

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

\* \* \* \*

*Report Letters*

***December 31, 2006***





Mary Taylor, CPA  
Auditor of State

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

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 2, 2007

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

Report Letters

December 31, 2006

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 25, 2007

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of and for the year ended December 31, 2006, which collectively comprise the City of Cleveland Heights's basic financial statements and have issued our report thereon dated June 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Cleveland Height'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 of Cleveland Height's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland Height'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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of 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. We did, however, identify immaterial instances of deficiencies in internal control that have been reported to management in a separate letter dated June 25, 2007.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Cleveland Height'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*. However, we noted certain immaterial instances that we have reported to management of the City of Cleveland Heights in a separate letter dated June 25, 2007.

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

*Hea & Associates, Inc.*

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 25, 2007

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

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

### **Compliance**

We have audited the compliance of the City of Cleveland Heights with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The City of Cleveland Height's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Cleveland Height's management. Our responsibility is to express an opinion on the City of Cleveland Height's compliance based on our audit.

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

In our opinion, the City of Cleveland Heights complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006. However, we noted a certain immaterial instance of noncompliance that we reported to management of the City of Cleveland Heights in a separate letter dated June 25, 2007.

### **Internal Control Over Compliance**

The management of the City of Cleveland Heights is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cleveland Height's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland Height's internal control over compliance.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted a certain immaterial instance of internal control over compliance that we reported to management of the City of Cleveland Heights in a separate letter dated June 25, 2007.

#### **Schedule of Expenditure of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of and for the year ended December 31, 2006, and have issued our report thereon dated June 25, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Cleveland Height's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Kea & Associates, Inc.*

**CITY OF CLEVELAND HEIGHTS, OHIO**

*Schedule of Federal Awards Expenditures*

*For the Year Ended December 31, 2006*

Federal Grantor/ Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Thru Entity Ident. Number	Federal Expenditures
<b>U.S.. Department of Housing and Urban Development:</b>			
Community Development Block Grant - Subtotal Direct Program	14.218	N/A	\$ 2,117,963
Section 108 Loan Program	14.248	N/A	78,005
Pass-Through Program From: Cuyahoga County Housing Consortium: HOME Investment Partnership Program	14.239	N/A	229,424
Pass-Through Program From: Cuyahoga County Dept. of Development: Lead Safe Cuyahoga Program	14.900	N/A	100,279
Sub-Total Pass-Through Programs			329,703
Total U.S. Dept. of Housing and Urban Development			2,525,671
<b>U.S. Dept. of Health and Human Services:</b>			
Pass-Through Program From: State Dept. of Aging and the Western Reserve Area Agency on Aging: Title III-B of the Older Americans Act	93.044	N/A	22,984
Total U.S. Dept. of Health and Human Services			22,984
<b>Federal Emergency Management Agency:</b>			
Assistance to Firefighters Grant Program	97.044	N/A	46,095
Total Federal Emergency Management Agency			46,095

**CITY OF CLEVELAND HEIGHTS, OHIO**

*Schedule of Federal Awards Expenditures*

*For the Year Ended December 31, 2006*

Federal Grantor/ Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Thru Entity Ident. Number	Federal Expenditures
<b>U.S. Environmental Protection Agency:</b>			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	346,768
Total U.S. Environmental Protection Agency:			<u>346,768</u>
<b>U.S. Department of Justice:</b>			
State Homeland Security Grant: Pass-Through from: Public Safety Grant Division of Justice Affairs of Cuyahoga County	16.007	N/A	13,735
State Homeland Security Grant and Urban Areas Security Initiative Project Pass-Through from: Public Safety Grant Division of Justice Affairs of Cuyahoga County	97.008	N/A	<u>9,241</u>
Sub-Total Pass-Through Programs			<u>22,976</u>
Total U.S. Department of Justice			<u>22,976</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,964,494</u></u>

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 , Section .505  
 DECEMBER 31, 2006**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiency control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	CDBG Entitlement CFDA #14.218 Brownsfield CFDA #66.818
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None were noted.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None were noted.



06

Architecture



# Comprehensive Annual Financial Report



For the fiscal year ended December 31, 2006



CLEVELAND  
HEIGHTS, OHIO





# Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2006



*Prepared by the Department of Finance*  
Thomas K. Malone, Director  
Nick Vitalone, Assistant Director  
Jessica Wheeler, Supervisor of Fiscal Control

*Infrastructure*

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While Cleveland Heights has a variety of Arts and Crafts dwellings, most are of the bungalow type. The typical American bungalow has one or one and one-half stories and strong horizontal lines accentuated by a wide front porch and low-pitched roof. The roof line is often broken by a front dormer or a front gable.

## Introductory Section



Architecture

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# City of Cleveland Heights, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2006

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# City of Cleveland Heights, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2006

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# City of Cleveland Heights, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2006

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June 25, 2007

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

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2006. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

Management's Discussion and Analysis may be referenced to gain a better understanding of the City's financial activities. The Management Discussion and Analysis serves to introduce the City's basic financial statements and gives the reader an explanation of the City's financial position.

#### CITY ORGANIZATION

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

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

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

## ECONOMIC CONDITIONS

The City continued to benefit due to its proximity to the major cultural, educational, and medical facilities in northeastern Ohio. These facilities include the University Circle area comprised of Case Western Reserve University and its associated University Hospitals, Severance Hall for the Performing Arts which also serves as resident base to the internationally-acclaimed Cleveland Symphony Orchestra, and the Cleveland Clinic, a world-renowned medical research and treatment facility. In addition, the City is strategically located to facilitate efficient and quick access to the downtown Cleveland business district, sports facilities for the Cleveland Indians major league baseball team, the Cleveland Cavaliers professional basketball team, the Cleveland Browns professional football team, the Great Lakes Science Center, and the National Rock and Roll Hall of Fame. As a result, the City's unemployment rate in April 2007 was 4.0% as compared to a Cuyahoga County rate of 5.5%, a State of Ohio rate of 5.7%, and a national rate of 4.5%.

The assessed value of commercial property in the city has increased 65% since 1997. The assessed value of residential property has increased 54% in the same period. This is a key indicator of this City's economic health and stability where the primary "industry" is its housing. All indications are that the City will continue to be a highly desirable place in which to live, further contributing to an appreciation in property values, which outpaces the rate of inflation.

2006 income tax collections remained strong and accounted for almost 55% of all General Fund receipts.

## MAJOR INITIATIVES

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

Cain Park, the municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Orchestral, dance, and theatrical performances produced during 2006 included: Kiss Me Kate, "Kidzart" events, Hair, Verb Ballet, Hubbard Street 2, Groundworks Dance Theater, The Golden Dragon Acrobats, The Beach Boys, B.B. King, Spyro Gyra, America, The Saw Doctors, Groovelily, The Polyjesters, The Four Tops and The 5 Browns. The Cain Park Arts Festival with 2006 attendance of 55,000 is recognized as one of the ten best such events in the United States.

During 2005 plans proposed by Rysar Properties for the redevelopment of the former Glen Allen estate and former site of the Jewish Community Center were approved. This new subdivision, Bluestone, will offer seventy-one flats with indoor parking and thirty-nine cluster homes, most with first floor master bedrooms. Over half of the nine-acre site will remain green space. Some of the adjacent cluster units will have walk-out basements with a view of the adjacent woods. In 2006, the Bluestone housing project began construction on its first cluster of homes.

Fairmount Hill, the newest Cedar-Farimont development by Palmeri Builders which is a six unit townhome project have sold five of the six units for as much as \$900,000. Paran Management began construction of Kenilworth Mews comprised of seventeen freestanding cluster homes with brick, stone and cedar-shingle exteriors. The prices of these units start at \$400,000. Boulevard Townhomes by City Vision Development Corp. is nearing completion of Phase II with Phase III set to commence in the fall of 2007. The City is participating in this project by offering 50% tax abatement for ten years. Eighteen new housing units were sold with an average price of \$419,231.

In addition to new construction, two adaptive re-use projects were begun in 2004 and continued into 2006. David Jezek is developing Severance Place which will transform the former five-story Kaiser Permanente office building on Severance Circle into thirty-nine condominiums priced in the range of \$150,000 to \$225,000. Seven units have been sold through May 2007. The plan includes construction of fourteen new town homes along the perimeter of the property. The City is participating in this project by offering 50% tax abatement for ten years.

The Brownstones at Derbyshire by Simon Development is the innovative re-use of the former First English Lutheran Church on Euclid Heights Boulevard. The result is five condominiums on this church property. These five units are already sold out. The additional new construction of twelve town homes and three efficiency suites also sold out. These units vary in price from \$175,000 to \$450,000.

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

Commercial development continued to be brisk in 2006. Some of the major investments on Coventry included the openings of retail anchor Marcs along with City Buddha, American Apparel, Mint Café, and Jimmy John's Gourmet Sandwiches. Along with the opening of Petland in January 2006, the Cedar-Lee district welcomed Revive apparel store and Abrash, an upscale interiors store.

At Severance town Center, Kaiser Permanente's 49,000 square foot Emergency Room addition opened with an estimated \$300,000 in new real estate and payroll taxes. The expanded services will create fifty-nine new full-time positions. Kaiser Permanente has worked closely with the nearby residential neighborhood to address concerns about sirens related to the proposed emergency room function. The project will receive 30% tax abatement for ten years.

#### PLANNED DEVELOPMENT PROJECTS FOR 2007

The Terraces at Meadowbrook is expected to be the ideal plan for urban living. Al.Neyer, Inc. is proposing the mixed-use site. It will include a five-story mixed-use building of 96,500 square feet with 16,800 square feet of retail space on the first level including a bank branch with drive-through. The upper four levels of residential space will be developed into forty-five residential condominiums ranging from 1100 to 1900 square feet each. The projected price range of these residences is \$240,000 to \$480,000. They will feature amenities such as hardwood floors, balconies, rooftop patios, wireless high-speed internet, granite countertops, stainless steel appliances, secure parking, and a fitness room. In the fall of 2006, the City obtained an EPA-Brownfield Grant for soil remediation on the site. The City is participating in this project by offering 50% tax abatement for ten years. The project is expected to start in the fall of 2007.

Adjacent to The Terraces will be a new 300-space parking facility. The Terraces will have parking for all forty-five condominiums (one space per bedroom). There will be spaces devoted to various retail customers. The remaining spaces will be available for other public parking. This 100,000 square foot facility will consist of two levels plus a partial level underground. The projected cost of the parking facility is five to six million dollars. The parking facility is expected to be completed in November 2007.

Several major street construction projects were completed in the City in 2006. The Euclid Heights Boulevard rehabilitation was completed at a cost of \$1.46 million. The project is managed by the Ohio Department of Transportation. Besides a new road surface, curb repairs, and traffic signal upgrades, the project includes new sewer and water lines for select areas of greatest need. The City's share for the water and sewer improvements is \$1.1 million. The work began in April 2005 and was completed on time in July

2006. The Meadowbrook Boulevard rehabilitation project provided similar upgrades at a cost of \$4.1 million. The project was also completed in July 2006.

The Fairmount Boulevard rehabilitation project should be completed by the summer of 2007 while the Warrensville Center Road rehabilitation project bids have been awarded and should commence construction in July 2007 with completion expected in the fall of 2008. The projects are estimated to cost \$4.9 million and \$3.9 million respectively. The Cuyahoga County Engineer is managing the projects. The City (10%), Cuyahoga County (10%), and the Transportation Improvement Program (TIP) through the State of Ohio (80%) will jointly participate in these projects.

### CITY UTILITIES

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

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

### COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2006, the City received \$1.774 million in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services, and fair housing.

### CITY SERVICES

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

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

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

In keeping with its primarily residential character, the City operates an urban forestry department which is funded mainly through an annual special assessment on all properties. With the addition of new equipment and manpower, the department was able to concentrate on removing and replanting Cleveland Heights' aging urban forest. During 2006, the Forestry Department planted 278 trees (size 2.5" – 3" caliper) and removed 358 hazardous trees and trimmed 559 hazardous trees. The trimming and removal of hazardous trees resulted in 176 loads of wood chips and 92 loads of logs which are then offered to residents. The City received its 29th Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

The annual street resurfacing program involves removal of the asphalt street surface to its base, making base repairs, replacing curbs, catch basin and manhole castings as needed, setting all castings flush to the new street level and placing a new asphalt surface which is crowned and graded for proper drainage. The primary sources of funding for this program are motor vehicle license fees and gasoline excise tax, which generate about \$1.52 million per year. An additional \$338,000 of CDBG funds were used on streets in low/moderate income districts. The annual street surface treatment program extends the life of the road's surface by application of crack fillers, chip sealing, and single pass asphalt recycling, a method of reclaiming the top inch of loose asphalt.

## FINANCIAL CONDITION

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

### Government-Wide Financial Statements

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

## Fund Financial Statements

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

## Statement of Budgetary Comparisons

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

As part of this reporting model, management is responsible for preparing a discussion and analysis of the City's finances for 2006. This discussion follows the Independent Auditors' Report.

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

## INTERNAL ACCOUNTING AND REPORTING CONTROL

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

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



## CASH MANAGEMENT

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

## RISK MANAGEMENT

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

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

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

## INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2006, have been audited by the firm of Rea & Associates, Inc., Certified Public Accountants. The auditor's unqualified opinion has been included in this report.

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

## CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement For Excellence In Financial Reporting to the City of Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last twenty-two (22) consecutive years (fiscal years ended December 31, 1984, through December 31, 2005). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

### ACKNOWLEDGMENTS

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

### POSTSCRIPT

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

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

To maintain our housing stock at optimum value.

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

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

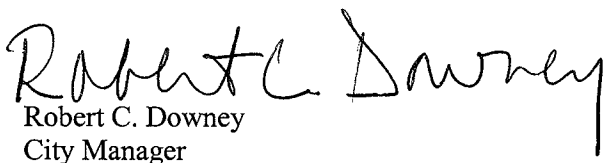
To actively engage in an on-going dialogue with neighborhood groups and residents so that changing needs of our community shape our services.

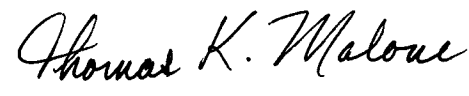
To remain competitive in relation to other surrounding communities in attracting new residents through developing new housing, controlling taxes and enhancing the quality of our community life through new and existing programs.

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

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

Respectfully submitted,

  
Robert C. Downey  
City Manager

  
Thomas K. Malone  
Director of Finance

# City of Cleveland Heights, Ohio

## Listing of Principal City Officials

December 31, 2006

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### ELECTED OFFICIALS

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

### APPOINTED OFFICIALS

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cleveland Heights  
Ohio

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



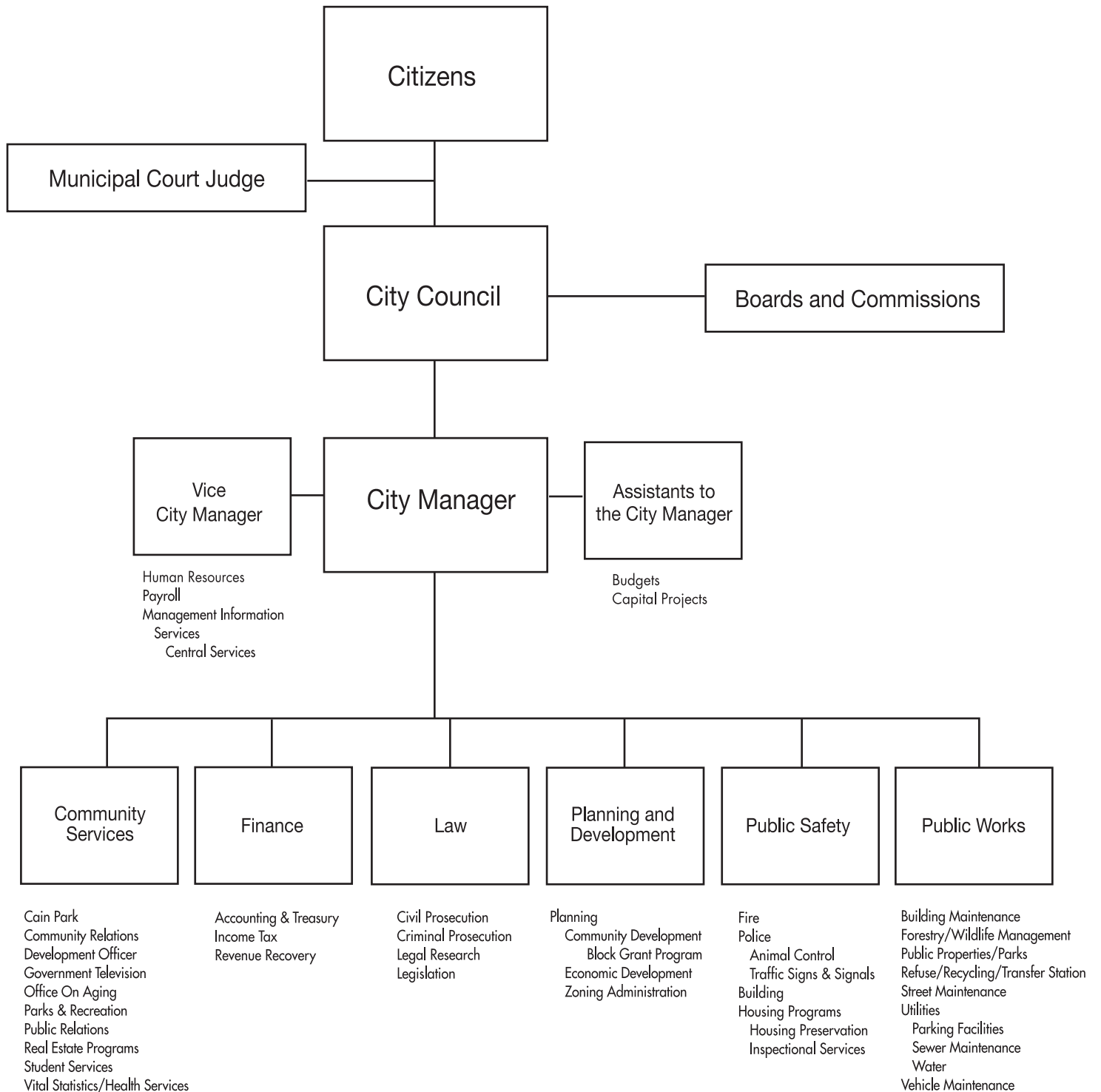
President

Executive Director



# CLEVELAND HEIGHTS

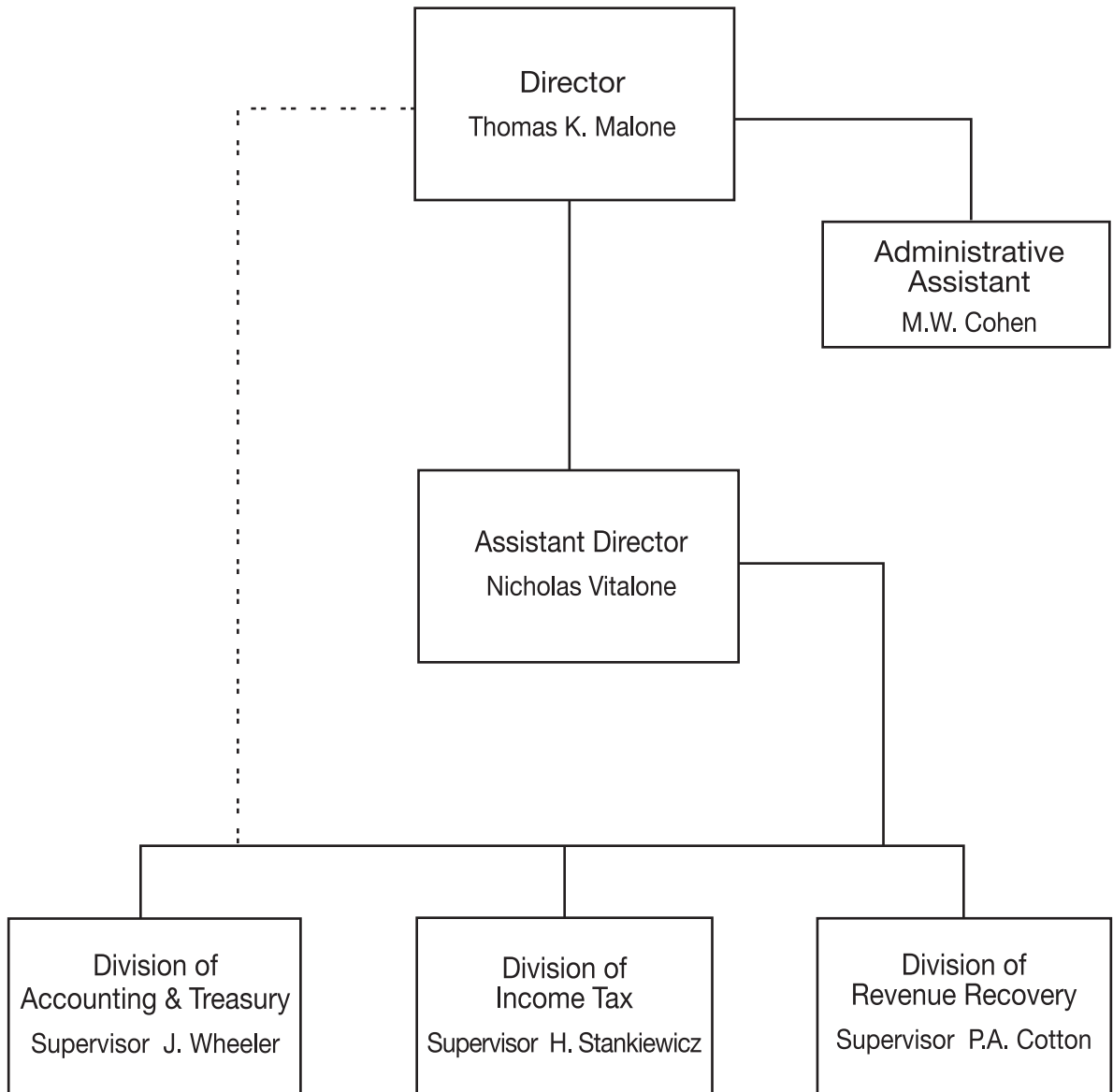
City Organization as of December 31, 2006





CLEVELAND  
HEIGHTS

Department of Finance Organization as of December 31, 2006



The Neoclassical Colonial Revival style is identified by the full-height front porch or portico supported by classical columns. Often times, the house "behind" the grand porch is symmetrical and simple, made grand by the palatial entry. The roof is often hipped or front-gabled and the front door is often detailed with decorative surrounds.

## Financial Section



Architecture

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 25, 2007

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

## INDEPENDENT AUDITOR'S REPORT

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2007, on our consideration of the City of Cleveland Height's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. 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.

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

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

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

*Kea & Associates, Inc.*

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal year Ended December 31, 2006*  
*Unaudited*

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The discussion and analysis of the City of Cleveland Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 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 the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

### **Financial Highlights**

Key financial highlights for 2006 are as follows:

- The total assets of the City of Cleveland Heights exceeded its total liabilities at the close of the most recent fiscal year by \$92,254,829.
- Total net assets increased by \$2,708,513 from 2005 levels. Total assets increased by approximately \$800,000 led primarily by increases of \$1.4 million in receivables and \$1.0 million in capital assets. These increases were offset by a decrease of approximately \$529,000 in equity in City treasury cash which can be attributed to paying down short term debt.
- Total liabilities decreased by approximately \$655,000 from 2005 due primarily to the reduction of both short term note debt and long term liabilities.
- In total, net assets in governmental activities increased by \$2,233,868 during 2006. This represents an increase of 3.9 percent from 2005.

### **Using this Annual Financial Report**

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

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

#### ***Statement of Net Assets and the Statement of Activities***

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

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal year Ended December 31, 2006*  
*Unaudited*

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

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

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

***Fund Financial Statements***

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

**Governmental Funds**

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

The City of Cleveland Heights maintains 37 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund and Debt Service Fund both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal year Ended December 31, 2006*  
*Unaudited*

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**Proprietary Funds**

The City of Cleveland Heights maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utilities operations, off-street parking operations, ambulance services activity and for the Cedar Lee parking facility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for worker's compensation. Because this purpose predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

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

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

**Notes to the Financial Statements**

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

**Other information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the Notes to the Financial Statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 62 of this report.

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal year Ended December 31, 2006  
Unaudited

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

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

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

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

The Statement of Net Assets looks at the City as a whole. The following Table 1 provides a summary of the City's net assets for 2006 as compared to 2005.

Table 1  
City of Cleveland Heights' Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005 Restated	2006	2005 Restated	2006	2005 Restated
Current and other assets	\$ 39,123,372	\$ 38,175,744	\$ 11,702,521	\$ 11,580,573	\$ 50,825,893	\$ 49,756,317
Capital assets, net	67,429,379	67,078,967	32,914,100	32,280,825	100,343,479	99,359,792
Total assets	106,552,751	105,254,711	44,616,621	43,861,398	151,169,372	149,116,109
Current and other liabilities	18,324,198	18,259,292	9,343,275	9,893,001	27,667,473	28,152,293
Long-term liabilities:						
Due within one year	4,743,588	4,267,170	452,967	233,010	5,196,555	4,500,180
Due in more than one year	23,761,245	25,238,397	2,289,270	1,678,923	26,050,515	26,917,320
Total liabilities	46,829,031	47,764,859	12,085,512	11,804,934	58,914,543	59,569,793
Invested in capital assets, net of related debt	46,423,601	45,120,294	29,185,731	29,521,445	75,609,332	74,641,739
Restricted for:						
Capital projects	1,181,513	650,164	-	-	1,181,513	650,164
Community development	1,351,146	1,665,363	-	-	1,351,146	1,665,363
Municipal court special projects	1,992,154	1,825,114	-	-	1,992,154	1,825,114
Other purposes	1,267,905	819,446	-	-	1,267,905	819,446
Debt service	2,652,333	3,260,162	-	-	2,652,333	3,260,162
Unrestricted	4,855,068	3,532,732	3,345,378	2,535,019	8,200,446	6,969,549
Total net assets	\$ 59,723,720	\$ 57,489,852	\$ 32,531,109	\$ 32,056,464	\$ 92,254,829	\$ 89,546,316

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal year Ended December 31, 2006*  
*Unaudited*

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Total assets exceeded total liabilities for all of Cleveland Heights' funds by \$92,254,829. The net assets have increased by \$2,708,513 from 2005. Over an extended time the pattern of these changes can become a useful indicator of a government's financial position.

The major category of the City's net assets (81.9%) is investment in capital assets such as land, buildings, infrastructure, machinery, and equipment. The amounts reflected in Table 1 are less any related outstanding debt used to acquire those assets. These assets are essential to provide services to the citizens therefore they are not available for future spending. Although the investment in capital assets is reported net of the related debt, note that the funds to repay the debt must come from sources other than the capital assets themselves.

The City's total assets increased \$2,053,263 from 2005 to 2006 while the total liabilities decreased \$655,250 in that period. Among the most significant changes to assets was a decrease in Equity in City Treasury Cash of \$529,233, including restricted cash, during the 2006 fiscal year. This was largely due to paying down the 2005 Notes that were issued in order to pay for the Cedar Lee parking garage project. There was also a decrease of approximately \$1.3 million in special assessments receivable and an increase of approximately \$4.8 million in depreciable capital assets which was due to projects such as Meadowbrook Boulevard, Cain Park, South Taylor, Euclid Heights, and Helmsdale Waterlines being completed.

The City has made concerted efforts to maximize the return on investments of its cash and cash equivalents and to use these funds to provide liquidity for planned future capital purchases. Due to the decline of interest rates in the past few years, the investments have shifted from mostly government notes and bills to include a greater mix of federal government agency issues. However, even though the State code allows for investments with maturities of five years or less, the City has infrequently invested in an instrument with a maturity of more than two years. The City maintained a weighted average maturity of 430 days for its portfolio as of December 31, 2006.

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

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

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The City's Service Department developed programs and applied for funding which resulted in additional savings during the year. The City of Cleveland Heights is dedicated to the recycling effort. During 2006, approximately 51 percent of all material collected was recycled and/or composed. There was no additional grant funding from the State Department of Natural Resources to offset the costs related to recycling.

In 2006, Cleveland Heights was named a Tree City USA by the National Arbor Day Foundation to honor its community forest. This was the twenty-seventh year that the City has received the award.

The net assets of our business-type activities increased by 1.5 percent in 2006, which the City generally can only use these net assets to finance the continuing operations of the water and sewer, off-street parking, and ambulance services departments. In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.



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**Governmental Activities**

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1979. The tax was originally instituted in 1966. Residents of the City who work in another community and pay the withholding tax for that community receive a fifty percent tax credit on their City tax up to a maximum of one-half percent. During 2006, this tax generated \$23.1 million in revenues. This was an increase of \$2.1 million from 2005. The increase in this revenue stream is the result of continued efforts by the City to collect delinquent accounts via the use of professional collection firms and agencies. In 2003 the City implemented a non-filer letter and the subpoena program to ensure compliance with the local tax laws. In 2004 these efforts resulted in increases in filings and payments. These programs continue to identify and increase our contact with non-filers and new residents. Property tax revenues in 2006 of \$10.7 million constituted an increase of 4.2 percent over the \$10.3 million of revenues in 2005. The average home price in the City in 2006 was \$146,500 which represents an increase of 23 percent since 2000. Investment earnings continued to rise as the City has been able to invest funds as the Federal Reserve has increased short term interest rates.

Public safety and transportation are the major activities of the City accounting for 41.9 percent of the governmental expenses. Currently, there are one hundred five full-time sworn officers in the police department operating from one police station. The City of Cleveland Heights was recently ranked number eighteen amongst the top sixty-six communities of the greater Cleveland area with regards to its safety in an annual study conducted by *Cleveland Magazine*.

The fire department consists of seventy-eight full-time fire fighters and officers of which fifty-eight are fully trained paramedics. Again, training plays a crucial role in the day-to-day operation of the fire department. Techniques such as practice drills, continuing education classes, and watching training videos help keep the men updated to perform their jobs most efficiently. The department handled 5,245 calls for assistance of which approximately 3,984 were for EMS and the rest for fire and fire-related incidents. This constituted a decrease in total calls of 1.2 percent from 2005.

The City has an annual road program which entails major and minor resurfacing of the 303 roadway lanes miles in Cleveland Heights on a rotating basis year by year. The resurfacing program is subject to competitive bid. The bid award in 2006 was \$958,703. Of this amount \$355,000 was funded through Community Development Block Grant. Several major projects were planned and begun in 2005. The first is the Euclid Heights Boulevard rehabilitation project with a total estimated cost of \$2.9 million. Besides a new road surface, curb repairs, and traffic signal upgrades, the project includes a new sewer and water lines for select areas of greatest need. Meadowbrook Boulevard rehabilitation will provide similar upgrades at a cost of \$3.7 million. The Fairmount Boulevard and the Warrensville Center Road rehabilitation project bids have been awarded and should commence construction in July 2007. The projects are estimated to cost \$6.5 million and \$3.9 million respectively. The City, County, and the Transportation Improvement Program (TIP) through the State of Ohio will jointly participate in these projects.

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**Business-Type Activities**

The Business-Type activities of the City, which include the City's utilities operations, and off-street parking operations and ambulance services, increased the City's net assets by \$474,645. Program expense exceeded program revenue in the amount of \$569,318 for the operations for 2006. In addition there were general revenues of \$1,043,963 from grants, interest earnings, and transfers from governmental funds.

**The City's Funds**

*Governmental Funds*

Information about the City's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$55.1 million and expenditures of \$53.1 million. Overall some areas of the revenue base continue to experience reductions such as interest earnings and state funding for local government and estate taxes. Some of these reductions could not be anticipated prior to 2003 since they were the result of new state legislation. Concerted efforts have been made in 2006 to control spending within the reduced streams of revenues which can now be anticipated and budgeted accordingly. However, new challenges will result from further proposed or approved reductions of State support and increases to employer share of support of various State retirement systems in 2006 and 2007.

The General Fund revenues increased 32.6% from 2005 levels mostly due to increased municipal income tax receipts. The General Fund expenditures increased only 1.6% from 2005 due to diligent efforts to stay at or near the prior year expenditure level. Debt service revenues and expenditures remained consistent with the prior year.

*General Fund Budgeting Highlights*

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget for the following fiscal year is legally required to be presented to City Council by the City Manager in June of each year. Council is provided with a detailed General Fund budget by expenditure class for all departments, and, after a discussion at a regularly held Council meeting, which is open to the public, the General Fund budget is adopted at an expenditure class level by City Council. The approved budget is then submitted to the Cuyahoga County Budget Commission. Within a budgeted expenditure class the appropriations can be transferred between line items with the approval of the Assistant to the City Manager for Budget or the City Manager and the respective department head. Council must approve any revisions in the budget that alter the expenditure class totals or the total appropriations for any department or fund. All funds other than the General Fund are budgeted and appropriated at the fund level. The final budget for the current year must be reviewed and approved during December. The City Manager recommends necessary changes to the budget and provides information as requested by Council. During fiscal year 2006, the City amended its General Fund budget for expenditures and other financing uses by an increase of \$711,594 at the end of the fiscal year. The Finance Director provides monthly reports to City Council depicting monthly and year-to-date activity for revenues and expenditures in a comparative format to the approved budget and certificate of estimated resources.

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For the General Fund, budget basis revenue was \$3,339,551 below the original budget estimates of \$44.1 million. The City follows the conservative practice of estimating low in the tax, intergovernmental revenue and interest revenue areas. The original appropriations of \$43.4 million were sufficient to meet the expenditures for the year, which ended up at \$41.6 million. Interest earned on investments increased in 2006.

The City's ending unrestricted budgetary fund balance was \$680,157 less than the final budgeted amount. \$98,724 was reserved for encumbrances and payables at the end of 2006.

*Business-Type Funds*

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

The Business-Type funds increased the City's net total assets by \$474,645. Program expense exceeded program revenue in the amount of \$569,318, which was attributable mainly to the Utilities Fund and the water program in particular.

The number of water main breaks dipped in 2006 – forty-seven in 2005 and thirty-six in 2006 compared to the twenty-five year average of thirty-eight breaks per year. The unaccounted water which was purchased by the City but unbilled during the year has risen slowly but continuously over the last eight years.

The City of Cleveland Heights did not increase the water rates charged to residents from 2005. The rate the City charged remained unchanged in 2006 at \$41.73 per thousand cubic feet. During 2003 the water department reinstated the shut off of water service in order to collect delinquent accounts. This was found to be successful and the practice has been increased in 2006 in an attempt to reduce outstanding delinquent balances.

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**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2006, the City of Cleveland Heights had \$100.3 million invested in capital assets (net of depreciation) which was an increase of approximately \$1.0 million from 2005. This investment in capital assets includes land, buildings, improvements, construction in progress, machinery, and equipment as well as infrastructure including roads, sidewalks, bridges, water lines, sanitary sewers, curbs and gutters.

Table 3 shows fiscal year 2006 balances of capital assets (net of depreciation) as compared to 2005:

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

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 3,850,911	\$ 3,862,611	\$ 1,699,694	\$ 1,699,694	\$ 5,550,605	\$ 5,562,305
Construction in progress	1,009,468	2,904,403	569,363	2,464,225	1,578,831	5,368,628
Land improvements	622,077	676,175	243,475	247,650	865,552	923,825
Buildings and improvements	33,630,896	34,631,496	3,430,915	3,481,172	37,061,811	38,112,668
Machinery and equipment	5,307,126	5,469,193	3,597,264	2,995,190	8,904,390	8,464,383
Infrastructure:						
Streets and sidewalks	23,008,901	19,535,089	-	-	23,008,901	19,535,089
Waterlines	-	-	14,352,408	13,376,310	14,352,408	13,376,310
Sanitary sewer lines	-	-	5,658,091	4,575,730	5,658,091	4,575,730
Storm sewer lines	-	-	2,362,073	2,414,548	2,362,073	2,414,548
Off-street parking lots	-	-	1,000,817	1,026,306	1,000,817	1,026,306
<b>Total capital assets</b>	<b>\$ <u>67,429,379</u></b>	<b>\$ <u>67,078,967</u></b>	<b>\$ <u>32,914,100</u></b>	<b>\$ <u>32,280,825</u></b>	<b>\$ <u>100,343,479</u></b>	<b>\$ <u>99,359,792</u></b>

Overall there was an increase in capital assets from 2005. The City will continue to carry out an aggressive policy in maintaining its assets in excellent condition. Along with the street improvement projects, the City will continue to issue short-term notes to facilitate the purchase of motorized equipment on an annual basis. Vehicles, such as fire trucks, ambulances, rubbish trucks, etc., are planned for well in advance by the respective department heads and a scheduled maintenance and replacement time table is followed to provide peak performance for the maximum time frame. Police cars are replaced on an annual basis with approximately thirteen new cruisers placed in service each year. The older vehicles are either traded in to the dealers or sold to the highest bidder at the City's annual vehicle auction.

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With regards to the infrastructure, the City's public works department maintains a comprehensive listing of all the streets, bridges, culverts and water and sewer lines in the City. The public works department performs in-house maintenance and repairs as a supplement to the road projects that are bid out annually. The City maintains annual street resurfacing and surface treatment programs. As part of the City's annual road maintenance program, the capital projects manager evaluates the condition of each street after the winter and prepares a list of streets to be either resurfaced or crack-sealed, and, in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are competitively bid in early spring to get the best possible pricing from contractors. This program is paid for out of the current operating funds of the City. In the case of a major resurfacing project on one of the main arteries in the City of Cleveland Heights, the City has effectively pursued external funding sources to provide as much as forty to fifty percent of the project. Grants and loan assistance programs are from sources such as Cuyahoga County, State Issue II funds, and Federal highway funds. These awards reduce the total amount that must be borrowed to provide the matching funds in some cases. There was approximately a \$600,000 increase in business-type activities capital assets, which was largely due to the purchase of a new fire truck. Additional information concerning the City's capital assets can be found in Note 7 to the financial statements.

*Debt*

At December 31, 2006, the City of Cleveland Heights had \$31,247,070 in total outstanding debt, of which \$19,400,000 was in general obligation bonds. There is a decrease of 1.8% in total outstanding debt from 2005. General obligation bonds increased 7.3% from 2005. Table 4 summarizes the debt outstanding.

Table 4  
Outstanding Debt at Year End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005 Restated</u>	<u>2006</u>	<u>2005 Restated</u>	<u>2006</u>	<u>2005 Restated</u>
General obligation bonds	\$ 19,400,000	\$ 20,935,000	\$ -	\$ -	\$ 19,400,000	\$ 20,935,000
OWPC loans	1,414,179	1,362,206	1,528,364	1,520,847	2,942,543	2,883,053
Economic development bonds	1,090,000	1,285,000	-	-	1,090,000	1,285,000
Capital leases	86,639	61,019	903,602	391,086	990,241	452,105
Compensated absences	<u>6,514,015</u>	<u>5,862,342</u>	<u>310,271</u>	<u>-</u>	<u>6,824,286</u>	<u>5,862,342</u>
Total	<u>\$ 28,504,833</u>	<u>\$ 29,505,567</u>	<u>\$ 2,742,237</u>	<u>\$ 1,911,933</u>	<u>\$ 31,247,070</u>	<u>\$ 31,417,500</u>

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Table 2  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005 Restated	2006	2005 Restated	2006	2005 Restated
Revenues:						
Program Revenues:						
Charges for services	\$ 9,058,416	\$ 9,295,693	\$ 12,442,554	\$ 11,806,234	\$ 21,500,970	\$ 21,101,927
Operating grants and contributions	311,578	310,493	149,934	64,799	461,512	375,292
Capital grants and contributions	1,995,427	1,349,750	-	-	1,995,427	1,349,750
Total program revenues	<u>11,365,421</u>	<u>10,955,936</u>	<u>12,592,488</u>	<u>11,871,033</u>	<u>23,957,909</u>	<u>22,826,969</u>
General revenues:						
Property taxes	10,698,978	10,263,700	-	-	10,698,978	10,263,700
Municipal income taxes	23,073,254	21,015,495	-	-	23,073,254	21,015,495
Grants and entitlements	8,431,052	7,618,947	-	-	8,431,052	7,618,947
Interest earnings	672,273	372,478	415,954	74,039	1,088,227	446,517
Miscellaneous income	727,929	1,398,713	37,837	68,462	765,766	1,467,175
Total general revenues	<u>43,603,486</u>	<u>40,669,333</u>	<u>453,791</u>	<u>142,501</u>	<u>44,057,277</u>	<u>40,811,834</u>
Total revenues	<u>54,968,907</u>	<u>51,625,269</u>	<u>13,046,279</u>	<u>12,013,534</u>	<u>68,015,186</u>	<u>63,638,803</u>
Program Expenses:						
General government	15,103,153	15,636,742	-	-	15,103,153	15,636,742
Public safety	18,782,355	18,031,294	-	-	18,782,355	18,031,294
Public health	435,206	447,114	-	-	435,206	447,114
Culture and recreation	4,106,053	3,899,948	-	-	4,106,053	3,899,948
Community development	6,842,251	5,932,114	-	-	6,842,251	5,932,114
Sanitation	3,067,667	2,756,181	-	-	3,067,667	2,756,181
Transportation	3,054,535	3,345,499	-	-	3,054,535	3,345,499
Interest and fiscal charges	753,647	1,279,516	-	-	753,647	1,279,516
Utilities	-	-	11,509,051	12,196,889	11,509,051	12,196,889
Off-street parking	-	-	773,699	870,546	773,699	870,546
Ambulance services	-	-	633,987	449,802	633,987	449,802
Cedar Lee parking facility	-	-	245,069	158,503	245,069	158,503
Total program expenses	<u>52,144,867</u>	<u>51,328,408</u>	<u>13,161,806</u>	<u>13,675,740</u>	<u>65,306,673</u>	<u>65,004,148</u>
Excess before transfers	2,824,040	296,861	(115,527)	(1,662,206)	2,708,513	(1,365,345)
Transfers	<u>(590,172)</u>	<u>(128,847)</u>	<u>590,172</u>	<u>128,847</u>	-	-
Change in net assets	2,233,868	168,014	474,645	(1,533,359)	2,708,513	(1,365,345)
Net assets at beginning of year, restated	<u>57,489,852</u>	<u>57,321,838</u>	<u>32,056,464</u>	<u>33,589,823</u>	<u>89,546,316</u>	<u>90,911,661</u>
Net assets at end of year	<u>\$ 59,723,720</u>	<u>\$ 57,489,852</u>	<u>\$ 32,531,109</u>	<u>\$ 32,056,464</u>	<u>\$ 92,254,829</u>	<u>\$ 89,546,316</u>

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At December 31, 2006, the City's overall legal debt margin was \$70,284,349 with an unvoted debt margin of \$20,319,424. The City had an outstanding balance of \$2,942,543 on interest-free loans obtained from the Ohio Public Works Commission in 2000 for Cedar Road waterline rehabilitation and sanitary sewer improvement and in 2001 for Taylor Road rehabilitation. These loans allowed the City to spread the payments for \$3,535,120 of improvements over twenty years with no interest costs. Other obligations include accrued vacation pay and sick leave and capital leases. Additional information concerning the City's long-term obligations can be found in Note 8 to the financial statements.

**Current Related Financial Activities**

The City of Cleveland Heights has felt the effects of the same economic downturn that stalled the economy of the State of Ohio and the nation as a whole in the earlier years of this decade. The City is optimistic that the next few years will bring closure to this period of downturn. The City is currently budgeting 2008 using the same very conservative approach of the past few years. The State of Ohio intends to continue reducing financial support to cities. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources. Expenditures are being closely monitored at the department level as well as the City Manager level. City Council reviews the budget and financial status of the City on a regular basis.

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

**Contacting the City of Cleveland Heights' Financial Management**

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

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# City of Cleveland Heights, Ohio

## Statement of Net Assets

**December 31, 2006**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in city treasury cash	\$ 11,409,093	\$ 7,521,374	\$ 18,930,467
Restricted assets: cash	-	740,734	740,734
Accounts receivable	251,397	3,283,936	3,535,333
Special assessment receivable	1,442,726	-	1,442,726
Interest receivable	70,486	9,998	80,484
Loans receivable	1,708,289	-	1,708,289
Intergovernmental receivable	4,267,016	-	4,267,016
Inventory of supplies	357,106	146,479	503,585
Taxes receivable	19,617,259	-	19,617,259
Nondepreciable capital assets	4,860,379	2,269,057	7,129,436
Depreciable capital assets, net	<u>62,569,000</u>	<u>30,645,043</u>	<u>93,214,043</u>
<b>Total assets</b>	<u><b>106,552,751</b></u>	<u><b>44,616,621</b></u>	<u><b>151,169,372</b></u>
<b>Liabilities:</b>			
Vouchers and accounts payable	1,217,485	1,117,757	2,335,242
Accrued wages and benefits	3,905,554	78,463	3,984,017
Retainage payable	150,853	13,300	164,153
Unearned revenue	11,750,464	-	11,750,464
Refundable deposits	-	779,629	779,629
Notes payable	1,184,960	7,327,040	8,512,000
Accrued interest payable	111,038	27,086	138,124
Claims payable	3,844	-	3,844
Long-term liabilities:			
Due within one year	4,743,588	452,967	5,196,555
Due in more than one year	<u>23,761,245</u>	<u>2,289,270</u>	<u>26,050,515</u>
<b>Total liabilities</b>	<u><b>46,829,031</b></u>	<u><b>12,085,512</b></u>	<u><b>58,914,543</b></u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	46,423,601	29,185,731	75,609,332
Restricted for:			
Debt service	2,652,333	-	2,652,333
Capital projects	1,181,513	-	1,181,513
Community development	1,351,146	-	1,351,146
Municipal court special projects	1,992,154	-	1,992,154
Other purposes	1,267,905	-	1,267,905
Unrestricted	<u>4,855,068</u>	<u>3,345,378</u>	<u>8,200,446</u>
<b>Total net assets</b>	<u><b>\$ 59,723,720</b></u>	<u><b>\$ 32,531,109</b></u>	<u><b>\$ 92,254,829</b></u>

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

# City of Cleveland Heights, Ohio

## Statement of Activities

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

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 15,103,153	\$ 4,426,901	\$ 100,279	\$ -
Public safety	18,782,355	989,133	59,471	-
Public health	435,206	6,671	26,200	-
Culture and recreation	4,106,053	2,265,814	21,926	-
Community development	6,842,251	588,919	92,818	1,995,427
Sanitation	3,067,667	747,719	10,884	-
Transportation	3,054,535	33,259	-	-
Interest and fiscal charges	<u>753,647</u>	-	-	-
Total governmental activities	<u>52,144,867</u>	<u>9,058,416</u>	<u>311,578</u>	<u>1,995,427</u>
<b>Business-type activities:</b>				
Utilities	11,509,051	11,051,246	-	-
Off-street parking	773,699	772,037	-	-
Ambulance services	633,987	619,271	149,934	-
Cedar Lee parking facility	<u>245,069</u>	-	-	-
Total business-type activities	<u>13,161,806</u>	<u>12,442,554</u>	<u>149,934</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>65,306,673</u></b>	<b>\$ <u>21,500,970</u></b>	<b>\$ <u>461,512</u></b>	<b>\$ <u>1,995,427</u></b>

**General revenues:**

Property taxes levied for:

General purposes

Debt service

Police and fire pension

Municipal income taxes for general purposes

Grants and entitlements not restricted to specific programs

Interest earnings

Other revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year, restated

Net assets at end of year

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

<u>Net (Expense)/Revenue and Change in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (10,575,973)	\$ -	\$ (10,575,973)
(17,733,751)	-	(17,733,751)
(402,335)	-	(402,335)
(1,818,313)	-	(1,818,313)
(4,165,087)	-	(4,165,087)
(2,309,064)	-	(2,309,064)
(3,021,276)	-	(3,021,276)
<u>(753,647)</u>	<u>-</u>	<u>(753,647)</u>
<u>(40,779,446)</u>	<u>-</u>	<u>(40,779,446)</u>
-	(457,805)	(457,805)
-	(1,662)	(1,662)
-	135,218	135,218
<u>-</u>	<u>(245,069)</u>	<u>(245,069)</u>
<u>-</u>	<u>(569,318)</u>	<u>(569,318)</u>
<u>(40,779,446)</u>	<u>(569,318)</u>	<u>(41,348,764)</u>
6,713,918	-	6,713,918
3,496,022	-	3,496,022
489,038	-	489,038
23,073,254	-	23,073,254
8,431,052	-	8,431,052
672,273	415,954	1,088,227
727,929	37,837	765,766
<u>(590,172)</u>	<u>590,172</u>	<u>-</u>
<u>43,013,314</u>	<u>1,043,963</u>	<u>44,057,277</u>
2,233,868	474,645	2,708,513
<u>57,489,852</u>	<u>32,056,464</u>	<u>89,546,316</u>
\$ <u>59,723,720</u>	\$ <u>32,531,109</u>	\$ <u>92,254,829</u>

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

# City of Cleveland Heights, Ohio

## Balance Sheet Governmental Funds

**December 31, 2006**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in city treasury cash	\$ 3,473,451	\$ 2,697,450	\$ 5,050,220	\$ 11,221,121
Receivables (net of allowance for uncollectibles):				
Taxes	14,001,058	4,233,069	1,383,132	19,617,259
Accounts	228,616	-	22,781	251,397
Special assessments	-	-	1,442,726	1,442,726
Accrued interest	58,684	-	8,242	66,926
Loans	-	-	1,708,289	1,708,289
Intergovernmental	2,723,708	392,447	1,150,861	4,267,016
Interfund	-	-	69,929	69,929
Inventory of supplies	<u>357,106</u>	<u>-</u>	<u>-</u>	<u>357,106</u>
<b>Total assets</b>	<b>\$ <u>20,842,623</u></b>	<b>\$ <u>7,322,966</u></b>	<b>\$ <u>10,836,180</u></b>	<b>\$ <u>39,001,769</u></b>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Vouchers and accounts payable	\$ 474,904	\$ 19,042	\$ 723,539	\$ 1,217,485
Accrued wages and benefits	2,092,074	-	651,539	2,743,613
Retainage payable	-	-	150,853	150,853
Interfund payable	43,854	26,075	340,472	410,401
Deferred revenue	13,245,463	4,625,516	3,407,452	21,278,431
Notes payable	-	-	1,184,960	1,184,960
Accrued interest payable	-	-	21,038	21,038
Claims payable	<u>3,844</u>	<u>-</u>	<u>-</u>	<u>3,844</u>
<b>Total liabilities</b>	<b><u>15,860,139</u></b>	<b><u>4,670,633</u></b>	<b><u>6,479,853</u></b>	<b><u>27,010,625</u></b>
<b>Fund balances:</b>				
Reserved for encumbrances	77,786	-	354,937	432,723
Reserved for loans receivable	-	-	1,708,289	1,708,289
Reserved for inventory of supplies	357,106	-	-	357,106
Unreserved, undesignated, reported in:				
General fund	4,547,592	-	-	4,547,592
Special revenue funds	-	-	1,721,695	1,721,695
Debt service fund	-	2,652,333	-	2,652,333
Capital projects funds	<u>-</u>	<u>-</u>	<u>571,406</u>	<u>571,406</u>
<b>Total fund balances</b>	<b><u>4,982,484</u></b>	<b><u>2,652,333</u></b>	<b><u>4,356,327</u></b>	<b><u>11,991,144</u></b>
<b>Total liabilities and fund balances</b>	<b>\$ <u>20,842,623</u></b>	<b>\$ <u>7,322,966</u></b>	<b>\$ <u>10,836,180</u></b>	<b>\$ <u>39,001,769</u></b>

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

# City of Cleveland Heights, Ohio

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

**December 31, 2006**

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Total governmental funds balances \$ 11,991,144

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds. 67,429,379

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

Property and other taxes	\$ 1,091,418
Municipal income taxes	4,474,570
Special assessments	1,442,726
Intergovernmental	<u>2,519,253</u>

Total 9,527,967

An internal service fund is used by management to charge the  
costs of certain activities to individual funds. The assets and  
liabilities of the Internal Service Fund are included in the  
governmental activities in the Statement of Net Assets. (629,937)

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

Interest payable	(90,000)
General obligation bonds	(19,400,000)
Economic development bonds	(1,090,000)
OPWC loans payable	(1,414,179)
Capital leases payable	(86,639)
Compensated absences	<u>(6,514,015)</u>

Total (28,594,833)

*Net assets of governmental activities* \$ 59,723,720

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

# City of Cleveland Heights, Ohio

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

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

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property and other local taxes	\$ 5,988,324	\$ 3,496,022	\$ 1,258,433	\$ 10,742,779
Municipal income taxes	22,768,921	-	-	22,768,921
Intergovernmental	5,098,238	392,447	4,317,589	9,808,274
Charges for services	2,409,146	-	1,044,610	3,453,756
Fees, licenses, and permits	1,258,778	-	202,538	1,258,928
Interest earnings	544,067	2,729	81,434	628,230
Special assessments	2,421	140,067	1,318,152	1,460,640
Fines and forfeitures	2,546,113	-	669,524	3,215,637
Reimbursements received	467,338	-	141,232	608,570
Other revenues	<u>400,966</u>	<u>29,969</u>	<u>496,331</u>	<u>1,129,654</u>
Total revenues	<u>41,484,312</u>	<u>4,061,234</u>	<u>9,529,843</u>	<u>55,075,389</u>
Expenditures:				
Current:				
Public safety	14,740,998	-	3,602,505	18,343,503
Public health	420,639	-	2,600	423,239
Culture and recreation	2,325,395	-	1,681,637	4,007,032
Community development	2,603,022	-	3,853,443	6,456,465
Sanitation	2,632,692	-	448,433	3,081,125
Transportation	2,668,527	-	1,854,291	4,522,818
General government	12,990,963	50,059	248,030	13,289,052
Capital outlay	-	-	13,676	13,676
Debt service:				
Principal	43,221	1,535,000	195,000	1,773,221
Interest and fiscal charges	<u>1,153</u>	<u>1,038,464</u>	<u>104,951</u>	<u>1,144,568</u>
Total expenditures	<u>38,426,610</u>	<u>2,623,523</u>	<u>12,004,566</u>	<u>53,054,699</u>
Excess of revenues over (under) expenditures	<u>3,057,702</u>	<u>1,437,711</u>	<u>(2,474,723)</u>	<u>2,020,690</u>
Other financing sources (uses):				
Issuance of debt	-	-	102,359	102,359
Inception of capital lease	68,840	-	-	68,840
Proceeds from sale of assets	139,500	-	-	139,500
Transfers - in	-	-	3,959,609	3,959,609
Transfers - out	<u>(2,041,191)</u>	<u>(2,045,540)</u>	<u>(463,050)</u>	<u>(4,549,781)</u>
Total other financing sources (uses)	<u>(1,832,851)</u>	<u>(2,045,540)</u>	<u>3,598,918</u>	<u>(279,473)</u>
Net change in fund balances	1,224,851	(607,829)	1,124,195	1,741,217
Fund balance at beginning of year	<u>3,757,633</u>	<u>3,260,162</u>	<u>3,232,132</u>	<u>10,249,927</u>
Fund balance at end of year	\$ <u>4,982,484</u>	\$ <u>2,652,333</u>	\$ <u>4,356,327</u>	\$ <u>11,991,144</u>

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

# City of Cleveland Heights, Ohio

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

### For the Year Ended December 31, 2006

Net change in fund balances - total governmental funds \$ 1,741,217

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 3,958,755	
Depreciation	<u>(3,547,230)</u>	
Total		411,525

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets. (61,113)

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

Property and other taxes	(43,801)	
Municipal income taxes	304,333	
Special assessments	(1,316,194)	
Intergovernmental	<u>921,567</u>	
Total		(134,095)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,823,607

Debt proceeds, reported through intergovernmental revenue, provide current financial resources to governmental funds, but has no effect on net assets. (102,359)

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

Compensated absences		(651,673)
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Other financing sources, such as inception of capital lease, in the governmental funds increase long-term liabilities in the Statement of Net Assets. (68,841)

An internal service fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities. (724,400)

*Change in net assets of governmental activities* \$ 2,233,868

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

## City of Cleveland Heights, Ohio

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 6,508,864	\$ 6,508,864	\$ 5,988,324	\$ (520,540)
Municipal income taxes	24,238,418	24,238,418	22,418,401	(1,820,017)
Intergovernmental grants and contracts	5,127,580	5,127,580	4,742,559	(385,021)
Charges for services	2,605,788	2,605,788	2,410,124	(195,664)
Fees, licenses, and permits	1,360,991	1,360,991	1,258,797	(102,194)
Interest earnings	509,276	509,276	471,035	(38,241)
Special assessments	2,593	2,593	2,398	(195)
Fines and forfeitures	2,757,847	2,757,847	2,550,766	(207,081)
Reimbursements received	509,404	509,404	471,154	(38,250)
Other revenue	430,792	430,792	398,444	(32,348)
<b>Total revenues</b>	<b>44,051,553</b>	<b>44,051,553</b>	<b>40,712,002</b>	<b>(3,339,551)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	16,771,016	16,857,005	15,233,859	1,623,146
Public health	431,060	429,410	425,627	3,783
Culture and recreation	2,631,150	2,778,562	2,446,213	332,349
Community development	2,720,698	2,792,258	2,668,106	124,152
Sanitation	2,564,600	2,731,380	2,679,246	52,134
Transportation	3,321,148	3,046,760	2,851,533	195,227
General government	12,836,675	13,386,213	13,288,047	98,166
<b>Total expenditures</b>	<b>41,276,347</b>	<b>42,021,588</b>	<b>39,592,631</b>	<b>2,428,957</b>
Excess of revenues over (under) expenditures	2,775,206	2,029,965	1,119,371	(910,594)
<b>Other financing sources (uses):</b>				
Transfers - out	(2,165,775)	(2,132,128)	(2,041,191)	90,937
Proceeds from sale of assets	-	-	139,500	139,500
<b>Total other financing sources (uses)</b>	<b>(2,165,775)</b>	<b>(2,132,128)</b>	<b>(1,901,691)</b>	<b>230,437</b>
Net change in fund balance	609,431	(102,163)	(782,320)	(680,157)
Cash fund balance at beginning of year	2,996,861	2,996,861	2,996,861	-
<b>Current year charges against prior year cash fund balance:</b>				
Reserved for encumbrances	(89,680)	(89,680)	(89,680)	-
Cash fund balance at end of year				
Unreserved	3,516,612	2,805,018	2,124,861	(680,157)
Reserved for encumbrances	98,724	98,724	98,724	-
<b>Total cash fund balance at end of year</b>	<b>\$ 3,615,336</b>	<b>\$ 2,903,742</b>	<b>\$ 2,223,585</b>	<b>\$ (680,157)</b>

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



# City of Cleveland Heights, Ohio

## Statement of Fund Net Assets Proprietary Funds

December 31, 2006

	Business-Type Activities				Total	Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Facility		Internal Service Fund
Assets:						
Current assets:						
Equity in city treasury cash	\$ -	\$ 669,970	\$ 144,397	\$ 6,707,007	\$ 7,521,374	\$ 187,972
Restricted assets						
Deposits	740,734	-	-	-	740,734	-
Receivables (net of allowance for uncollectibles):						
Accounts	3,118,033	-	165,903	-	3,283,936	-
Accrued interest	5,490	4,508	-	-	9,998	3,560
Interfund	-	-	-	-	-	340,472
Inventory of supplies	87,117	59,362	-	-	146,479	-
Total current assets	<u>3,951,374</u>	<u>733,840</u>	<u>310,300</u>	<u>6,707,007</u>	<u>11,702,521</u>	<u>532,004</u>
Noncurrent assets:						
Nondepreciable capital assets	23,492	1,699,694	-	545,871	2,269,057	-
Depreciable capital assets, net	24,037,258	3,902,931	2,704,854	-	30,645,043	-
Total noncurrent assets	<u>24,060,750</u>	<u>5,602,625</u>	<u>2,704,854</u>	<u>545,871</u>	<u>32,914,100</u>	<u>-</u>
Total assets	<u>28,012,124</u>	<u>6,336,465</u>	<u>3,015,154</u>	<u>7,252,878</u>	<u>44,616,621</u>	<u>532,004</u>
Liabilities:						
Current liabilities:						
Vouchers and accounts payable	941,158	30,365	26,534	119,700	1,117,757	-
Accrued wages and benefits	73,265	5,198	-	-	78,463	1,161,941
Retainage payable	-	-	-	13,300	13,300	-
Notes payable	727,040	-	-	6,600,000	7,327,040	-
Accrued interest payable	9,004	-	-	18,082	27,086	-
Refundable deposits	779,629	-	-	-	779,629	-
Due within one year	234,791	9,611	208,565	-	452,967	-
Total current liabilities	<u>2,764,887</u>	<u>45,174</u>	<u>235,099</u>	<u>6,751,082</u>	<u>9,796,242</u>	<u>1,161,941</u>
Long-term liabilities:						
Capital leases payable	-	-	695,037	-	695,037	-
Compensated absences	152,456	10,312	-	-	162,768	-
OPWC loans payable	1,431,465	-	-	-	1,431,465	-
Total long-term liabilities	<u>1,583,921</u>	<u>10,312</u>	<u>695,037</u>	<u>-</u>	<u>2,289,270</u>	<u>-</u>
Total liabilities	<u>4,348,808</u>	<u>55,486</u>	<u>930,136</u>	<u>6,751,082</u>	<u>12,085,512</u>	<u>1,161,941</u>
Net assets:						
Invested in capital assets, net of related debt	21,781,854	5,602,625	1,801,252	-	29,185,731	-
Unrestricted (deficit)	1,881,462	678,354	283,766	501,796	3,345,378	(629,937)
Total net assets (deficit)	<u>\$ 23,663,316</u>	<u>\$ 6,280,979</u>	<u>\$ 2,085,018</u>	<u>\$ 501,796</u>	<u>\$ 32,531,109</u>	<u>\$ (629,937)</u>

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

# City of Cleveland Heights, Ohio

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

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

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Facility	Total	Internal Service Fund
Operating revenues:						
Charges for services	\$ 10,647,525	\$ 772,037	\$ 619,271	\$ -	\$ 12,038,833	\$ -
Other income	<u>3,042</u>	<u>34,032</u>	<u>-</u>	<u>763</u>	<u>37,837</u>	<u>-</u>
Total operating revenues	<u>10,650,567</u>	<u>806,069</u>	<u>619,271</u>	<u>763</u>	<u>12,076,670</u>	<u>-</u>
Operating expenses:						
Personal services	1,489,580	72,452	30,449	-	1,592,481	-
Fringe benefits	765,957	49,724	261	-	815,942	768,443
Contractual services	8,418,751	287,161	249,260	4,536	8,959,708	-
Materials and supplies	138,094	113,444	39,989	-	291,527	-
Utilities	1,757	84,949	-	-	86,706	-
Other expenses	23,760	515	11,508	22,454	58,237	-
Depreciation	<u>623,483</u>	<u>165,454</u>	<u>302,520</u>	<u>-</u>	<u>1,091,457</u>	<u>-</u>
Total operating expenses	<u>11,461,382</u>	<u>773,699</u>	<u>633,987</u>	<u>26,990</u>	<u>12,896,058</u>	<u>768,443</u>
Operating income (loss)	<u>(810,815)</u>	<u>32,370</u>	<u>(14,716)</u>	<u>(26,227)</u>	<u>(819,388)</u>	<u>(768,443)</u>
Non-operating revenues (expenses):						
Interest income	56,378	38,962	-	320,614	415,954	44,043
Intergovernmental grants and contracts	-	-	149,934	-	149,934	-
Special assessments	403,721	-	-	-	403,721	-
Interest and fiscal charges	(35,870)	-	-	(218,079)	(253,949)	-
Loss on sale of assets	<u>(11,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,799)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>412,430</u>	<u>38,962</u>	<u>149,934</u>	<u>102,535</u>	<u>703,861</u>	<u>44,043</u>
Net income (loss) before transfers	(398,385)	71,332	135,218	76,308	(115,527)	(724,400)
Transfers – in	445,529	-	-	507,750	953,279	-
Transfers – out	<u>-</u>	<u>-</u>	<u>(363,107)</u>	<u>-</u>	<u>(363,107)</u>	<u>-</u>
Change in net assets	47,144	71,332	(227,889)	584,058	474,645	(724,400)
Net assets (deficit) at beginning of year, restated	<u>23,616,172</u>	<u>6,209,647</u>	<u>2,312,907</u>	<u>(82,262)</u>	<u>32,056,464</u>	<u>94,463</u>
Net assets (deficit) at end of year	\$ <u>23,663,316</u>	\$ <u>6,280,979</u>	\$ <u>2,085,018</u>	\$ <u>501,796</u>	\$ <u>32,531,109</u>	\$ <u>(629,937)</u>

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

# City of Cleveland Heights, Ohio

## Statement of Cash Flows Proprietary Funds

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

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Facility	Total	Internal Service Fund
<b>Operating activities:</b>						
Cash received from customers	\$ 10,314,332	\$ 772,037	\$ 623,313	\$ -	\$ 11,709,682	\$ -
Cash payments to suppliers	(8,373,633)	(663,539)	(230,235)	128,464	(9,138,943)	-
Cash payments to employees	(2,013,653)	(103,248)	(31,772)	-	(2,148,673)	(498,814)
Cash payments for other expenses	(23,760)	(515)	(43,988)	(22,454)	(90,717)	-
Other operating receipts	<u>3,042</u>	<u>34,032</u>	<u>-</u>	<u>763</u>	<u>37,837</u>	<u>-</u>
Net cash provided by (used for) operating activities:	<u>(93,672)</u>	<u>38,767</u>	<u>317,318</u>	<u>106,773</u>	<u>369,186</u>	<u>(498,814)</u>
<b>Noncapital financing activities:</b>						
Transfers-in	445,529	-	-	-	445,529	-
Transfers-out	-	-	(363,107)	-	(363,107)	-
Intergovernmental	-	-	149,934	-	149,934	-
Advance – in	-	-	-	-	-	135,379
Advance – out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(340,472)</u>
Net cash provided by (used for) noncapital financing activities:	<u>445,529</u>	<u>-</u>	<u>(213,173)</u>	<u>-</u>	<u>232,356</u>	<u>(205,093)</u>
<b>Capital and related financing activities:</b>						
Acquisition and construction of capital assets	(543,356)	(39,103)	(280,607)	(157,662)	(1,020,728)	-
Debt proceeds	810,788	-	-	-	810,788	-
Principal paid on debt	(1,178,831)	-	(203,287)	-	(1,382,118)	-
Interest and fiscal charges	(44,338)	-	-	-	(44,338)	-
Special assessments	<u>403,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,721</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(552,016)</u>	<u>(39,103)</u>	<u>(483,894)</u>	<u>(157,662)</u>	<u>(1,232,675)</u>	<u>-</u>
<b>Investing activities:</b>						
Interest received	<u>56,126</u>	<u>36,590</u>	<u>-</u>	<u>320,614</u>	<u>413,330</u>	<u>43,751</u>
Net increase (decrease) Cash and cash equivalents	(144,033)	36,254	(379,749)	269,725	(217,803)	(660,156)
Cash and cash equivalents at beginning of year	<u>884,767</u>	<u>633,716</u>	<u>524,146</u>	<u>6,437,282</u>	<u>8,479,911</u>	<u>848,128</u>
Cash and cash equivalents at end of year	\$ <u>740,734</u>	\$ <u>669,970</u>	\$ <u>144,397</u>	\$ <u>6,707,007</u>	\$ <u>8,262,108</u>	\$ <u>187,972</u>
<b>Non-cash capital financing activities:</b>						
Acquisition of capital assets through capital lease	\$ <u>-</u>	\$ <u>-</u>	\$ <u>715,803</u>	\$ <u>-</u>	\$ <u>715,803</u>	\$ <u>-</u>

Continued

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

# City of Cleveland Heights, Ohio

## Statement of Cash Flows Proprietary Funds (Continued)

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

	Business-Type Activities				Total	Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Facility		Internal Service Fund
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	\$ (810,815)	\$ 32,370	\$ (14,716)	\$ (26,227)	\$ (819,388)	\$ (768,443)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	623,483	165,454	302,520	-	1,091,457	-
Change in operating assets and liabilities:						
Receivables	(333,193)	-	4,042	-	(329,151)	-
Inventory	(12,013)	4,037	-	-	(7,976)	-
Vouchers and accounts payable	196,982	(182,022)	26,534	119,700	161,194	-
Compensated absences	290,348	19,923	-	-	310,271	-
Retainage payable	-	-	-	13,300	13,300	-
Accrued wages and benefits payable	(48,464)	(995)	(1,062)	-	(50,521)	269,629
Total adjustments	<u>717,143</u>	<u>6,397</u>	<u>332,034</u>	<u>133,000</u>	<u>1,188,574</u>	<u>269,629</u>
Net cash provided by (used for) operating activities	\$ <u>(93,672)</u>	\$ <u>38,767</u>	\$ <u>317,318</u>	\$ <u>106,773</u>	\$ <u>369,186</u>	\$ <u>(498,814)</u>

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

# City of Cleveland Heights, Ohio

## Statement of Fiduciary Net Assets Fiduciary Funds

**December 31, 2006**

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	Private Purpose <u>Trust</u>		<u>Agency</u>
	James A. Nelson <u>Trust</u>		
Assets:			
Equity in city treasury cash	\$ <u>15,331</u>	\$	<u>763,961</u>
Total assets	<u>15,331</u>	\$	<u>763,961</u>
Liabilities:			
Due to others	-	\$	191,234
Due to other governments	-		108,329
Restricted deposits	<u>-</u>		<u>464,398</u>
Total liabilities	<u>-</u>	\$	<u>763,961</u>
Net assets:			
Held in trust	\$ <u>15,331</u>		

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

# City of Cleveland Heights, Ohio

## Statement of Changes in Fiduciary Net Assets Fiduciary Funds

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

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	<u>Private Purpose Trust</u> <u>James A. Nelson Trust</u>
Additions:	
Interest	\$ 626
Deductions:	
Other	<u>(3,500)</u>
Change in net assets	(2,874)
Net assets beginning of year	<u>18,205</u>
Net assets end of year	\$ <u><u>15,331</u></u>

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements

**December 31, 2006**

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### **Note 1: Description of the City and Reporting Entity**

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

#### **Reporting Entity**

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

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

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

### **Note 2: Summary of Significant Accounting Policies**

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### A. *Basis of Presentation*

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

##### Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

##### Fund Financial Statements

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

#### B. *Fund Accounting*

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



# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### B. Fund Accounting (continued)

##### *Governmental Funds*

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

##### *General Fund*

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

##### *Debt Service Fund*

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

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

##### *Proprietary Funds*

##### *Enterprise Funds*

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

##### *Utilities*

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

##### *Off-Street Parking*

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

##### *Ambulance Services*

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

##### *Cedar Lee Parking Facility*

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### B. Fund Accounting (continued)

##### *Internal Service Funds*

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

##### *Fiduciary*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

#### C. Measurement Focus

##### **Government-Wide Financial Statements**

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

##### **Fund Financial Statements**

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

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### *D. Basis of Accounting*

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

#### **Revenues – Exchange and Non-Exchange Transactions**

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

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

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

#### **Unearned Revenue**

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as unearned revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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**Note 2: Summary of Significant Accounting Policies (continued)**

**D. Basis of Accounting (continued)**

**Expenditures/Expenses**

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

**E. Budgetary Process**

**Tax Budget**

By July 15, the City Manager submits an annual operating budget for all funds for the following fiscal year to City Council for consideration and passage. While the City adopts a budget for all funds, the City is legally required to report on such budgets only for its governmental fund type funds. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**Estimated Resources**

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

**Appropriations**

An appropriation ordinance (the appropriated budget) to control the level of expenditures must be legally enacted on or about January 1. The ordinance may be temporary in nature in that its effectiveness applies from the date on which it is enacted to the date on which a permanent appropriation ordinance must be passed. Ohio law requires the permanent appropriation ordinance to be passed no later than April 1 of the fiscal year for which it applies. Amendments to the 2006 appropriation ordinance were approved by City Council as provided by the City Charter.

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### *E. Budgetary Process (continued)*

##### **Appropriations (continued)**

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

##### **Lapsing of Appropriations**

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

##### **Encumbrances**

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

#### *F. Cash and Cash Equivalents*

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

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

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

The cash resources of all funds are combined and invested to the extent available in the State of Ohio's Investment Pool, treasury notes, and other authorized instruments. The City's Codified Ordinance Section 179.02 supercedes Ohio Revised Code Section 135.21 as to the allocation of interest. Interest revenue credited to the general fund during 2006 amounted to \$544,067, of which \$319,483 was assigned from other funds.

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **F. Cash and Cash Equivalents (continued)**

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

#### **G. Inventory**

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

#### **H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which it was consumed. At December 31, 2006, the amount of the prepaid items was not material.

#### **I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### I. Capital Assets (continued)

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

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

#### J. Interfund Balances

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

#### K. Compensated Absences

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

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

#### L. Accrued Liabilities and Long-Term Obligations

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

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

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

#### ***M. Fund Balance Reserves***

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

#### ***N. Net Assets***

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

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

#### ***O. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the Proprietary Funds. For the City, these revenues are charges for water and sewer services, off-street parking, and ambulance services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

#### ***P. Interfund Activity***

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



# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### P. Interfund Activity (continued)

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

#### Q. Extraordinary and Special Items

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

#### R. Estimates

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

#### S. Comparative Data/Reclassifications

Comparative Data for the prior year are presented in order to provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2005 financial statements in order to conform to the 2006 presentation.

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

#### A. Restatement of Prior Year Net Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets, December 31, 2005	\$ 57,371,052	\$ 31,775,483	\$ 89,146,535
Adjustments:			
OPWC Loans Payable	<u>118,800</u>	<u>280,981</u>	<u>399,781</u>
Net Assets, December 31, 2005, restated	\$ <u>57,489,852</u>	\$ <u>32,056,464</u>	\$ <u>89,546,316</u>

A restatement was necessary to reclassify OPWC Loans Payable as part of the Business-Type Activities instead of Governmental Activities and to reduce the OPWC Loan Payable amount reported in the Business-Type Activities due to the overstatement of loan proceeds as of December 31, 2005. The adjustment for OPWC Loan Payable increased net assets in the Utilities fund from \$23,335,191 to \$23,616,172 at December 31, 2005.

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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**Note 3: Change in Accounting Principles and Restatement of Prior Year Net Assets (continued)**

**B. Change in Accounting Principles**

For 2006, the City has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section," GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation," 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. 46 clarifies when net assets should be considered restricted based upon enabling legislation.

GASB Statement No. 47 established standards of accounting and financial reporting for termination benefits.

The implementation of GASB Statement Nos. 46 and 47 did not affect the presentation of the financial statements of the City.

**Note 4: Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund equity on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts and disbursements.

The Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Budget and Actual presented on the budgetary basis for the General Fund is presented on the budgetary basis to provide a relevant comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- (2) Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balance (GAAP).

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 4: Budgetary Basis of Accounting (continued)

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

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP basis (as reported)	\$ 1,224,851
Increase (decrease) due to:	
Revenue accruals	(841,150)
Expenditure accruals	(1,156,977)
Encumbrances:	
Current year charges against prior years cash fund balance reserved for encumbrances	89,680
Encumbered at December 31, 2005, but recorded as the equivalent of cash expenditures for budgetary purposes	<u>(98,724)</u>
Non-GAAP budget basis	\$ <u><u>(782,320)</u></u>

### Note 5: Deposits and Investments

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

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

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

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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**Note 5: Deposits and Investments (continued)**

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

### ***Deposits***

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

At year-end, the carrying amount of the City's deposits was \$3,424,626 and the bank balance was \$1,553,475. Of the bank balance \$286,888 was covered by Federal depository insurance and \$1,266,587 was covered by collateral held by third party trustees in collateral pools in the name of the respective depository institutions securing all public funds on deposit.

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 5: Deposits and Investments (continued)

#### Investments

Investments are reported at fair value. As of December 31, 2006, the City had the following investments:

	Maturity			Total
	Within six months	More than six months but less than one year	More than one year but less than two years	
Federal Home Loan Bank Bonds	\$ -	\$ 999,910	\$ 2,001,200	\$ 3,001,110
Federal Home Loan Mortgage Corporation	-	-	1,994,800	1,994,800
Federal National Mortgage Association Notes	-	-	997,990	997,990
Federal Farm Credit Bank Bonds	-	-	1,006,000	1,006,000
United States Treasury Notes	993,281	-	-	993,281
STAROhio	6,670,262	-	-	6,670,262
Charter One	2,340,332	-	-	2,340,332
Centennial Tax Exempt Money Fund	<u>22,092</u>	<u>-</u>	<u>-</u>	<u>22,092</u>
Total Portfolio	\$ <u>10,025,967</u>	\$ <u>999,910</u>	\$ <u>5,999,990</u>	\$ <u>17,025,867</u>

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

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

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 5: Deposits and Investments (continued)

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2006:

	<u>Fair Value</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank Bonds	\$ 3,001,110	17.6 %
Federal Home Loan Mortgage Corporation	1,994,800	11.7
Federal National Mortgage Association Notes	997,990	5.9
Federal Farm Credit Bank Bonds	1,006,000	5.9
United States Treasury Notes	993,281	5.8
STAROhio	6,670,262	39.3
Charter One	2,340,332	13.7
Centennial Tax Exempt Money Fund	<u>22,092</u>	<u>0.1</u>
Total Portfolio	\$ <u>17,025,867</u>	<u>100.0 %</u>

### Note 6: Receivables

Receivables at December 31, 2006, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

#### A. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Grants	\$ 86,123
State of Ohio	4,124,133
City of East Cleveland	33,259
City of University Heights	6,416
City of Shaker Heights	<u>17,085</u>
Total	\$ <u>4,267,016</u>

#### B. Property Taxes

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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**Note 6: Receivables (continued)**

**B. Property Taxes (continued)**

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

The assessed valuation upon which the 2006 property tax receipts (thirteen mills (\$.013) on each dollar of tax valuation) were based are as follows:

	<u>Assessed Value</u>
Real property (other than public utility)	\$ 970,171,840
Public utility real and personal tangible property	15,185,570
Tangible personal property (other than public utility)	<u>13,941,095</u>
Total Assessed Valuation	\$ <u>999,298,505</u>

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

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

**C. Income Taxes**

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

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 7: Capital Assets

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

	<u>Balances 12/31/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 12/31/06</u>
<b>Governmental Activities</b>				
Nondepreciable capital assets:				
Land	\$ 3,862,611	\$ -	\$ (11,700)	\$ 3,850,911
Construction in progress	<u>2,904,403</u>	<u>1,825,295</u>	<u>(3,720,230)</u>	<u>1,009,468</u>
Total nondepreciable capital assets	<u>6,767,014</u>	<u>1,825,295</u>	<u>(3,731,930)</u>	<u>4,860,379</u>
Depreciable capital assets:				
Land improvements	811,474	-	-	811,474
Building and improvements	50,631,230	306,538	(85,009)	50,852,759
Machinery and equipment	15,713,231	895,646	(255,027)	16,353,850
Infrastructure:				
Streets and sidewalks	<u>25,632,969</u>	<u>4,663,206</u>	<u>-</u>	<u>30,296,175</u>
Total depreciable capital assets	<u>92,788,904</u>	<u>5,865,390</u>	<u>(340,036)</u>	<u>98,314,258</u>
Less accumulated depreciation:				
Land improvements	(135,299)	(54,098)	-	(189,397)
Buildings and improvements	(15,999,734)	(1,248,246)	26,117	(17,221,863)
Machinery and equipment	(10,244,038)	(1,055,492)	252,806	(11,046,724)
Infrastructure:				
Streets and sidewalks	<u>(6,097,880)</u>	<u>(1,189,394)</u>	<u>-</u>	<u>(7,287,274)</u>
Total accumulated depreciation	<u>(32,476,951)</u>	<u>(3,547,230)</u>	<u>278,923</u>	<u>(35,745,258)</u>
Depreciable capital assets, net	<u>60,311,953</u>	<u>2,318,160</u>	<u>(61,113)</u>	<u>62,569,000</u>
Total governmental activities capital assets, net	\$ <u>67,078,967</u>	\$ <u>4,143,455</u>	\$ <u>(3,793,043)</u>	\$ <u>67,429,379</u>



# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

### Note 7: Capital Assets (continued)

	Balances 12/31/05	Additions	Deletions	Balances 12/31/06
<b>Business-Type Activities</b>				
Nondepreciable capital assets:				
Land	\$ 1,699,694	\$ -	\$ -	\$ 1,699,694
Construction-in-progress	<u>2,464,225</u>	<u>445,438</u>	<u>(2,340,300)</u>	<u>569,363</u>
Total nondepreciable capital assets	<u>4,163,919</u>	<u>445,438</u>	<u>(2,340,300)</u>	<u>2,269,057</u>
Depreciable capital assets:				
Land improvements	252,476	-	-	252,476
Buildings and improvements	5,150,750	102,712	-	5,253,462
Machinery and equipment	6,769,324	1,105,104	(37,333)	7,837,095
Infrastructure:				
Waterlines	15,463,734	1,197,540	-	16,661,274
Sanitary sewer lines	5,434,661	1,188,230	-	6,622,891
Storm sewer lines	2,740,772	14,286	-	2,755,058
Off-street parking lots	<u>2,320,874</u>	<u>23,521</u>	<u>-</u>	<u>2,344,395</u>
Total depreciable capital assets	<u>38,132,591</u>	<u>3,631,393</u>	<u>(37,333)</u>	<u>41,726,651</u>
Less accumulated depreciation:				
Land improvements	(4,826)	(4,175)	-	(9,001)
Buildings and improvements	(1,669,578)	(152,969)	-	(1,822,547)
Machinery and equipment	(3,774,134)	(491,231)	25,534	(4,239,831)
Infrastructure:				
Waterlines	(2,087,424)	(221,442)	-	(2,308,866)
Sanitary sewer lines	(858,931)	(105,869)	-	(964,800)
Storm sewer lines	(326,224)	(66,761)	-	(392,985)
Off-street parking lots	<u>(1,294,568)</u>	<u>(49,010)</u>	<u>-</u>	<u>(1,343,578)</u>
Total accumulated depreciation	<u>(10,015,685)</u>	<u>(1,091,457)</u>	<u>25,534</u>	<u>(11,081,608)</u>
Total depreciable capital assets, net	<u>28,116,906</u>	<u>2,539,936</u>	<u>(11,799)</u>	<u>30,645,043</u>
Total business-type activities capital assets, net	\$ <u>32,280,825</u>	\$ <u>2,985,374</u>	\$ <u>(2,352,099)</u>	\$ <u>32,914,100</u>

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

### December 31, 2006

#### Note 7: Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 411,203
Public safety	422,041
Public health	8,746
Culture and recreation	591,750
Community development	416,882
Sanitation	271,464
Transportation	<u>1,425,144</u>
Total	<u>\$ 3,547,230</u>

#### Note 8: Long-Term Obligations

Long-term obligations of the City at December 31, 2006, are as follows:

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2005, restated	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<b>Governmental activities:</b>								
General obligation bonds voted issues:								
1997	Recreational facilities improvements due 2017	3.850-6.375%	\$15,000,000	\$ <u>10,825,000</u>	\$ <u>-</u>	\$ <u>(660,000)</u>	\$ <u>10,165,000</u>	\$ <u>705,000</u>
	Total voted issues			<u>10,825,000</u>	<u>-</u>	<u>(660,000)</u>	<u>10,165,000</u>	<u>705,000</u>
Unvoted issues:								
1986	City Hall construction due 2009	6.250%	6,000,000	1,100,000	-	(275,000)	825,000	275,000
1999	Pension Fund due 2013	3.050-4.500%	2,000,000	1,210,000	-	(130,000)	1,080,000	135,000
2001	Refund off-street parking facilities due 2012	3.300-4.400%	2,385,000	1,505,000	-	(190,000)	1,315,000	200,000
2001	Recreation facilities improvements due 2017	3.300-4.900%	4,000,000	3,135,000	-	(205,000)	2,930,000	215,000
2004	Ring Road improvement	2.500-5.000%	3,200,000	<u>3,160,000</u>	<u>-</u>	<u>(75,000)</u>	<u>3,085,000</u>	<u>75,000</u>
	Total unvoted issues			<u>10,110,000</u>	<u>-</u>	<u>(875,000)</u>	<u>9,235,000</u>	<u>900,000</u>
	Total general obligation bonds			<u>20,935,000</u>	<u>-</u>	<u>(1,535,000)</u>	<u>19,400,000</u>	<u>1,605,000</u>

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

### Note 8: Long-Term Obligations (continued)

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2005, restated	Additions	Reductions	Balance December 31, 2006	Due Within One Year
	Economic development revenue bonds 2001 Zagara TIF project due 2011	2.900-4.100%	\$1,995,000	\$ 1,285,000	\$ -	\$ (195,000)	\$ 1,090,000	\$ 200,000
OPWC Loans:								
	Coventry Road Rehabilitation			351,254	-	(18,487)	332,767	18,487
	Meadowbrook Blvd. Rehabilitation - Streets			908,047	102,359	(25,260)	985,146	50,520
	Taylor Road Rehabilitation			102,905	-	(6,639)	96,266	6,639
	Total OPWC loans			1,362,206	102,359	(50,386)	1,414,179	75,646
	Accrued compensated absences			5,862,342	780,506	(128,833)	6,514,015	2,829,303
	Capital lease commitments			61,019	68,841	(43,221)	86,639	33,639
	Total governmental activities long-term liabilities			\$ 29,505,567	\$ 951,706	\$ (1,952,440)	\$ 28,504,833	\$ 4,743,588
<b>Business-type activities:</b>								
OPWC Loans:								
	Cedar Road – Water			\$ 658,613	\$ -	\$ (47,044)	\$ 611,569	\$ 47,044
	Cedar Road – Sewer			119,285	-	(8,520)	110,765	8,520
	Meadowbrook Blvd. Rehabilitation - Water			330,200	37,221	(9,185)	358,236	18,371
	Meadowbrook Blvd. Rehabilitation - Sewer			412,749	46,527	(11,482)	447,794	22,964
	Total OPWC loans			1,520,847	83,748	(76,231)	1,528,364	96,899
	Accrued compensated absences			-	310,271	-	310,271	147,503
	Capital lease commitments			391,086	715,803	(203,287)	903,602	208,565
	Total business-type activities long-term liabilities			\$ 1,911,933	\$ 1,109,822	\$ (279,518)	\$ 2,742,237	\$ 452,967

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

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

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

Description of Defeased Bonds	Interest Rate	Date Issued	Date Defeased	Redemption Or Call Date	Original Amount	Amount Retired or not Subject to Refunding	Amount Refunded	Defeased Amount Redeemed	Amount Outstanding at December 31, 2006
Unfunded Pension Liability	4.25%	11/15/1973	01/11/1999	12/31/2034	\$ 3,588,449	\$ 1,608,749	\$ 1,979,700	\$ 899,700	\$ 1,080,000
Off-Street Parking Facility	3.00-6.20%	10/01/1992	04/05/2001	12/01/2012	3,000,000	615,000	2,385,000	1,070,000	1,315,000
									\$ 2,395,000

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 8: Long-Term Obligations (continued)

As of December 31, 2006, the City's legal debt margin (the ability to issue additional principal amounts of general obligation bonded debt) was approximately \$70.3 million. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2006, are:

Governmental Activities						
Year	General Obligation Bonds		Economic Development Revenue Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 1,605,000	\$ 955,825	\$ 200,000	\$ 42,395	\$ 75,646	\$ -
2008	1,675,000	869,595	210,000	35,195	75,646	-
2009	1,735,000	790,478	220,000	26,135	75,646	-
2010	1,525,000	707,065	225,000	44,770	75,646	-
2011	1,590,000	636,255	235,000	9,635	75,646	-
2012-2016	7,550,000	2,048,155	-	-	378,230	-
2017-2021	2,085,000	549,233	-	-	374,914	-
2022-2026	710,000	333,217	-	-	282,805	-
2027-2030	925,000	113,750	-	-	-	-
Total	\$ <u>19,400,000</u>	\$ <u>7,003,573</u>	\$ <u>1,090,000</u>	\$ <u>158,130</u>	\$ <u>1,414,179</u>	\$ <u>-</u>

Business-Type Activities				
Year	OPWC Loans		Totals	
	Principal	Interest	Principal	Interest
2007	\$ 96,899	\$ -	\$ 1,977,545	\$ 998,220
2008	96,899	-	2,057,545	904,790
2009	96,899	-	2,127,545	816,613
2010	96,899	-	1,922,545	751,835
2011	96,899	-	1,997,545	645,890
2012-2016	484,495	-	8,412,725	2,048,155
2017-2021	373,364	-	2,833,278	549,233
2022-2026	186,010	-	1,178,815	333,217
2027-2030	-	-	925,000	113,750
Total	\$ <u>1,528,364</u>	\$ <u>-</u>	\$ <u>23,432,543</u>	\$ <u>7,161,703</u>

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

### December 31, 2006

#### Note 9: Notes Payable

Notes payable at December 31, 2006, consist of the bond anticipatory note issues listed below. Each of the motorized equipment notes is dated August 9, 2006, and due on August 7, 2007, at an interest rate of 4.5%. The Cedar-Lee Parking Garage and Sewer Improvement notes were issued on December 6, 2006 and are due on December 7, 2007 at interest rates of 4.0%. The notes issued for the Cedar-Lee Parking Garage are defined as tax exempt. A summary of all short-term debt activity for the year ended December 31, 2006, follows:

<u>Year</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Balance December 31, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2006</u>
2005	Motorized Equipment	3.50%	\$ 441,000	\$ -	\$ (441,000)	\$ -
2005	Euclid Heights Blvd	3.50%	253,000	-	(253,000)	-
2005	Meadowbrook Blvd	3.50%	532,400	-	(532,400)	-
2005	Motorized Equipment	3.50%	595,000	-	(595,000)	-
2006	Motorized Equipment	4.50%	-	145,000	-	145,000
2006	Euclid Heights Blvd	4.50%	-	192,500	-	192,500
2006	Meadowbrook Blvd	4.50%	-	427,460	-	427,460
2006	Motorized Equipment	4.50%	-	420,000	-	420,000
Total Governmental Activities			<u>1,821,400</u>	<u>1,184,960</u>	<u>(1,821,400)</u>	<u>1,184,960</u>
2005	Euclid Heights Blvd	3.50%	92,000	-	(92,000)	-
2005	Euclid Heights Blvd	3.50%	115,000	-	(115,000)	-
2005	Meadowbrook Blvd	3.50%	193,600	-	(193,600)	-
2005	Meadowbrook Blvd	3.50%	242,000	-	(242,000)	-
2005	Cedar-Lee (Taxable)	5.50%	1,500,000	-	(1,500,000)	-
2005	Cedar-Lee (Tax Exempt)	4.25%	5,300,000	-	(5,300,000)	-
2005	Sewer Improvement	4.25%	460,000	-	(460,000)	-
2006	Euclid Heights Blvd	4.50%	-	70,000	-	70,000
2006	Euclid Heights Blvd	4.50%	-	87,500	-	87,500
2006	Meadowbrook Blvd	4.50%	-	132,660	-	132,660
2006	Meadowbrook Blvd	4.50%	-	176,880	-	176,880
2006	Cedar-Lee (Tax Exempt)	4.00%	-	6,600,000	-	6,600,000
2006	Sewer Improvement	4.00%	-	260,000	-	260,000
Total Business-Type Activities			<u>7,902,600</u>	<u>7,327,040</u>	<u>(7,902,600)</u>	<u>7,327,040</u>
Totals			\$ <u>9,724,000</u>	\$ <u>8,512,000</u>	\$ <u>(9,724,000)</u>	\$ <u>8,512,000</u>

#### Note 10: Lease Commitments

##### A. Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental and business-type activities, respectively. Capitalized assets acquired under capital leases are all classified as machinery and equipment and totaled \$1,800,167 as of December 31, 2006. The following is a schedule by years of the future minimum lease payments for capital leases together, with the present value of the net minimum lease payments as of December 31, 2006:

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

### December 31, 2006

#### Note 10: Lease Commitments (continued)

##### A. Capital Leases (continued)

Year Ending <u>December 31</u>	<u>Governmental</u>	<u>Business-Type</u>
2007	\$ 37,153	\$ 239,919
2008	19,182	239,919
2009	19,182	226,308
2010	19,182	158,258
2011	-	118,693
Minimum lease payments for all capital leases	<u>94,699</u>	<u>983,097</u>
Less: amount representing interest	<u>(8,060)</u>	<u>(79,495)</u>
Present value of net minimum lease payments	<u>\$ 86,639</u>	<u>\$ 903,602</u>

##### B. Operating Leases

The City is obligated under certain leases accounted for as operating leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2006:

Year Ending <u>December 31</u>	<u>Amounts</u>
2007	\$ <u>4,133</u>

#### Note 11: Compensated Absences

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

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

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### **Note 12: Pension Plans**

#### **A. Ohio Public Employees Retirement System**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional 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.

For the year ended December 31, 2006, the members of all three plans were required to contribute 9.0 percent of their annual covered salary to fund pension obligations. The City contributed 13.7 percent of covered payroll, of which 4.5 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City of Cleveland Heights' required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$2,316,472, \$2,287,983, and \$2,300,536, respectively, equal to the required contributions for each year. The full amount has been contributed for all three years. Contributions to the member-directed plan for 2006 were \$2,917 made by the City of Cleveland Heights and \$1,916 made by the plan members.

#### **B. Ohio Police and Fire Pension Fund**

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### **Note 12: Pension Plans (continued)**

#### **B. Ohio Police and Fire Pension Fund (continued)**

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by State statute. The City of Cleveland Heights' contributions for the years ended December 31, 2006, 2005, and 2004 for police officers and firefighters were \$2,180,503, \$2,081,383, and \$2,059,426, respectively, equal to the required contributions for each year.

### **Note 13: Postemployment Benefits**

#### **A. Ohio Public Employees Retirement System**

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

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

In order to qualify for postretirement health care coverage, age-and-service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2006, state employers contributed at a rate of 13.54 percent of covered payroll, local government employer units contributed at 13.70 percent of covered payroll, and public safety and law enforcement employer units contributed at 16.93 percent. The portion of employer contributions for all employers allocated to health care was 4.5 percent.

Benefits are advance-funded using the entry age normal 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 6.5 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increase, over and above the 4.0 percent base increase, were assumed to range from 0.5 percent to 6.3 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.5 percent to 6.0 percent for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

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



# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### **Note 13: Postemployment Benefits (continued)**

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

At December 31, 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. The City's actual contributions for 2006, which were used to fund postemployment benefits, were \$760,961. 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 actuarially-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. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, 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 healthcare plan.

#### **B. Ohio Police and Fire Pension Fund**

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

The health care coverage provided by the retirement system is considered an OPEB as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The total police officers' employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2005, the date of the last actuarial valuation available, was 13,922 for police officers and 10,537 for firefighters. The City's actual contributions for 2006 that were used to fund post employment benefits were \$304,232 for police officers and \$421,112 for firefighters. OP&F's total health care expenses for the year ending December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 14: Risk Management

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

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

Coverage	Self-Insured Retention (per Occurrence)	Liability Limits	
		Per Occurrence	Annual Aggregate
General liability	\$ 100,000	\$ 11,000,000	\$ 12,000,000
Property	50,000	73,118,000	None
Auto	100,000	11,000,000	None
Law enforcement professional	100,000	11,000,000	11,000,000
Public official	100,000	11,000,000	11,000,000

The City accounts for its property and liability insurance premiums as well as its deductibles in the General Fund. The claims liability of \$3,844 reported in the General Fund at December 31, 2006, is based on the requirements that a liability for claims be reported if a liability has been incurred at the date of the financial statements and the amount of the loss is due and payable.

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

The City maintains two hospitalization plans for its full-time employees and their dependents. Some City employees choose to belong to an HMO, whereby the City makes a premium payment to the HMO and all risk is effectively transferred. Most City employees are enrolled in the City's self-funded program which is reinsured through a commercial insurance company. The City carries a \$90,000 specific stop/loss policy for catastrophic coverage, plus an aggregate policy set at 125% of expected claims. All full-time City employees receive dental benefits through the City's self-funded employee benefits program. Employee health and dental benefits are charged to the various funds of the City in accordance to where an employee's salary is charged. Based on historical estimates, a total of \$347,215 has been accrued at year end in the various funds of the City as a component of accrued wages and benefits.

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

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

### December 31, 2006

#### Note 14: Risk Management (continued)

At December 31, 2006, \$1,161,941 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims based upon the current available information.

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

	Property and Casualty		Employee Benefits		Workers' Compensation	
	2006	2005	2006	2005	2006	2005
Beginning of fiscal year liability	\$ 142,549	\$ 154,595	\$ 314,548	\$ 256,239	\$ 892,312	\$ 1,031,885
Current year claims and changes in estimates	17,560	34,964	4,065,412	3,797,911	768,442	267,943
Claim payments	(156,265)	(47,010)	(4,032,745)	(3,739,602)	(498,813)	(407,516)
Balance at fiscal year end	\$ <u>3,844</u>	\$ <u>142,549</u>	\$ <u>347,215</u>	\$ <u>314,548</u>	\$ <u>1,161,941</u>	\$ <u>892,312</u>

#### Note 15: Construction Commitments

At December 31, 2006, uncompleted construction contracts were as follows:

<u>Description</u>	<u>Remaining Construction Committed</u>
Fire station renovation	\$ 8,130
Cedar Lee parking garage	6,145,829
Street resurfacing	17,123
Sewer improvements	152,214
Retaining wall	9,260
Off-street parking	21,910
Total	\$ <u>6,354,466</u>

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

### Note 16: Interfund Activity

A. Individual fund interfund receivable and payable balances at December 31, 2006, are as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	<u>Nonmajor Governmental Funds</u>	<u>Governmental Activities Internal Service Funds</u>	
General fund	\$ 43,854	\$ -	\$ 43,854
Debt Service fund	26,075	-	26,075
Nonmajor governmental funds	-	340,472	340,472
Total	\$ <u>69,929</u>	\$ <u>340,472</u>	\$ <u>410,401</u>

The General Fund owes the Communication System Operating Fund for 2006 operating costs. The Debt Service Fund owes the Capital Projects Fund for the reduction of debt service paid. The Workers Compensation Internal Service Fund temporarily advanced funds to six different nonmajor Governmental Funds due to timing issues for reimbursement of expenditures made by those funds in 2006. Requests for reimbursements for all funds had been made during 2007.

B. Interfund transfers for the year ending December 31, 2006, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>				<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Ambulance Services</u>	
Nonmajor governmental funds	\$ 2,013,263	\$ 1,120,189	\$ 463,050	\$ 363,107	\$ 3,959,609
Utilities	27,928	417,601	-	-	445,529
Cedar Lee Parking Garage	-	507,750	-	-	507,750
Total	\$ <u>2,041,191</u>	\$ <u>2,045,540</u>	\$ <u>463,050</u>	\$ <u>363,107</u>	\$ <u>4,912,888</u>

The transfers from the General Fund to the Nonmajor Governmental Funds include transfers for operating costs. The transfer from the General Fund to the Utilities fund is for reimbursement for a vehicle purchase. The transfers from the Debt Service fund relate to debt payments for various funds. The transfer from the Nonmajor Governmental Funds to Nonmajor Governmental Funds includes closing the year end CDBG Program Income Fund to the CDBG Resource Fund. The transfer from the Ambulance Services Fund to the Fire Pension Fund is for a share of the operating costs for 2006.

### Note 17: Claims and Judgments

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

In addition, there are several unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 2006.

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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**Note 17: Claims and Judgments (continued)**

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

**Note 18: Accountability and Compliance**

**A. Accountability**

The following funds had a deficit balance at December 31, 2006:

Governmental Activities:

Special Revenue Funds:

Street Construction, Maintenance and Repair	\$ 361,367
CDBG Resource	96,897
EPA – Brownfield Grant	223,785
Home Program	3,419
Cain Park	1,315
Police Pension	230,934
Fire Pension	355,727
Section 108 Loan Guarantee	81,031

Capital Projects Funds:

Capital Improvements	407,130
Internal Service Fund	629,937

The deficit fund balances in the CDBG Resource, EPA- Brownfield Grant, Home Program, Cain Park, Police Pension, Fire Pension, and Section 108 Special Revenue Funds and the Internal Service Fund are a result of the application of generally accepted accounting principles, namely the accruing of wages and the recording of interfund, interest, and accounts payable at year end. All deficits besides the Internal Service Fund will be eliminated with intergovernmental revenues in the next accounting period. The Internal Service Fund will be funded through transfers from various funds based on pro-rata share of payroll expenditures and claims.

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

# City of Cleveland Heights, Ohio

## Notes To Basic Financial Statements (Continued)

**December 31, 2006**

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### Note 18: Accountability and Compliance (continued)

#### B. Compliance

The following funds had original or final appropriations in excess of original or final estimated resources plus available balances for 2006, contrary to Ohio Revised Code, Section 5705.39:

	<u>Estimated Resources</u>		<u>Appropriations</u>		<u>Excess</u>
Original:					
Special Revenue Funds:					
HOME Program	\$ 562,472	\$	652,479	\$	90,007
ODNR Recycling Grants	3,932		10,283		6,351
Final:					
Special Revenue Funds:					
HOME Program	562,472		650,326		87,854
ODNR Recycling Grants	10,932		17,031		6,099

### Note 19: Solid Waste

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

# City of Cleveland Heights, Ohio

## Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds

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### Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## City of Cleveland Heights, Ohio

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

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#### Non-Major Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## City of Cleveland Heights, Ohio

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

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#### Non-Major Capital Projects Funds

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

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

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

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

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

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

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

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

# City of Cleveland Heights, Ohio

## Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in city treasury cash	\$ 3,292,758	\$ 1,757,462	\$ 5,050,220
Receivables (net of allowance for uncollectibles):			
Taxes	695,354	687,778	1,383,132
Accounts receivable	22,781	-	22,781
Special assessments	1,442,726	-	1,442,726
Accrued interest	4,747	3,495	8,242
Loans	1,708,289	-	1,708,289
Intergovernmental	1,086,975	63,886	1,150,861
Interfund	43,854	26,075	69,929
	<u>8,297,484</u>	<u>2,538,696</u>	<u>10,836,180</u>
Total assets	\$ <u>8,297,484</u>	\$ <u>2,538,696</u>	\$ <u>10,836,180</u>
<b>Liabilities and fund balances:</b>			
<b>Liabilities:</b>			
Vouchers and accounts payable	\$ 436,774	\$ 286,765	\$ 723,539
Accrued wages and benefits	651,539	-	651,539
Retainage payable	-	150,853	150,853
Interfund payable	340,472	-	340,472
Unearned revenue	2,655,788	751,664	3,407,452
Bond anticipation notes payable	619,960	565,000	1,184,960
Accrued interest payable	11,007	10,031	21,038
	<u>4,715,540</u>	<u>1,764,313</u>	<u>6,479,853</u>
Total liabilities	<u>4,715,540</u>	<u>1,764,313</u>	<u>6,479,853</u>
<b>Fund balances:</b>			
Reserved for encumbrances	151,960	202,977	354,937
Reserved for loans receivable	1,708,289	-	1,708,289
Unreserved, undesignated	1,721,695	571,406	2,293,101
	<u>3,581,944</u>	<u>774,383</u>	<u>4,356,327</u>
Total fund balances	<u>3,581,944</u>	<u>774,383</u>	<u>4,356,327</u>
	<u>8,297,484</u>	<u>2,538,696</u>	<u>10,836,180</u>
Total liabilities and fund balances	\$ <u>8,297,484</u>	\$ <u>2,538,696</u>	\$ <u>10,836,180</u>

# City of Cleveland Heights, Ohio

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

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and other local taxes	\$ 549,161	\$ 773,159	\$ 1,258,433
Intergovernmental	4,253,702	-	4,317,589
Charges for services	1,040,301	4,309	1,044,610
Fees, licenses, and permits	202,538	-	202,538
Interest earnings	48,534	32,900	81,434
Special assessments	1,318,152	-	1,318,152
Fines and forfeitures	669,524	-	669,524
Reimbursements received	136,776	4,456	141,232
Other revenues	<u>483,556</u>	<u>12,775</u>	<u>496,331</u>
Total revenues	<u>8,702,244</u>	<u>827,599</u>	<u>9,529,843</u>
Expenditures:			
Current:			
Public safety	3,602,505	-	3,602,505
Public health	2,600	-	2,600
Culture and recreation	998,543	683,094	1,681,637
Community development	3,797,936	55,507	3,853,443
Sanitation	-	448,433	448,433
Transportation	1,584,744	269,547	1,854,291
General government	203,673	44,357	248,030
Capital outlay	-	13,676	13,676
Debt service:			
Principal retirement	-	195,000	195,000
Interest and fiscal charges	<u>26,051</u>	<u>78,900</u>	<u>104,951</u>
Total expenditures	<u>10,216,052</u>	<u>1,788,514</u>	<u>12,004,566</u>
Excess of revenues over (under) expenditures	<u>(1,513,808)</u>	<u>(960,915)</u>	<u>(2,474,723)</u>
Other financing sources (uses):			
Issuance of debt	-	102,359	102,359
Transfers - in	2,858,034	1,101,575	3,959,609
Transfers - out	<u>(463,050)</u>	<u>-</u>	<u>(463,050)</u>
Total other financing sources (uses)	<u>2,394,984</u>	<u>1,203,934</u>	<u>3,598,918</u>
Net change in fund balances	881,176	243,019	1,124,195
Fund balances beginning of year	<u>2,700,768</u>	<u>531,364</u>	<u>3,232,132</u>
Fund balances end of year	\$ <u>3,581,944</u>	\$ <u>774,383</u>	\$ <u>4,356,327</u>

# City of Cleveland Heights, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds

**December 31, 2006**

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	<u>Street Construction Maintenance, and Repair</u>	<u>Foundation Grants</u>	<u>First Suburbs Consortium</u>	<u>Communications System Operating</u>
<b>Assets:</b>				
Equity in city treasury cash	\$ 125,669	\$ 1,464	\$ 91,841	\$ 76,193
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	847	-	-	-
Loans	-	-	-	-
Intergovernmental	887,308	-	-	23,502
Interfund	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,854</u>
Total assets	\$ <u>1,013,824</u>	\$ <u>1,464</u>	\$ <u>91,841</u>	\$ <u>143,549</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Vouchers and accounts payable	\$ 177,192	\$ -	\$ -	\$ 9,197
Accrued wages and benefits	-	-	4,518	17,914
Interfund payable	-	-	-	-
Unearned revenue	567,032	-	-	-
Notes payable	619,960	-	-	-
Interest payable	<u>11,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,375,191</u>	<u>-</u>	<u>4,518</u>	<u>27,111</u>
<b>Fund balances:</b>				
Reserved for encumbrances	55,288	-	-	76,193
Reserved for loans receivable	-	-	-	-
Unreserved (deficit), undesignated	<u>(416,655)</u>	<u>1,464</u>	<u>87,323</u>	<u>40,245</u>
Total fund balances (deficit)	<u>(361,367)</u>	<u>1,464</u>	<u>87,323</u>	<u>116,438</u>
Total liabilities and fund balances	\$ <u>1,013,824</u>	\$ <u>1,464</u>	\$ <u>91,841</u>	\$ <u>143,549</u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ 19,543	\$ 50,362	\$ 444,834	\$ -	\$ -	\$ -	\$ 5,229	\$ 5,578
-	-	-	-	-	-	-	-
-	150	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	339	2,974	-	-	-	-	-
-	-	-	-	1,671,828	-	36,461	-
-	-	35,283	32,699	-	-	53,423	-
-	-	-	-	-	-	-	-
<u>\$ 19,543</u>	<u>\$ 50,851</u>	<u>\$ 483,091</u>	<u>\$ 32,699</u>	<u>\$ 1,671,828</u>	<u>\$ -</u>	<u>\$ 95,113</u>	<u>\$ 5,578</u>
\$ -	\$ -	\$ 3,632	\$ 71,227	\$ -	\$ 113,438	\$ -	\$ -
-	-	28	18,151	-	-	114	-
-	-	-	40,218	-	110,347	98,418	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,660	129,596	-	223,785	98,532	-
-	-	-	-	-	-	-	-
-	-	-	-	1,671,828	-	36,461	-
<u>19,543</u>	<u>50,851</u>	<u>479,431</u>	<u>(96,897)</u>	<u>-</u>	<u>(223,785)</u>	<u>(39,880)</u>	<u>5,578</u>
<u>19,543</u>	<u>50,851</u>	<u>479,431</u>	<u>(96,897)</u>	<u>1,671,828</u>	<u>(223,785)</u>	<u>(3,419)</u>	<u>5,578</u>
<u>\$ 19,543</u>	<u>\$ 50,851</u>	<u>\$ 483,091</u>	<u>\$ 32,699</u>	<u>\$ 1,671,828</u>	<u>\$ -</u>	<u>\$ 95,113</u>	<u>\$ 5,578</u>

(Continued)

# City of Cleveland Heights, Ohio

## Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

**December 31, 2006**

	Local T.V. Programming	Cain Park	ODNR Recycling Grants	Indigent Driver's Alcohol Treatment
<b>Assets:</b>				
Equity in city treasury cash	\$ 50,273	\$ -	\$ 4,532	\$ 44,277
Receivables (net of allowance for uncollectibles):				
Taxes	104,084	-	-	-
Accounts receivable	-	-	-	50
Special assessments	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	-	-	-
Intergovernmental	-	-	-	-
Interfund	-	-	-	-
Total assets	\$ <u>154,357</u>	\$ <u>-</u>	\$ <u>4,532</u>	\$ <u>44,327</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Vouchers and accounts payable	\$ 4,435	\$ 462	\$ -	\$ -
Accrued wages and benefits	4,110	853	-	-
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
Notes payable	-	-	-	-
Interest payable	-	-	-	-
Total liabilities	<u>8,545</u>	<u>1,315</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Reserved for encumbrances	628	-	-	-
Reserved for loans receivable	-	-	-	-
Unreserved (deficit), undesignated	<u>145,184</u>	<u>(1,315)</u>	<u>4,532</u>	<u>44,327</u>
Total fund balances (deficit)	<u>145,812</u>	<u>(1,315)</u>	<u>4,532</u>	<u>44,327</u>
Total liabilities and fund balances	\$ <u>154,357</u>	\$ <u>-</u>	\$ <u>4,532</u>	\$ <u>44,327</u>

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>
\$ 1,013,157	\$ 43,684	\$ 959,182	\$ 4,094	\$ 109,621	\$ 144,982	\$ -
-	-	-	-	-	-	295,635
8,914	150	13,517	-	-	-	-
-	-	-	-	772,483	670,243	-
-	-	-	-	-	-	-
-	-	-	-	-	-	27,380
-	-	-	-	-	-	-
<u>\$ 1,022,071</u>	<u>\$ 43,834</u>	<u>\$ 972,699</u>	<u>\$ 4,094</u>	<u>\$ 882,104</u>	<u>\$ 815,225</u>	<u>\$ 323,015</u>
\$ 566	\$ -	\$ -	\$ -	\$ 56,585	\$ 40	\$ -
382	-	1,668	-	-	17,140	230,934
-	-	-	4,094	-	-	-
-	-	-	-	772,483	670,243	323,015
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>948</u>	<u>-</u>	<u>1,668</u>	<u>4,094</u>	<u>829,068</u>	<u>687,423</u>	<u>553,949</u>
4,911	-	-	-	-	8,576	-
-	-	-	-	-	-	-
<u>1,016,212</u>	<u>43,834</u>	<u>971,031</u>	<u>-</u>	<u>53,036</u>	<u>119,226</u>	<u>(230,934)</u>
<u>1,021,123</u>	<u>43,834</u>	<u>971,031</u>	<u>-</u>	<u>53,036</u>	<u>127,802</u>	<u>(230,934)</u>
<u>\$ 1,022,071</u>	<u>\$ 43,834</u>	<u>\$ 972,699</u>	<u>\$ 4,094</u>	<u>\$ 882,104</u>	<u>\$ 815,225</u>	<u>\$ 323,015</u>

(Continued)

# City of Cleveland Heights, Ohio

## Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

**December 31, 2006**

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	<u>Fire Pension Trust</u>	<u>Section 108</u>	<u>Office on Aging Donation</u>
Assets:			
Equity in city treasury cash	\$ -	\$ 6,364	\$ 87,177
Receivables (net of allowance for uncollectibles):			
Taxes	295,635	-	-
Accounts receivable	-	-	-
Special assessments	-	-	-
Accrued interest	-	-	587
Loans	-	-	-
Intergovernmental	27,380	-	-
Interfund	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>323,015</u>	\$ <u>6,364</u>	\$ <u>87,764</u>
Liabilities and fund balances:			
Liabilities:			
Vouchers and accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits	355,727	-	-
Interfund payable	-	87,395	-
Unearned revenue	323,015	-	-
Notes payable	-	-	-
Interest payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>678,742</u>	<u>87,395</u>	<u>-</u>
Fund balances:			
Reserved for encumbrances	-	6,364	-
Reserved for loans receivable	-	-	-
Unreserved (deficit), undesignated	<u>(355,727)</u>	<u>(87,395)</u>	<u>87,764</u>
Total fund balances (deficit)	<u>(355,727)</u>	<u>(81,031)</u>	<u>87,764</u>
Total liabilities and fund balances	\$ <u>323,015</u>	\$ <u>6,364</u>	\$ <u>87,764</u>



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<u>Animal Adoption</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 292	\$ 4,410	\$ 3,292,758
-	-	695,354
-	-	22,781
-	-	1,442,726
-	-	4,747
-	-	1,708,289
-	-	1,086,975
-	-	43,854
<u>\$ 292</u>	<u>\$ 4,410</u>	<u>\$ 8,297,484</u>

\$ -	\$ -	\$ 436,774
-	-	651,539
-	-	340,472
-	-	2,655,788
-	-	619,960
-	-	11,007
<u>-</u>	<u>-</u>	<u>4,715,540</u>

-	-	151,960
-	-	1,708,289
<u>292</u>	<u>4,410</u>	<u>1,721,695</u>
<u>292</u>	<u>4,410</u>	<u>3,581,944</u>
<u>\$ 292</u>	<u>\$ 4,410</u>	<u>\$ 8,297,484</u>

# City of Cleveland Heights, Ohio

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

**For Year Ended December 31, 2006**

	Street Construction Maintenance, and Repair	Foundation Grants	First Suburbs Consortium	Communications System Operating
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,761,417	-	-	-
Charges for services	33,259	-	-	294,608
Fees, licenses, and permits	-	-	-	-
Interest earnings	22,661	-	-	-
Special assessments	-	-	-	-
Fines and forfeitures	-	-	-	-
Reimbursements received	122,064	-	-	-
Other revenues	<u>-</u>	<u>-</u>	<u>53,095</u>	<u>-</u>
Total revenues	<u>1,939,401</u>	<u>-</u>	<u>53,095</u>	<u>294,608</u>
Expenditures:				
Current:				
Public safety	-	-	-	540,050
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	72,638	-
Transportation	1,506,739	-	-	-
General government	-	-	-	-
Debt Service:				
Interest and fiscal charges	<u>26,051</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,532,790</u>	<u>-</u>	<u>72,638</u>	<u>540,050</u>
Excess of revenues over (under) expenditures	<u>406,611</u>	<u>-</u>	<u>(19,543)</u>	<u>(245,442)</u>
Other financing sources (uses):				
Transfers - in	192,929	-	-	355,717
Transfers - out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>192,929</u>	<u>-</u>	<u>-</u>	<u>355,717</u>
Net change in fund balances	599,540	-	(19,543)	110,275
Fund balance (deficit) at beginning of year	<u>(960,907)</u>	<u>1,464</u>	<u>106,866</u>	<u>6,163</u>
Fund balance (deficit) at end of year	\$ <u><u>(361,367)</u></u>	\$ <u><u>1,464</u></u>	\$ <u><u>87,323</u></u>	\$ <u><u>116,438</u></u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	28,667	1,677,373	-	346,173	226,419	30,804
-	-	-	-	9,167	-	-	-
-	2,235	18,106	-	-	-	-	-
-	-	-	-	-	-	-	-
-	32,909	287,386	-	-	-	-	-
-	1,294	13,353	-	-	-	-	-
<u>21,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,445</u>	<u>-</u>	<u>47,977</u>	<u>-</u>
<u>21,600</u>	<u>36,438</u>	<u>347,512</u>	<u>1,677,373</u>	<u>348,612</u>	<u>346,173</u>	<u>274,396</u>	<u>30,804</u>
-	8,178	141,077	-	-	-	-	32,151
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,065,776	50,641	569,958	239,100	-
22,538	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>22,538</u>	<u>8,178</u>	<u>141,077</u>	<u>2,065,776</u>	<u>50,641</u>	<u>569,958</u>	<u>239,100</u>	<u>32,151</u>
<u>(938)</u>	<u>28,260</u>	<u>206,435</u>	<u>(388,403)</u>	<u>297,971</u>	<u>(223,785)</u>	<u>35,296</u>	<u>(1,347)</u>
-	-	-	389,950	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(389,950)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>389,950</u>	<u>(389,950)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(938)	28,260	206,435	1,547	(91,979)	(223,785)	35,296	(1,347)
<u>20,481</u>	<u>22,591</u>	<u>272,996</u>	<u>(98,444)</u>	<u>1,763,807</u>	<u>-</u>	<u>(38,715)</u>	<u>6,925</u>
\$ <u>19,543</u>	\$ <u>50,851</u>	\$ <u>479,431</u>	\$ <u>(96,897)</u>	\$ <u>1,671,828</u>	\$ <u>(223,785)</u>	\$ <u>(3,419)</u>	\$ <u>5,578</u>

(Continued)

# City of Cleveland Heights, Ohio

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

**For Year Ended December 31, 2006**

	Local T.V. Programming	Cain Park	ODNR Recycling Grants	Indigent Driver's Alcohol Treatment
<b>Revenues:</b>				
Property and other local taxes	\$ 60,123	\$ -	\$ -	\$ -
Intergovernmental	-	16,926	10,884	-
Charges for services	-	703,267	-	-
Fees, licenses, and permits	202,388	-	-	-
Interest earnings	-	-	-	-
Special assessments	-	-	-	-
Fines and forfeitures	-	-	-	1,826
Reimbursements received	-	65	-	-
Other revenues	-	12,043	-	-
<b>Total revenues</b>	<b>262,511</b>	<b>732,301</b>	<b>10,884</b>	<b>1,826</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	998,543	-	-
Community development	151,069	-	-	-
Transportation	-	-	-	-
General government	-	-	-	-
<b>Debt service:</b>				
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>151,069</b>	<b>998,543</b>	<b>-</b>	<b>-</b>
Excess of revenues over (under) expenditures	111,442	(266,242)	10,884	1,826
<b>Other financing sources (uses):</b>				
Transfers - in	-	282,732	-	-
Transfers - out	(73,100)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(73,100)</b>	<b>282,732</b>	<b>-</b>	<b>-</b>
Net change in fund balances	38,342	16,490	10,884	1,826
Fund balance (deficit) at beginning of year	107,470	(17,805)	(6,352)	42,501
Fund balance (deficit) at end of year	\$ 145,812	\$ (1,315)	\$ 4,532	\$ 44,327

<u>Municipal Court Clerk Computer- ization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,519
-	-	-	100,279	-	-	27,380
-	-	-	-	-	-	-
-	-	-	-	-	150	-
-	-	-	-	-	-	-
-	-	-	-	705,739	612,413	-
136,223	2,913	208,267	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>136,223</u>	<u>2,913</u>	<u>208,267</u>	<u>100,279</u>	<u>705,739</u>	<u>612,563</u>	<u>271,899</u>
-	-	-	-	696,234	-	877,240
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	97,554	-	551,200	-
-	-	-	-	-	-	-
115,598	-	61,852	-	-	-	-
-	-	-	-	-	-	-
<u>115,598</u>	<u>-</u>	<u>61,852</u>	<u>97,554</u>	<u>696,234</u>	<u>551,200</u>	<u>877,240</u>
<u>20,625</u>	<u>2,913</u>	<u>146,415</u>	<u>2,725</u>	<u>9,505</u>	<u>61,363</u>	<u>(605,341)</u>
-	-	-	-	-	-	604,852
-	-	-	-	-	-	-
-	-	-	-	-	-	<u>604,852</u>
20,625	2,913	146,415	2,725	9,505	61,363	(489)
<u>1,000,498</u>	<u>40,921</u>	<u>824,616</u>	<u>(2,725)</u>	<u>43,531</u>	<u>66,439</u>	<u>(230,445)</u>
\$ <u>1,021,123</u>	\$ <u>43,834</u>	\$ <u>971,031</u>	\$ <u>-</u>	\$ <u>53,036</u>	\$ <u>127,802</u>	\$ <u>(230,934)</u>

(Continued)

# City of Cleveland Heights, Ohio

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

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

	<u>Fire Pension Trust</u>	<u>Section 108</u>	<u>Office on Aging Donation</u>
<b>Revenues:</b>			
Property and other local taxes	\$ 244,519	\$ -	\$ -
Intergovernmental	27,380	-	-
Charges for services	-	-	-
Fees, licenses, and permits	-	-	-
Interest earnings	-	-	5,532
Special assessments	-	-	-
Fines and forfeitures	-	-	-
Reimbursements received	-	-	-
Other revenues	-	-	6,393
<b>Total revenues</b>	<u>271,899</u>	<u>-</u>	<u>11,925</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public safety	1,307,575	-	-
Public health	-	-	2,600
Culture and recreation	-	-	-
Community development	-	-	-
Transportation	-	78,005	-
General government	-	-	-
<b>Debt service:</b>			
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>1,307,575</u>	<u>78,005</u>	<u>2,600</u>
Excess of revenues over (under) expenditures	<u>(1,035,676)</u>	<u>(78,005)</u>	<u>9,325</u>
<b>Other financing sources (uses):</b>			
Transfers - in	1,031,854	-	-
Transfers - out	-	-	-
<b>Total other financing sources (uses)</b>	<u>1,031,854</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>(3,822)</b>	<b>(78,005)</b>	<b>9,325</b>
<b>Fund balance (deficit) at beginning of year</b>	<u>(351,905)</u>	<u>(3,026)</u>	<u>78,439</u>
<b>Fund balance (deficit) at end of year</b>	<b>\$ <u>(355,727)</u></b>	<b>\$ <u>(81,031)</u></b>	<b>\$ <u>87,764</u></b>

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<u>Animal Adoption</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 549,161
-	-	4,253,702
-	-	1,040,301
-	-	202,538
-	-	48,534
-	-	1,318,152
-	-	669,524
-	-	136,776
<u>-</u>	<u>3,003</u>	<u>483,556</u>
<u>-</u>	<u>3,003</u>	<u>8,702,244</u>
-	-	3,602,505
-	-	2,600
-	-	998,543
-	-	3,797,936
-	-	1,584,744
-	3,685	203,673
<u>-</u>	<u>-</u>	<u>26,051</u>
<u>-</u>	<u>3,685</u>	<u>10,216,052</u>
<u>-</u>	<u>(682)</u>	<u>(1,513,808)</u>
-	-	2,858,034
<u>-</u>	<u>-</u>	<u>(463,050)</u>
<u>-</u>	<u>-</u>	<u>2,394,984</u>
-	(682)	881,176
<u>292</u>	<u>5,092</u>	<u>2,700,768</u>
\$ <u><u>292</u></u>	\$ <u><u>4,410</u></u>	\$ <u><u>3,581,944</u></u>

# City of Cleveland Heights, Ohio

## Combining Balance Sheet Nonmajor Capital Projects Funds

**December 31, 2006**

	Police Facility Improvement Fund	Recreation Facility Improvement Fund	Capital Improvements	Economic Development
<b>Assets:</b>				
Equity in city treasury cash	\$ 9,712	\$ 380,128	\$ 518,761	\$ 34,311
<b>Receivables:</b>				
Taxes	-	687,778	-	-
Accrued interest	-	-	3,495	-
Intergovernmental	-	63,886	-	-
Interfund	-	-	26,075	-
<b>Total assets</b>	<b>\$ <u>9,712</u></b>	<b>\$ <u>1,131,792</u></b>	<b>\$ <u>548,331</u></b>	<b>\$ <u>34,311</u></b>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Vouchers and accounts payable	\$ -	\$ 26,125	\$ 229,577	\$ 14,667
Retainage payable	-	-	150,853	-
Unearned revenue	-	751,664	-	-
Notes payable	-	-	565,000	-
Accrued interest payable	-	-	10,031	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>777,789</u></b>	<b><u>955,461</u></b>	<b><u>14,667</u></b>
<b>Fund balances:</b>				
Reserved for encumbrances	-	20,125	134,867	21,063
Unreserved (deficit), undesignated	<u>9,712</u>	<u>333,878</u>	<u>(541,997)</u>	<u>(1,419)</u>
<b>Total fund balances (deficit)</b>	<b><u>9,712</u></b>	<b><u>354,003</u></b>	<b><u>(407,130)</u></b>	<b><u>19,644</u></b>
<b>Total liabilities and fund balances</b>	<b>\$ <u>9,712</u></b>	<b>\$ <u>1,131,792</u></b>	<b>\$ <u>548,331</u></b>	<b>\$ <u>34,311</u></b>



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<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 3,717	\$ 46,271	\$ -	\$ 764,562	\$ 1,757,462
-	-	-	-	687,778
-	-	-	-	3,495
-	-	-	-	63,886
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,075</u>
<u>\$ 3,717</u>	<u>\$ 46,271</u>	<u>\$ -</u>	<u>\$ 764,562</u>	<u>\$ 2,538,696</u>
\$ -	\$ 16,396	\$ -	\$ -	\$ 286,765
-	-	-	-	150,853
-	-	-	-	751,664
-	-	-	-	565,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,031</u>
<u>-</u>	<u>16,396</u>	<u>-</u>	<u>-</u>	<u>1,764,313</u>
-	26,922	-	-	202,977
<u>3,717</u>	<u>2,953</u>	<u>-</u>	<u>764,562</u>	<u>571,406</u>
<u>3,717</u>	<u>29,875</u>	<u>-</u>	<u>764,562</u>	<u>774,383</u>
<u>\$ 3,717</u>	<u>\$ 46,271</u>	<u>\$ -</u>	<u>\$ 764,562</u>	<u>\$ 2,538,696</u>

# City of Cleveland Heights, Ohio

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

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

	Police Facility Improvement Fund	Recreation Facility Improvement Fund	Capital Improvements	Economic Development
<b>Revenues:</b>				
Property and other local taxes	\$ -	\$ 630,349	\$ -	\$ -
Charges for services	3,884	425	-	-
Interest earnings	-	-	32,900	-
Reimbursements received	-	-	-	4,456
Other revenues	-	-	-	175
<b>Total revenues</b>	<u>3,884</u>	<u>630,774</u>	<u>32,900</u>	<u>4,631</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Culture and recreation	-	525,894	119,032	-
Community development	-	-	-	55,507
Sanitation	-	-	448,433	-
Transportation	-	-	241,970	-
General government	-	-	86	-
Capital outlay	-	-	13,676	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	29,875	-
<b>Total expenditures</b>	<u>-</u>	<u>525,894</u>	<u>853,072</u>	<u>55,507</u>
Excess of revenues over (under) expenditures	<u>3,884</u>	<u>104,880</u>	<u>(820,172)</u>	<u>(50,876)</u>
<b>Other financing sources:</b>				
Issuance of debt	-	-	102,359	-
Transfers - in	-	-	927,260	73,100
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>1,029,619</u>	<u>73,100</u>
<b>Net change in fund balances</b>	<u>3,884</u>	<u>104,880</u>	<u>209,447</u>	<u>22,224</u>
Fund balance (deficit) at beginning of year	<u>5,828</u>	<u>249,123</u>	<u>(616,577)</u>	<u>(2,580)</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ 9,712</u>	<u>\$ 354,003</u>	<u>\$ (407,130)</u>	<u>\$ 19,644</u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ 142,810	\$ -	\$ 773,159
-	-	-	-	4,309
-	-	-	-	32,900
-	-	-	-	4,456
<u>12,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,775</u>
<u>12,600</u>	<u>-</u>	<u>142,810</u>	<u>-</u>	<u>827,599</u>
-	38,168	-	-	683,094
-	-	-	-	55,507
-	-	-	-	448,433
-	-	-	27,577	269,547
44,271	-	-	-	44,357
-	-	-	-	13,676
-	-	195,000	-	195,000
<u>-</u>	<u>-</u>	<u>49,025</u>	<u>-</u>	<u>78,900</u>
<u>44,271</u>	<u>38,168</u>	<u>244,025</u>	<u>27,577</u>	<u>1,788,514</u>
<u>(31,671)</u>	<u>(38,168)</u>	<u>(101,215)</u>	<u>(27,577)</u>	<u>(960,915)</u>
-	-	-	-	102,359
<u>-</u>	<u>-</u>	<u>101,215</u>	<u>-</u>	<u>1,101,575</u>
<u>-</u>	<u>-</u>	<u>101,215</u>	<u>-</u>	<u>1,203,934</u>
(31,671)	(38,168)	-	(27,577)	243,019
<u>35,388</u>	<u>68,043</u>	<u>-</u>	<u>792,139</u>	<u>531,364</u>
\$ <u><u>3,717</u></u>	\$ <u><u>29,875</u></u>	\$ <u><u>-</u></u>	\$ <u><u>764,562</u></u>	\$ <u><u>774,383</u></u>

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

# City of Cleveland Heights, Ohio

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 6,508,864	\$ 6,508,864	\$ 5,988,324	\$ (520,540)
Municipal income taxes	24,238,418	24,238,418	22,418,401	(1,820,017)
Intergovernmental grants and contracts	5,127,580	5,127,580	4,742,559	(385,021)
Charges for services	2,605,788	2,605,788	2,410,124	(195,664)
Fees, licenses, and permits	1,360,991	1,360,991	1,258,797	(102,194)
Interest earnings	509,276	509,276	471,035	(38,241)
Special assessments	2,593	2,593	2,398	(195)
Fines and forfeitures	2,757,847	2,757,847	2,550,766	(207,081)
Reimbursements received	509,404	509,404	471,154	(38,250)
Other revenue	<u>430,792</u>	<u>430,792</u>	<u>398,444</u>	<u>(32,348)</u>
<b>Total revenues</b>	<u>44,051,553</u>	<u>44,051,553</u>	<u>40,712,002</u>	<u>(3,339,551)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	16,771,016	16,857,005	15,233,859	1,623,146
Public health	431,060	429,410	425,627	3,783
Culture and recreation	2,631,150	2,778,562	2,446,213	332,349
Community development	2,720,698	2,792,258	2,668,106	124,152
Sanitation	2,564,600	2,731,380	2,679,246	52,134
Transportation	3,321,148	3,046,760	2,851,533	195,227
General government	<u>12,836,675</u>	<u>13,386,213</u>	<u>13,288,047</u>	<u>98,166</u>
<b>Total expenditures</b>	<u>41,276,347</u>	<u>42,021,588</u>	<u>39,592,631</u>	<u>2,428,957</u>
Excess of revenues over (under) expenditures	<u>2,775,206</u>	<u>2,029,965</u>	<u>1,119,371</u>	<u>(910,594)</u>
<b>Other financing sources (uses):</b>				
Transfers - out	(2,165,775)	(2,132,128)	(2,041,191)	90,937
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>139,500</u>	<u>139,500</u>
<b>Total other financing sources (uses)</b>	<u>(2,165,775)</u>	<u>(2,132,128)</u>	<u>(1,901,691)</u>	<u>230,437</u>
Net change in fund balance	609,431	(102,163)	(782,320)	(680,157)
Cash fund balance at beginning of year	2,996,861	2,996,861	2,996,861	-
<b>Current year charges against prior year cash fund balance:</b>				
Reserved for encumbrances	<u>(89,680)</u>	<u>(89,680)</u>	<u>(89,680)</u>	<u>-</u>
Cash fund balance at end of year				
Unreserved	3,516,612	2,805,018	2,124,861	(680,157)
Reserved for encumbrances	<u>98,724</u>	<u>98,724</u>	<u>98,724</u>	<u>-</u>
<b>Total cash fund balance at end of year</b>	<u>\$ 3,615,336</u>	<u>\$ 2,903,742</u>	<u>\$ 2,223,585</u>	<u>\$ (680,157)</u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 3,895,000	\$ 9,492,176	\$ 4,028,536	\$ (5,463,640)
Other local taxes				
Interest earnings	-	-	2,729	2,729
Other revenue	-	-	<u>29,969</u>	<u>29,969</u>
Total revenue	<u>3,895,000</u>	<u>9,492,176</u>	<u>4,061,234</u>	<u>(5,430,942)</u>
Expenditures:				
Current:				
General government	10,339	31,519	31,517	2
Debt Service:				
Bond principal retirement	3,693,498	11,259,867	11,259,000	867
Interest and fiscal charges	<u>476,163</u>	<u>1,451,614</u>	<u>1,451,502</u>	<u>112</u>
Total expenditures	<u>4,180,000</u>	<u>12,743,000</u>	<u>12,742,019</u>	<u>981</u>
Excess of revenues over (under) expenditures	(285,000)	(3,250,824)	(8,680,785)	(5,429,961)
Other financing sources (uses):				
Proceeds from sale of debt	-	-	<u>8,092,000</u>	<u>8,092,000</u>
Net change in fund balance	<u>(285,000)</u>	<u>(3,250,824)</u>	<u>(588,785)</u>	<u>2,662,039</u>
Cash fund balance at beginning of year	<u>3,350,377</u>	<u>3,350,377</u>	<u>3,350,377</u>	-
Total cash fund balance at end of year	\$ <u>3,065,377</u>	\$ <u>99,553</u>	\$ <u>2,761,592</u>	\$ <u>2,662,039</u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
State levied shared taxes	\$ 1,617,013	\$ 1,748,221	\$ 1,748,912	\$ 691
Interest earnings	20,129	21,763	21,771	9
Other revenue	<u>112,858</u>	<u>122,016</u>	<u>122,064</u>	<u>48</u>
Total revenues	<u>1,750,000</u>	<u>1,892,000</u>	<u>1,892,747</u>	<u>747</u>
Expenditures:				
Current:				
Transportation	1,557,790	1,864,480	1,864,479	1
Debt service:				
Note principal retirement	39,380	50,520	50,520	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,597,170</u>	<u>1,915,000</u>	<u>1,914,999</u>	<u>1</u>
Net change in fund balance	152,830	(23,000)	(22,252)	748
Cash fund balance at beginning of year	58,146	58,146	58,146	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(21,791)</u>	<u>(21,791)</u>	<u>(21,791)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	189,185	13,355	14,103	748
Reserved for encumbrances	<u>111,643</u>	<u>111,643</u>	<u>111,643</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 300,828</u>	<u>\$ 124,998</u>	<u>\$ 125,746</u>	<u>\$ 748</u>

# City of Cleveland Heights, Ohio

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

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

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>-</u>	\$ <u>(20,000)</u>
Excess of revenues over (under) expenditures	20,000	20,000	-	(20,000)
Cash fund balance at beginning of year	<u>1,464</u>	<u>1,464</u>	<u>1,464</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>21,464</u></u>	\$ <u><u>21,464</u></u>	\$ <u><u>1,464</u></u>	\$ <u><u>(20,000)</u></u>



# City of Cleveland Heights, Ohio

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

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

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenue	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>    53,095</u>	\$ <u>    53,095</u>
Expenditures:				
Current:				
Community development	<u>    40,000</u>	<u>    77,700</u>	<u>    70,231</u>	<u>      7,469</u>
Net change in fund balance	<u>   (40,000)</u>	<u>   (77,700)</u>	<u>   (17,136)</u>	<u>    60,564</u>
Cash fund balance at beginning of year	<u>   108,977</u>	<u>   108,977</u>	<u>   108,977</u>	<u>          -</u>
Total cash fund balance at end of year	\$ <u>    68,977</u>	\$ <u>    31,277</u>	\$ <u>    91,841</u>	\$ <u>    60,564</u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>524,187</u>	\$ <u>365,412</u>	\$ <u>271,106</u>	\$ <u>(94,306)</u>
Expenditures:				
Current:				
Public safety	<u>524,187</u>	<u>627,800</u>	<u>626,823</u>	<u>977</u>
Excess of revenues over (under) expenditures	-	(262,388)	(355,717)	(93,329)
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>262,775</u>	<u>355,717</u>	<u>92,942</u>
Net change in fund balance	<u>-</u>	<u>387</u>	<u>-</u>	<u>(387)</u>
Cash fund balance at end of year:				
Unreserved	-	387	-	(387)
Reserved for encumbrances	<u>76,193</u>	<u>76,193</u>	<u>76,193</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>76,193</u></u>	\$ <u><u>76,580</u></u>	\$ <u><u>76,193</u></u>	\$ <u><u>(387)</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenue	\$ <u>21,000</u>	\$ <u>21,000</u>	\$ <u>21,600</u>	\$ <u>600</u>
Expenditures:				
Current:				
General government	<u>22,600</u>	<u>25,300</u>	<u>22,538</u>	<u>2,762</u>
Excess of revenues over (under) expenditures	(1,600)	(4,300)	(938)	3,362
Cash fund balance at beginning of year	<u>20,481</u>	<u>20,481</u>	<u>20,481</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>18,881</u></u>	\$ <u><u>16,181</u></u>	\$ <u><u>19,543</u></u>	\$ <u><u>3,362</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 262	\$ 1,832	\$ 1,881	\$ 49
Fines and forfeitures	4,558	31,908	32,759	851
Other revenue	<u>180</u>	<u>1,260</u>	<u>1,294</u>	<u>34</u>
Total revenue	<u>5,000</u>	<u>35,000</u>	<u>35,934</u>	<u>934</u>
Expenditures:				
Current:				
Public safety	<u>25,000</u>	<u>57,115</u>	<u>8,178</u>	<u>48,937</u>
Net change in fund balance	(20,000)	(22,115)	27,756	49,871
Cash fund balance at beginning of year	<u>22,639</u>	<u>22,639</u>	<u>22,639</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>2,639</u></u>	\$ <u><u>524</u></u>	\$ <u><u>50,395</u></u>	\$ <u><u>49,871</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 4,705	\$ 6,399	\$ 14,848	\$ 8,449
Fines and forfeitures	91,064	123,847	287,386	163,539
Other revenue	<u>4,231</u>	<u>5,754</u>	<u>13,353</u>	<u>7,599</u>
Total revenues	<u>100,000</u>	<u>136,000</u>	<u>315,587</u>	<u>179,587</u>
Expenditures:				
Current:				
Public safety	<u>350,000</u>	<u>408,398</u>	<u>143,292</u>	<u>265,106</u>
Excess of revenues over (under) expenditures	(250,000)	(272,398)	172,295	444,693
Cash fund balance at beginning of year	<u>272,811</u>	<u>272,811</u>	<u>272,811</u>	<u>          </u>
Total cash fund balance at end of year	\$ <u><u>22,811</u></u>	\$ <u><u>413</u></u>	\$ <u><u>445,106</u></u>	\$ <u><u>444,693</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>4,000,000</u>	\$ <u>4,000,000</u>	\$ <u>1,649,254</u>	\$ <u>(2,350,746)</u>
Expenditures:				
Current:				
Community development	<u>4,000,000</u>	<u>2,200,000</u>	<u>2,072,239</u>	<u>127,761</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1,800,000</u>	<u>(422,985)</u>	<u>(2,222,985)</u>
Other financing sources (uses):				
Transfers - In	-	-	430,168	430,168
Other financing uses	<u>-</u>	<u>-</u>	<u>(6,730)</u>	<u>(6,730)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>423,438</u>	<u>423,438</u>
Net change in fund balance	-	1,800,000	453	(1,799,547)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>1,800,000</u></u>	\$ <u><u>453</u></u>	\$ <u><u>(1,799,547)</u></u>

# City of Cleveland Heights, Ohio

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

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

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>700,000</u>	\$ <u>700,000</u>	\$ <u>440,590</u>	\$ <u>(259,410)</u>
Expenditures:				
Current:				
Community development	<u>350,000</u>	<u>440,590</u>	<u>440,590</u>	<u>-</u>
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>350,000</u></u>	\$ <u><u>259,410</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(259,410)</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>-</u>	\$ <u>513,000</u>	\$ <u>346,173</u>	\$ <u>(166,827)</u>
Expenditures:				
Current:				
Community development	<u>-</u>	<u>512,690</u>	<u>456,520</u>	<u>56,170</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>310</u>	<u>(110,347)</u>	<u>(110,657)</u>
Other financing sources (uses):				
Other financing sources	<u>-</u>	<u>-</u>	<u>110,347</u>	<u>110,347</u>
Net change in fund balance	<u>-</u>	<u>310</u>	<u>-</u>	<u>(310)</u>
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>310</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(310)</u></u>



## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 420,558	\$ 420,558	\$ 172,996	\$ (247,562)
Other revenue	<u>129,442</u>	<u>129,442</u>	<u>53,246</u>	<u>(76,196)</u>
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>226,242</u>	<u>(323,758)</u>
Expenditures:				
Current:				
Community development	<u>550,000</u>	<u>547,847</u>	<u>234,653</u>	<u>313,194</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>2,153</u>	<u>(8,411)</u>	<u>(10,564)</u>
Other financing sources (uses):				
Other financing sources	-	-	98,418	98,418
Other financing uses	<u>(92,917)</u>	<u>(92,917)</u>	<u>(92,917)</u>	<u>-</u>
Total other financing sources (uses)	<u>(92,917)</u>	<u>(92,917)</u>	<u>5,501</u>	<u>98,418</u>
Net change in fund balance	(92,917)	(90,764)	(2,910)	87,854
Cash fund balance at beginning of year	<u>12,472</u>	<u>12,472</u>	<u>12,472</u>	<u>-</u>
Current year charges against prior years cash fund balance:				
Unreserved	(80,445)	(78,292)	9,562	87,854
Reserved for encumbrances	<u>(9,562)</u>	<u>(9,562)</u>	<u>(9,562)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(90,007)</u></u>	\$ <u><u>(87,854)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>87,854</u></u>

# City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 26,000	\$ 30,804	\$ 4,804
Expenditures:				
Current:				
Public safety	-	32,153	32,151	2
Net change in fund balance	-	(6,153)	(1,347)	4,806
Cash fund balance at beginning of year	<u>6,925</u>	<u>6,925</u>	<u>6,925</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>6,925</u></u>	\$ <u><u>772</u></u>	\$ <u><u>5,578</u></u>	\$ <u><u>4,806</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>260,000</u>	\$ <u>260,000</u>	\$ <u>202,388</u>	\$ <u>(57,612)</u>
Expenditures:				
Current:				
Community development	<u>169,100</u>	<u>236,250</u>	<u>154,647</u>	<u>81,603</u>
Excess of revenues over (under) expenditures	<u>90,900</u>	<u>23,750</u>	<u>47,741</u>	<u>23,991</u>
Other financing sources (uses):				
Transfers - out	<u>-</u>	<u>(75,000)</u>	<u>(73,100)</u>	<u>1,900</u>
Net change in fund balance	90,900	(51,250)	(25,359)	25,891
Cash fund balance at beginning of year	80,895	80,895	80,895	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>-</u>	<u>-</u>	<u>(6,481)</u>	<u>(6,481)</u>
Cash fund balance at end of year:				
Unreserved	171,795	29,645	49,055	19,410
Reserved for encumbrances	<u>1,218</u>	<u>1,218</u>	<u>1,218</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>173,013</u></u>	\$ <u><u>30,863</u></u>	\$ <u><u>50,273</u></u>	\$ <u><u>19,410</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 26,947	\$ 26,139	\$ 21,926	\$ (4,213)
Charges for services	864,317	838,388	703,267	(135,121)
Other revenue	<u>8,736</u>	<u>8,474</u>	<u>7,108</u>	<u>(1,366)</u>
Total revenues	<u>900,000</u>	<u>873,001</u>	<u>732,301</u>	<u>(140,700)</u>
Expenditures:				
Current:				
Culture and recreation	<u>900,000</u>	<u>1,022,500</u>	<u>1,015,033</u>	<u>7,467</u>
Excess of revenues over (under) expenditures	-	(149,499)	(282,732)	(133,233)
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>150,000</u>	<u>282,732</u>	<u>132,732</u>
Net change in fund balance	-	501	-	(501)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	<u>-</u>	<u>501</u>	<u>-</u>	<u>(501)</u>
Total cash fund balance at end of year	<u>\$ -</u>	<u>\$ 501</u>	<u>\$ -</u>	<u>\$ (501)</u>

## City of Cleveland Heights, Ohio

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

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

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 7,000	\$ 10,883	\$ 3,883
Expenditures:				
Current:				
Community development	-	6,748	-	6,748
Excess of revenues over (under) expenditures	-	252	10,883	10,631
Other financing sources (uses):				
Other funding uses	(6,748)	(6,748)	(6,748)	-
Net change in fund balance	(6,748)	(6,496)	4,135	10,631
Cash fund balance at beginning of year	3,932	3,932	3,932	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	(3,535)	(3,535)	(3,535)	-
Total cash fund balance at end of year	\$ (6,351)	\$ (6,099)	\$ 4,532	\$ 10,631

# City of Cleveland Heights, Ohio

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

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

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>      1,801</u>	\$ <u>      1,801</u>
Expenditures:				
General government	<u>      14,000</u>	<u>      14,000</u>	<u>          -</u>	<u>      14,000</u>
Net change in fund balance	(14,000)	(14,000)	1,801	15,801
Cash fund balance at beginning of year	<u>      42,476</u>	<u>      42,476</u>	<u>      42,476</u>	<u>          -</u>
Total cash fund balance at end of year	\$ <u>      28,476</u>	\$ <u>      28,476</u>	\$ <u>      44,277</u>	\$ <u>      15,801</u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>150,000</u>	\$ <u>150,000</u>	\$ <u>137,067</u>	\$ <u>(12,933)</u>
Expenditures:				
Current:				
General government	<u>181,440</u>	<u>181,440</u>	<u>117,008</u>	<u>64,432</u>
Net change in fund balance	(31,440)	(31,440)	20,059	51,499
Cash fund balance at beginning of year	991,055	991,055	991,055	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(120)</u>	<u>(120)</u>	<u>(120)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	959,495	959,495	1,010,994	51,499
Reserved for encumbrances	<u>4,911</u>	<u>4,911</u>	<u>4,911</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>964,406</u></u>	\$ <u><u>964,406</u></u>	\$ <u><u>1,015,905</u></u>	\$ <u><u>51,499</u></u>

# City of Cleveland Heights, Ohio

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

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

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>      2,838</u>	\$ <u>      2,838</u>
Expenditures:				
Current:				
General government	<u>      10,000</u>	<u>              -</u>	<u>              -</u>	<u>              -</u>
Net change in fund balance	(10,000)	-	2,838	2,838
Cash fund balance at beginning of year	<u>      40,846</u>	<u>      40,846</u>	<u>      40,846</u>	<u>              -</u>
Total cash fund balance at end of year	\$ <u>      30,846</u>	\$ <u>      40,846</u>	\$ <u>      43,684</u>	\$ <u>      2,838</u>



## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>150,000</u>	\$ <u>150,000</u>	\$ <u>209,677</u>	\$ <u>59,677</u>
Expenditures:				
Current:				
General government	<u>110,320</u>	<u>110,320</u>	<u>64,800</u>	<u>45,520</u>
Net change in fund balance	39,680	39,680	144,877	105,197
Cash fund balance at beginning of year	814,333	814,333	814,333	-
Curent year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(28)</u>	<u>(28)</u>	<u>(28)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>853,985</u></u>	\$ <u><u>853,985</u></u>	\$ <u><u>959,182</u></u>	\$ <u><u>105,197</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>213,142</u>	\$ <u>222,142</u>	\$ <u>100,279</u>	\$ <u>(121,863)</u>
Expenditures:				
Current:				
Community development	<u>213,142</u>	<u>222,019</u>	<u>104,373</u>	<u>117,646</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>123</u>	<u>(4,094)</u>	<u>(4,217)</u>
Other financing sources (uses):				
Other financing sources	-	9,000	4,094	(4,906)
Other financing uses	<u>-</u>	<u>(8,877)</u>	<u>(8,877)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>123</u>	<u>(4,783)</u>	<u>(4,906)</u>
Net change in fund balance	-	246	(8,877)	(9,123)
Cash fund balance at beginning of year	<u>8,877</u>	<u>8,877</u>	<u>8,877</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>8,877</u></u>	\$ <u><u>9,123</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(9,123)</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ <u>700,000</u>	\$ <u>685,000</u>	\$ <u>705,739</u>	\$ <u>20,739</u>
Expenditures:				
Current:				
Public safety	<u>675,000</u>	<u>687,000</u>	<u>685,815</u>	<u>1,185</u>
Excess of revenues over (under) expenditures	25,000	(2,000)	19,924	21,924
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Net change in fund balance	25,000	13,000	19,924	6,924
Cash fund balance at beginning of year	100,113	100,113	100,113	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(10,416)</u>	<u>(10,416)</u>	<u>(10,416)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>114,697</u></u>	\$ <u><u>102,697</u></u>	\$ <u><u>109,621</u></u>	\$ <u><u>6,924</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses, and permits	\$ 135	\$ 131	\$ 150	\$ 19
Special assessments	<u>549,865</u>	<u>534,869</u>	<u>612,413</u>	<u>77,544</u>
Total revenues	<u>550,000</u>	<u>535,000</u>	<u>612,563</u>	<u>77,563</u>
Expenditures:				
Current:				
Community development	<u>535,350</u>	<u>595,000</u>	<u>580,930</u>	<u>14,070</u>
Excess of revenues over (under) expenditures	14,650	(60,000)	31,633	91,633
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Net change in fund balance	14,650	(45,000)	31,633	76,633
Cash fund balance at beginning of year	<u>104,760</u>	<u>104,760</u>	<u>104,760</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	119,410	59,760	136,393	76,633
Reserved for encumbrances	<u>8,589</u>	<u>8,589</u>	<u>8,589</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>127,999</u></u>	\$ <u><u>68,349</u></u>	\$ <u><u>144,982</u></u>	\$ <u><u>76,633</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 265,883	\$ 263,873	\$ 244,519	\$ (19,354)
Intergovernmental grants and contracts	<u>-</u>	<u>-</u>	<u>27,380</u>	<u>27,380</u>
Total revenues	<u>265,883</u>	<u>263,873</u>	<u>271,899</u>	<u>8,026</u>
Expenditures:				
Current:				
Public safety	<u>997,000</u>	<u>880,000</u>	<u>876,751</u>	<u>3,249</u>
Excess of revenues over (under) expenditures	(731,117)	(616,127)	(604,852)	11,275
Other financing sources (uses):				
Transfers - in	<u>749,000</u>	<u>749,000</u>	<u>604,852</u>	<u>(144,148)</u>
Net change in fund balance	17,883	132,873	-	(132,873)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>17,883</u></u>	\$ <u><u>132,873</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(132,873)</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 265,883	\$ 263,873	\$ 244,519	\$ (19,354)
Intergovernmental grants and contracts	<u>-</u>	<u>-</u>	<u>27,380</u>	<u>27,380</u>
Total revenues	<u>265,883</u>	<u>263,873</u>	<u>271,899</u>	<u>8,026</u>
Expenditures:				
Current:				
Public safety	<u>1,266,800</u>	<u>1,303,800</u>	<u>1,303,753</u>	<u>47</u>
Excess of revenues over (under) expenditures	(1,000,917)	(1,039,927)	(1,031,854)	8,073
Other financing sources (uses):				
Transfers - in	<u>1,023,000</u>	<u>1,040,000</u>	<u>1,031,854</u>	<u>(8,146)</u>
Net change in fund balance	22,083	73	-	(73)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>22,083</u>	\$ <u>73</u>	\$ <u>-</u>	\$ <u>(73)</u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Transportation	\$ <u>27,474</u>	\$ <u>84,474</u>	\$ <u>84,369</u>	\$ <u>105</u>
Excess of revenues over (under) expenditures	<u>(27,474)</u>	<u>(84,474)</u>	<u>(84,369)</u>	<u>105</u>
Other financing sources (uses):				
Other financing sources	140,000	140,000	87,395	(52,605)
Other financing uses	<u>(3,026)</u>	<u>(3,026)</u>	<u>(3,026)</u>	<u>-</u>
Total other financing sources (uses)	<u>136,974</u>	<u>136,974</u>	<u>84,369</u>	<u>(52,605)</u>
Net change in fund balance	109,500	52,500	-	(52,500)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	109,500	52,500	-	(52,500)
Reserved for encumbrances	<u>6,364</u>	<u>6,364</u>	<u>6,364</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>115,864</u></u>	\$ <u><u>58,864</u></u>	\$ <u><u>6,364</u></u>	\$ <u><u>(52,500)</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 2,585	\$ 2,585	\$ 4,837	\$ 2,252
Other revenues	<u>3,415</u>	<u>3,415</u>	<u>6,392</u>	<u>2,977</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>11,229</u>	<u>5,229</u>
Expenditures:				
Current:				
Public health	<u>8,000</u>	<u>4,000</u>	<u>2,600</u>	<u>1,400</u>
Net change in fund balance	(2,000)	2,000	8,629	6,629
Cash fund balance at beginning of year	<u>78,602</u>	<u>78,602</u>	<u>78,602</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 76,602</u>	<u>\$ 80,602</u>	<u>\$ 87,231</u>	<u>\$ 6,629</u>



# City of Cleveland Heights, Ohio

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

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

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

## City of Cleveland Heights, Ohio

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

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

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>2,500</u>	\$ <u>2,500</u>	\$ <u>3,003</u>	\$ <u>503</u>
Expenditures:				
Current:				
General government	<u>5,000</u>	<u>4,000</u>	<u>3,685</u>	<u>315</u>
Net change in fund balance	(2,500)	(1,500)	(682)	818
Cash fund balance at beginning of year	<u>5,092</u>	<u>5,092</u>	<u>5,092</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>2,592</u></u>	\$ <u><u>3,592</u></u>	\$ <u><u>4,410</u></u>	\$ <u><u>818</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ -	\$ 4,000	\$ 3,884	\$ (116)
Expenditures:				
Current:				
Public safety	5,000	4,712	-	4,712
Net change in fund balance	(5,000)	(712)	3,884	4,596
Cash fund balance at beginning of year	5,828	5,828	5,828	-
Total cash fund balance at end of year	\$ 828	\$ 5,116	\$ 9,712	\$ 4,596

## City of Cleveland Heights, Ohio

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

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

---

	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 649,956	\$ 645,269	\$ 630,350	\$ (14,919)
Other revenues	<u>438</u>	<u>435</u>	<u>425</u>	<u>(10)</u>
Total revenues	<u>650,394</u>	<u>645,704</u>	<u>630,775</u>	<u>(14,929)</u>
Expenditures:				
Current:				
Culture and recreation	<u>620,000</u>	<u>620,000</u>	<u>606,770</u>	<u>13,230</u>
Net change in fund balance	30,394	25,704	24,005	(1,699)
Cash fund balance at beginning of year	320,483	320,483	320,483	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>-</u>	<u>-</u>	<u>(10,609)</u>	<u>(10,609)</u>
Cash fund balance at end of year:				
Unreserved	350,877	346,187	333,879	(12,308)
Reserved for encumbrances	<u>46,250</u>	<u>46,250</u>	<u>46,250</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>397,127</u></u>	\$ <u><u>392,437</u></u>	\$ <u><u>380,129</u></u>	\$ <u><u>(12,308)</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 369,176	\$ 369,176	\$ 28,431	\$ (340,745)
Expenditures:				
Current:				
Sanitation	159,870	107,765	106,932	833
Transportation	337,040	227,190	225,435	1,755
General government	177,663	119,758	118,833	925
Culture and recreation	<u>427</u>	<u>287</u>	<u>285</u>	<u>2</u>
Total expenditures	<u>675,000</u>	<u>455,000</u>	<u>451,485</u>	<u>3,515</u>
Excess of revenues over (under) expenditures	(305,824)	(85,824)	(423,054)	(337,230)
Other financing sources (uses):				
Proceeds from sale of debt	<u>505,824</u>	<u>505,824</u>	<u>505,824</u>	<u>-</u>
Net change in fund balance	200,000	420,000	82,770	(337,230)
Cash fund balance at beginning of year	626,958	626,958	626,958	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(470,091)</u>	<u>(470,091)</u>	<u>(470,091)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	356,867	576,867	239,637	(337,230)
Reserved for encumbrances	<u>279,443</u>	<u>279,443</u>	<u>279,443</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 636,310</u>	<u>\$ 856,310</u>	<u>\$ 519,080</u>	<u>\$ (337,230)</u>

## City of Cleveland Heights, Ohio

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other revenues	\$ -	\$ 4,632	\$ 4,632	\$ -
Expenditures:				
Community development	-	60,652	60,652	-
Excess of revenues over (under) expenditures	-	(56,020)	(56,020)	-
Other financing sources (uses)				
Transfers - in	-	73,368	73,100	(268)
Transfers - out	-	(17,080)	(17,080)	-
Total other financing sources (uses)	-	56,288	56,020	(268)
Net change in fund balance	-	268	-	(268)
Cash fund balance at beginning of year	14,500	14,500	14,500	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	(14,500)	(14,500)	(14,500)	-
Cash fund balance at end of year				
Unreserved	-	268	-	(268)
Reserved for encumbrances	34,313	34,313	34,313	-
Total cash fund balance at end of year	\$ 34,313	\$ 34,581	\$ 34,313	\$ (268)

## City of Cleveland Heights, Ohio

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

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

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>12,600</u>	\$ <u>100</u>
Expenditures:				
Current:				
General government	<u>25,000</u>	<u>44,750</u>	<u>44,271</u>	<u>479</u>
Net change in fund balance	(12,500)	(32,250)	(31,671)	579
Cash fund balance at beginning of year	<u>35,388</u>	<u>35,388</u>	<u>35,388</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>22,888</u></u>	\$ <u><u>3,138</u></u>	\$ <u><u>3,717</u></u>	\$ <u><u>579</u></u>

## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ -	\$ 500	\$ -	\$ (500)
Expenditures:				
Current:				
Culture and recreation	<u>60,000</u>	<u>68,044</u>	<u>65,090</u>	<u>2,954</u>
Net change in fund balance	(60,000)	(67,544)	(65,090)	2,454
Cash fund balance at beginning of year	75,683	75,683	75,683	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(7,639)</u>	<u>(7,639)</u>	<u>(7,639)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	8,044	500	2,954	2,454
Reserved for encumbrances	<u>43,318</u>	<u>43,318</u>	<u>43,318</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>51,362</u>	\$ <u>43,818</u>	\$ <u>46,272</u>	\$ <u>2,454</u>



## City of Cleveland Heights, Ohio

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ <u>144,785</u>	\$ <u>144,785</u>	\$ <u>142,810</u>	\$ <u>(1,975)</u>
Expenditures:				
Debt service:				
Principal retirement	183,175	183,175	195,000	(11,825)
Interest and fiscal charges	<u>60,850</u>	<u>60,850</u>	<u>49,025</u>	<u>11,825</u>
Total expenditures	<u>244,025</u>	<u>244,025</u>	<u>244,025</u>	<u>-</u>
Excess of revenues over (under) expenditures	(99,240)	(99,240)	(101,215)	(1,975)
Other financing sources (uses):				
Transfers - in	<u>101,215</u>	<u>101,215</u>	<u>101,215</u>	<u>-</u>
Net change in fund balance	1,975	1,975	-	(1,975)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,975</u></u>	\$ <u><u>1,975</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(1,975)</u></u>

# City of Cleveland Heights, Ohio

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

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

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Transportation	\$ <u>250,000</u>	\$ <u>30,000</u>	\$ <u>27,641</u>	\$ <u>2,359</u>
Net change in fund balance	(250,000)	(30,000)	(27,641)	2,359
Cash fund balance at beginning of year	<u>792,203</u>	<u>792,203</u>	<u>792,203</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>542,203</u></u>	\$ <u><u>762,203</u></u>	\$ <u><u>764,562</u></u>	\$ <u><u>2,359</u></u>

# City of Cleveland Heights, Ohio

## Combining Statements – Agency Funds

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

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### Agency Funds

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

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

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

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

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

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

# City of Cleveland Heights, Ohio

## Combining Statement of Changes in Assets and Liabilities – Agency Funds

### For The Year Ended December 31, 2006

	Balance December 31, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2006</u>
<b>General liability contingency:</b>				
Assets:				
Equity in city treasury cash	\$ <u>3,771</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,771</u>
Total assets	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,771</u></u>
Liabilities:				
Restricted deposits	\$ <u>3,771</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,771</u>
Total liabilities	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,771</u></u>
<b>Municipal Court:</b>				
Assets:				
Equity in city treasury cash	\$ <u>342,379</u>	\$ <u>3,359,224</u>	\$ <u>3,338,296</u>	\$ <u>363,307</u>
Total assets	\$ <u><u>342,379</u></u>	\$ <u><u>3,359,224</u></u>	\$ <u><u>3,338,296</u></u>	\$ <u><u>363,307</u></u>
Liabilities:				
Due to others	\$ <u>184,578</u>	\$ <u>2,127,161</u>	\$ <u>2,120,505</u>	\$ <u>191,234</u>
Restricted deposits	<u>157,801</u>	<u>1,232,063</u>	<u>1,217,791</u>	<u>172,073</u>
Total liabilities	\$ <u><u>342,379</u></u>	\$ <u><u>3,359,224</u></u>	\$ <u><u>3,338,296</u></u>	\$ <u><u>363,307</u></u>
<b>Construction deposits:</b>				
Assets:				
Equity in city treasury cash	\$ <u>131,209</u>	\$ <u>200</u>	\$ <u>150</u>	\$ <u>131,259</u>
Total assets	\$ <u><u>131,209</u></u>	\$ <u><u>200</u></u>	\$ <u><u>150</u></u>	\$ <u><u>131,259</u></u>
Liabilities:				
Restricted deposits	\$ <u>131,209</u>	\$ <u>200</u>	\$ <u>150</u>	\$ <u>131,259</u>
Total liabilities	\$ <u><u>131,209</u></u>	\$ <u><u>200</u></u>	\$ <u><u>150</u></u>	\$ <u><u>131,259</u></u>
<b>Sales tax:</b>				
Assets:				
Equity in city treasury cash	\$ <u>2,515</u>	\$ <u>5,379</u>	\$ <u>5,177</u>	\$ <u>2,717</u>
Total assets	\$ <u><u>2,515</u></u>	\$ <u><u>5,379</u></u>	\$ <u><u>5,177</u></u>	\$ <u><u>2,717</u></u>
Liabilities:				
Due to other governments	\$ <u>2,515</u>	\$ <u>5,379</u>	\$ <u>5,177</u>	\$ <u>2,717</u>
Total liabilities	\$ <u><u>2,515</u></u>	\$ <u><u>5,379</u></u>	\$ <u><u>5,177</u></u>	\$ <u><u>2,717</u></u>
<b>Miscellaneous:</b>				
Assets:				
Equity in city treasury cash	\$ <u>208,205</u>	\$ <u>95,686</u>	\$ <u>146,596</u>	\$ <u>157,295</u>
Total assets	\$ <u><u>208,205</u></u>	\$ <u><u>95,686</u></u>	\$ <u><u>146,596</u></u>	\$ <u><u>157,295</u></u>
Liabilities:				
Restricted deposits	\$ <u>208,205</u>	\$ <u>95,686</u>	\$ <u>146,596</u>	\$ <u>157,295</u>
Total liabilities	\$ <u><u>208,205</u></u>	\$ <u><u>95,686</u></u>	\$ <u><u>146,596</u></u>	\$ <u><u>157,295</u></u>

(continued)

# City of Cleveland Heights, Ohio

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

### For The Year Ended December 31, 2006

	Balance December 31, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2006</u>
<b>NEORSD:</b>				
Assets:				
Equity in city treasury cash	\$ <u>124,644</u>	\$ <u>5,783,573</u>	\$ <u>5,802,605</u>	\$ <u>105,612</u>
Total assets	\$ <u><u>124,644</u></u>	\$ <u><u>5,783,573</u></u>	\$ <u><u>5,802,605</u></u>	\$ <u><u>105,612</u></u>
Liabilities:				
Due to other governments	\$ <u>124,644</u>	\$ <u>5,783,573</u>	\$ <u>5,802,605</u>	\$ <u>105,612</u>
Total liabilities	\$ <u><u>124,644</u></u>	\$ <u><u>5,783,573</u></u>	\$ <u><u>5,802,605</u></u>	\$ <u><u>105,612</u></u>
<b>Totals – All Agency Funds:</b>				
Assets:				
Equity in city treasury cash	\$ <u>812,723</u>	\$ <u>9,244,062</u>	\$ <u>9,292,824</u>	\$ <u>763,961</u>
Total assets	\$ <u><u>812,723</u></u>	\$ <u><u>9,244,062</u></u>	\$ <u><u>9,292,824</u></u>	\$ <u><u>763,961</u></u>
Liabilities:				
Due to others	\$ 184,578	\$ 2,127,161	\$ 2,120,505	\$ 191,234
Due to other governments	127,159	5,788,952	5,807,782	108,329
Restricted deposits	<u>500,986</u>	<u>1,327,949</u>	<u>1,364,537</u>	<u>464,398</u>
Total liabilities	\$ <u><u>812,723</u></u>	\$ <u><u>9,244,062</u></u>	\$ <u><u>9,292,824</u></u>	\$ <u><u>763,961</u></u>

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## Statistical Section



Cleveland Heights Queen Anne homes have irregular plans and facades, steeply pitched roofs and sandstone foundations, due to the area's many quarries. Various shapes and sizes of shingles and clapboard created the background for bay windows, decorative spindles, and towers or turrets.

*Structure*

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## Statistical Section

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

<b>Contents</b>	<b>Pages(s)</b>
<p><b><i>Financial Trends</i></b> <span style="float: right;"><b>126 - 133</b></span>                      These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	
<p><b><i>Revenue Capacity</i></b> ..... <b>134 - 138</b>                      These schedules contain information to help the reader assess the City’s most significant local revenue, the property tax and the municipal income tax.</p>	
<p><b><i>Debt Capacity</i></b>..... <b>139 - 145</b>                      These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	
<p><b><i>Economic and Demographic Information</i></b> ..... <b>146 - 147</b>                      These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	
<p><b><i>Operating Information</i></b>..... <b>148 - 155</b>                      These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</p>	

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

# City of Cleveland Heights, Ohio

## Net Assets By Component - Last Four Years

### Accrual Basis of Accounting

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

# City of Cleveland Heights, Ohio

## Changes in Net Assets - Last Four Years

### Accrual Basis of Accounting

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,426,901	\$ 4,708,959	\$ 3,461,016	\$ 3,757,832
Public safety	989,133	826,386	822,387	1,023,035
Public health	6,671	6,706	5,540	-
Culture and recreation	2,265,814	2,150,561	1,893,288	1,755,186
Community development	588,919	459,862	2,566,510	1,341,973
Sanitation	747,719	722,498	477,887	596,220
Transportation	33,259	268,275	2,240,332	295,005
Operating grants and contributions				
General government	100,279	71,731	99,605	203,808
Public safety	59,471	46,614	42,057	7,212
Public health	26,200	27,103	30,521	33,479
Culture and recreation	21,926	5,000	5,000	5,000
Community development	92,818	1,462,627	2,491,578	1,580,209
Sanitation	10,884	30,719	53,458	48,095
Capital grants and contributions	<u>1,995,427</u>	<u>-</u>	<u>212,217</u>	<u>815,829</u>
Total governmental activities program revenues	<u>11,365,421</u>	<u>10,787,041</u>	<u>14,401,396</u>	<u>11,462,883</u>
Business-type activities:				
Charges for services:				
Utilities	11,051,246	9,876,078	9,649,779	10,048,930
Off-street parking	772,037	735,696	776,248	634,306
Ambulance services	619,271	639,117	616,941	537,065
Operating grants and contributions				
Utilities	-	555,343	94,170	95,330
Ambulance services	149,934	64,799	4,125	10,090
Capital grants and contributions				
Ambulance services	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,510</u>
Total business-type activities program revenues	<u>12,592,488</u>	<u>11,871,033</u>	<u>11,141,263</u>	<u>11,479,231</u>
Total primary government program revenues	\$ <u>23,957,909</u>	\$ <u>22,658,074</u>	\$ <u>25,542,659</u>	\$ <u>22,942,114</u>

# City of Cleveland Heights, Ohio

## Changes in Net Assets - Last Four Years (continued)

### Accrual Basis of Accounting

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

## City of Cleveland Heights, Ohio

### Changes in Net Assets - Last Four Years (continued)

#### Accrual Basis of Accounting

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

# City of Cleveland Heights, Ohio

## Fund Balances, Governmental Funds – Last Ten Fiscal Years

### Modified Accrual Basis of Accounting

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Fund						
Reserved	\$ 434,892	\$ 235,383	\$ 221,631	\$ 261,183	\$ 406,493	\$ 332,784
Unreserved	<u>4,547,592</u>	<u>3,522,250</u>	<u>3,621,791</u>	<u>3,215,530</u>	<u>6,110,977</u>	<u>9,268,819</u>
Total General Fund	<u>4,982,484</u>	<u>3,757,633</u>	<u>3,843,422</u>	<u>3,476,713</u>	<u>6,517,470</u>	<u>9,601,603</u>
All Other Governmental Funds						
Reserved	2,063,226	2,249,303	2,965,651	2,385,227	2,332,517	3,284,437
Unreserved, reported in:						
Special Revenue Funds	1,721,695	811,709	1,767,319	1,731,121	2,542,932	2,523,464
Capital Projects Funds	571,406	171,120	(1,405,019)	(4,389,548)	(1,389,525)	(1,291,739)
Debt Service Funds	<u>2,652,333</u>	<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>
Total All Other Governmental Funds	<u>7,008,660</u>	<u>6,492,294</u>	<u>6,532,453</u>	<u>3,003,521</u>	<u>6,904,550</u>	<u>7,652,513</u>
Total All Funds	<u>\$ 11,991,144</u>	<u>\$ 10,249,927</u>	<u>\$ 10,375,875</u>	<u>\$ 6,480,234</u>	<u>\$ 13,422,020</u>	<u>\$ 17,254,116</u>

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<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 478,451	\$ 612,649	\$ 783,345	\$ 418,319
<u>8,289,391</u>	<u>8,808,680</u>	<u>7,916,012</u>	<u>7,193,545</u>
<u>8,767,842</u>	<u>9,421,329</u>	<u>8,699,357</u>	<u>7,611,864</u>
9,793,216	2,629,208	2,060,616	3,154,771
4,432,990	4,218,833	3,988,464	3,584,940
3,223,776	3,067,926	3,160,459	3,181,982
<u>(3,633,790)</u>	<u>13,817,804</u>	<u>14,857,990</u>	<u>13,436,880</u>
<u>13,816,192</u>	<u>23,733,771</u>	<u>24,067,529</u>	<u>23,358,573</u>
<u>\$ 22,584,034</u>	<u>\$ 33,155,100</u>	<u>\$ 32,766,886</u>	<u>\$ 30,970,437</u>

# City of Cleveland Heights, Ohio

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

### Modified Accrual Basis of Accounting

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Revenues</b>						
Property and other						
Local taxes	\$ 10,742,779	\$ 10,930,941	\$ 12,376,008	\$ 10,894,532	\$ 16,359,936	\$ 11,089,243
Municipal income taxes	22,768,921	20,798,981	20,276,910	19,660,730	19,514,488	19,842,139
Intergovernmental	9,808,274	8,785,344	10,139,761	10,417,178	4,204,152	3,983,747
Charges for services	3,453,756	3,034,867	2,717,941	2,650,325	2,355,048	1,698,829
Fees, licenses and permits	1,258,928	1,327,248	1,099,908	1,036,719	913,301	890,925
Interest earnings	628,230	342,165	179,557	276,102	681,213	1,630,247
Special assessments	1,460,640	1,461,639	1,237,577	1,169,775	1,221,592	1,043,594
Fines and forfeitures	3,215,637	3,254,822	2,812,162	2,843,230	2,365,086	2,210,566
Reimbursements received	608,570	883,355	1,002,220	-	-	-
Other revenues	<u>1,129,654</u>	<u>1,481,634</u>	<u>1,150,039</u>	<u>2,064,906</u>	<u>1,955,416</u>	<u>1,627,149</u>
<b>Total Revenues</b>	<u>55,075,389</u>	<u>52,300,996</u>	<u>52,992,083</u>	<u>51,013,497</u>	<u>49,570,232</u>	<u>44,016,439</u>
<b>Expenses</b>						
Current:						
Public safety	18,343,503	18,057,194	17,002,404	17,874,797	16,484,752	16,814,398
Public health	423,239	432,265	441,036	447,871	422,791	478,573
Culture and recreation	4,007,032	3,711,215	3,452,859	3,485,167	4,226,325	12,031,569
Community development	6,456,465	5,645,509	7,305,467	6,700,695	7,168,486	9,088,496
Sanitation	3,081,125	3,026,639	2,799,102	2,977,592	2,875,271	3,042,946
Transportation	4,522,818	7,418,116	6,237,771	9,047,135	6,132,565	4,711,853
General government	13,289,052	12,385,439	12,966,859	13,218,508	12,859,277	12,563,904
Capital outlay	13,676	23,215	37,735	747,810	531,726	1,482,142
Debt service:						
Principal	1,773,221	1,640,000	2,680,000	2,570,000	2,450,000	4,513,993
Interest and fiscal charges	<u>1,144,568</u>	<u>1,279,516</u>	<u>1,265,115</u>	<u>1,384,232</u>	<u>1,478,007</u>	<u>1,584,524</u>
<b>Total Expenditures</b>	<u>53,054,699</u>	<u>53,619,108</u>	<u>54,188,348</u>	<u>58,453,807</u>	<u>54,629,200</u>	<u>66,312,398</u>
<b>Excess of Revenue Over (Under)</b>						
Expenditures	<u>2,020,690</u>	<u>(1,318,112)</u>	<u>(1,196,265)</u>	<u>(7,440,310)</u>	<u>(5,058,968)</u>	<u>(22,295,959)</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds From Sale of Debt	102,359	1,129,752	3,200,000	-	-	8,518,519
Proceeds From Sale of Assets	139,500	191,259	96,844	309,000	166,073	-
Inception of Capital Lease	68,840	-	-	115,000	-	332,111
Other Financing Sources	-	-	-	-	1,000,000	-
Other Financing Uses	-	-	-	-	-	-
Transfers-In	3,959,609	4,701,322	2,544,116	2,687,283	3,667,678	3,323,391
Transfers-Out	<u>(4,549,781)</u>	<u>(4,830,169)</u>	<u>(2,539,228)</u>	<u>(2,683,022)</u>	<u>(3,662,743)</u>	<u>(3,073,861)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(279,473)</u>	<u>1,192,164</u>	<u>3,301,732</u>	<u>428,261</u>	<u>1,171,008</u>	<u>9,100,160</u>
<b>Net Change in Fund Balances</b>	\$ <u>1,741,217</u>	\$ <u>(125,948)</u>	\$ <u>2,105,467</u>	\$ <u>(7,012,049)</u>	\$ <u>(3,887,960)</u>	\$ <u>(13,195,799)</u>
<b>Debt Service as a Percentage of noncapital expenditures</b>	4.24%	4.23%	5.14%	5.83%	6.06%	9.89%



<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 37,094,902	\$ 35,772,759	\$ 15,248,810	\$ 13,542,848
-	-	18,129,164	17,055,837
3,477,391	3,110,374	3,515,264	3,751,561
1,524,971	1,659,907	1,784,525	1,697,709
1,165,156	1,282,469	1,092,561	1,147,277
2,472,355	2,173,847	2,251,807	1,564,886
1,073,912	1,058,733	1,045,518	1,039,153
2,223,951	2,055,224	2,156,536	2,109,795
<u>2,239,142</u>	<u>1,840,791</u>	<u>1,443,404</u>	<u>1,233,090</u>
<u>51,271,780</u>	<u>48,954,104</u>	<u>46,667,589</u>	<u>43,142,156</u>
15,901,028	15,021,518	14,043,553	13,716,693
386,699	359,960	323,020	324,097
11,657,511	2,938,783	1,961,892	1,959,915
7,302,622	7,481,488	4,758,719	5,323,393
3,221,364	2,944,514	2,616,194	2,573,878
4,737,175	3,723,768	2,105,000	2,202,862
11,529,977	11,100,883	9,536,018	9,423,526
2,305,910	563,223	5,819,776	4,171,008
2,115,000	2,040,000	1,764,401	1,667,983
<u>1,561,089</u>	<u>1,655,506</u>	<u>1,964,547</u>	<u>1,135,001</u>
<u>60,718,375</u>	<u>47,829,643</u>	<u>44,893,120</u>	<u>42,498,356</u>
<u>(9,446,595)</u>	<u>1,124,461</u>	<u>1,774,469</u>	<u>643,800</u>
67,910	2,000,000	-	15,236,169
3,826	(2,134,387)	1,125	33,750
115,000	(730,580)	-	532,853
-	750,883	454	-
-	(584,823)	(675)	-
3,407,922	4,787,470	5,341,456	4,154,910
<u>(3,401,922)</u>	<u>(4,784,880)</u>	<u>(5,338,454)</u>	<u>(4,148,549)</u>
<u>192,736</u>	<u>(696,317)</u>	<u>3,906</u>	<u>15,809,133</u>
<u>(\$9,253,859)</u>	<u>\$ 428,144</u>	<u>\$ 1,778,375</u>	<u>\$ 16,452,933</u>
6.31%	6.32%	6.90%	5.55%

# City of Cleveland Heights, Ohio

## Assessed Value and Estimated Actual Value of Taxable Property

### Last Ten Fiscal Years

Tax Year/ Collection Year	Real Property			Personal Property Assessed Value	Public Utilities Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
	Assessed Value		Estimated Actual Value(a)				
	Commercial	Residential					
2006/2007	\$153,391,080	\$ 816,780,760	\$ 2,771,919,542	\$ 13,941,095	\$ 15,185,570	\$ 999,298,505	\$ 13.00
2005/2006	132,354,280	710,087,650	2,406,976,943	15,873,576	25,325,370	883,640,876	13.00
2004/2005	133,121,050	709,043,670	2,406,184,914	18,345,751	27,401,630	887,912,101	13.10
2003/2004	134,174,420	706,821,340	2,402,845,171	19,034,202	31,031,530	891,061,492	14.00
2002/2003	124,975,940	563,120,040	2,092,855,486	21,123,332	28,711,240	737,930,552	14.10
2001/2002	124,836,080	605,388,740	2,085,499,486	20,182,093	17,405,910	767,812,823	14.00
2000/2001	121,304,650	605,561,490	2,076,760,400	29,093,694	27,071,690	783,031,524	14.10
1999/2000	103,265,710	532,677,610	1,816,980,914	17,814,173	23,144,800	676,902,293	14.80
1998/1999	92,643,810	532,581,060	1,786,356,771	17,799,923	25,053,540	668,078,333	14.80
1997/1998	92,988,980	532,699,630	1,787,681,743	20,006,001	24,891,160	670,585,771	14.80

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

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

Source: Cuyahoga County Auditor

## City of Cleveland Heights, Ohio

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

### Last Ten Years

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Tax Year/ Collection Year	<u>City of Cleveland Heights Direct Rates</u>				<u>Overlapping Rates</u>		
	<u>General Fund</u>	<u>Pension Trust Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>	<u>Cleveland Heights School District(a)</u>	<u>Cuyahoga County</u>	<u>Total</u>
2006/2007	\$ 7.40	\$ 0.60	\$ 5.00	\$ 13.00	\$ 135.50	\$ 18.20	\$ 166.70
2005/2006	7.40	0.60	5.00	13.00	135.40	18.30	166.70
2004/2005	7.40	0.60	5.10	13.10	135.50	18.30	166.90
2003/2004	7.40	0.60	6.00	14.00	127.00	18.00	159.00
2002/2003	7.40	0.60	6.10	14.10	127.00	16.20	157.30
2001/2002	7.40	0.60	6.00	14.00	127.00	16.20	157.20
2000/2001	7.40	0.60	6.10	14.10	126.30	16.20	156.60
1999/2000	7.40	0.60	6.80	14.80	115.00	15.30	145.10
1998/1999	7.40	0.60	6.80	14.80	115.00	15.30	145.10
1997/1998	7.40	0.60	6.80	14.80	115.00	16.60	146.40

(a) includes Metroparks and Library Millage

Source: Cuyahoga County Auditor

# City of Cleveland Heights, Ohio

## Property Tax Levies and Collections

### Last Ten Years

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<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Collection Including Deficiencies</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Accumulated Delinquency</u>
2005/2006	\$ 11,482,010	\$ 10,926,279	95.2%	\$ 11,609,888	101.1%	\$ 947,381
2004/2005	11,592,970	10,734,065	92.6%	11,529,456	99.5%	961,632
2003/2004	12,294,389	11,656,435	94.8%	12,493,181	101.6%	1,133,710
2002/2003	10,790,451	10,045,171	93.1%	10,662,371	98.8%	1,250,800
2001/2002	10,446,924	9,671,218	92.6%	10,305,299	98.6%	1,008,768
2000/2001	10,625,214	9,943,816	93.6%	10,421,735	98.1%	934,936
1999/2000	9,743,195	9,252,309	94.9%	9,767,024	100.2%	699,950
1998/1999	9,635,501	9,172,322	95.1%	9,711,046	100.7%	716,147
1997/1998	9,616,713	9,178,450	95.4%	9,475,890	98.5%	678,710
1996/1997	7,962,696	7,634,915	95.9%	7,846,977	98.5%	526,354

Source: Cuyahoga County Auditor

# City of Cleveland Heights, Ohio

## Principal Property Taxpayers

### Current Year and Six Years Ago

<u>Taxpayer</u>	<u>2006</u>			<u>2001</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Severance Spe Lease Co.,LLC(SCIT,Inc.)	\$ 19,182,600	1	1.92%	\$ 12,684,760	1	1.65%
Kaiser Foundation Health Plan of Ohio	11,642,930	2	1.17	7,791,840	2	1.02
The Cleveland Electric Illuminating Company	6,674,170	3	0.67	7,234,170	3	0.94
Ohio Bell Telephone Company	3,848,090	4	0.39	6,801,430	4	0.89
American Retirement Corporation	3,415,590	5	0.34	3,866,590	5	0.50
Concord Company	2,591,190	6	0.26	2,290,930	6	0.30
Kensington Ltd.Partnership	2,415,000	7	0.24	-	-	-
Waldorf Partners Limited Partnership	2,311,800	8	0.23	2,143,020	8	0.28
Severance Housing Corporation	2,259,040	9	0.23	2,026,990	10	0.26
CAS Real Estate Company	1,849,090	10	0.19	-	-	-
SAA Incorporated	-	-	-	2,055,940	9	0.27
Lancashire Towers Associates Ltd Partnership	<u>1,542,210</u>	-	<u>0.15</u>	<u>2,173,640</u>	7	<u>0.28</u>
Total	\$ <u>57,731,710</u>		<u>5.79</u>	\$ <u>49,069,310</u>		<u>6.39</u>
Total Assessed Valuation of City	\$ <u>999,298,505</u>		<u>100.00%</u>	\$ <u>767,512,823</u>		<u>100.00%</u>

Property assessed at 35% of Fair Market Value

Source: Cuyahoga County Auditor

Note: Information prior to 2001 is not available

# City of Cleveland Heights, Ohio

## Income Tax Revenue Base and Collections

### Cash Basis

---

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

Note: Information prior to 2002 is not available.

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## City of Cleveland Heights, Ohio

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

### Last Ten Years

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<u>Year</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>	<u>Economic Development Revenue Bonds</u>	<u>Capital Leases</u>	<u>OPWC Loans</u>
2006	\$ 19,400,000	\$ 1,090,000	\$ 86,639	\$ 1,414,179
2005	20,935,000	1,285,000	61,019	1,481,006
2004	22,385,000	1,475,000	116,548	369,741
2003	21,680,000	1,660,000	510,650	-
2002	24,070,000	1,840,000	642,769	-
2001	26,365,000	1,995,000	320,005	-
2000	24,355,000	-	376,021	-
1999	26,470,000	-	339,842	-
1998	26,510,000	-	412,851	-
1997	28,240,000	-	479,354	-



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<u>Business-Type Activities</u>			<u>Percentage of Personal Income</u>	<u>Per Capita</u>	<u>Population</u>
<u>OPWC Loans</u>	<u>Capital Leases</u>	<u>Total Debt</u>			
\$ 1,528,364	\$ 903,602	\$ 24,422,784	1.86%	\$ 927	25,804
1,801,828	391,086	25,954,939	1.98%	1,006	25,804
939,688	205,233	25,491,210	1.95%	988	25,804
1,001,891	-	24,852,541	1.90%	963	25,804
1,067,414	-	27,620,183	2.11%	1,070	25,804
1,160,717	-	29,840,722	2.28%	1,156	25,804
1,083,502	-	25,814,523	2.10%	1,000	25,804
-	-	26,809,842	2.18%	1,187	22,584
-	-	26,922,851	2.19%	1,192	22,584
-	-	28,719,354	2.33%	1,272	22,584

## City of Cleveland Heights, Ohio

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

### Last Ten Years

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<u>Year</u>	<u>Population(a)</u>	<u>Estimated True Values of Taxable Property (b)</u>	<u>Gross General Bonded Debt</u>	<u>Less Balance In Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio Of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2006	50,769	\$ 999,298,505	\$ 31,672,042	\$ 2,652,333	\$ 27,912,000	2.79%	\$ 549.78
2005	50,769	883,640,876	30,659,000	3,260,162	27,398,838	3.10%	539.68
2004	50,769	887,912,101	27,884,000	3,204,502	24,679,498	2.78%	486.11
2003	50,769	891,061,492	27,807,000	3,276,721	24,530,279	2.75%	483.17
2002	50,769	737,930,552	24,070,000	3,418,626	20,651,374	2.80%	406.77
2001	50,769	767,812,823	26,365,000	3,136,351	23,228,649	3.03%	457.54
2000	49,958	783,031,524	24,355,000	3,223,776	21,131,224	2.70%	422.98
1999	54,540	676,902,293	26,470,000	3,067,926	23,402,074	3.46%	429.08
1998	54,540	668,078,333	26,510,000	3,160,459	23,349,541	3.50%	428.12
1997	54,540	670,585,771	28,240,000	3,181,982	25,058,018	3.74%	459.44

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census  
 Years 1996 through 1999 – 1990 Federal Census  
 Years 2000 through 2006 – 2000 Federal Census

(b) Cuyahoga County Auditor

# City of Cleveland Heights, Ohio

## Computation of Direct and Overlapping Debt

**December 31, 2006**

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	<u>Debt Outstanding</u>	<u>Percentage Applicable To City of Cleveland Heights</u>	<u>Amount Applicable To City of Cleveland Heights</u>
<b>Direct</b>			
City of Cleveland Heights	\$ 27,912,000 (a)	100.00%	\$ 27,912,000
<b>Overlapping</b>			
Cleveland Heights - University Heights School District	12,856,619 (b)	93.90%	12,072,365
Cuyahoga County	214,338,691 (b)	3.00%	6,430,161
Greater Cleveland Regional Transit	<u>156,500,000 (b)</u>	3.00%	<u>4,695,000</u>
Total Overlapping Debt	<u>383,695,310</u>		<u>23,197,526</u>
Total Debt	\$ <u>411,607,310</u>		\$ <u>51,109,526</u>

(a) Net General Obligation Debt Outstanding

(b) Gross General Obligation Debt Outstanding

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

(b) Cuyahoga County Auditor's Office

# City of Cleveland Heights, Ohio

## Ratios of Bonded Debt Outstanding and Legal Debt Margin

### Last Six Years

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Assessed Property Value	\$ 999,298,505	\$ 883,640,876	\$ 887,912,101	\$ 891,061,542	\$ 782,333,792	\$ 767,512,823
General Bonded Debt Outstanding:						
General Obligation Notes/Bonds	20,935,000	22,385,000	24,880,000	24,070,000	26,365,000	24,355,000
Economic Development Revenue						
Bonds	1,285,000	1,475,000	1,660,000	1,840,000	1,995,000	-
Bond Anticipation Notes	9,724,000	13,223,000	9,626,000	8,741,000	2,345,000	-
OPWC-Issue II Loans						
Cedar Road CA22B	119,285	127,806	136,326	144,846	153,367	161,887
Cedar Road CA09B	658,613	705,657	752,701	799,745	846,789	893,833
Taylor Road CA12D	102,905	109,544	116,183	122,822	132,780	-
Coventry Road CA04F	351,254	369,741	-	-	-	-
Meadowbrook Blvd CA20H	<u>1,837,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Gross Indebtedness	35,013,161	38,395,748	37,171,210	35,718,413	31,837,936	25,410,720
Less:						
General Obligation Notes/Bonds	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue Bonds	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
OPWC-Issue II Loans						
Cedar Road CA22B	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(45,928)	-	-	-	-	-
General Obligation Bond Retirement Fund Balance	<u>2,697,451</u>	<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>
Total Net Debt Applicable to Debt Limit	<u>34,641,994</u>	<u>36,436,220</u>	<u>31,506,509</u>	<u>33,752,250</u>	<u>32,741,039</u>	<u>24,479,858</u>
Percentage of Estimated Actual Property Value	3.47%	4.12%	3.55%	3.79%	4.19%	3.19%
Total Net Debt per Capita*	\$ 682	\$ 718	\$ 621	\$ 665	\$ 645	\$ 482

# City of Cleveland Heights, Ohio

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

### Last Six Years

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	\$ 104,926,343	\$ 92,782,292	\$ 93,230,771	\$ 93,561,462	\$ 82,145,048	\$ 80,588,846
Legal Debt Margin Within 10 1/2% Limitations	\$ <u>70,284,349</u>	\$ <u>56,346,072</u>	\$ <u>61,724,262</u>	\$ <u>59,809,212</u>	\$ <u>49,404,009</u>	\$ <u>56,108,988</u>
Legal Debt Margin as a Percentage of the Debt Limit	66.98%	60.73%	66.21%	63.93%	60.14%	69.62%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	\$ 54,961,418	\$ 48,600,248	\$ 48,835,166	\$ 49,008,385	\$ 43,028,359	\$ 42,213,205
Total Gross Indebtedness	\$ 35,013,161	\$ 38,395,748	\$ 37,171,210	\$ 35,718,413	\$ 31,837,936	\$ 25,410,720
Less:						
General Obligation Notes/Bonds	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue Bonds	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
OPWC-Issue II Loans						
Cedar Road CA22B	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	-	-	-	-
General Obligation Bond Retirement Fund Balance	<u>2,697,451</u>	<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>
Net Debt Within 5 1/2% Limitations	<u>34,687,922</u>	<u>36,436,220</u>	<u>31,506,509</u>	<u>33,752,250</u>	<u>32,741,039</u>	<u>24,479,868</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$ <u>20,273,496</u>	\$ <u>12,164,028</u>	\$ <u>17,328,657</u>	\$ <u>15,256,135</u>	\$ <u>10,287,320</u>	\$ <u>17,733,337</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	36.89%	25.03%	35.48%	31.13%	23.91%	42.01%

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

## City of Cleveland Heights, Ohio

Pledged Revenue Coverage  
Economic Development – Zagara’s TIF

### Last Five Fiscal Years

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

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

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

# City of Cleveland Heights, Ohio

## Demographic and Economic Statistics

### Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total personal Income</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Educational Attainment: High School or Higher</u>	<u>School Enrollment (c)</u>	<u>Cuyahoga County Un- employment Rate</u>	<u>Sales Price of Residential Property</u>	<u>Total Assessed Value (b)</u>
2006	50,769 (a)	\$ 1,310,043,276	\$ 25,804	\$ 58,028	35.2	91.6%	6,473	5.2%	\$ 245,290	\$ 999,298,505
2005	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,717	5.2%	178,000	883,640,876
2004	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,887	5.8%	160,000	887,912,101
2003	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,044	6.5%	158,710	891,061,492
2002	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,100	6.6%	150,281	737,930,552
2001	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,146	5.2%	141,543	767,812,823
2000	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,315	4.0%	141,362	783,031,524
1999	54,540	1,231,731,360	22,584	43,541	33.7	88.1%	7,456	4.0%	130,807	676,902,293
1998	54,540	1,231,731,360	22,584	43,541	33.7	88.1%	7,362	4.0%	126,584	668,078,333
1997	54,540	1,231,731,360	22,584	43,541	33.7	88.1%	7,673	4.0%	114,085	670,585,771

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census.  
 Years 1997 through 1999 - 1990 Federal Census  
 Years 2000 through 2006 - 2000 Federal Census

(b) Source: Cuyahoga County Auditor

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

## City of Cleveland Heights, Ohio

### Principal Employers

#### Current Year and Nine Years Ago

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<u>Taxpayer</u>	<u>2006</u>		<u>1997</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
School District	851	2.71%		n/a
City of Cleveland Heights	496	1.58		
Kaiser Foundation	375	1.19		
Walmart	250	.80		
Motorcars	200	.64		
Hebrew Academy	145	.46		
Home Depot	135	.43		
Cedarwood Plaza	130	.41		
Zagara's	125	.40		
Cleveland Heights Library	107	.34		
All Other Employers	<u>28,626</u>	<u>91.04</u>		
Total	<u>31,440</u>	<u>100.00%</u>		

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

n/a – Information not available



## City of Cleveland Heights, Ohio

### Full-time Equivalent City Government Employees by Function/Program

#### Last Five Fiscal Years

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

Source: City of Cleveland Heights Payroll/Human Resources Department

Note: Information prior to 2002 is not available

# City of Cleveland Heights, Ohio

## Operating Indicators by Function/Program

### Last Four Years

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

# City of Cleveland Heights, Ohio

## Operating Indicators by Function/Program (continued)

### Last Four Years

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

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

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

## City of Cleveland Heights, Ohio

### Operating Indicators by Function/Program (continued)

#### Last Four Years

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

# City of Cleveland Heights, Ohio

## Operating Indicators by Function/Program (continued)

### Last Four Years

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

## City of Cleveland Heights, Ohio

### Operating Indicators by Function/Program (continued)

#### Last Four Years

<u>Function/Program</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Building Department Indicators				
(b) Construction Permits Issued-Residential	1,499	1,893	1,932	n/a
(b) Construction Permits Issued-Commercial	137	178	175	n/a
(b) Estimated Value of Construction-Residential (Millions)	\$15,055	\$16,065	\$13,479	n/a
(b) Estimated Value of Construction-Commercial (Millions)	\$18,528	\$36,806	\$16,682	n/a
(b) Number of Permits Issued	4,103	5,109	5,307	n/a
(b) Amount of Revenue Generated From Permits	\$426,412	\$522,638	\$331,876	n/a
(b) Amount of Revenue Generated From Fees/Licenses	\$426,650	\$547,318	\$403,715	n/a
(b) Number of Contractor Registrations Issued	1,187	1,311	1,222	n/a
(b) Number of Inspections Performed	9,458	9,018	8,501	n/a

(b) Source: Building Department's Annual Report

Note: Information prior to 2003 is not available

# City of Cleveland Heights, Ohio

## Capital Assets Statistics by Function/ Program

### Last Four Years

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

# City of Cleveland Heights, Ohio

## Capital Assets Statistics by Function/ Program (continued)

### Last Four Years

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

Source:

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

Note: Information prior to 2003 is not available





CLEVELAND  
HEIGHTS, OHIO





**Mary Taylor, CPA**  
Auditor of State

**CITY OF CLEVELAND HEIGHTS**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 14, 2007**