to				
Specific Programs	1,073,104	1,456,018	1,117,195	1,258,968
Investment Earnings	173,564	126,112	37,376	60,835
Miscellaneous	59,474	322,867	251,036	301,129
<i>Total Governmental Activities</i>	<u>14,433,946</u>	<u>14,498,247</u>	<u>14,167,806</u>	<u>13,633,968</u>
Change in Net Assets				
Governmental Activities	<u>(\$876,011)</u>	<u>(\$938,106)</u>	<u>\$917,332</u>	<u>\$245,448</u>

This Page is Intentionally Left Blank.

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

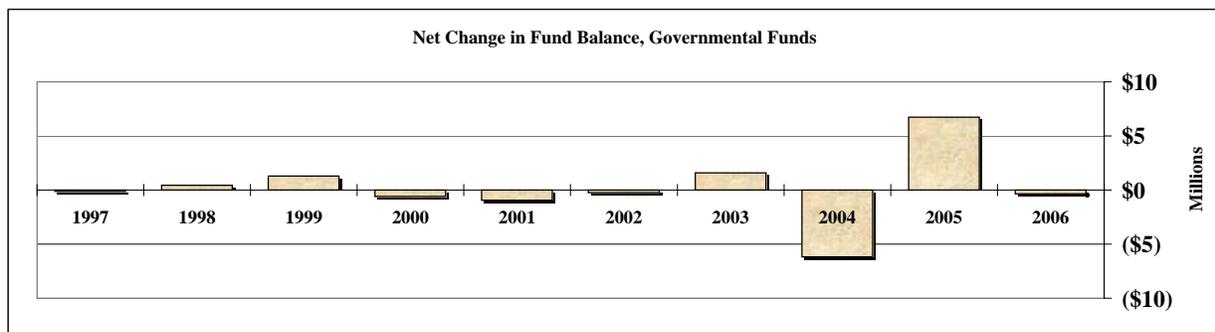
	2006	2005	2004	2003	2002
General Fund					
Reserved	\$92,809	\$0	\$2,278	\$35,480	\$125,335
Unreserved	1,181,879	1,243,030	915,727	932,055	866,760
Total General Fund	<u>1,274,688</u>	<u>1,243,030</u>	<u>918,005</u>	<u>967,535</u>	<u>992,095</u>
All Other Governmental Funds					
Reserved	28,436	172,879	19,412	150,024	638,341
Unreserved, Undesignated, Reported in:					
Special Revenue funds	698,223	357,868	242,907	191,374	257,086
Debt Service funds	69,298	164,888	149,615	216,163	7,462
Capital Projects funds	1,776,979	2,253,502	(3,878,347)	2,094,931	138,855
Total All Other Governmental Funds	<u>2,572,936</u>	<u>2,949,137</u>	<u>(3,466,413)</u>	<u>2,652,492</u>	<u>1,041,744</u>
Total Governmental Funds	<u><u>\$3,847,624</u></u>	<u><u>\$4,192,167</u></u>	<u><u>(\$2,548,408)</u></u>	<u><u>\$3,620,027</u></u>	<u><u>\$2,033,839</u></u>



2001	2000	1999	1998	1997
\$122,433	\$216,894	\$216,705	\$407,825	\$61,646
1,692,364	1,683,580	1,410,765	1,610,398	1,781,080
1,814,797	1,900,474	1,627,470	2,018,223	1,842,726
328,480	234,988	583,970	340,273	315,083
246,522	217,321	345,398	139,890	(16,182)
(256,651)	0	0	0	0
127,427	861,629	1,247,847	21,938	(76,927)
445,778	1,313,938	2,177,215	502,101	221,974
\$2,260,575	\$3,214,412	\$3,804,685	\$2,520,324	\$2,064,700

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

	2006	2005	2004	2003	2002	2001
Revenues						
Property and Other Taxes	\$2,444,893	\$2,258,293	\$2,400,560	\$2,139,615	\$2,411,677	\$2,154,716
Income Taxes	10,568,048	10,369,292	10,388,957	9,997,534	8,513,212	8,761,300
Special Assessments	475,297	236,742	150,739	231,652	180,708	255,733
Intergovernmental	2,211,419	2,436,351	3,404,790	2,216,899	2,267,868	2,292,583
Interest	173,564	126,112	37,376	60,835	29,272	120,970
Fees, Licenses and Permits	430,681	437,052	530,536	162,383	704,382	360,992
Fines and Forfeitures	283,167	259,304	313,302	319,506	0	0
Rentals	0	10,045	0	0	0	0
Charges for Services	334,341	340,695	349,355	402,595	349,637	298,424
Contributions and Donations	0	85,010	0	0	0	0
Other	59,474	322,867	251,036	301,129	407,474	487,409
Total Revenues	16,980,884	16,881,763	17,826,651	15,832,148	14,864,230	14,732,127
Expenditures						
Current:						
General Government	2,618,484	2,495,624	2,503,986	2,741,396	2,069,131	3,728,788
Security of Persons and Property:					7,922,500	7,110,172
Police	4,809,157	4,797,841	5,014,605	4,580,861	n/a	n/a
Fire	3,200,162	3,239,053	3,562,045	2,802,671	n/a	n/a
Public Health Services	50,615	50,615	46,838	39,132	44,572	88,496
Leisure Time Activities	261,904	238,295	330,820	293,508	382,752	155,833
Community Development	918,719	1,058,386	1,058,781	946,701	853,923	1,008,714
Transportation	1,812,967	2,060,585	1,874,273	2,939,556	3,109,339	507,441
Basic Utilities Services	1,144,734	1,263,610	1,346,571	338,356	71,193	1,236,255
Capital Outlay	2,404,728	2,572,219	2,924,756	3,220,808	1,591,406	695,966
Debt Service:						
Principal Retirement	970,136	959,466	7,383,810	2,577,462	645,000	740,000
Interest and Fiscal Charges	598,501	351,231	427,176	342,161	376,150	416,929
Bond Issuance Costs	0	0	0	113,000	0	0
Total Expenditures	18,790,107	19,086,925	26,473,661	20,935,612	17,065,966	15,688,594
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,809,223)	(2,205,162)	(8,647,010)	(5,103,464)	(2,201,736)	(956,467)
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	12,052	15,475	0	2,630
Inception of Capital Lease	10,680	146,041	171,523	80,459	0	0
Bond Anticipation Notes Issued	0	0	2,295,000	6,475,000	0	0
Refunding Notes Issued	12,479,000	11,025,000	0	0	0	0
General Obligation Bonds Issued	0	0	0	2,625,000	1,975,000	0
Notes Premium	0	69,696	0	0	0	0
Current Refunding	(11,025,000)	(2,295,000)	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(2,506,282)	0	0
Transfers In	1,479,263	1,157,274	6,620,665	13,000	275,286	675,332
Transfers Out	(1,479,263)	(1,157,274)	(6,620,665)	(13,000)	(275,286)	(675,332)
Advances In	0	0	0	0	33,604	0
Advances Out	0	0	0	0	(33,604)	0
Other	0	0	0	0	0	0
Total Other Financing Sources (Uses)	1,464,680	8,945,737	2,478,575	6,689,652	1,975,000	2,630
Net Change in Fund Balances	(\$344,543)	\$6,740,575	(\$6,168,435)	\$1,586,188	(\$226,736)	(\$953,837)
Debt Service as a Percentage of Noncapital Expenditures						
	8.64%	7.94%	33.17%	17.12%	6.60%	7.72%



2000	1999	1998	1997
\$1,878,671	\$9,928,786	\$10,325,038	\$10,135,694
8,543,695	0	0	0
258,559	224,128	274,818	254,827
2,374,547	2,382,384	1,552,407	1,882,971
180,896	100,929	552,182	0
282,576	310,998	310,656	281,833
0	0	0	0
0	0	0	0
150,567	132,326	53,022	0
0	0	0	0
167,797	109,448	14,853	259,765
<u>13,837,308</u>	<u>13,188,999</u>	<u>13,082,976</u>	<u>12,815,090</u>
3,173,574	3,208,771	2,150,421	2,135,622
6,524,773	6,740,788	6,249,337	5,802,650
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
21,650	23,230	22,199	22,655
317,034	230,122	207,075	300,196
733,190	621,260	505,331	429,465
582,295	601,508	1,169,576	1,146,617
1,003,422	801,708	834,286	854,871
622,422	518,330	122,842	642,758
650,000	2,897,619	3,075,717	3,352,428
503,218	421,102	470,568	515,816
0	0	0	0
<u>14,131,578</u>	<u>16,064,438</u>	<u>14,807,352</u>	<u>15,203,078</u>
<u>(294,270)</u>	<u>(2,875,439)</u>	<u>(1,724,376)</u>	<u>(2,387,988)</u>
2,809	4,800	0	0
0	0	0	0
0	4,155,000	2,180,000	2,285,000
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
227,000	305,740	703,345	3,506,156
(227,000)	(305,740)	(703,345)	(3,506,156)
0	0	0	0
0	0	0	0
(298,812)	0	0	0
<u>(296,003)</u>	<u>4,159,800</u>	<u>2,180,000</u>	<u>2,285,000</u>
<u>(\$590,273)</u>	<u>\$1,284,361</u>	<u>\$455,624</u>	<u>(\$102,988)</u>
8.54%	21.35%	24.15%	26.57%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2006	\$121,805,680	\$139,133,100	\$745,539,371	\$13,108,230	\$14,895,716
2005	103,386,585	113,790,495	620,505,943	12,772,240	14,513,909
2004	104,986,970	108,882,400	611,055,343	12,828,990	14,578,398
2003	102,192,535	108,387,635	601,657,629	13,379,180	15,203,614
2002	94,087,620	101,313,100	558,287,771	11,690,000	13,284,091
2001	94,193,600	96,719,160	545,465,029	13,150,000	14,943,182
2000	80,297,140	84,378,960	470,503,143	12,230,000	13,897,727
1999	80,213,980	83,697,080	468,317,314	9,250,000	10,511,364
1998	79,803,480	83,618,130	466,918,886	9,320,000	10,590,909
1997	72,494,990	81,536,110	440,088,857	8,570,000	9,738,636

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

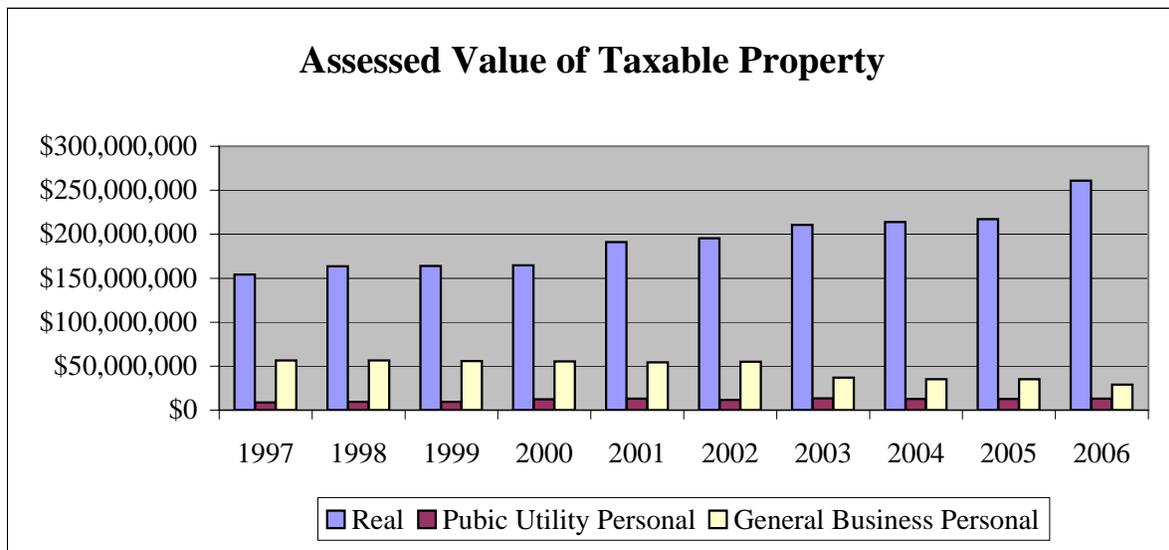
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property

General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$28,901,882	\$154,143,371	\$302,948,892	\$914,578,458	33.12%	\$8.9083
35,108,650	140,434,600	265,057,970	775,454,452	34.18	9.2033
35,229,342	140,917,368	261,927,702	766,551,109	34.17	9.1402
36,972,668	147,890,672	260,932,018	764,751,915	34.12	9.2981
55,035,241	220,140,964	262,125,961	791,712,826	33.11	9.6896
54,383,385	217,533,540	258,446,145	777,941,751	33.22	9.1509
55,281,342	221,125,368	232,187,442	705,526,238	32.91	8.7529
55,680,991	222,723,964	228,842,051	701,552,642	32.62	8.5939
56,324,058	225,296,232	229,065,668	702,806,027	32.59	8.6139
56,582,657	226,330,628	219,183,757	676,158,121	32.42	8.6168



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

	2006	2005	2004
Unvoted Millage			
Operating	\$0.4000	\$0.4000	\$0.4000
Fire Pension	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000
Debt Service	2.3000	2.3000	2.3000
<i>Total Unvoted Millage</i>	<u>3.3000</u>	<u>3.3000</u>	<u>3.3000</u>
Voted Millage			
1976 Current Expense	2.9000	2.9000	2.9000
1978 Current Expense	3.5000	3.5000	3.5000
1976 Police	1.0000	1.0000	1.0000
1976 Fire	1.0000	1.0000	1.0000
1980 Permanent Improvement	0.5000	0.5000	0.5000
2001 Street Lighting	1.0000	1.0000	1.0000
<i>Total Voted Millage</i>	<u>9.9000</u>	<u>9.9000</u>	<u>9.9000</u>
Total Millage	<u><u>\$13.2000</u></u>	<u><u>\$13.2000</u></u>	<u><u>\$13.2000</u></u>

Overlapping Rates by Taxing District

Warrensville Heights City School District			
Residential/Agricultural Real	\$54.5983	\$54.4140	\$45.3169
Commerical/Industrial and Public Utility Real	72.9116	70.4382	63.4157
General Business and Public Utility Personal	89.6000	89.4000	80.3000
Orange City School District			
Residential/Agricultural Real	43.3893	42.9127	38.2707
Commerical/Industrial and Public Utility Real	48.0058	47.7209	42.7469
General Business and Public Utility Personal	86.1000	86.1000	81.1000
Cuyahoga County			
Residential/Agricultural Real	11.7227	10.9754	10.9899
Commerical/Industrial and Public Utility Real	12.5762	11.9846	12.0433
General Business and Public Utility Personal	13.5200	13.5200	13.5200
Special Taxing Districts (1)			
Residential/Agricultural Real	6.2900	6.2880	4.7783
Commerical/Industrial and Public Utility Real	6.5552	6.5067	5.1811
General Business and Public Utility Personal	6.7800	6.7800	5.8800

Source: County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks, Port Authority, County Library, Community College

2003	2002	2001	2000	1999	1998	1997
\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.8000	\$0.8000	\$0.8000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2.3000	2.3000	2.3000	2.3000	1.9000	1.9000	1.9000
3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
2.9000	2.9000	2.9000	2.9000	2.9000	2.9000	2.9000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
<u>\$13.2000</u>						
\$48.2000	\$46.0640	\$46.0502	\$52.1049	\$46.1921	\$46.2000	\$49.9315
64.3990	60.4436	60.5661	66.1743	60.1554	60.7532	61.1489
80.3000	79.8000	79.8000	80.6000	74.7000	74.7000	74.9000
40.3637	40.2645	40.2929	34.0571	34.1086	30.8590	32.2991
44.1442	44.2070	44.2070	43.3185	44.0838	40.9194	42.8696
81.1000	81.1000	81.1000	71.5000	71.5000	68.2000	68.2000
9.7642	9.7719	9.7845	9.6061	9.6155	9.6597	8.4714
10.1235	10.0505	9.9919	10.1631	10.1892	11.7001	9.7497
11.7200	11.7200	11.7200	10.8200	10.8200	15.0500	12.1200
5.2290	4.1379	4.1544	4.6295	4.3685	4.2810	4.3208
5.3026	4.4838	4.4632	5.1028	4.9931	4.9355	4.8880
5.8800	5.8800	5.8800	5.8800	5.8800	5.8800	5.8800

City of Warrensville Heights, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2006	\$2,199,723	\$3,465,835	157.56%	\$196,497	\$3,662,332
2005	2,712,282	2,152,970	79.38	123,932	2,276,902
2004	2,741,976	2,209,096	80.57	150,782	2,359,878
2003	2,670,825	2,157,433	80.78	157,680	2,315,113
2002	2,680,951	2,166,735	80.82	153,220	2,319,955
2001	2,586,531	2,092,813	80.91	131,693	2,224,506
2000	2,471,937	1,992,515	80.61	166,512	2,159,027
1999	2,440,360	1,992,782	81.66	96,986	2,089,768
1998	2,435,115	1,987,602	81.62	95,662	2,083,264
1997	2,452,483	1,955,662	79.74	61,188	2,016,850

Source: County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
166.49%	\$327,207	14.87%
83.95	425,420	15.68
86.06	345,986	12.62
86.68	349,299	13.08
86.53	348,565	13.00
86.00	347,548	13.44
87.34	312,139	12.63
85.63	318,385	13.05
85.55	304,709	12.51
82.24	305,326	12.45

City of Warrensville Heights, Ohio

Principal Taxpayers - Real Estate Tax

2006 and 1997

Taxpayer	2006	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland East Hotel	\$11,063,920	4.24 %
Merida Health System	7,039,620	2.70
Highlands Multi Family, LTD	6,052,670	2.32
Alltel Ohio Limited Partnership	5,822,910	2.23
Clarkwood Apartments, LTD	4,952,390	1.90
Cleveland Electric Illuminating Co.	4,210,100	1.61
Sherwin-Williams Automotive	3,480,540	1.33
Cuyahoga Community College	3,052,600	1.17
Granada Apartments	2,896,960	1.11
Heinens, Inc.	2,547,870	0.98
Total	\$51,119,580	19.59 %
Total Assessed Valuation	\$260,938,780	

Taxpayer	1997	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$6,189,530	4.02 %
Brentwood Hospital	5,687,580	3.69
Sherwin-Williams Automotive	5,273,770	3.42
Clarkwood Apartments, LTD	4,906,250	3.19
Alltel Ohio Limited Partnership	3,551,400	2.31
Dalebridge Reaissance, LTD	3,411,110	2.21
Granada Apartments	2,386,410	1.55
Heinens, Inc.	2,344,200	1.52
Ohio Bell Telephone	2,314,360	1.50
Ellacot Parkway, LTD	1,933,320	1.26
Total	\$37,997,930	24.67 %
Total Assessed Valuation	\$154,031,100	

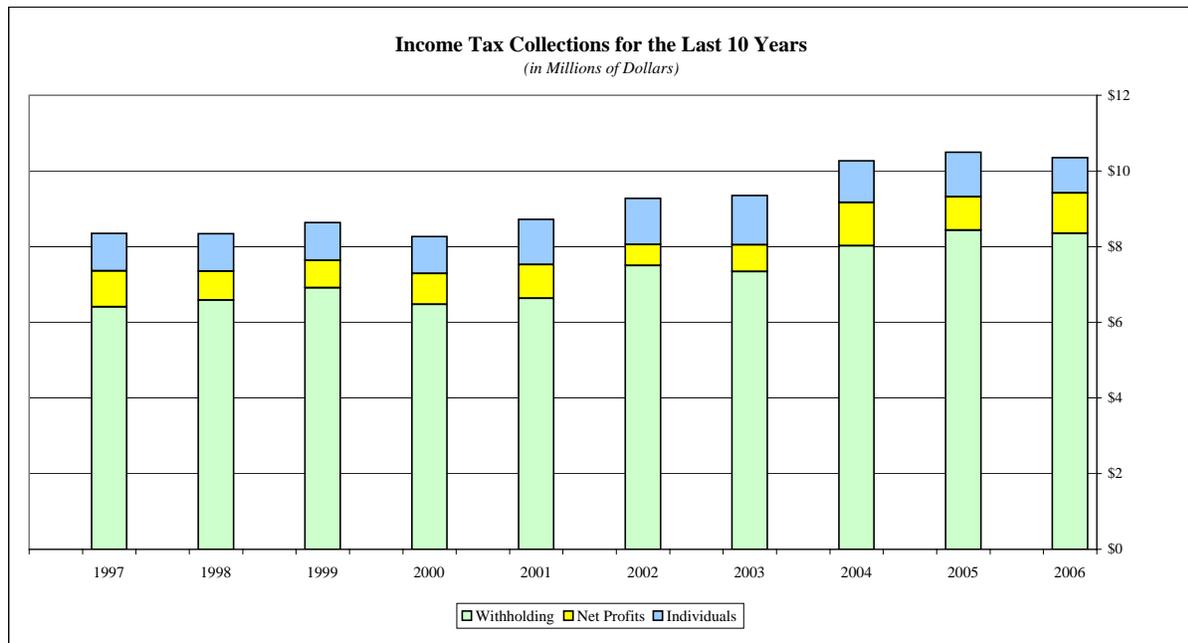
Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

City of Warrensville Heights, Ohio
Income Tax Revenue Base Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected (3)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2006	2%	\$10,625,219	\$8,567,114	80.63%	\$1,100,773	10.36%	\$957,332	9.01%
2005	2	10,318,081	8,431,976	81.72	888,228	8.61	997,877	9.67
2004	2	10,527,562	8,025,091	76.23	1,143,457	10.86	1,359,014	12.91
2003	2	9,860,864	7,339,861	74.43	711,895	7.22	1,809,108	18.35
2002	2	8,513,212	7,499,399	88.09	553,584	6.50	460,229	5.41
2001	1.75	8,761,300	6,638,177	75.77	889,080	10.15	1,234,043	14.09
2000	1.75	8,543,695	6,477,177	75.81	814,238	9.53	1,252,280	14.66
1999	1.75	8,636,670	6,912,569	80.04	722,554	8.37	1,001,547	11.60
1998	1.75	8,342,943	6,587,685	78.96	762,535	9.14	992,723	11.90
1997	1.75	8,347,241	6,407,074	76.76	954,427	11.43	985,740	11.81

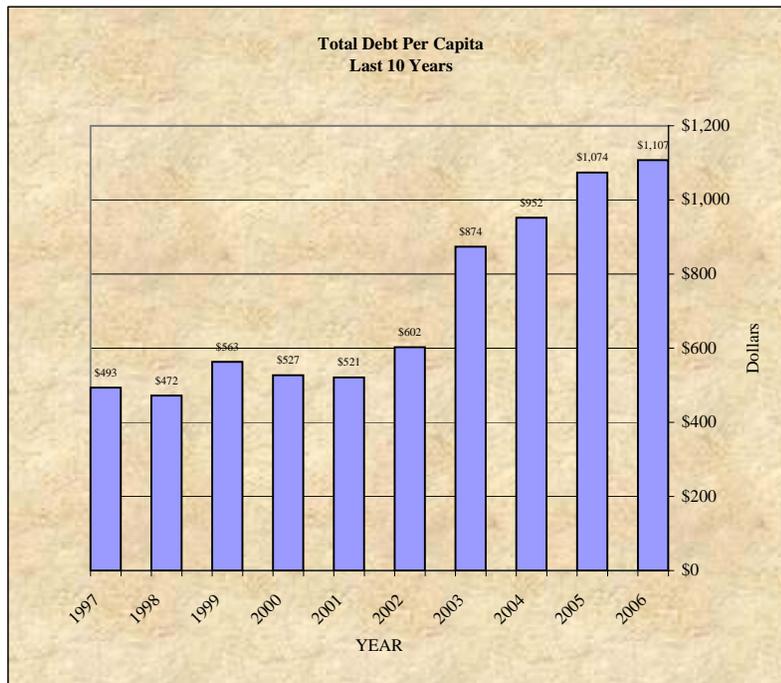
- (1) Effective January 1, 2002 the City of Warrensville Heights Electors voted to increase the City's income tax rate from 1.75% to 2%.
- (2) The City is statutorily prohibited from presenting individual taxpayers.
- (3) 2003 through 2006 are on a full accrual basis. 1997 through 2002 are on a modified accrual basis.



City of Warrensville Heights, Ohio
*Ratio of Outstanding Debt to
 Total Personal Income and Debt Per Capita
 Last Ten Years*

Year	Governmental Activities					Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Long-Term Notes	Capital Leases	Total Debt		
2006	\$3,378,500	\$362,917	\$12,479,000	\$505,569	\$16,725,986	5.95%	\$1,107
2005	3,978,714	456,272	11,025,000	760,025	16,220,011	5.77	1,074
2004	4,564,624	548,931	8,385,000	883,450	14,382,005	5.12	952
2003	5,098,571	683,553	6,475,000	940,737	13,197,861	4.70	874
2002	4,853,546	1,171,446	1,975,000	1,095,431	9,095,423	3.24	602
2001	5,379,819	1,290,181	0	1,198,536	7,868,536	2.80	521
2000	6,001,085	1,408,915	0	550,776	7,960,776	2.83	527
1999	6,541,648	1,518,344	0	810,076	8,870,068	4.24	563
1998	2,687,218	1,627,774	2,180,000	937,930	7,432,922	3.55	472
1997	3,172,527	1,749,469	2,285,000	558,671	7,765,667	3.71	493

Note: Population and Personal Income data are presented on page S22.



City of Warrensville Heights, Ohio
*Ratio of General Obligation Bonded Debt to Assessed
Value and Bonded Debt Per Capita
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
2006	15,109	b	\$302,948,892	\$3,378,500	1.12 %	\$223.61
2005	15,109	b	265,057,970	3,978,914	1.50	263.35
2004	15,109	b	261,927,702	4,564,624	1.74	302.11
2003	15,109	b	260,932,018	5,098,571	1.95	337.45
2002	15,109	b	262,125,961	4,846,084	1.85	320.74
2001	15,109	b	258,446,145	5,347,900	2.07	353.95
2000	15,109	a	232,187,442	5,679,670	2.45	375.91
1999	15,745	a	228,842,051	6,065,499	2.65	385.23
1998	15,745	a	229,065,668	2,372,154	1.04	150.66
1997	15,745	a	219,183,757	2,857,444	1.30	181.48

Sources:

(1) U. S. Bureau of Census, Census of Population.

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Warrensville Heights, Ohio

Legal Debt Margin

Last Ten Years

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Total Assessed Property Value	<u>\$302,948,892</u>	<u>\$265,057,970</u>	<u>\$261,927,702</u>	<u>\$260,932,018</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$31,809,634</u>	<u>\$27,831,087</u>	<u>\$27,502,409</u>	<u>\$27,397,862</u>
Debt Outstanding:				
General Obligation Bonds	3,378,500	4,058,728	4,656,069	5,201,447
Special Assessment Bonds	362,917	456,272	548,931	683,553
Bond Anticipation Notes	<u>12,479,000</u>	<u>11,025,000</u>	<u>8,385,000</u>	<u>6,475,000</u>
Total Gross Indebtedness	16,220,417	15,540,000	13,590,000	12,360,000
Less:				
Notes issued in anticipation of the levy or collection of municipal income taxes	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion)	(3,623,917)	(3,876,272)	(1,148,931)	(3,553,553)
General Obligation Bond Retirement Fund Balance	<u>(69,298)</u>	<u>(164,888)</u>	<u>(149,615)</u>	<u>(216,163)</u>
Total Net Debt Applicable to Debt Limit	<u>3,309,202</u>	<u>3,343,840</u>	<u>4,506,454</u>	<u>4,985,284</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$28,500,432</u>	<u>\$24,487,247</u>	<u>\$22,995,955</u>	<u>\$22,412,578</u>
Legal Debt Margin as a Percentage of the Debt Limit	89.60%	87.99%	83.61%	81.80%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$16,662,189</u>	<u>\$14,578,188</u>	<u>\$14,406,024</u>	<u>\$14,351,261</u>
Total Gross Indebtedness	16,220,417	15,540,000	13,590,000	12,360,000
Less:				
Bonds and notes issued in anticipation of the levy or collection of municipal income taxes	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion)	(3,623,917)	(3,876,272)	(1,148,931)	(3,553,553)
General Obligation Bond Retirement Fund Balance	<u>(69,298)</u>	<u>(164,888)</u>	<u>(149,615)</u>	<u>(216,163)</u>
Net Debt Within 5 ½ % Limitations	<u>3,309,202</u>	<u>3,343,840</u>	<u>4,506,454</u>	<u>4,985,284</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$13,352,987</u>	<u>\$11,234,348</u>	<u>\$9,899,570</u>	<u>\$9,365,977</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	80.14%	77.06%	68.72%	65.26%

Source: City Financial Records

2002	2001	2000	1999	1998	1997
<u>\$262,125,961</u>	<u>\$258,446,145</u>	<u>\$232,187,442</u>	<u>\$228,842,051</u>	<u>\$229,065,668</u>	<u>\$219,183,757</u>
<u>\$27,523,226</u>	<u>\$27,136,845</u>	<u>\$24,379,681</u>	<u>\$24,028,415</u>	<u>\$24,051,895</u>	<u>\$23,014,294</u>
4,853,546	5,379,812	6,001,085	6,541,655	2,687,218	3,172,527
1,171,446	1,290,180	1,408,915	1,518,345	1,627,774	1,749,469
1,975,000	0	0	0	2,180,000	2,285,000
7,999,992	6,669,992	7,410,000	8,060,000	6,494,992	7,206,996
(1,975,000)	0	0	0	(2,180,000)	(2,285,000)
(1,171,446)	(1,290,180)	(1,408,915)	(1,518,345)	(1,627,774)	(1,749,469)
(7,462)	(64,764)	(6,416)	(478,282)	(319,906)	(315,083)
<u>4,846,084</u>	<u>5,315,048</u>	<u>5,994,669</u>	<u>6,063,373</u>	<u>2,367,312</u>	<u>2,857,444</u>
<u>\$22,677,142</u>	<u>\$21,821,797</u>	<u>\$18,385,012</u>	<u>\$17,965,042</u>	<u>\$21,684,583</u>	<u>\$20,156,850</u>
82.39%	80.41%	75.41%	74.77%	90.16%	87.58%
<u>\$14,416,928</u>	<u>\$14,214,538</u>	<u>\$12,770,309</u>	<u>\$12,586,313</u>	<u>\$12,598,612</u>	<u>\$12,055,107</u>
7,999,992	6,669,992	7,410,000	8,060,000	6,494,992	7,206,996
0	0	0	0	0	0
(1,975,000)	0	0	0	(2,180,000)	(2,285,000)
(1,171,446)	(1,290,180)	(1,408,915)	(1,518,345)	(1,627,774)	(1,749,469)
(7,462)	(64,764)	(6,416)	(478,282)	(319,906)	(315,083)
<u>4,846,084</u>	<u>5,315,048</u>	<u>5,994,669</u>	<u>6,063,373</u>	<u>2,367,312</u>	<u>2,857,444</u>
<u>\$9,570,844</u>	<u>\$8,899,490</u>	<u>\$6,775,640</u>	<u>\$6,522,940</u>	<u>\$10,231,300</u>	<u>\$9,197,663</u>
66.39%	62.61%	53.06%	51.83%	81.21%	76.30%

City of Warrensville Heights, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2006

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Warrensville Heights
Direct - City of Warrensville Heights			
General Obligation Bonds	\$3,378,500	100%	\$3,378,500
Special Assessment Bonds	362,917	100	362,917
Capital Leases	505,569	100	505,569
General Obligation Notes	<u>12,479,000</u>	100	<u>12,479,000</u>
<i>Total Direct Debt</i>	<u>16,725,986</u>		<u>16,725,986</u>
Overlapping			
Warrensville Heights City School District			
General Obligation Bonds	24,000,000	100	24,000,000
Capital Leases	159,810	100	159,810
Orange Local School District			
General Obligation Bonds	26,765,000	1	267,650
Capital Leases	31,536	1	315
Cuyahoga County			
General Obligation Bonds	224,406,000	0.86	1,929,892
Loans	2,776,000	0.86	23,874
Capital Leases	8,035,000	0.86	69,101
Regional Transit Authority			
General Obligation Bonds	140,345,037	0.86	1,209,967
Loans	<u>5,051,815</u>	0.86	<u>43,446</u>
<i>Total Overlapping Debt</i>	<u>431,570,198</u>		<u>27,704,055</u>
Total	<u><u>\$448,296,184</u></u>		<u><u>\$44,430,041</u></u>

Source: County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Warrensville Heights

Principal Employers

Current Year and Nine Years Ago

2006

Employer	Employees	Percentage of Total City Employment
Merida South Pointe Hospital	1,300	9.79%
Warrensville Heights City Schools District	350	2.63
Sherwin-Williams Co.	347	2.61
Heinen's, Inc.	290	2.18
Henkel Corporation	209	1.59
City of Warrensville Heights	170	1.28
Lubriquip	130	0.98
Mortgage Information Services	130	0.98
Marcus Thomas	81	0.61
United Health Homecare Service	80	0.60
Cleveland East Hotel (Marriott) LLC.	75	0.56
Total	<u>3,162</u>	<u>23.79%</u>
Total Employment within the City	<u>13,283</u>	

1997

Employer	Employees	
Merida South Pointe Hospital	1,100	n/a
B.P. America, Inc.	450	n/a
Warrensville Heights City Schools District	415	n/a
Locite Corporation	260	n/a
City of Warrensville Heights	212	n/a
Heinen's, Inc.	200	n/a
Lubriquip Houdaille Industries, Inc.	145	n/a
Excello Specialty	123	n/a
United Health Homecare Service	85	n/a
State of Ohio	31	n/a
Total	<u>3,021</u>	
Total Employment within the City	<u>n/a</u>	

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

Warrensville Heights, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2006	15,109	\$281,193,599	\$18,611	\$37,204	37.7
2005	15,109	281,193,599	18,611	37,204	37.7
2004	15,109	281,193,599	18,611	37,204	37.7
2003	15,109	281,193,599	18,611	37,204	37.7
2002	15,109	281,193,599	18,611	37,204	37.7
2001	15,109	281,193,599	18,611	37,204	37.7
2000	15,109	281,193,599	18,611	37,204	37.7
1999	15,745	209,424,245	13,301	31,856	33.5
1998	15,745	209,424,245	13,301	31,856	33.5
1997	15,745	209,424,245	13,301	31,856	33.5

(1) Source: U. S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

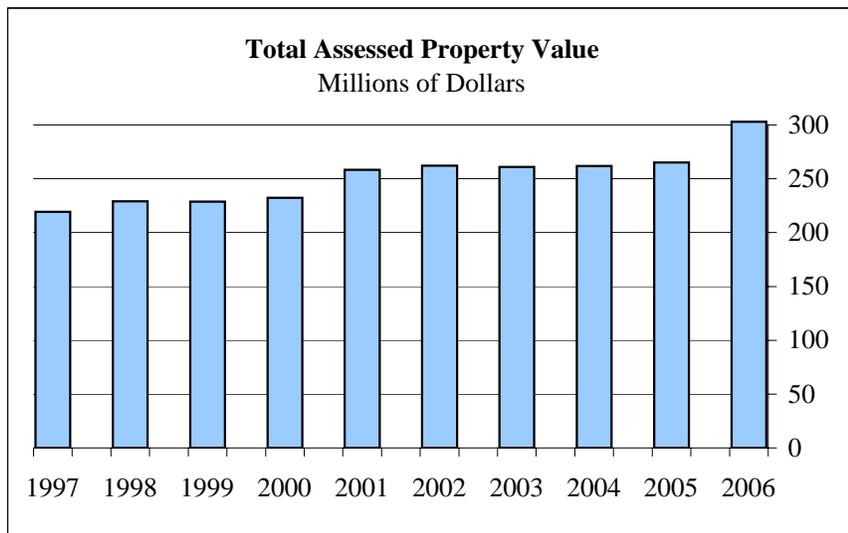
(b) Years 1997 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

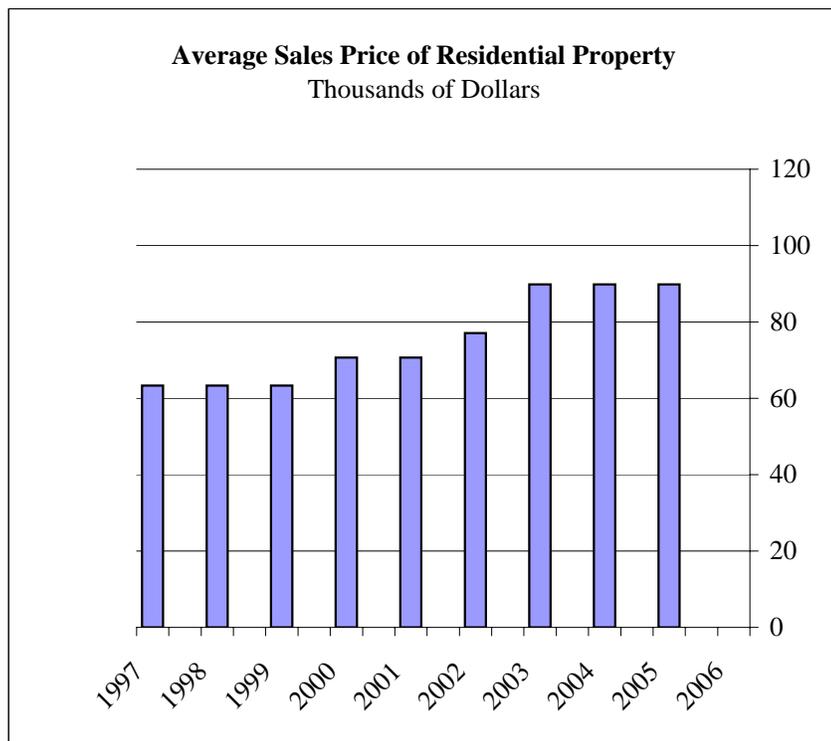
(3) Source: County Planning Commission

(4) Source: County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County, Ohio Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
16.40%	2,700	5.7%	\$89,838	\$302,948,892
16.40	2,864	5.7	89,838	265,057,970
16.40	2,783	6.2	89,838	261,927,702
16.40	2,876	6.4	89,838	260,932,018
16.40	2,841	6.7	77,063	262,125,961
16.40	3,024	4.6	70,700	258,446,145
16.40	3,099	4.5	70,700	232,187,442
12.40	3,228	4.6	63,309	228,842,051
12.40	2,993	4.5	63,309	229,065,668
12.40	3,155	5.8	63,309	219,183,757



City of Warrensville Heights, Ohio
Operating Indicators by Function/Program
Last Five Years

Function/Program	2006	2005	2004	2003	2002
General Government					
<i>Council and Clerk</i>					
Number of Ordinances Passed	178	211	177	174	116
Number of Resolutions Passed	57	88	88	51	90
Number of Planning Commission docket items					
Zoning Board of Appeals docket items					
<i>Finance Department</i>					
Number of checks/ vouchers issued	3,075	2,881	3,104	829	n/a
Amount of checks written	\$10,439,805	\$12,162,486	\$12,336,381	n/a	n/a
General Fund Interest earnings for fiscal year (cash basis)	\$173,560	\$119,692	\$37,030	\$55,476	n/a
Number of Receipts issued	4,098	4,200	4,125	4,075	n/a
Number of Budget Adjustments issued	162	201	152	22	n/a
Agency Ratings - Standard & Poors					
Agency Ratings - Moody's Financial Services	A-3	A-3	A-3	A-3	A-3
Health Insurance Costs vs General Fund Expenditures %	9.71%	10.36%	9.78%	8.80%	n/a
General Fund Receipts (cash basis)	\$14,224,242	\$14,078,484	\$14,042,599	\$13,111,055	\$10,389,010
General Fund Expenditures (cash basis)	\$13,953,016	\$13,937,358	\$13,635,555	\$13,256,165	\$12,615,868
General Fund Cash Balances	\$678,352	\$373,037	\$368,460	(\$29,396)	\$65,113
<i>Building Department Indicators</i>					
Construction Permits Issued	820	1,026	624	580	605
Estimated Value of Construction	\$13,677,990	\$15,254,686	\$40,106,403	\$3,028,904	\$5,666,550
Number of permits issued	601	1,024	558	300	275
Amount of Revenue generated from permits	\$238,583	\$131,497	\$285,295	\$48,709	\$125,350
Number of contract registrations issued	454	486	485	337	350
Number of rental inspections performed	662	500	550	455	350
Number of point of sale inspections	600	400	350	415	300
Security of Persons and Property					
<i>Police</i>					
Total Calls for Services	13,244	14,358	12,207	n/a	n/a
Number of traffic citations issued	2,137	2,934		3,652	4,125
Number of parking citations issued	1,631	1,813		2,080	1,748
Number of criminal arrests	894	965	1,057	966	844
Number of accident reports completed	683	797	841	873	838
Part 1 Offenses (major offenses)	535	455	485	647	610
DUI Arrests	10	31	17	20	26
Prisoners	896	974	1,195	1,268	1,194
Prisoner meal costs	\$18,552	\$17,017	\$14,998	\$17,198	\$15,782
Motor Vehicle Accidents	683	797	841	873	838
Property damage accidents	598	688	720	766	729
Fatalities from Motor Vehicle Accidents	1	2	3	2	2
Gasoline costs of fleet	\$74,767	\$40,538	\$47,570	n/a	n/a
Community Diversion Program Youths	29	30	18	35	63
Community Diversion Program - community service hours	494	576	747	1,386	n/a
<i>Fire</i>					
EMS Calls	1,775	1,757	1,722	1,885	1,683
Ambulance Billing Collections (net)	\$282,057	\$301,030	\$294,356	\$282,868	n/a
Fire Calls	278	289	265	302	302
Fires with Loss	24	32	40	42	n/a
Fires with Losses exceeding \$10K	4	9	7	8	n/a
Fire Losses \$	\$170,940	\$574,600	\$281,180	\$514,010	n/a
Fire Safety Inspections	257	236	195	145	n/a
Number of times Mutual Aid given to Fire and EMS	72	89	100	113	
Number of times Mutual Aid received for Fire and EMS	14	10	13	5	7

(continued)

City of Warrensville Heights, Ohio
Operating Indicators by Function/Program (continued)
Last Five Years

Function/Program	2006	2005	2004	2003	2002
Basic Utility Services					
Refuse disposal per year (in tons)	5,912	5,222	5,422	5,790	5,459
Refuse disposal costs per year (calendar year)	\$236,377	\$228,596	\$222,154	\$234,364	\$167,943
Annual recycling tonnage (excluding leaf, and compost items)	696	692	625	642	622
Percentage of waste recycled	10.53%	11.70%	10.34%	9.98%	10.26%
Transportation					
Street Repair (Curbs, aprons, berms, asphalt) (hours)	812	864	880	886	820
Guardrail Repair (hours)	180	198	174	162	158
Paint Striping (hours)	324	390	406	356	412
Street Sweeper (hours)	880	896	810	856	802
Cold Patch (hours)	808	816	820	810	860
Snow & Ice Removal overtime hours			3,652	4,458	4,088
Landscaping Stump-Chipper service (hours)	804	813	867	913	895
Holiday Lights Setup (hours)	76	80	88	84	86
Sign Department (hours)	304	346	285	357	326
Number of Trees Planted per year	6	3	7	27	4
Tons of Snow Melting Salt Purchased (Nov - Mar)	3,413	4,435	3,408	3,627	2,518
Cost of Salt Purchased	\$104,967	\$141,218	\$112,640	\$119,920	\$80,080

City of Warrensville Heights, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2006	2005	2004	2003
General Government				
Square Footage Occupied	25,515	25,515	25,515	25,515
Administrative Vehicles	1	2	2	2
Inspection Vehicles	6	6	6	5
Police				
Stations	1	1	1	1
Square Footage of Building	4,840	4,840	4,840	4,840
Vehicles	26	26	24	24
Fire				
Stations	2	2	2	2
Square Footage of Building	13,460	13,460	13,460	13,460
Vehicles	12	11	11	11
Public Works				
Square Footage of Building	41,360	41,360	41,360	41,360
Vehicles	37	37	37	35
Streets (miles)	52	51	51	51
Recreation				
Number of Parks	6	6	6	6

2002	2001	2000	1999	1998	1997
20,365	20,365	20,365	20,365	20,365	20,365
2	2	1	1	1	1
5	4	4	4	4	4
1	1	1	1	1	1
4,840	4,840	4,840	4,840	4,840	4,840
24	24	23	23	23	23
2	2	2	2	2	2
13,460	13,460	13,460	13,460	13,460	13,460
11	11	11	11	11	11
14,245	14,245	14,245	14,245	14,245	14,245
35	35	34	34	34	34
51	51	51	51	51	51
6	6	6	6	6	6

City of Warrensville Heights, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Five Years

Function/Program	2006	2005	2004	2003	2002
General Government					
Council	9.00	9.00	9.00	9.00	9.00
Executive Administration	5.00	5.00	5.00	5.00	4.00
Finance	6.00	6.00	7.00	7.00	7.00
Tax	1.00	1.00	1.00	1.00	0.50
Law	1.50	1.50	1.50	1.50	1.50
Personnel	1.00	2.00	2.00	2.00	2.00
Planning	2.00	2.00	2.00	2.00	2.00
Civil Service	1.50	1.50	1.50	1.50	1.50
Security of Persons and Property					
Police	36.00	34.00	38.00	40.00	39.00
Police - Auxiliary/Guards	4.00	4.00	4.00	4.50	4.00
Police - Dispatchers/Office/Other	11.00	9.00	8.00	8.00	14.00
Police - Jailers	1.00	1.00	2.00	2.00	2.00
Police - Animal Wardens	1.00	1.00	1.00	1.00	1.00
Fire	35.00	33.00	34.00	36.00	32.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities					
Senior and Civic Center	4.00	4.00	4.00	7.00	7.00
Community Activities	1.00	1.00	1.00	1.00	1.00
Community Development					
Building	9.00	8.00	9.00	8.50	8.50
Economic Development	1.00	1.00	2.00	2.00	2.00
Transportation					
Service	39.00	37.00	43.00	45.00	49.00
Totals:	<u>170.00</u>	<u>162.00</u>	<u>176.00</u>	<u>185.00</u>	<u>188.00</u>

Source: City Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available

City of Warrensville Heights, Ohio

December 31, 2006

City of Warrensville Heights, Ohio

For The Year Ended December 31, 2006

Table of Contents

Title	Page
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Schedule of Findings.....	3
Schedule of Prior Audit Findings.....	4
Response to Findings Associated with Audit Conducted in Accordance with <i>Government Auditing Standards</i> for the Year Ended December 31, 2006	5

**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***

Members of the City Council
Warrensville Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio (the “City”) as of and for the year ended December 31, 2006, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 18, 2007, wherein we noted the City of Warrensville Heights adopted *Government Accounting Standards Board Statement No. 44 and 47*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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.

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

Members of the City Council
Warrensville Heights, Ohio

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, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City, in a separate letter dated June 18, 2007.

This report is intended solely for the information and use of the management, City Council, finance committee, and the Auditor of State's Office and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Panichi, Inc.

Cleveland, Ohio
June 18, 2007

City of Warrensville Heights

Schedule of Findings

December 31, 2006

1. Summary of Auditors' Results

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any material reported noncompliance at the financial statement level (GAGAS)?	No

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS

None.

3. Other Findings

None.

City of Warrensville Heights

Schedule of Prior Audit Findings

December 31, 2006

Ohio Revised Code Section 5705.41(D) states no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. It was noted that with several of the expenditures tested, the purchase orders were dated after the invoice date and the instances noted did not fall within any exceptions to the Code Section.

The City corrected this noncompliance and is in compliance in the current year.

Ohio Revised Code Section 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. It was noted that eight funds had original appropriations greater than the original certificate of Estimated Resources and four funds had final appropriations greater than the final Certificate of Estimated Resources.

The City has an immaterial instance of noncompliance in the current year.

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. It was noted that four funds had expenditures plus encumbrances in excess of appropriations.

The City has an immaterial instance of noncompliance in the current year.

City of Warrensville Heights

**4301 Warrensville Center Road
Warrensville Heights, Ohio 44128
(216) 587-6508**

Response to Findings Associated With
Audit Conducted In Accordance With
Government Auditing Standards
For The Year Ended December 31, 2006

Finding Number	Planned Correction Action	Anticipated Completion Date	Responsible Contact Person
-------------------	------------------------------	-----------------------------------	----------------------------------

N/A



Mary Taylor, CPA
Auditor of State

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 24, 2007**