

CITY OF WARRENSVILLE HEIGHTS, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

ISSUED BY THE DEPARTMENT OF FINANCE

RUBIN K. MOULTRIE, CPA,

FINANCE DIRECTOR



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Warrensville Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA
Chief Deputy Auditor

November 4, 2008

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Comprehensive Annual Financial Report
For the Year Ended December 31, 2007
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Introductory Section



Marcia L. Fudge
Mayor

City of Warrensville Heights

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

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

September 16, 2008

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

We are pleased to submit the comprehensive annual financial report of the City of Warrensville Heights for the year ended December 31, 2007.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days fiscal year end. This report is submitted to satisfy that requirement for the year ended December 31, 2007.

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

Ciuni and Panichi Inc., a Certified Public Accountant and Business Consulting Firm, has issued an unqualified ("clean") opinion on the City of Warrensville Heights' financial statements for the year ended December 31, 2007. The independent accountant's report is located at the front of the financial section of this report.

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

The City and Form of Government

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

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

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

Legislative authority is vested in a seven-member Council. Formerly, the seven members of Council were elected at large, every two years, and served staggered terms so that no more than four members of Council would be elected at any biennial election. At the municipal election in November, 2002, the electors of the City voted to amend the Charter of the City to require the election of members of Council by specified wards for terms of four years. Thus, at the municipal election in November, 2003, the voters of the City elected seven members of Council by wards, each to serve for a term of four years. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The President is elected by a majority of the Council for a one-year term. The Charter establishes certain administrative departments. The Council may establish divisions of those departments and additional departments.

The City's chief executive and administrative officer is the Mayor who is elected by the voters specifically to that office for a four-year term and serves in a part-time capacity. The Mayor presides at all meetings of Council and may veto any legislation passed by Council. A two-third vote of all members of Council will override a veto.

The Mayor appoints, subject to the approval of Council, the directors of the City's departments, the Chiefs of Police and Fire, as well as police and fire personnel after competitive civil service examinations. Additionally, the Mayor appoints members to a number of boards and commissions, and in accordance with civil service requirements, may remove all appointed officials and employees, except Council officers and employees.

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

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

The Bedford Municipal Court provides judicial services for the City of Warrensville Heights and several surrounding communities. The jurisdiction of the Court, as established by the Ohio Revised Code, handles cases from 14 different, diverse municipalities.

Economic Condition and Outlook

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

Each day approximately 10,000 people come to work in Warrensville Heights and are responsible for 63% of the City income through income tax. The City receives approximately 13 cents from each property tax dollar.

The area of Warrensville Heights known as Harvard Park is the focal point of economic growth in the City. The development features lodging, retail and several restaurants. Winegardner & Hammond, Inc. a full service hotel management company, opened a 300-room, full service Marriott Hotel and Conference Center in 2005, on Harvard Road just west of Interstate 271. The eight story hotel features a restaurant, meeting space with executive boardroom, comprehensive audio visual services, guest rooms designed for business travelers and a ballroom that accommodates 600 people for receptions. Filene's Basement, an off-price store offers brand name and designer fashions for men and women, anchors the retail space along with DSW Shoes, and Value City Furniture. The area also features Abuelo's, an upscale Mexican restaurant born of the hospitality and delicious cuisine of authentic restaurants of Old Mexico; as well as, DiBella's Old Fashioned Submarines, and Chipotles. In 2007, the City welcomed several retail establishments featuring a Lazy Boy Furniture Store, Diamond's Men's Wear, Famous Footwear and Verizon Communication to the Harvard Park district.

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

In 2007, Regency Hospital Company opened its doors to a new 40-bed health care facility. The hospital is a Long Term Acute Care (LTAC) facility that treats complex patients who have suffered recent catastrophic illnesses or injuries and require an extended length of stay. The facility is located in the City's first Planned Unit Development (PUD), a mixed use area that consists of an office park and residential cluster homes. The Hospital anticipates creating 120 jobs with an estimated payroll of \$4.5 million. The City issued notes, in anticipation of the levy and collection of special assessments, to pay the cost of constructing the infrastructure at this development site.

Also, during year 2007, Rysar Properties began construction of Cinema Park consisting of 97 single-family homes on the 21-acre site of the former Miles Drive-In Theatre. The price of these homes range from \$175,000 to \$250,000. The development will pay homage to the property's past by naming model houses after famous movies and streets after movie stars. The City is participating in this project by offering 75 percent tax abatement for 12 years and issuing notes in anticipation of the levy and collection of special assessments, to pay the cost of constructing the infrastructure. When completed, Cinema Park will add an estimated \$18 to \$22 million to the City's total residential property value. Ten units in the development have already been sold.

The Richmond Highland Office Park development also commenced construction in 2007. When completed, it will be the office location for Kowit & Passov Real Estate Company and the new Ohio corporate headquarters of Citizens Republic Bancorp. Citizens Republic Bancorp is a diversified financial services company providing a wide range of commercial, consumer, mortgage banking, trust and financial planning services to a broad client base. Citizens Republic Bancorp serves communities in Michigan, Wisconsin, and Ohio as Citizens Bank, and in Iowa, as F&M Bank, with several hundred offices and ATMs. Citizens Republic Bancorp is a diversified financial services company providing a wide range of commercial, consumer, mortgage banking, trust and financial planning services to a broad client base.

Major Initiatives

For the year 2007, the City of Warrensville Heights continued its commitment to provide quality services and facilities to the City's residents and business community. Emphasis continued to be placed on improving services, upgrading infrastructure and enhancing the Green Road Park and the Senior and Civic Center. The City received a grant of \$150,000 from the County of a Cuyahoga Community Development Block grant for the restoration of the Senior and Civic Center Park complex. The grant will be used for reconstruction of the walking path, repairs to the restroom and drinking water facilities, installation of lighting and security cameras and replacement of non-compliant playground equipment. The restoration project is estimated to cost approximately \$450,000.

The City received a grant for \$79,555 from the Ohio Department of Natural Resources to purchase equipment and to renovate the playground at the Green Road Park Complex. The City agreed to match twenty five percent of approved expenditures.

The City received a grant of \$150,000 from the County of Cuyahoga Department of Development for the installation of sidewalks, street lighting, and streetscape improvements on Miles Road. The improvement project is estimated to cost approximately \$247,000.

Long-Term Financial Planning

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

Redevelopment of two abandoned commercial properties continues to be a primary focus. The City submitted a winning application for Clean Ohio Revitalization Funds and received a grant in the amount of \$1,637,000. Remediation of the site was completed in 2006. With these funds, the environmental hazards were removed and the buildings demolished. The City envisions potential civic amenities such as a recreation/community center, a public library and public green space. The project is in the cost estimating phase between the City and possible developers.

Awards and Acknowledgements

Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warrensville Heights for its comprehensive annual financial report for the year ended December 31, 2006.

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


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

Acknowledgments This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to Council and to Mayor Marcia L. Fudge for their enthusiastic support and their granting of funds for this project. Appreciation is also expressed to all City Hall Department Heads for their cooperation and assistance. Special acknowledgment is extended to Local Government Services of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Respectfully submitted,

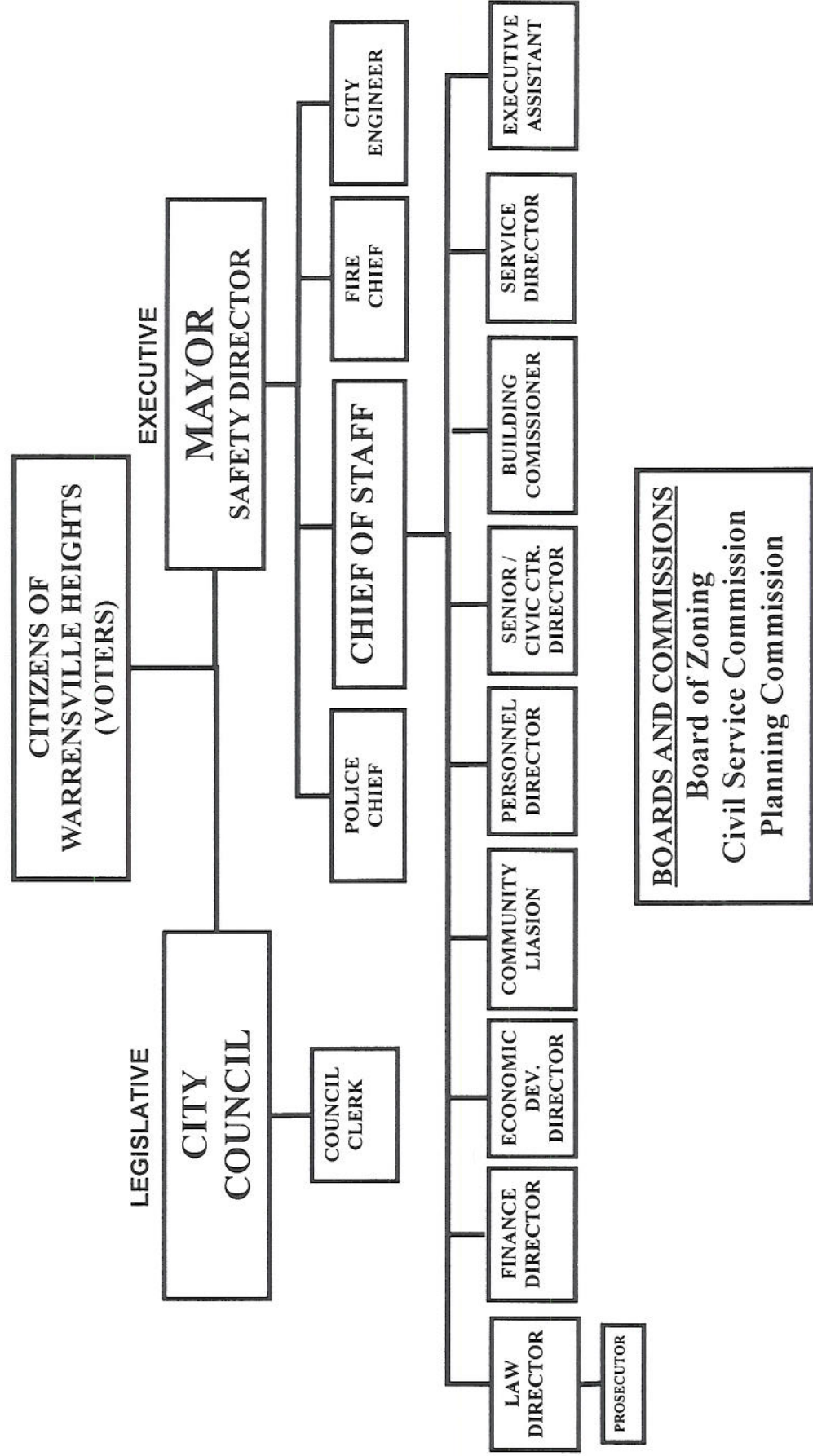


Marcia L. Fudge
Mayor



Rubin K. Moultrie CPA
Finance Director

CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART



The Boards and Commissions are appointed by the Mayor

CITY OF WARRENSVILLE HEIGHTS
ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR MARCIA L. FUDGE

CITY COUNCIL

Dorise Thompson, Ward 1

Deborah A Hill, Ward 2

Elona C White, Ward 3

Ruby Nelson, Ward 4

Clinton Hall, Ward 5

Pauline Goode, Ward 6

Kimberly Hodge-Edwards, Ward 7

APPOINTED OFFICIALS

Barbara L. Walker, Chief of Staff

Edward Coaxum, Law Director

Rubin K. Moultrie, Director of Finance

A. C. Williams, Director of Service

Frank Bova, Chief of Police

Stanley Martin, Chief of Fire

Carolyn Patrick, Personnel Director

Bradley Sellers, Economic Development Director

Melvin Lester, Building Commissioner

Linda Gay, Director Civic and Senior Center

GPD Associates, City Engineer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warrensville Heights
Ohio

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

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

Financial Section

Independent Auditors' Report

Members of the City Council
Warrensville Heights, Ohio

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio, as of December 31, 2007, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2007, the City of Warrensville Heights implemented GASB Statement No. 45, *Accounting and Financial Reporting for by Employers for Postemployment Benefit Plans other than Pensions*, GASB Statement No. 48 *Sales and Pledges of Receivables and Future Revenue and Intra-Entity Transfers of Assets and Future Revenues* and GASB Statement No. 50, *Pension Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2008, on our consideration of the City of Warrensville Heights, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 Warrensville Heights, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cini & Parichi, Inc.

Cleveland, Ohio
September 16, 2008

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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

Financial Highlights

- The assets of the City of Warrensville Heights exceed its liabilities at December 31, 2007 by \$516,948.
- Total assets decreased by \$1,794,731 in 2007 which represents a decrease of 7.30 percent from 2006. The decrease was due primarily to a decrease in cash and cash equivalents and property taxes receivable.
- Total liabilities decreased by \$1,889,844 in 2007 which represents a decrease of 7.82 percent from 2006. Current liabilities decreased \$2,514,134 due mainly to decreases in contracts payable, judgments payable and short-term notes payable. Long-term liabilities increased \$624,290 due to increases in long-term notes and compensated absences.
- In total, net assets of the City increased by \$95,113 during 2007. This represents an increase of 22.55 percent from 2006.

Using this Annual Financial Report

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

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

The City of Warrensville Heights as a Whole

Statement of Net Assets and the Statement of Activities

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

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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

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

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

Reporting the City of Warrensville Heights's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2007 compared to 2006.

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Table 1
Net Assets

	Governmental Activities		Change
	2007	2006	
Assets			
Current and Other Assets	\$8,074,126	\$11,212,124	(\$3,137,998)
Capital Assets, Net	14,717,864	13,374,597	1,343,267
Total Assets	22,791,990	24,586,721	(1,794,731)
Liabilities			
Current Liabilities	6,782,099	9,296,233	(2,514,134)
Long-Term Liabilities			
Due Within One Year	2,089,289	1,918,816	170,473
Due in More Than One Year	13,403,654	12,949,837	453,817
Total Liabilities	22,275,042	24,164,886	(1,889,844)
Net Assets			
Invested in Capital Assets, Net of Related Debt	(777,382)	(614,457)	(162,925)
Restricted for:			
Debt Service	442,118	0	442,118
Streets	535,939	552,258	(16,319)
Police	114,889	224,613	(109,724)
Fire	90,273	80,301	9,972
Other Purposes	296,327	189,078	107,249
Unrestricted (Deficit)	(185,216)	(9,958)	(175,258)
Total Net Assets	\$516,948	\$421,835	\$95,113

Total assets decreased by \$1,794,731 from 2006 to 2007. Of that decrease, the most significant changes were in cash and cash equivalents, which decreased by \$2,638,915, and property taxes receivable, which decreased by \$676,036. Net depreciable capital assets increased by \$1,677,245.

Total liabilities decreased by \$1,889,844 in 2007. The decrease is due to decreases in notes payable of \$870,000, deferred revenues of \$885,801, contract payable of \$745,204 and judgment payable of \$250,000.

Unrestricted net assets had a deficit balance of \$185,216 at December 31, 2007 which is an increase over last year's deficit balance of \$9,958. A large portion of the City's net assets reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related outstanding debt used to acquire those assets. In 2007, the City had capital assets of \$14,717,864 and related debt of \$15,495,246. The excess of \$777,382 of related debt over capital assets reflects the use of note proceeds for road maintenance which is not capitalized. The City uses the capital assets to provide services to citizens; therefore, the assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Table 2 shows the change in net assets for the year ended December 31, 2007 compared to 2006.

Table 2
Changes in Net Assets

	Governmental Activities		Change
	2007	2006	
Revenues			
Program Revenues			
Charges for Services	\$1,169,695	\$950,805	\$218,890
Operating Grants and Contributions	1,083,183	1,059,569	23,614
Capital Grants and Contributions	339,511	384,163	(44,652)
Total Program Revenues	<u>2,592,389</u>	<u>2,394,537</u>	<u>197,852</u>
General Revenues			
Property Taxes	2,535,855	2,310,653	225,202
Municipal Income Tax	10,658,860	10,625,219	33,641
Grants and Entitlements	1,430,120	1,265,036	165,084
Investment Income	166,362	173,564	(7,202)
Gain on Sale of Capital Assets	354	0	354
Other	45,948	59,474	(13,526)
Total General Revenues	<u>14,837,499</u>	<u>14,433,946</u>	<u>403,553</u>
Total Revenues	<u>17,429,888</u>	<u>16,828,483</u>	<u>601,405</u>
Program Expenses			
General Government	2,755,794	3,233,323	(477,529)
Public Safety			
Police	5,138,945	5,708,747	(569,802)
Fire	3,806,397	3,543,673	262,724
Public Health Services	54,834	65,802	(10,968)
Leisure Time Activities	295,210	329,692	(34,482)
Community Development	1,122,810	1,091,122	31,688
Transportation	1,966,685	2,308,721	(342,036)
Basic Utility Services	1,489,299	1,358,581	130,718
Interest and Fiscal Charges	704,801	549,714	155,087
Total Program Expenses	<u>17,334,775</u>	<u>18,189,375</u>	<u>(854,600)</u>
Increase (Decrease) in Net Assets	95,113	(1,360,892)	1,456,005
Net Assets Beginning of Year - Restated	<u>421,835</u>	<u>1,782,727</u>	<u>(1,360,892)</u>
Net Assets End of Year	<u><u>\$516,948</u></u>	<u><u>\$421,835</u></u>	<u><u>\$95,113</u></u>

Governmental Activities

Several revenue sources fund the governmental activities with the City income tax being the largest contributor. Under the accrual basis of accounting, the City's income tax accounted for \$10,658,860 or 61.15 percent of total revenues. The City has an income tax rate of 2.0 percent. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their City tax for Warrensville Heights. In recent history, the City has experienced consistent growth in income tax collections. The

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

electorates of the City voted to change the income tax rate from 1.75 percent to 2.0 percent in 2001, which took effect in January 2002.

The City had a slight increase of \$ 33,641 from revenues generated from income taxes. The City had enjoyed consistent growth over the last few years in its income tax collection despite the downturn in the local economy. The new office developments at the Highland Business Park, the development of Harvard Park Shopping Center and expansions at Sherwin-Williams Research Center and Cleveland Clinic Health System and the opening of Regency Hospital have increased the City's tax base. The catalyst behind its historical growth has been the policy of the City's economic development programs. The City has taken an aggressive approach in meeting some of the needs of its corporate citizens.

The City remains committed to collecting all taxes due to it and in 2007 worked in conjunction with the Central Collection Agency and the City Prosecutor to identify and assess individuals and businesses that were delinquent in filing their income tax returns. The City has two part-time employees' working exclusively with delinquent income taxpayers.

Public safety, including the police and fire departments, accounted for program expenses of \$8,945,342, which is 51.61 percent of total City expenses for the 2007. The transportation expenses, primarily the Service Department, accounted for \$1,966,685, or 11.35 percent of total expenses.

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

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$16,931,472 and expenditures of \$19,432,420. The most significant fund is our General Fund with an unreserved fund balance at year end of \$577,945.

The City's other major funds are the general obligation bond retirement fund and the cinema park capital projects fund. The general obligation bond retirement fund is used to pay the City's outstanding general obligation bonds and special assessment bonds and also accounts for property tax and special assessment revenues which help to make it a major fund. The general obligation bond retirement's fund balance decreased by \$2,905 to \$66,393 at December 31, 2007. The cinema park fund accounts for note proceeds used to pay the infrastructure costs for the cinema park development. The cinema park fund balance decreased by \$1,062,175 to (\$2,543,465) at December 31, 2007.

The combined fund balance for all of the City's funds was (\$1,438,487). On a cash basis short-term note proceeds appear as fund revenues but on a modified accrual basis the short-term notes appear as a liability. The negative balance will be eliminated when the notes are retired.

General Fund Budgeting Highlights

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

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Council at a regularly held Council meeting at the object level for all other funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund.

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

Both the original revenue and expenditure budget is designed to be very conservative requiring additional spending requests to be approved by Council throughout the year. During the course of 2007, the City amended its general fund budget numerous times, in response to departmental needs. The original budgeted revenue amount was \$14,916,838 and the final budgeted revenue amount was \$15,033,261 for an increase of \$116,423. The increase was due mainly to increases in income taxes. The final budgeted expenditure amount exceeded the original budget by \$29,714. The bargaining units for the police department have not reached a labor agreement with the City. The original budget had anticipated a settlement in 2007.

The final budgeted revenues exceeded actual revenues by \$854,975, primarily due to the City receiving less income tax than anticipated.

Capital Assets and Debt Administration

Capital Assets

At the end of 2007, the City of Warrensville Heights had \$14,717,864 invested in land, construction in progress, buildings, land improvements, machinery and equipment, vehicles, furniture and fixtures and infrastructure. Table 3 shows 2007 balances of capital assets as compared to 2006.

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

	Governmental Activities	
	2007	2006
Land	\$3,133,700	\$3,133,700
Construction in Progress	156,531	490,509
Buildings	1,440,208	1,498,680
Land Improvements	179,430	58,122
Machinery and Equipment	324,001	353,491
Furniture and Fixtures	40,249	40,249
Vehicles	1,012,596	974,156
Infrastructure		
Roads	4,779,456	4,150,010
Sanitary Sewers	1,253,327	970,643
Waterlines	1,088,876	789,461
Storm Sewers	1,309,490	915,576
Total Capital Assets	\$14,717,864	\$13,374,597

Capital assets increased by \$1,343,267 in 2007. The reason for this increase was due largely in part to infrastructure improvements at Cinema Park Housing Development.

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For the Year Ended December 31, 2007
Unaudited

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

Long-Term Obligations

At December 31, 2007, the City of Warrensville Heights had \$15,492,943 in outstanding long-term obligations, of which \$2,758,983 was in general obligation bonds and \$9,602,000 in various purpose notes. Table 4 summarizes the long-term obligations outstanding.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2007	2006
General Obligation Bonds	\$2,758,983	\$3,378,500
Special Assessment Bonds	298,865	362,917
Notes Payable	9,602,000	8,485,000
Compensated Absences	2,129,244	1,759,847
Claims Payable	204,450	376,820
Capital Leases	499,401	505,569
Total	\$15,492,943	\$14,868,653

The general obligation bonds were issued in 1999 and 2003 for the following purposes: improving Sunset Drive, Banbury Circle, Ascot Lane and certain other streets by paving and resurfacing them, renovating, remodeling and furnishing City Hall, acquiring a recycling packer for the Service department, refurbishing the culverts on Mill Creek, Longbrook Road and South Miles Road, and reconstructing the roof at City Hall, Fire Station number 2, and the Service Garage.

The Special Assessment Bonds were issued in 1988 and 2003 for neighborhood street improvement projects. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor.

The City of Warrensville Heights' overall legal debt margin was \$25,501,233 with an unvoted debt margin of \$11,562,385 on December 31, 2007. For more information about the City's long-term obligations, see Note 12 to the basic financial statements.

During 2007, the City issued \$2,170,000, \$5,806,000, \$1,905,000 and \$2,845,000 in various purpose improvement bond anticipation notes. The \$2,170,000 issue is at 4.05 percent interest rate and will mature on February 5, 2008. The \$5,806,000 issue is at 4.05 percent interest rate and will mature on May 30, 2008. The \$1,905,000 issue is at 4.05 percent and will mature on May 30, 2008. The \$2,845,000 issue is at 3.95 percent and will mature on September 18, 2008. Proceeds from the sales was used to retire \$2,130,000 notes due February and \$6,535,000 and \$1,354,000 due May 2007, and to provide new monies to pay the cost of various street improvements.

City of Warrensville Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Current Financial Related Activities

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

Contacting the City of Warrensville Heights's Financial Management

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

Basic Financial Statements

City of Warrensville Heights, Ohio

Statement of Net Assets

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,656,648
Materials and Supplies Inventory	69,975
Accounts Receivable	427,686
Intergovernmental Receivable	823,834
Prepaid Items	54,979
Income Taxes Receivable	2,181,068
Property Taxes Receivable	2,466,240
Special Assessments Receivable	337,196
Deferred Charges	56,500
Nondepreciable Capital Assets	3,290,231
Depreciable Capital Assets, net	<u>11,427,633</u>
<i>Total Assets</i>	<u>22,791,990</u>
Liabilities	
Accounts Payable	201,505
Accrued Wages	217,064
Contracts Payable	202,528
Retainage Payable	55,004
Intergovernmental Payable	798,968
Accrued Interest Payable	253,762
Deferred Revenue	1,929,268
Notes Payable	3,124,000
Long-Term Liabilities:	
Due Within One Year	2,089,289
Due In More Than One Year	<u>13,403,654</u>
<i>Total Liabilities</i>	<u>22,275,042</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	(777,382)
Restricted for:	
Debt Service	442,118
Streets	535,939
Police	114,889
Fire	90,273
Other Purposes	296,327
Unrestricted (Deficit)	<u>(185,216)</u>
<i>Total Net Assets</i>	<u><u>\$516,948</u></u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2007

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
General Government	\$2,755,794	\$193,833	\$23,278	\$324,478	(\$2,214,205)
Security of Persons and Property:					
Police	5,138,945	361,456	24,799	15,033	(4,737,657)
Fire	3,806,397	267,729	8,399	0	(3,530,269)
Public Health Services	54,834	3,857	0	0	(50,977)
Leisure Time Activities	295,210	20,764	0	0	(274,446)
Community Development	1,122,810	64,823	290,475	0	(767,512)
Transportation	1,966,685	252,906	736,232	0	(977,547)
Basic Utility Services	1,489,299	4,327	0	0	(1,484,972)
Interest and Fiscal Charges	704,801	0	0	0	(704,801)
<i>Total Governmental Activities</i>	<u>\$17,334,775</u>	<u>\$1,169,695</u>	<u>\$1,083,183</u>	<u>\$339,511</u>	<u>(14,742,386)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	1,028,599
Debt Service	724,197
Other Purposes	783,059
Income Taxes Levied for General Purposes	10,658,860
Grants and Entitlements not Restricted to	
Specific Programs	1,430,120
Investment Earnings	166,362
Gain on Sale of Capital Assets	354
Miscellaneous	45,948
<i>Total General Revenues</i>	<u>14,837,499</u>
Change in Net Assets	95,113
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>421,835</u>
<i>Net Assets End of Year</i>	<u><u>\$516,948</u></u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio

Balance Sheet

Governmental Funds

December 31, 2007

	General	General Obligation Bond Retirement	Cinema Park	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$259,541	\$66,393	\$71,577	\$1,259,137	\$1,656,648
Materials and Supplies Inventory	69,975	0	0	0	69,975
Accounts Receivable	427,686	0	0	0	427,686
Interfund Receivable	23,321	0	0	0	23,321
Intergovernmental Receivable	458,551	19,243	0	346,040	823,834
Prepaid Items	54,979	0	0	0	54,979
Income Taxes Receivable	2,181,068	0	0	0	2,181,068
Property Taxes Receivable	860,804	835,469	0	769,967	2,466,240
Special Assessments Receivable	0	337,196	0	0	337,196
<i>Total Assets</i>	<u>\$4,335,925</u>	<u>\$1,258,301</u>	<u>\$71,577</u>	<u>\$2,375,144</u>	<u>\$8,040,947</u>
Liabilities					
Accounts Payable	\$179,412	\$0	\$0	\$22,093	\$201,505
Accrued Wages	217,064	0	0	0	217,064
Contracts Payable	14,791	0	50,592	137,145	202,528
Retainage Payable	0	0	55,004	0	55,004
Intergovernmental Payable	767,606	0	0	31,362	798,968
Accrued Interest Payable	0	0	69,446	16,223	85,669
Interfund Payable	0	0	0	23,321	23,321
Notes Payable	0	0	2,440,000	684,000	3,124,000
Deferred Revenue	2,510,216	1,191,908	0	1,069,251	4,771,375
<i>Total Liabilities</i>	<u>3,689,089</u>	<u>1,191,908</u>	<u>2,615,042</u>	<u>1,983,395</u>	<u>9,479,434</u>
Fund Balances					
Reserved for Encumbrances	68,891	0	0	8,980	77,871
Unreserved					
Undesignated (Deficit), Reported in:					
General Fund	577,945	0	0	0	577,945
Special Revenue Funds	0	0	0	566,702	566,702
Debt Service Funds	0	66,393	0	0	66,393
Capital Projects Funds	0	0	(2,543,465)	(183,933)	(2,727,398)
<i>Total Fund Balances (Deficit)</i>	<u>646,836</u>	<u>66,393</u>	<u>(2,543,465)</u>	<u>391,749</u>	<u>(1,438,487)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,335,925</u>	<u>\$1,258,301</u>	<u>\$71,577</u>	<u>\$2,375,144</u>	<u>\$8,040,947</u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2007*

Total Governmental Funds Balances	(\$1,438,487)
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,717,864
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	\$536,972
Income Tax	918,707
Intergovernmental	694,619
Charges for Services	354,613
Special Assessments	<u>337,196</u>
Total	2,842,107
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets	56,500
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(168,093)
Long-term liabilities, including bonds, notes and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(2,758,983)
Special Assessment Bonds	(298,865)
Notes Payable	(9,602,000)
Claims Payable	(204,450)
Compensated Absences	(2,129,244)
Capital Leases	<u>(499,401)</u>
Total	<u>(15,492,943)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$516,948</u></u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	General Obligation Bond Retirement	Cinema Park	Other Governmental Funds
Revenues				
Property Taxes	\$983,105	\$626,850	\$0	\$716,135
Income Taxes	10,739,288	0	0	0
Special Assessments	0	382,781	0	0
Intergovernmental	1,324,084	19,006	0	978,655
Interest	156,973	0	0	9,389
Fees, Licenses and Permits	326,516	0	0	30,034
Fines and Forfeitures	296,926	0	0	0
Charges for Services	283,674	0	0	12,108
Other	8,862	2,891	0	34,195
<i>Total Revenues</i>	<u>14,119,428</u>	<u>1,031,528</u>	<u>0</u>	<u>1,780,516</u>
Expenditures				
Current:				
General Government	2,582,882	0	0	37,103
Security of Persons and Property:				
Police	4,494,839	0	0	553,794
Fire	3,256,422	0	0	254,516
Public Health Services	54,392	0	0	0
Leisure Time Activities	278,762	0	0	0
Community Development	813,583	0	0	340,132
Transportation	1,549,572	0	0	581,062
Basic Utility Services	1,427,767	0	0	0
Capital Outlay	0	0	900,229	652,478
Debt Service:				
Principal Retirement	204,393	695,000	0	0
Interest and Fiscal Charges	23,929	437,115	141,678	152,772
<i>Total Expenditures</i>	<u>14,686,541</u>	<u>1,132,115</u>	<u>1,041,907</u>	<u>2,571,857</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(567,113)</u>	<u>(100,587)</u>	<u>(1,041,907)</u>	<u>(791,341)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	198,225	0	0	0
Current Refunding	0	(8,237,500)	(92,500)	(155,000)
Notes Issued	0	7,969,000	0	1,633,000
Sale of Capital Assets	1,673	0	0	0
Transfers In	0	366,182	72,232	67,983
Transfers Out	(152,490)	0	0	(353,907)
<i>Total Other Financing Sources (Uses)</i>	<u>47,408</u>	<u>97,682</u>	<u>(20,268)</u>	<u>1,192,076</u>
<i>Net Change in Fund Balances</i>	<u>(519,705)</u>	<u>(2,905)</u>	<u>(1,062,175)</u>	<u>400,735</u>
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year - Restated (See Note 3)</i>	<u>1,166,541</u>	<u>69,298</u>	<u>(1,481,290)</u>	<u>(8,986)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$646,836</u>	<u>\$66,393</u>	<u>(\$2,543,465)</u>	<u>\$391,749</u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007*

<hr/> <hr/>	Net Change in Fund Balances - Total Governmental Funds	(\$1,184,050)
Total Governmental Funds	Amounts reported for governmental activities in the statement of activities are different because	
\$2,326,090	Governmental funds report capital outlays as expenditures.	
10,739,288	However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
382,781	This is the amount by which capital outlays exceeded depreciation in the current period.	
2,321,745	Capital Outlay	\$1,953,460
166,362	Depreciation	<u>(608,874)</u>
356,550	Total	1,344,586
296,926		
295,782	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(1,319)
45,948	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
<hr/>	Property Taxes	209,765
16,931,472	Income Tax	(80,428)
	Intergovernmental	206,591
2,619,985	Charges for Services	220,437
5,048,633	Special Assessments	<u>(58,303)</u>
3,510,938	Total	498,062
54,392		
278,762	Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	9,384,393
1,153,715	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.	
2,130,634	Accrued Interest on Bonds	73,424
1,427,767	Amortization of Bond Issuance Cost	(11,300)
1,552,707	Amortization of Accounting Loss	<u>(11,431)</u>
899,393	Total	50,693
755,494		
19,432,420	Some expenses do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
(2,500,948)	Compensated Absences	(369,397)
198,225	Claims Payable	<u>172,370</u>
(8,485,000)		(197,027)
9,602,000	Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.	
1,673	Refunding Notes Issued	(9,602,000)
506,397	Inception of Capital Lease	<u>(198,225)</u>
(506,397)	Total	<u>(9,800,225)</u>
1,316,898		
(1,184,050)	<i>Change in Net Assets of Governmental Activities</i>	<u>\$95,113</u>
(254,437)		
<u>(\$1,438,487)</u>		

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$837,898	\$845,824	\$983,105	\$137,281
Income Taxes	11,245,081	11,332,657	10,692,865	(639,792)
Intergovernmental	1,430,036	1,441,891	1,470,512	28,621
Interest	122,299	123,564	156,973	33,409
Fees, Licenses and Permits	412,532	415,164	326,516	(88,648)
Fines and Forfeitures	338,655	340,667	249,544	(91,123)
Charges for Services	372,796	375,133	289,909	(85,224)
Other	157,541	158,361	8,862	(149,499)
<i>Total Revenues</i>	<u>14,916,838</u>	<u>15,033,261</u>	<u>14,178,286</u>	<u>(854,975)</u>
Expenditures				
Current:				
General Government	2,913,453	2,943,167	2,745,615	197,552
Security of Persons and Property:				
Police	4,582,358	4,582,358	4,415,196	167,162
Fire	3,410,715	3,410,715	3,372,228	38,487
Public Health Services	54,400	54,400	54,392	8
Leisure Time Activities	300,184	300,184	278,487	21,697
Community Development	818,625	818,625	807,126	11,499
Transportation	1,329,691	1,329,691	1,314,699	14,992
Basic Utility Services	1,439,000	1,439,000	1,427,767	11,233
<i>Total Expenditures</i>	<u>14,848,426</u>	<u>14,878,140</u>	<u>14,415,510</u>	<u>462,630</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>68,412</u>	<u>155,121</u>	<u>(237,224)</u>	<u>(392,345)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	1,673	1,673
Advances In	0	0	9,000	9,000
Transfers Out	(361,693)	(361,693)	(147,950)	213,743
<i>Total Other Financing Sources (Uses)</i>	<u>(361,693)</u>	<u>(361,693)</u>	<u>(137,277)</u>	<u>224,416</u>
<i>Net Change in Fund Balance</i>	<u>(293,281)</u>	<u>(206,572)</u>	<u>(374,501)</u>	<u>(167,929)</u>
<i>Fund Balance Beginning of Year</i>	566,213	566,213	566,213	0
Prior Year Encumbrances Appropriated	112,139	112,139	112,139	0
<i>Fund Balance End of Year</i>	<u>\$385,071</u>	<u>\$471,780</u>	<u>\$303,851</u>	<u>(\$167,929)</u>

See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$63,680</u></u>
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Liabilities

Deposits Held and Due to Others	<u><u>\$63,680</u></u>
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See accompanying notes to the basic financial statements

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 1 – Description of the City and Reporting Entity

The City of Warrensville Heights (the “City”) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted May 6, 1958. Legislative authority is vested in a seven-member Council. Council members are elected for a four year term. The Mayor is the chief executive and administrative officer who is also elected for a four year term.

Reporting Entity

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

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

The City is associated with one jointly governed organization. This organization is the First Suburbs Consortium of Northeast Ohio Council of Governments. This organization is presented in Note 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 statements usually distinguish between those activities that are governmental and those that are considered business-type; the City, however, has no business-type activities.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

provided it is expended or transferred according to the charter of the City of Warrensville Heights and/or the general laws of Ohio.

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

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statement for the fiduciary funds are

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2007.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund and the bureau of justice grant and local law enforcement block grant special revenue funds. Interest revenue credited to the general fund during 2007 amounted to \$156,973, which includes \$131,874 assigned from other City funds.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. Inventory

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

H. Capital Assets

The City's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back-trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

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

I. Interfund Balances

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

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

L. Fund Balance Reserves

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$1,479,546 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include street lighting, and community and economic development.

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

N. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

O. Bond Issuance Costs

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

P. Deferred Loss on Refunding

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

Q. Extraordinary and Special Items

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

R. Estimates

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

S. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The community navigator service award grant and juvenile accountability grant special revenue funds did not have any budgetary activity in 2007, therefore, budgetary information is not provided. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level.

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

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

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

A. Change in Accounting Principles

For 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of \$39,663 and \$21,453 for police and \$14,384 for fire, respectively, which are the same as previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing).

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

B. Restatement of Prior Year Net Assets

During 2007, it was determined that accounts payable were overstated by \$86, intergovernmental payables were understated by \$108,147 and notes payable were understated \$3,994,000. On the statement of net assets, claims payable were understated by \$376,820. These adjustments had the following effect on fund balances/net assets at December 31, 2006.

	General	General Obligation Bond Retirement	Cinema Park	Other Governmental Funds	Total Governmental Funds
Fund Balance December 31, 2006	\$1,274,688	\$69,298	\$828,710	\$1,674,928	\$3,847,624
Restatement:					
Accounts Payable	0	0	0	86	86
Intergovernmental Payable	(108,147)	0	0	0	(108,147)
Notes Payable	0	0	(2,310,000)	(1,684,000)	(3,994,000)
Restated Fund Balance December 31, 2006	<u>\$1,166,541</u>	<u>\$69,298</u>	<u>(\$1,481,290)</u>	<u>(\$8,986)</u>	<u>(\$254,437)</u>

	Governmental Activities
Net Assets at December 31, 2006	\$906,716
Restatement:	
Accounts Payable	86
Intergovernmental Payable	(108,147)
Claims Payable	(376,820)
Restated Net Assets at December 31, 2006	<u>\$421,835</u>

Note 4 – Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of December 31, 2007:

Major Fund:	
Cinema Park	\$2,543,465
Nonmajor Funds:	
COPS Grant	\$21,255
Street Improvement	160,271
Land Acquisition	61,076
Route 8/Northfield Road Project	22,566
Town Center Project	9,546
Green Road Park Improvement	39,095

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

The COPS grant special revenue is caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur. The deficits in the capital projects funds are the result of the issuance of anticipation notes which are used to finance projects until bonds are issued. Once the notes are retired or the bonds are issued, the deficits will be eliminated.

B. Compliance

Contrary to Ohio Revised Code Section 5705.10, the City had a negative cash balance in the Developer's Deposit agency fund in the amount of \$178,609 indicating that revenues from other sources were used to pay obligations of the fund.

In the general fund, the finance department personal services expenditures plus encumbrances were \$407,957 and appropriations were \$383,822. The expenditures plus encumbrances are in excess of the appropriations by \$24,135 contrary to Section 5705.41, Ohio Revised Code. Also, in the general fund, the fire department materials and supplies expenditures plus encumbrances were \$66,049 and appropriations were \$64,340. The expenditures plus encumbrances are in excess of the appropriations by \$1,709, contrary to Section 5705.41, Ohio Revised Code. In the street construction, maintenance and repair fund, street maintenance contractual services expenditures plus encumbrances were \$26,523 and appropriations were \$25,524. The expenditures plus encumbrances are in excess of appropriations by \$999 contrary to Section 5705.41, Ohio Revised Code.

Although these violations were not corrected by year end, management has indicated that appropriations and cash balances will be closely monitored to eliminate future violations.

Note 5 - Budgetary Basis of Accounting

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

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

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

GAAP Basis	(\$519,705)
Net Adjustment for Revenue Accruals	(177,567)
Advance In	9,000
Beginning Unrecorded Cash	16,425
Ending Unrecorded Cash	21,775
Net Adjustment for Expenditures Accruals	392,635
Transfer Out	(4,540)
Encumbrances	(112,524)
Budget Basis	<u><u>(\$374,501)</u></u>

Note 6 – Deposits and Investments

The City follows State statute and classifies held monies into three categories.

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
6. The State Treasurer's investment pool (STAR Ohio); and

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bond of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not of principal, interest, or coupon; and,
3. Obligations of the City.

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

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$245,814 of the City's bank balance of \$613,027 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2007, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1
Repurchase Agreements	\$1,629,886	\$1,629,886
STAROhio	20,309	20,309
Total Investments	\$1,650,195	\$1,650,195

Interest Rate Risk. The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to

City of Warrensville Heights, Ohio
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maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

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

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

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2007:

Investment Issuer	Percentage of Investments
Repurchase Agreements:	
Federal Home Loan Mortgage Corporation Securities	98.97 %
STAROhio	1.03
Total	100.00 %

Note 7 - Receivables

Receivables at December 31, 2007, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year.

Special assessments expected to be collected in more than one year amount to \$229,117 in the general obligation bond retirement fund. At December 31, 2007 the amount of delinquent special assessments was \$38,331.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2007 taxes.

City of Warrensville Heights, Ohio
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For the Year Ended December 31, 2007

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

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

The full tax rate for all City operations for the year ended December 31, 2007, was \$13.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$265,012,860
Public Utility Property	747,885
Tangible Personal Property	<u>13,016,219</u>
Total Assessed Values	<u><u>\$278,776,964</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Warrensville Heights. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2007 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, and the police salary and equipment, fire salary and equipment, street lighting, building levy, fire pension and police pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2007 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

The City levies a two percent income tax on substantially all income earned within the City. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their Warrensville Heights City income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their City tax for

City of Warrensville Heights, Ohio
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For the Year Ended December 31, 2007

Warrensville Heights. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the general fund.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Local Government	\$430,338
Homestead and Rollback	55,031
Highway Distribution Tax	18,745
Gasoline and Excise Tax	185,477
Auto Registration Tax	46,556
Economic Development Grant	52,000
Permissive Motor Vehicle License Tax	13,344
Bureau of Justice Grant	12,603
Other	9,740
Total	\$823,834

Note 8 - Interfund Balances

Interfund balances at December 31, 2007, consist of the following interfund receivables and payables:

Interfund Payable	Interfund Receivable General
<i>Nonmajor Governmental Funds:</i>	
Street Lighting	\$1,000
COPS Grant	21,566
Grass Refuse	755
Total	\$23,321

The loans to the Street Lighting and COPS Grant special revenue funds were made to support programs and projects in this fund. The loan to the Grass Refuse special revenue fund was made to cover expenditures until reimbursement is received. All of the loans will be repaid in 2008.

City of Warrensville Heights, Ohio
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For the Year Ended December 31, 2007

Note 9 - Interfund Transfers

Interfund transfers for the year ended December 31, 2007, consisted of the following:

Transfers To	Transfers From		Total
	General	Nonmajor Governmental Funds	
General Obligation			
Bond Retirement	\$95,000	\$198,950	\$293,950
Cinema Park	0	72,232	72,232
Nonmajor Governmental Funds	57,490	82,725	140,215
Total	\$152,490	\$353,907	\$506,397

The transfers from the General fund to the NOACA TCLI Grant special revenue fund for \$52,950 was made to meet the City’s matching fund requirements for the grants.

The transfers from the General Fund, Street Improvement, Snavelly Project, Cranwood Parkway Project, Emery Woods Project, Siren Warning System, Sidewalk Replacement, Town Center and Generators capital projects funds to the General Obligation Bond Retirement fund and the Cinema Park capital projects fund were made for the annual debt service payments, which include the retirement of general obligation bonds, special assessment bonds, and notes. At December 31, 2006, the City had \$4,540 in outstanding long-term advances from the General Fund to two nonmajor special revenue funds. In 2007, Council determined that these advances would not be repaid and were converted to transfers. They are \$1,600 to the Community Navigator Service Grant and \$2,940 to the Juvenile Accountability special revenue funds.

Note 10 - Contingencies

A. Litigation

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

B. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2007.

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 11 - Capital Assets

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

Governmental Activities	Balance 12/31/2006	Additions	Deductions	Balance 12/31/2007
<i>Capital Assets not being Depreciated:</i>				
Land	\$3,133,700	\$0	\$0	\$3,133,700
Construction in Progress	490,509	1,457,834	(1,791,812)	156,531
Total Capital Assets not being Depreciated	<u>3,624,209</u>	<u>1,457,834</u>	<u>(1,791,812)</u>	<u>3,290,231</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	2,590,515	0	0	2,590,515
Land Improvements	363,668	131,972	0	495,640
Machinery and Equipment	1,498,208	123,390	(4,946)	1,616,652
Furniture and Fixtures	78,969	0	0	78,969
Vehicles	4,191,961	240,264	0	4,432,225
Infrastructure:				
Roads	7,037,737	739,708	0	7,777,445
Sanitary Sewers	2,275,185	308,231	0	2,583,416
Waterlines	1,842,207	320,482	0	2,162,689
Storm Sewers	2,002,836	423,391	0	2,426,227
Total Capital Assets being Depreciated	<u>21,881,286</u>	<u>2,287,438</u>	<u>(4,946)</u>	<u>24,163,778</u>
Less Accumulated Depreciation:				
Buildings	(1,091,835)	(58,472)	0	(1,150,307)
Land Improvements	(305,546)	(10,664)	0	(316,210)
Machinery and Equipment	(1,144,717)	(151,561)	3,627	(1,292,651)
Furniture and Fixtures	(38,720)	0	0	(38,720)
Vehicles	(3,217,805)	(201,824)	0	(3,419,629)
Infrastructure:				
Roads	(2,887,727)	(110,262)	0	(2,997,989)
Sanitary Sewers	(1,304,542)	(25,547)	0	(1,330,089)
Waterlines	(1,052,746)	(21,067)	0	(1,073,813)
Storm Sewers	(1,087,260)	(29,477)	0	(1,116,737)
Total Accumulated Depreciation	<u>(12,130,898)</u>	<u>(608,874) *</u>	<u>3,627</u>	<u>(12,736,145)</u>
Total Capital Assets being Depreciated, Net	<u>9,750,388</u>	<u>1,678,564</u>	<u>(1,319)</u>	<u>11,427,633</u>
Governmental Activities Capital Assets, Net	<u>\$13,374,597</u>	<u>\$3,136,398</u>	<u>(\$1,793,131)</u>	<u>\$14,717,864</u>

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

* Depreciation expense was charged to governmental activities as follows:

General Government	\$112,267
Security of Persons and Property:	
Police	81,976
Fire	106,131
Public Health Services	442
Leisure Time Activities	29,324
Community Development	16,002
Transportation	201,200
Basic Utility Services	61,532
Total Depreciation Expense	\$608,874

Note 12 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
<i>General Obligation Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05% - 3.125%	\$2,131,447	2012
Current Interest Serial Bonds			
Capital Appreciation Bonds			
Unamortized Loss	n/a	(114,307)	2012
1999 Street Improvement	3.90% - 5.40%	4,155,000	2014
<i>Special Assessment Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05% - 3.125%	493,553	2012
1988 Street Improvement	7.625%	1,730,000	2008
<i>Long-Term Notes:</i>			
2007 Bond Anticipation Note	4.05%	2,170,000	2008
2007 Bond Anticipation Note	4.05%	5,527,000	2008
2007 Bond Anticipation Note	4.05%	1,905,000	2008

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
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A schedule of changes in bonds and other long-term obligations of the City during 2007 follows:

	Restated Amount Outstanding 12/31/2006	Additions	Deletions	Amount Outstanding 12/31/2007	Amount Due In One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
2003 Various Purpose					
Improvement Refunding Bonds	\$1,447,083	\$0	\$240,948	\$1,206,135	\$250,252
Unamortized Loss	(68,583)	0	(11,431)	(57,152)	0
Total Refunding Bonds	1,378,500	0	229,517	1,148,983	250,252
1999 Street Improvement	2,000,000	0	390,000	1,610,000	410,000
<i>Total General Obligation Bonds</i>	3,378,500	0	619,517	2,758,983	660,252
<i>Special Assessment Bonds with Governmental Commitment</i>					
2003 Various Purpose					
Improvement Refunding Bonds	327,917	0	49,052	278,865	49,748
1988 Street Improvement	35,000	0	15,000	20,000	20,000
<i>Total Special Assessment Bonds</i>	362,917	0	64,052	298,865	69,748
<i>Long-Term Notes</i>					
2006 Bond Anticipation Notes	2,076,000	0	2,076,000	0	0
2006 Bond Anticipation Notes	6,409,000	0	6,409,000	0	0
2007 Bond Anticipation Notes	0	2,170,000	0	2,170,000	0
2007 Bond Anticipation Notes	0	5,527,000	0	5,527,000	0
2007 Bond Anticipation Notes	0	1,905,000	0	1,905,000	0
<i>Total Long-Term Notes</i>	8,485,000	9,602,000	8,485,000	9,602,000	0
<i>Other Long-Term Obligations</i>					
Compensated Absences	1,759,847	1,108,191	738,794	2,129,244	1,098,837
Claims Payable	376,820	72,801	245,171	204,450	69,535
Capital Leases	505,569	198,225	204,393	499,401	190,917
<i>Total Governmental Activities</i>	\$14,868,653	\$10,981,217	\$10,356,927	\$15,492,943	\$2,089,289

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

The \$2,130,000, (\$54,000 considered short-term), various purpose improvement bond anticipation note issued February 9, 2006 at 3.70 percent and outstanding at December 31, 2006, was rolled over into the \$2,170,000 various purpose improvement bond anticipation note, issued February 8, 2007 at 4.05 percent and maturing February 5, 2008. As of December 31, 2007, all of the note proceeds were spent except for \$48,930. The note is backed by the full faith and credit of the City of Warrensville Heights.

The \$6,535,000, (\$126,000 considered short-term), various purpose improvement bond anticipation note issued May 31, 2006 at 4.00 percent and outstanding at December 31, 2006, was rolled over into two various purpose improvement bond anticipation notes for \$5,806,000 and \$1,905,000 issued May 31, 2007 at 4.05 percent and maturing May 30, 2008. \$212,454 of the \$5,806,000 proceeds and \$93,929 of the \$1,905,000 proceeds were unspent as of December 31, 2007. As of December 31, 2007, \$279,000 of the \$5,806,000

City of Warrensville Heights, Ohio
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For the Year Ended December 31, 2007

note was considered short-term. The note is backed by the full faith and credit of the City of Warrensville Heights.

Compensated absences, claims payable and capital leases will be paid from the general fund.

As of December 31, 2007, the City's overall legal debt margin was \$25,501,233 and the unvoted legal debt margin was \$11,562,385.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2007 are as follows:

	General Obligation Bonds		Special Assessment Bonds		Totals
	Principal	Interest	Principal	Interest	
2008	\$660,252	\$105,298	\$69,748	\$19,882	\$855,180
2009	684,556	81,549	55,444	15,056	836,605
2010	393,860	55,968	56,140	11,387	517,355
2011	407,467	43,604	62,533	7,666	521,270
2012	335,000	31,660	55,000	1,760	423,420
2013-2014	335,000	27,270	0	0	362,270
Total	\$2,816,135	\$345,349	\$298,865	\$55,751	\$3,516,100

Note 13 - Note Debt

During 2007, the City retired \$3,994,000 of the outstanding bond anticipation notes and reissued \$3,124,000. In 2006, \$54,000 of the \$2,130,000 note was considered short-term and \$126,000 of the \$6,535,000 note was considered short-term.

The \$2,460,000 various improvement note for the purpose of sanitary sewer and street improvements issued September 21, 2006 at 3.95 percent and maturing September 20, 2007 was rolled over into the \$2,845,000 various improvement note at 3.95 percent and maturing September 18, 2008.

The \$1,354,000 various purpose improvement bond anticipation note issued May 31, 2006 at 4.14 percent and outstanding at December 31, 2006, was retired in 2007.

Types / Issues	Balance 12/31/2006	Additions	Deletions	Balance 12/31/2007
2006 Bond Anticipation Notes	\$54,000	\$0	\$54,000	\$0
2006 Bond Anticipation Notes	126,000	0	126,000	0
2006 Bond Anticipation Notes	1,354,000	0	1,354,000	0
2006 Bond Anticipation Notes	2,460,000	0	2,460,000	0
2007 Bond Anticipation Notes	0	279,000	0	279,000
2007 Bond Anticipation Notes	0	2,845,000	0	2,845,000
Total Governmental Funds	\$3,994,000	\$3,124,000	\$3,994,000	\$3,124,000

City of Warrensville Heights, Ohio
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For the Year Ended December 31, 2007

All the notes are backed by the full faith and credit of the City of Warrensville Heights and mature within one year. The note liability is reflected in the funds which received the proceeds. As of December 31, 2007, all of the note proceeds have been expended except for \$376,190. The notes will be paid out of the general obligation debt retirement fund and the Route 8/Northfield Road, Cinema Park and Green Road Park capital projects funds.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

Note 14 – Capital Leases

During 2007, the City entered into lease agreements for two police cars and a snow and ice truck. The City also has existing leases for copiers, vehicles, a street sweeper, a fire truck, police equipment and a postage meter. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, “Accounting for Leases,” and have been recorded on the government-wide statements. The machinery and equipment and vehicles have been capitalized in the amount of \$2,116,874 the present value of the minimum lease payments at the inception of the lease.

The assets acquired through capital leases are as follows:

<i>Asset:</i>	<u>Governmental Activities</u>
Machinery and Equipment	\$168,756
Vehicles	1,948,118
Historical Cost	<u>2,116,874</u>
Less: Accumulated Depreciation	<u>(921,149)</u>
Total Book Value as of December 31, 2007	<u><u>\$1,195,725</u></u>

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

Year Ending December 31,	
2008	\$213,254
2009	197,260
2010	<u>147,317</u>
Total Minimum Lease Payments	557,831
Less: Amount Representing Interest	<u>(58,430)</u>
Present Value of Minimum Lease	<u><u>\$499,401</u></u>

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

City of Warrensville Heights, Ohio
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Note 15 - Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the City contracted with HCC Insurance Company and the Chubb Group of Insurance Companies for various types of insurance as follows:

Company	Coverage	Amount
HCC Insurance Company	Comprehensive Municipal Liability Coverage:	
	Combined Single Limit (Per Occurrence)/Aggregate	\$1,000,000 / \$3,000,000
	Property Legal Liability	50,000
	Premises Medical Payments (Per Person)	10,000
	Employee Benefits Liability (Per Occurrence)/Aggregate	1,000,000 / 3,000,000
	Ohio Stop Gap	1,000,000
	Automobile Liability and Physical Damage Coverage:	
	Combined Bodily Injury and Property Damage	1,000,000
	Law Enforcement Liability (Per Occurrence)	1,000,000
	Public Officials Liability (Per Occurrence)	1,000,000
	Aggregate	1,000,000
	Electronic Data Processing Systems	309,920
	Property (Building and Contents) Coverage	13,313,900
Inland Marine Coverage	1,815,814	
Chubb Group of Insurance Companies	Boiler and Machinery Coverage	1,000,000

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

B. Workers' Compensation

The City participates in the State Workers' Compensation retrospective rating and payment plan. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at December 31, 2007, represents an estimate of the liability for unpaid claims costs provided by Workers' Compensation. The claims liability reported in the general fund for the Workers' Compensation retrospective rating and payment system at December 31, 2007, was \$204,450.

The claims liability reported at December 31, 2007 for workers' compensation is based on the requirements of Governmental Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated adjustment expenses. Changes in claims activity for the years 2006 and 2007 are as follows:

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	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2006	\$0	\$428,927	\$52,107	\$376,820
2007	376,820	72,801	245,171	204,450

Note 16 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description - The City of Warrensville 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 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension 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) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The City’s contribution rate was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the City’s contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City’s required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$322,476, \$350,725 and \$347,145, respectively; 81.28 percent has been contributed for 2007 and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$884 made by the City and \$607 made by the plan members.

City of Warrensville Heights, Ohio
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B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contributions rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to the OP&F for police and firefighters were \$281,844 and \$377,505 for the year ended December 31, 2007, \$271,040 and \$335,121 for the year ended December 31, 2006, and \$276,221 and \$339,090 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 84.47 percent has been contributed for police and 90.48 percent has been contributed for firefighters for 2007.

Note 17 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contribution allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, 2005 were \$212,410, \$146,900, and \$145,401 respectively; 81.28 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Police and Firemen's Disability and Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is 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.

Funding Policy – OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OP&F Plan.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$149,212 and \$147,719 for the year ended December 31, 2007, \$178,772 and \$159,827 for the year ended December 31, 2006, \$182,188 and \$161,720 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 84.47 percent has been contributed for police and 90.48 percent has been contributed for firefighters for 2007.

Note 18 - Compensated Absences

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

General administration employees not covered by a collective bargaining agreement earn sick leave of 120 hours annually, without limit on the amount they can accumulate. General administration employees may carry forward a maximum of 336 hours of vacation leave unless the employee's department head certifies to the Mayor that the employee has exceeded the maximum vacation hours allowed as a result of the employee's inability to use vacation leave due to staffing requirements. Upon separation from the City, a maximum of 25 percent of accumulated sick leave up to 190 hours and up to 336 hours of vacation leave shall be paid.

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

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

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

Note 19 - Jointly Governed Organization

First Suburbs Consortium of Northeast Ohio Council of Governments The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 16 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which

City of Warrensville Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2007, the City of Warrensville Heights contributed \$6,600 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Note 20 – Contractual Commitments

The City had the following contractual commitment outstanding at December 31, 2007:

<u>Project</u>	<u>Contractor</u>	<u>Contract Amount Outstanding</u>
Cinema Park	Digioia-Suburban	\$70,234

Note 21 - Subsequent Event

On February 5, 2008, the City refinanced the 2007 general obligation bond anticipation notes in the amount of \$2,170,000 for \$2,284,000 at 2.6 percent. The notes will mature February 5, 2009. On May 30, 2008, the City refinanced the 2007 general obligation bond anticipation notes in the amounts of \$5,806,000 for \$6,575,000 at 2.40 percent and the \$1,905,000 for \$1,993,000 at 2.55 percent. The \$6,575,000 note will mature on May 29, 2009 and the \$1,993,000 note will mature November 26, 2008.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

Fire Reporting Grant Fund The Fire Reporting Grant accounts for revenues received from the State of Ohio's Fire Marshall's office to be used towards computers, printers, and accessories to assist in the departments fire reporting requirements, and provide fire protection to the citizens for the community.

Urban Area Security Initiative Grant Fund The Urban Area Security Initiative Grant accounts for revenues received from the Treasurer of Cuyahoga County in connection with the Department of Justice Affairs/Emergency Services Division for overtime expenses incurred by fire department employees, participating in approved ODP regional exercise or training course.

2007 NatureWorks Grant Fund The NatureWorks Grant accounts for revenues received from the Ohio Department of Natural Resources and city's matching funds, then expends funds in compliance with the NatureWorks Local Grant Program State/Local Project Agreement, which includes: new playground equipment and various other improvements at the Green Road Civic Center and Park.

2008 G.R.E.A.T. Grant Fund The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang prevention education activities and programming for elementary school students. The 2008 grant is a subsequent grant to the 2007 G.R.E.A.T. Grant.

Nonmajor Capital Projects Funds

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

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

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

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

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

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

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

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

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

Green Road Park Improvement Fund The Green Road Improvement Fund accounts for monies received from a note issuance to be used for the improvement of the Green Road Park.

City of Warrensville Heights, Ohio

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$599,210	\$659,927	\$1,259,137
Intergovernmental Receivable	346,040	0	346,040
Property Taxes Receivable	769,967	0	769,967
<i>Total Assets</i>	<u>\$1,715,217</u>	<u>\$659,927</u>	<u>\$2,375,144</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$22,093	\$0	\$22,093
Contracts Payable	0	137,145	137,145
Retainage Payable	0	0	0
Intergovernmental Payable	31,362	0	31,362
Accrued Interest Payable	0	16,223	16,223
Interfund Payable	23,321	0	23,321
Notes Payable	0	684,000	684,000
Deferred Revenue	1,069,251	0	1,069,251
<i>Total Liabilities</i>	<u>1,146,027</u>	<u>837,368</u>	<u>1,983,395</u>
Fund Balances			
Reserved for Encumbrances	2,488	6,492	8,980
Unreserved			
Undesignated (Deficit), Reported in:			
Special Revenue Funds	566,702	0	566,702
Capital Projects Funds	0	(183,933)	(183,933)
<i>Total Fund Balances (Deficit)</i>	<u>569,190</u>	<u>(177,441)</u>	<u>391,749</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,715,217</u>	<u>\$659,927</u>	<u>\$2,375,144</u>

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$716,135	\$0	\$716,135
Intergovernmental	776,614	202,041	978,655
Interest	9,389	0	9,389
Fees, Licenses and Permits	30,034	0	30,034
Charges for Services	12,108	0	12,108
Other	31,834	2,361	34,195
<i>Total Revenues</i>	<u>1,576,114</u>	<u>204,402</u>	<u>1,780,516</u>
Expenditures			
Current:			
General Government	37,103	0	37,103
Security of Persons and Property:			
Police	553,794	0	553,794
Fire	254,516	0	254,516
Community Development	340,132	0	340,132
Transportation	581,062	0	581,062
Capital Outlay	0	652,478	652,478
Debt Service:			
Interest and Fiscal Charges	0	152,772	152,772
<i>Total Expenditures</i>	<u>1,766,607</u>	<u>805,250</u>	<u>2,571,857</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(190,493)</u>	<u>(600,848)</u>	<u>(791,341)</u>
Other Financing Sources (Uses)			
Notes Issued	0	1,633,000	1,633,000
Current Refunding	0	(155,000)	(155,000)
Transfers In	57,490	10,493	67,983
Transfers Out	0	(353,907)	(353,907)
<i>Total Other Financing Sources (Uses)</i>	<u>57,490</u>	<u>1,134,586</u>	<u>1,192,076</u>
<i>Net Change in Fund Balances</i>	(133,003)	533,738	400,735
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>702,193</u>	<u>(711,179)</u>	<u>(8,986)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$569,190</u>	<u>(\$177,441)</u>	<u>\$391,749</u>

City of Warrensville Heights, Ohio

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2007

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment
Assets				
Equity in Pooled Cash and Cash Equivalents	\$77,888	\$35,612	\$29,055	\$5,866
Intergovernmental Receivable	244,312	19,809	2,039	2,039
Property Taxes Receivable	0	0	116,525	116,525
<i>Total Assets</i>	<u>\$322,200</u>	<u>\$55,421</u>	<u>\$147,619</u>	<u>\$124,430</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,149	\$0	\$0	\$0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	201,063	16,302	118,564	118,564
<i>Total Liabilities</i>	<u>202,212</u>	<u>16,302</u>	<u>118,564</u>	<u>118,564</u>
Fund Balances				
Reserved for Encumbrances	2,488	0	0	0
Unreserved, Undesignated (Deficit)	117,500	39,119	29,055	5,866
<i>Total Fund Balances (Deficit)</i>	<u>119,988</u>	<u>39,119</u>	<u>29,055</u>	<u>5,866</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$322,200</u>	<u>\$55,421</u>	<u>\$147,619</u>	<u>\$124,430</u>

<u>Street Lighting</u>	<u>Building Levy</u>	<u>Law Enforcement Trust</u>	<u>Bureau of Justice Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>
\$99,111	\$86,896	\$30,603	\$3,008	\$19,417	\$11,945
6,495	1,723	0	12,603	2,510	2,510
260,496	83,498	0	0	96,470	96,453
<u>\$366,102</u>	<u>\$172,117</u>	<u>\$30,603</u>	<u>\$15,611</u>	<u>\$118,397</u>	<u>\$110,908</u>
\$15,537	\$0	\$0	\$2,385	\$0	\$0
0	0	0	0	19,417	11,945
1,000	0	0	0	0	0
266,991	85,221	0	12,603	98,980	98,963
<u>283,528</u>	<u>85,221</u>	<u>0</u>	<u>14,988</u>	<u>118,397</u>	<u>110,908</u>
0	0	0	0	0	0
82,574	86,896	30,603	623	0	0
<u>82,574</u>	<u>86,896</u>	<u>30,603</u>	<u>623</u>	<u>0</u>	<u>0</u>
<u>\$366,102</u>	<u>\$172,117</u>	<u>\$30,603</u>	<u>\$15,611</u>	<u>\$118,397</u>	<u>\$110,908</u>

(continued)

City of Warrensville Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2007

	DARE Grant	Community Development Block Grant	Juvenile Diversion Program	Fire Department Child Safety Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,274	\$1,600	\$10,582	\$808
Intergovernmental Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$4,274</u>	<u>\$1,600</u>	<u>\$10,582</u>	<u>\$808</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	4,274	1,600	10,582	808
<i>Total Fund Balances (Deficit)</i>	<u>4,274</u>	<u>1,600</u>	<u>10,582</u>	<u>808</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,274</u>	<u>\$1,600</u>	<u>\$10,582</u>	<u>\$808</u>

EMS Computer Grant	Local Law Enforcement Block Grant	Sidewalk Replacement	COPS Grant	FEMA Grant	Cleveland Browns Foundation
\$4,104	\$21	\$7,104	\$311	\$30,521	\$568
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$4,104</u>	<u>\$21</u>	<u>\$7,104</u>	<u>\$311</u>	<u>\$30,521</u>	<u>\$568</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	21,566	0	0
0	0	0	0	0	0
0	0	0	21,566	0	0
0	0	0	0	0	0
4,104	21	7,104	(21,255)	30,521	568
4,104	21	7,104	(21,255)	30,521	568
<u>\$4,104</u>	<u>\$21</u>	<u>\$7,104</u>	<u>\$311</u>	<u>\$30,521</u>	<u>\$568</u>

(continued)

City of Warrensville Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2007

	CRA Monitoring Fee	The Cleveland Foundation	Economic Development Stimulus Incentive Grant	Grass Refuse
Assets				
Equity in Pooled Cash and Cash Equivalents	\$44,050	\$4,819	\$30,157	\$23,844
Intergovernmental Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$44,050</u>	<u>\$4,819</u>	<u>\$30,157</u>	<u>\$23,844</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	755
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>755</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	44,050	4,819	30,157	23,089
<i>Total Fund Balances (Deficit)</i>	<u>44,050</u>	<u>4,819</u>	<u>30,157</u>	<u>23,089</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$44,050</u>	<u>\$4,819</u>	<u>\$30,157</u>	<u>\$23,844</u>

Homeland Security Grant	Civic Center Park Restoration Grant	G.R.E.A.T. Grant	NOACA TLCI Grant	Fire Reporting Grant	2008 G.R.E.A.T. Grant	Total Nonmajor Special Revenue Funds
\$1,999	\$4,763	\$5,079	\$17	\$188	\$25,000	\$599,210
0	0	0	52,000	0	0	346,040
0	0	0	0	0	0	769,967
<u>\$1,999</u>	<u>\$4,763</u>	<u>\$5,079</u>	<u>\$52,017</u>	<u>\$188</u>	<u>\$25,000</u>	<u>\$1,715,217</u>
\$0	\$0	\$3,022	\$0	\$0	\$0	\$22,093
0	0	0	0	0	0	31,362
0	0	0	0	0	0	23,321
0	0	0	52,000	0	0	1,069,251
0	0	3,022	52,000	0	0	1,146,027
0	0	0	0	0	0	2,488
1,999	4,763	2,057	17	188	25,000	566,702
1,999	4,763	2,057	17	188	25,000	569,190
<u>\$1,999</u>	<u>\$4,763</u>	<u>\$5,079</u>	<u>\$52,017</u>	<u>\$188</u>	<u>\$25,000</u>	<u>\$1,715,217</u>

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment	Street Lighting
Revenues					
Property Taxes	\$0	\$0	\$121,200	\$121,201	\$229,969
Intergovernmental	439,628	55,414	2,003	2,002	6,410
Interest	9,324	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other	0	0	50	0	0
<i>Total Revenues</i>	<u>448,952</u>	<u>55,414</u>	<u>123,253</u>	<u>123,203</u>	<u>236,379</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	0	0	209,740	0	0
Fire	0	0	0	163,756	0
Community Development	0	0	0	0	246,234
Transportation	531,178	49,884	0	0	0
<i>Total Expenditures</i>	<u>531,178</u>	<u>49,884</u>	<u>209,740</u>	<u>163,756</u>	<u>246,234</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(82,226)	5,530	(86,487)	(40,553)	(9,855)
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(82,226)	5,530	(86,487)	(40,553)	(9,855)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>202,214</u>	<u>33,589</u>	<u>115,542</u>	<u>46,419</u>	<u>92,429</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$119,988</u>	<u>\$39,119</u>	<u>\$29,055</u>	<u>\$5,866</u>	<u>\$82,574</u>

Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension	DARE Grant
\$80,239	\$0	\$0	\$81,763	\$81,763	\$0
1,694	0	2,430	2,480	2,479	0
0	0	65	0	0	0
0	0	0	0	0	0
0	12,108	0	0	0	0
0	0	0	0	0	0
81,933	12,108	2,495	84,243	84,242	0
34,691	0	0	0	0	0
0	11,904	4,025	0	84,242	26,000
0	0	0	84,242	0	0
0	0	0	0	0	0
0	0	0	0	0	0
34,691	11,904	4,025	84,242	84,242	26,000
47,242	204	(1,530)	1	0	(26,000)
0	0	0	0	0	0
47,242	204	(1,530)	1	0	(26,000)
39,654	30,399	2,153	(1)	0	30,274
\$86,896	\$30,603	\$623	\$0	\$0	\$4,274

(continued)

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2007

	Community Development Block Grant	Juvenile Diversion Program	Community Navigator Service Award Grant	Fire Department Child Safety Grant	EMS Computer Grant
Revenues					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	8,475	18,000	0	0	1,000
Interest	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>8,475</u>	<u>18,000</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	0	15,180	0	0	0
Fire	0	0	0	0	0
Community Development	900	0	0	0	0
Transportation	0	0	0	0	0
<i>Total Expenditures</i>	<u>900</u>	<u>15,180</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues</i>					
<i>Over (Under) Expenditures</i>	7,575	2,820	0	0	1,000
Other Financing Sources					
Transfers In	0	0	1,600	0	0
<i>Net Change in Fund Balances</i>	7,575	2,820	1,600	0	1,000
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(5,975)</u>	<u>7,762</u>	<u>(1,600)</u>	<u>808</u>	<u>3,104</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,600</u>	<u>\$10,582</u>	<u>\$0</u>	<u>\$808</u>	<u>\$4,104</u>

Local Law Enforcement Block Grant	Sidewalk Replacement	Juvenile Accountability Grant	COPS Grant	FEMA Grant	Cleveland Browns Foundation
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	93	0	0
0	0	0	0	6,518	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	93	6,518	0
0	0	0	(93)	(6,518)	0
0	0	2,940	0	0	0
0	0	2,940	(93)	(6,518)	0
21	7,104	(2,940)	(21,162)	37,039	568
\$21	\$7,104	\$0	(\$21,255)	\$30,521	\$568

(continued)

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2007

	CRA Monitoring Fee	The Cleveland Foundation	Economic Development Stimulus Incentive Grant	Grass Refuse	Homeland Security Grant
Revenues					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	1,999
Interest	0	0	0	0	0
Fees, Licenses and Permits	19,700	0	10,334	0	0
Charges for Services	0	0	0	0	0
Other	0	0	0	31,784	0
<i>Total Revenues</i>	<u>19,700</u>	<u>0</u>	<u>10,334</u>	<u>31,784</u>	<u>1,999</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Community Development	0	0	26,796	0	0
Transportation	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>26,796</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	19,700	0	(16,462)	31,784	1,999
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	19,700	0	(16,462)	31,784	1,999
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>24,350</u>	<u>4,819</u>	<u>46,619</u>	<u>(8,695)</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$44,050</u>	<u>\$4,819</u>	<u>\$30,157</u>	<u>\$23,089</u>	<u>\$1,999</u>

Civic Center Park Restoration Grant	G.R.E.A.T. Grant	NOACA TLCI Grant	Fire Reporting Grant	Urban Area Security Initiative Grant	2008 G.R.E.A.T Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$716,135
0	199,863	0	2,600	5,137	25,000	776,614
0	0	0	0	0	0	9,389
0	0	0	0	0	0	30,034
0	0	0	0	0	0	12,108
0	0	0	0	0	0	31,834
0	199,863	0	2,600	5,137	25,000	1,576,114
0	0	0	2,412	0	0	37,103
0	197,473	0	0	5,137	0	553,794
0	0	0	0	0	0	254,516
10,302	0	55,900	0	0	0	340,132
0	0	0	0	0	0	581,062
10,302	197,473	55,900	2,412	5,137	0	1,766,607
(10,302)	2,390	(55,900)	188	0	25,000	(190,493)
0	0	52,950	0	0	0	57,490
(10,302)	2,390	(2,950)	188	0	25,000	(133,003)
15,065	(333)	2,967	0	0	0	702,193
\$4,763	\$2,057	\$17	\$188	\$0	\$25,000	\$569,190

City of Warrensville Heights, Ohio

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2007

	<u>Street Improvement</u>	<u>Building Repair and Improvement</u>	<u>Information Technology System</u>	<u>Land Acquisition</u>	<u>Snavely Project</u>	<u>Emery Woods Project</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	<u>\$250,242</u>	<u>\$1,738</u>	<u>\$40,371</u>	<u>\$35,119</u>	<u>\$278</u>	<u>\$163,863</u>
<i>Total Assets</i>	<u><u>\$250,242</u></u>	<u><u>\$1,738</u></u>	<u><u>\$40,371</u></u>	<u><u>\$35,119</u></u>	<u><u>\$278</u></u>	<u><u>\$163,863</u></u>
Liabilities and Fund Balances						
Liabilities						
Contracts Payable	\$125,587	\$0	\$11,558	\$0	\$0	\$0
Retainage Payable	0	0	0	0	0	0
Accrued Interest Payable	6,526	0	0	1,595	0	1,783
Notes Payable	<u>278,400</u>	<u>0</u>	<u>0</u>	<u>94,600</u>	<u>0</u>	<u>89,000</u>
<i>Total Liabilities</i>	<u>410,513</u>	<u>0</u>	<u>11,558</u>	<u>96,195</u>	<u>0</u>	<u>90,783</u>
Fund Balances						
Reserved for Encumbrances	0	0	6,492	0	0	0
Unreserved, Undesignated (Deficit)	<u>(160,271)</u>	<u>1,738</u>	<u>22,321</u>	<u>(61,076)</u>	<u>278</u>	<u>73,080</u>
<i>Total Fund Balances (Deficit)</i>	<u>(160,271)</u>	<u>1,738</u>	<u>28,813</u>	<u>(61,076)</u>	<u>278</u>	<u>73,080</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$250,242</u></u>	<u><u>\$1,738</u></u>	<u><u>\$40,371</u></u>	<u><u>\$35,119</u></u>	<u><u>\$278</u></u>	<u><u>\$163,863</u></u>

<u>Siren Warning System</u>	<u>Route 8/ Northfield Road Project</u>	<u>Sidewalk Repair and Replacement Project</u>	<u>Town Center Project</u>	<u>Generators</u>	<u>Green Road Park Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>\$457</u>	<u>\$3,146</u>	<u>\$81</u>	<u>\$11,023</u>	<u>\$10,666</u>	<u>\$142,943</u>	<u>\$659,927</u>
<u>\$457</u>	<u>\$3,146</u>	<u>\$81</u>	<u>\$11,023</u>	<u>\$10,666</u>	<u>\$142,943</u>	<u>\$659,927</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$137,145
0	0	0	0	0	0	0
0	712	0	569	0	5,038	16,223
0	25,000	0	20,000	0	177,000	684,000
0	25,712	0	20,569	0	182,038	837,368
0	0	0	0	0	0	6,492
457	(22,566)	81	(9,546)	10,666	(39,095)	(183,933)
457	(22,566)	81	(9,546)	10,666	(39,095)	(177,441)
<u>\$457</u>	<u>\$3,146</u>	<u>\$81</u>	<u>\$11,023</u>	<u>\$10,666</u>	<u>\$142,943</u>	<u>\$659,927</u>

City of Warrensville Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007

	Street Improvement	Building Repair and Improvement	Information Technology System	Land Acquisition	Snively Project
Revenues					
Intergovernmental	\$0	\$0	\$0	\$202,041	\$0
Other	540	0	960	0	0
<i>Total Revenues</i>	540	0	960	202,041	0
Expenditures					
Capital Outlay	244,856	0	32,988	152,922	23,154
Debt Service:					
Interest and Fiscal Charges	13,904	0	0	3,988	70,000
<i>Total Expenditures</i>	258,760	0	32,988	156,910	93,154
<i>Excess of Revenues Over (Under) Expenditures</i>	(258,220)	0	(32,028)	45,131	(93,154)
Other Financing Sources (Uses)					
Proceeds of Notes	0	0	43,000	0	7,000
Current Refunding	(51,400)	0	0	(79,600)	0
Transfers In	7,378	0	0	2,393	0
Transfers Out	(112,000)	0	0	0	(2,000)
<i>Total Other Financing Sources (Uses)</i>	(156,022)	0	43,000	(77,207)	5,000
<i>Net Change in Fund Balances</i>	(414,242)	0	10,972	(32,076)	(88,154)
<i>Fund Balances (Deficit) Beginning of Year</i>	253,971	1,738	17,841	(29,000)	88,432
<i>Fund Balances (Deficit) End of Year</i>	(\$160,271)	\$1,738	\$28,813	(\$61,076)	\$278

Emery Woods Project	Siren Warning System	Route 8/ Northfield Road Project	Sidewalk Repair and Replacement Project	Town Center Project	Generators	Green Road Park Improvement	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,041
671	0	0	0	0	190	0	2,361
671	0	0	0	0	190	0	204,402
133,024	200	1,000	800	26,487	2,990	34,057	652,478
57,839	0	1,434	0	569	0	5,038	152,772
190,863	200	2,434	800	27,056	2,990	39,095	805,250
(190,192)	(200)	(2,434)	(800)	(27,056)	(2,800)	(39,095)	(600,848)
1,464,000	9,200	0	5,800	93,000	11,000	0	1,633,000
0	0	(24,000)	0	0	0	0	(155,000)
0	0	722	0	0	0	0	10,493
(103,907)	(12,000)	0	(9,000)	(100,000)	(15,000)	0	(353,907)
1,360,093	(2,800)	(23,278)	(3,200)	(7,000)	(4,000)	0	1,134,586
1,169,901	(3,000)	(25,712)	(4,000)	(34,056)	(6,800)	(39,095)	533,738
(1,096,821)	3,457	3,146	4,081	24,510	17,466	0	(711,179)
\$73,080	\$457	(\$22,566)	\$81	(\$9,546)	\$10,666	(\$39,095)	(\$177,441)

Combining Statements - Agency Funds

Agency Funds

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

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

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

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

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

City of Warrensville Heights, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007

	Beginning Balance 12/31/06	Additions	Deductions	Ending Balance 12/31/07
<i>Developers Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$111,535	\$208,371	\$319,906	\$0
Liabilities				
Deposits Held and Due to Others	\$111,535	\$208,371	\$319,906	\$0
 <i>Senior Civic Center Rental Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,535	\$1,100	\$900	\$1,735
Liabilities				
Deposits Held and Due to Others	\$1,535	\$1,100	\$900	\$1,735
 <i>Payroll Clearing Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$61,945	\$0	\$0	\$61,945
Liabilities				
Deposits Held and Due to Others	\$61,945	\$0	\$0	\$61,945
 <i>Exterior Maintenance Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$100	\$100	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$100	\$100	\$0

(continued)

City of Warrensville Heights, Ohio

Combining Statement of Changes in Assets and Liabilities

Agency Funds (continued)

For the Year Ended December 31, 2007

	Beginning Balance 12/31/06	Additions	Deductions	Ending Balance 12/31/07
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$175,015</u>	<u>\$209,571</u>	<u>\$320,906</u>	<u>\$63,680</u>
Liabilities				
Deposits Held and Due to Others	<u>\$175,015</u>	<u>\$209,571</u>	<u>\$320,906</u>	<u>\$63,680</u>

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Property Taxes	\$837,898	\$845,824	\$983,105	\$137,281
Income Taxes	11,245,081	11,332,657	10,692,865	(639,792)
Intergovernmental	1,430,036	1,441,891	1,470,512	28,621
Interest	122,299	123,564	156,973	33,409
Fees, Licenses and Permits	412,532	415,164	326,516	(88,648)
Fines and Forfeitures	338,655	340,667	249,544	(91,123)
Charges for Services	372,796	375,133	289,909	(85,224)
Other	157,541	158,361	8,862	(149,499)
<i>Total Revenues</i>	14,916,838	15,033,261	14,178,286	(854,975)
Expenditures				
Current:				
General Government:				
Council				
Personal Services	162,296	162,296	130,693	31,603
Materials and Supplies	40,797	40,797	22,491	18,306
Contractual Services	65,632	65,632	30,687	34,945
Total Council	268,725	268,725	183,871	84,854
Mayor				
Personal Services	310,523	310,523	309,924	599
Materials and Supplies	11,956	11,956	11,464	492
Contractual Services	29,207	29,207	27,661	1,546
Total Mayor	351,686	351,686	349,049	2,637
Finance Department				
Personal Services	354,108	383,822	407,957	(24,135)
Materials and Supplies	9,918	9,918	9,843	75
Contractual Services	6,113	6,113	5,072	1,041
Total Finance Department	370,139	399,853	422,872	(23,019)
Income Tax				
Personal Services	28,416	28,416	19,861	8,555
Materials and Supplies	1,400	1,400	1,365	35
Contractual Services	262,150	262,150	243,598	18,552
Capital Outlay	100	100	87	13
Total Income Tax	292,066	292,066	264,911	27,155
Legal				
Personal Services	149,441	149,441	143,389	6,052
Materials and Supplies	2,000	2,000	1,682	318
Contractual Services	131,688	131,688	112,443	19,245
Capital Outlay	100	100	91	9
Total Legal	\$283,229	\$283,229	\$257,605	\$25,624

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Human Resources				
Personal Services	\$94,996	\$94,996	\$88,141	\$6,855
Materials and Supplies	3,085	3,085	2,608	477
Contractual Services	13,250	13,250	5,068	8,182
Capital Outlay	750	750	222	528
Total Human Resources	112,081	112,081	96,039	16,042
Boards and Commissions				
Personal Services	10,493	10,493	5,887	4,606
Materials and Supplies	1,743	1,743	567	1,176
Contractual Services	8,342	8,342	4,805	3,537
Total Boards and Commissions	20,578	20,578	11,259	9,319
Engineering				
Contractual Services	50,000	50,000	46,564	3,436
Information Technology				
Personal Services	775	775	0	775
Contractual Services	206,295	206,295	193,820	12,475
Capital Outlay	1,800	1,800	0	1,800
Total Information Technology	208,870	208,870	193,820	15,050
Lands and Buildings				
Materials and Supplies	27,864	27,864	24,393	3,471
Contractual Services	290,495	290,495	277,087	13,408
Capital Outlay	5,500	5,500	1,774	3,726
Total Lands and Buildings	323,859	323,859	303,254	20,605
Other Government				
Personal Services	20,810	20,810	20,808	2
Materials and Supplies	20,717	20,717	20,696	21
Contractual Services	556,293	556,293	540,516	15,777
Capital Outlay	34,400	34,400	34,351	49
Total Other Government	632,220	632,220	616,371	15,849
Total General Government	2,913,453	2,943,167	2,745,615	197,552
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	3,946,261	3,946,261	3,789,583	156,678
Materials and Supplies	139,661	139,661	137,113	2,548
Contractual Services	350,476	350,476	342,721	7,755
Capital Outlay	145,960	145,960	145,779	181
Total Police Department	4,582,358	4,582,358	4,415,196	167,162

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Department				
Personal Services	\$3,221,236	\$3,221,236	\$3,181,732	\$39,504
Materials and Supplies	64,340	64,340	66,049	(1,709)
Contractual Services	118,939	118,939	118,352	587
Capital Outlay	6,200	6,200	6,095	105
Total Fire Department	3,410,715	3,410,715	3,372,228	38,487
Total Security of Persons and Property	7,993,073	7,993,073	7,787,424	205,649
Public Health Services:				
Health and Human Services				
Contractual Services	54,400	54,400	54,392	8
Leisure Time Activities:				
Community Activities				
Materials and Supplies	13,180	13,180	12,090	1,090
Contractual Services	62,315	62,315	61,610	705
Other	5,139	5,139	5,108	31
Total Community Activities	80,634	80,634	78,808	1,826
Civic Center				
Personal Services	191,525	191,525	181,378	10,147
Materials and Supplies	8,425	8,425	5,527	2,898
Contractual Services	7,800	7,800	2,798	5,002
Capital Outlay	11,800	11,800	9,976	1,824
Total Civic Center	219,550	219,550	199,679	19,871
Total Leisure Time Activities	300,184	300,184	278,487	21,697
Community Development:				
Economic Development				
Personal Services	84,580	84,580	82,446	2,134
Materials and Supplies	1,250	1,250	694	556
Contractual Services	12,270	12,270	8,200	4,070
Capital Outlay	1,025	1,025	145	880
Total Economic Development	99,125	99,125	91,485	7,640
Building Department				
Personal Services	626,104	626,104	625,205	899
Materials and Supplies	23,633	23,633	22,844	789
Contractual Services	66,388	66,388	64,392	1,996
Capital Outlay	3,375	3,375	3,200	175
Total Building Department	719,500	719,500	715,641	3,859
Total Community Development	\$818,625	\$818,625	\$807,126	\$11,499

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation:				
Service Department				
Personal Services	\$897,449	\$897,449	\$897,019	\$430
Materials and Supplies	293,237	293,237	279,733	13,504
Contractual Services	124,005	124,005	123,047	958
Capital Outlay	15,000	15,000	14,900	100
Total Transportation	<u>1,329,691</u>	<u>1,329,691</u>	<u>1,314,699</u>	<u>14,992</u>
Basic Utility Services:				
Solid Waste				
Personal Services	1,199,000	1,199,000	1,188,060	10,940
Contractual Services	240,000	240,000	239,707	293
Total Basic Utility Services	<u>1,439,000</u>	<u>1,439,000</u>	<u>1,427,767</u>	<u>11,233</u>
<i>Total Expenditures</i>	<u>14,848,426</u>	<u>14,878,140</u>	<u>14,415,510</u>	<u>462,630</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>68,412</u>	<u>155,121</u>	<u>(237,224)</u>	<u>(392,345)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	1,673	1,673
Advances In	0	0	9,000	9,000
Transfers Out	(361,693)	(361,693)	(147,950)	213,743
<i>Total Other Financing Sources (Uses)</i>	<u>(361,693)</u>	<u>(361,693)</u>	<u>(137,277)</u>	<u>224,416</u>
<i>Net Change in Fund Balance</i>	(293,281)	(206,572)	(374,501)	(167,929)
<i>Fund Balance Beginning of Year</i>	566,213	566,213	566,213	0
Prior Year Encumbrances Appropriated	<u>112,139</u>	<u>112,139</u>	<u>112,139</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$385,071</u>	<u>\$471,780</u>	<u>\$303,851</u>	<u>(\$167,929)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$522,479	\$535,981	\$626,850	\$90,869
Intergovernmental	33,000	33,409	19,006	(14,403)
Special Assessments	200,000	208,246	382,781	174,535
Other	2,891	2,891	2,891	0
<i>Total Revenues</i>	758,370	780,527	1,031,528	251,001
Expenditures				
Debt Service:				
Principal Retirement - G.O. Bonds	630,948	630,948	630,948	0
Principal Retirement - S.A. Bonds	64,052	64,052	64,052	0
Interest and Fiscal Charges - G.O. Bonds	148,560	148,560	149,493	(933)
Interest and Fiscal Charges - S.A. Bonds	2,700	3,700	2,678	1,022
Interest and Fiscal Charges - Notes	492,950	492,950	367,669	125,281
<i>Total Expenditures</i>	1,339,210	1,340,210	1,214,840	125,370
<i>Excess of Revenues Under Expenditures</i>	(580,840)	(559,683)	(183,312)	376,371
Other Financing Sources (Uses)				
Refunding Notes Issued	12,969,059	12,969,059	12,210,500	(758,559)
Refunding Principal	(12,479,000)	(12,479,000)	(12,479,000)	0
Transfers In	70,000	70,000	448,907	378,907
<i>Total Other Financing Sources (Uses)</i>	560,059	560,059	180,407	(379,652)
<i>Net Change in Fund Balance</i>	(20,781)	376	(2,905)	(3,281)
<i>Fund Balance Beginning of Year</i>	69,298	69,298	69,298	0
<i>Fund Balance End of Year</i>	\$48,517	\$69,674	\$66,393	(\$3,281)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cinema Park Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	<u>1,840,000</u>	<u>1,840,000</u>	<u>1,742,365</u>	<u>97,635</u>
<i>Excess of Revenues Under Expenditures</i>	(1,840,000)	(1,840,000)	(1,742,365)	97,635
Other Financing Sources				
Proceeds of Notes	<u>70,000</u>	<u>67,500</u>	<u>37,500</u>	<u>(30,000)</u>
<i>Net Change in Fund Balance</i>	(1,770,000)	(1,772,500)	(1,704,865)	67,635
<i>Fund Balance Beginning of Year</i>	<u>1,776,442</u>	<u>1,776,442</u>	<u>1,776,442</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,442</u>	<u>\$3,942</u>	<u>\$71,577</u>	<u>\$67,635</u>

City of Warrensville Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$475,000	\$462,592	\$462,592	\$0
Interest	2,500	9,324	9,324	0
<i>Total Revenues</i>	<u>477,500</u>	<u>471,916</u>	<u>471,916</u>	<u>0</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Personal Services	285,000	285,000	285,000	0
Materials and Supplies	84,500	84,500	82,687	1,813
Contractual Services	25,524	25,524	26,523	(999)
Total Street Maintenance	<u>395,024</u>	<u>395,024</u>	<u>394,210</u>	<u>814</u>
Snow and Ice Removal				
Materials and Supplies	97,000	97,000	96,464	536
Contractual Services	16,000	16,000	15,345	655
Capital Outlay	1,000	1,000	0	1,000
Total Snow and Ice Removal	<u>114,000</u>	<u>114,000</u>	<u>111,809</u>	<u>2,191</u>
Traffic Control				
Materials and Supplies	3,500	3,500	2,785	715
Contractual Services	26,610	26,610	25,404	1,206
Total Traffic Control	<u>30,110</u>	<u>30,110</u>	<u>28,189</u>	<u>1,921</u>
<i>Total Expenditures</i>	<u>539,134</u>	<u>539,134</u>	<u>534,208</u>	<u>4,926</u>
<i>Net Change in Fund Balance</i>	(61,634)	(67,218)	(62,292)	4,926
<i>Fund Balance Beginning of Year</i>	136,409	136,409	136,409	0
Prior Year Encumbrances Appropriated	134	134	134	0
<i>Fund Balance End of Year</i>	<u>\$74,909</u>	<u>\$69,325</u>	<u>\$74,251</u>	<u>\$4,926</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$53,000	\$57,276	\$57,276	\$0
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Personal Services	40,000	60,000	40,000	20,000
Materials and Supplies	10,000	10,000	9,884	116
<i>Total Expenditures</i>	<u>50,000</u>	<u>70,000</u>	<u>49,884</u>	<u>20,116</u>
<i>Net Change in Fund Balance</i>	3,000	(12,724)	7,392	20,116
<i>Fund Balance Beginning of Year</i>	<u>28,220</u>	<u>28,220</u>	<u>28,220</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$31,220</u>	<u>\$15,496</u>	<u>\$35,612</u>	<u>\$20,116</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Salary and Equipment Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$115,775	\$121,200	\$121,200	\$0
Intergovernmental	9,600	2,003	2,003	0
Other	0	50	50	0
<i>Total Revenues</i>	125,375	123,253	123,253	0
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	118,000	218,000	204,881	13,119
Capital Outlay	20,000	20,000	4,859	15,141
<i>Total Expenditures</i>	138,000	238,000	209,740	28,260
<i>Net Change in Fund Balance</i>	(12,625)	(114,747)	(86,487)	28,260
<i>Fund Balance Beginning of Year</i>	115,542	115,542	115,542	0
<i>Fund Balance End of Year</i>	\$102,917	\$795	\$29,055	\$28,260

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Salary and Equipment Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$115,775	\$114,524	\$121,201	\$6,677
Intergovernmental	9,600	9,579	2,002	(7,577)
<i>Total Revenues</i>	125,375	124,103	123,203	(900)
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	130,000	160,000	160,000	0
Contractual Services	3,756	3,756	3,756	0
Capital Outlay	2,994	2,994	0	2,994
<i>Total Expenditures</i>	136,750	166,750	163,756	2,994
<i>Net Change in Fund Balance</i>	(11,375)	(42,647)	(40,553)	2,094
<i>Fund Balance Beginning of Year</i>	42,669	42,669	42,669	0
Prior Year Encumbrances Appropriated	3,750	3,750	3,750	0
<i>Fund Balance End of Year</i>	\$35,044	\$3,772	\$5,866	\$2,094

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$222,450	\$229,969	\$229,969	\$0
Intergovernmental	23,300	6,410	6,410	0
<i>Total Revenues</i>	245,750	236,379	236,379	0
Expenditures				
Current:				
Community Development:				
Street Lighting				
Contractual Services	250,000	290,000	245,305	44,695
<i>Net Change in Fund Balance</i>	(4,250)	(53,621)	(8,926)	44,695
<i>Fund Balance Beginning of Year</i>	108,037	108,037	108,037	0
<i>Fund Balance End of Year</i>	<u>\$103,787</u>	<u>\$54,416</u>	<u>\$99,111</u>	<u>\$44,695</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Levy Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$77,364	\$80,239	\$80,239	\$0
Intergovernmental	7,100	1,694	1,694	0
<i>Total Revenues</i>	84,464	81,933	81,933	0
Expenditures				
Current:				
General Government:				
Building Levy				
Materials and Supplies	1,500	1,500	598	902
Contractual Services	80,000	80,000	35,368	44,632
Capital Outlay	15,500	15,500	0	15,500
<i>Total Expenditures</i>	97,000	97,000	35,966	61,034
<i>Net Change in Fund Balance</i>	(12,536)	(15,067)	45,967	61,034
<i>Fund Balance Beginning of Year</i>	39,654	39,654	39,654	0
<i>Fund Balance End of Year</i>	\$27,118	\$24,587	\$85,621	\$61,034

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$10,000	\$13,000	\$12,108	(\$892)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	20,000	20,000	8,121	11,879
Capital Outlay	5,000	5,000	3,783	1,217
<i>Total Expenditures</i>	25,000	25,000	11,904	13,096
<i>Net Change in Fund Balance</i>	(15,000)	(12,000)	204	12,204
<i>Fund Balance Beginning of Year</i>	30,399	30,399	30,399	0
<i>Fund Balance End of Year</i>	\$15,399	\$18,399	\$30,603	\$12,204

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bureau of Justice Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$5,000	\$2,430	\$2,430	\$0
Interest	50	64	65	1
<i>Total Revenues</i>	5,050	2,494	2,495	1
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Capital Outlay	578	578	218	360
Material and Supplies	1,422	1,422	1,422	0
<i>Total Expenditures</i>	2,000	2,000	1,640	360
<i>Net Change in Fund Balance</i>	3,050	494	855	361
<i>Fund Balance Beginning of Year</i>	2,153	2,153	2,153	0
<i>Fund Balance End of Year</i>	\$5,203	\$2,647	\$3,008	\$361

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$82,245	\$81,763	\$81,763	\$0
Intergovernmental	5,600	2,480	2,480	0
<i>Total Revenues</i>	87,845	84,243	84,243	0
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	75,000	75,000	72,000	3,000
<i>Net Change in Fund Balance</i>	12,845	9,243	12,243	3,000
<i>Fund Balance Beginning of Year</i>	7,174	7,174	7,174	0
<i>Fund Balance End of Year</i>	<u>\$20,019</u>	<u>\$16,417</u>	<u>\$19,417</u>	<u>\$3,000</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$82,245	\$81,763	\$81,763	\$0
Intergovernmental	5,600	2,479	2,479	0
<i>Total Revenues</i>	87,845	84,242	84,242	0
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	75,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	12,845	(65,758)	(65,758)	0
<i>Fund Balance Beginning of Year</i>	77,703	77,703	77,703	0
<i>Fund Balance End of Year</i>	<u>\$90,548</u>	<u>\$11,945</u>	<u>\$11,945</u>	<u>\$0</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$27,778	\$1,000	\$0	(\$1,000)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	26,000	26,000	26,000	0
Materials and Supplies	5,000	5,000	0	5,000
<i>Total Expenditures</i>	31,000	31,000	26,000	5,000
<i>Net Change in Fund Balance</i>	(3,222)	(30,000)	(26,000)	4,000
<i>Fund Balance Beginning of Year</i>	30,274	30,274	30,274	0
<i>Fund Balance End of Year</i>	\$27,052	\$274	\$4,274	\$4,000

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$33,000	\$287,000	\$8,475	(\$278,525)
Expenditures				
Current:				
Community Development:				
Contractual Services	0	281,000	900	280,100
<i>Excess of Revenues Over Expenditures</i>	33,000	6,000	7,575	1,575
Other Financing Uses				
Advances Out	(3,000)	(9,000)	(9,000)	0
<i>Net Change in Fund Balance</i>	30,000	(3,000)	(1,425)	1,575
<i>Fund Balance Beginning of Year</i>	3,025	3,025	3,025	0
<i>Fund Balance End of Year</i>	<u>\$33,025</u>	<u>\$25</u>	<u>\$1,600</u>	<u>\$1,575</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Program Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$12,000	\$18,000	\$18,000	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	13,041	13,041	13,036	5
Materials and Supplies	2,959	2,959	2,144	815
<i>Total Expenditures</i>	16,000	16,000	15,180	820
<i>Net Change in Fund Balance</i>	(4,000)	2,000	2,820	820
<i>Fund Balance Beginning of Year</i>	7,762	7,762	7,762	0
<i>Fund Balance End of Year</i>	\$3,762	\$9,762	\$10,582	\$820

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Child Safety Grant Fund
For the Year Ended December 31, 2007

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
EMS Computer Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,500	\$1,000	\$1,000	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Capital Outlay	3,500	3,500	0	3,500
<i>Net Change in Fund Balance</i>	0	(2,500)	1,000	3,500
<i>Fund Balance Beginning of Year</i>	3,104	3,104	3,104	0
<i>Fund Balance End of Year</i>	<u>\$3,104</u>	<u>\$604</u>	<u>\$4,104</u>	<u>\$3,500</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Law Enforcement Block Grant Fund
For the Year Ended December 31, 2007

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Replacement Fund
For the Year Ended December 31, 2007

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	300	300	93	207
<i>Net Change in Fund Balance</i>	(300)	(300)	(93)	207
<i>Fund Balance Beginning of Year</i>	404	404	404	0
<i>Fund Balance End of Year</i>	<u>\$104</u>	<u>\$104</u>	<u>\$311</u>	<u>\$207</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$60,000	\$5,000	\$0	(\$5,000)
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	14,666	6,518	6,518	0
Capital Outlay	30,334	13,482	0	13,482
Materials and Supplies	45,000	20,000	0	20,000
<i>Total Expenditures</i>	90,000	40,000	6,518	33,482
<i>Net Change in Fund Balance</i>	(30,000)	(35,000)	(6,518)	28,482
<i>Fund Balance Beginning of Year</i>	37,039	37,039	37,039	0
<i>Fund Balance End of Year</i>	\$7,039	\$2,039	\$30,521	\$28,482

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland Browns Foundation Fund
For the Year Ended December 31, 2007

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CRA Monitoring Fee Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$10,000	\$19,700	\$19,700	\$0
Expenditures				
Current:				
General Government:				
Materials and Supplies	4,000	4,000	0	4,000
<i>Net Change in Fund Balance</i>	6,000	15,700	19,700	4,000
<i>Fund Balance Beginning of Year</i>	24,350	24,350	24,350	0
<i>Fund Balance End of Year</i>	<u>\$30,350</u>	<u>\$40,050</u>	<u>\$44,050</u>	<u>\$4,000</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
The Cleveland Foundation Fund
For the Year Ended December 31, 2007

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

City of Warrensville Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Stimulus Incentive Grant Fund
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$55,000	\$55,000	\$10,334	(\$44,666)
Expenditures				
Current:				
Community Development:				
Contractual Services	100,000	100,000	26,796	73,204
<i>Net Change in Fund Balance</i>	(45,000)	(45,000)	(16,462)	28,538
<i>Fund Balance Beginning of Year</i>	46,619	46,619	46,619	0
<i>Fund Balance End of Year</i>	<u>\$1,619</u>	<u>\$1,619</u>	<u>\$30,157</u>	<u>\$28,538</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grass Refuse Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$10,000	\$31,784	\$31,784	\$0
Expenditures				
Current:				
Community Development:				
Building				
Contractual Services	10,000	10,000	9,570	430
<i>Net Change in Fund Balance</i>	0	21,784	22,214	430
<i>Fund Balance Beginning of Year</i>	1,630	1,630	1,630	0
<i>Fund Balance End of Year</i>	<u>\$1,630</u>	<u>\$23,414</u>	<u>\$23,844</u>	<u>\$430</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Homeland Security Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,000	\$2,000	\$1,999	(\$1)
Expenditures				
Current:				
Public Health				
Personal Services	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	0	0	1,999	1,999
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$1,999	\$1,999

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Civic Center Park Restoration Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$150,000	\$150,000	\$0	(\$150,000)
Expenditures				
Current:				
Community Development:				
Contractual Services	190,000	190,000	14,940	175,060
<i>Excess of Revenues</i> <i>(Under) Expenditures</i>	(40,000)	(40,000)	(14,940)	25,060
Other Financing Sources				
Transfers In	25,000	25,000	0	(25,000)
<i>Net Change in Fund Balance</i>	(15,000)	(15,000)	(14,940)	60
<i>Fund Balance Beginning of Year</i>	15,065	15,065	15,065	0
<i>Fund Balance End of Year</i>	\$65	\$65	\$125	\$60

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
G.R.E.A.T. Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$225,000	\$225,000	\$199,863	(\$25,137)
Expenditures				
Current:				
Security of Persons & Property:				
Police Department				
Personal Services	17,000	17,000	3,731	13,269
Materials and Supplies	64,800	64,800	57,422	7,378
Contractual Services	143,200	143,200	136,332	6,868
<i>Total Expenditures</i>	<u>225,000</u>	<u>225,000</u>	<u>197,485</u>	<u>27,515</u>
<i>Net Change in Fund Balance</i>	0	0	2,378	2,378
<i>Fund Balance Beginning of Year</i>	<u>1,290</u>	<u>1,290</u>	<u>1,290</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,290</u>	<u>\$1,290</u>	<u>\$3,668</u>	<u>\$2,378</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
NOACA TLCI Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$56,000	\$56,000	\$0	(\$56,000)
Expenditures				
Current:				
Community Development:				
Economic Development and Assistance				
Contractual Services	<u>60,236</u>	<u>60,236</u>	<u>56,174</u>	<u>4,062</u>
<i>Excess of Revenues</i>				
<i>(Under) Expenditures</i>	(4,236)	(4,236)	(56,174)	(51,938)
Other Financing Sources				
Transfers In	<u>13,000</u>	<u>13,000</u>	<u>52,950</u>	<u>39,950</u>
<i>Net Change in Fund Balance</i>	8,764	8,764	(3,224)	(11,988)
<i>Fund Balance Beginning of Year</i>	<u>3,241</u>	<u>3,241</u>	<u>3,241</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,005</u></u>	<u><u>\$12,005</u></u>	<u><u>\$17</u></u>	<u><u>(\$11,988)</u></u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Reporting Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,600	\$2,600	\$2,600	\$0
Expenditures				
Current:				
General Government				
Other	2,600	2,600	2,412	188
<i>Net Change in Fund Balance</i>	0	0	188	188
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$188	\$188

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Urban Area Security Initiative Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$5,888	\$5,888	\$5,137	(\$751)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Personal Services	5,888	5,888	5,137	751
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
2007 Nature Works Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$74,584	\$74,584	\$0	(\$74,584)
Expenditures				
Current:				
Community Development:				
Capital Outlay	74,584	74,584	0	74,584
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
2008 G.R.E.A.T. Grant Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$166,725	\$166,725	\$25,000	(\$141,725)
Expenditures				
Current:				
Security of Persons and Property:				
Personal Services	59,354	59,354	0	59,354
Materials and Supplies	79,937	79,937	0	79,937
Contractual Services	27,434	27,434	1,611	25,823
<i>Total Expenditures</i>	166,725	166,725	1,611	165,114
<i>Net Change in Fund Balance</i>	0	0	23,389	23,389
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$23,389	\$23,389

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Improvement Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$540	\$540	\$540	\$0
Expenditures				
Capital Outlay:				
Contractual Services	117,333	341,000	119,269	221,731
<i>Excess of Revenues Under Expenditures</i>	(116,793)	(340,460)	(118,729)	221,731
Other Financing Sources (Uses)				
Proceeds of Notes	32,460	39,800	33,000	(6,800)
Transfers Out	(42,667)	(124,000)	(112,000)	12,000
<i>Total Other Financing Sources (Uses)</i>	(10,207)	(84,200)	(79,000)	5,200
<i>Net Change in Fund Balance</i>	(127,000)	(424,660)	(197,729)	226,931
<i>Fund Balance Beginning of Year</i>	447,971	447,971	447,971	0
<i>Fund Balance End of Year</i>	<u>\$320,971</u>	<u>\$23,311</u>	<u>\$250,242</u>	<u>\$226,931</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Repair and Improvement Fund
For the Year Ended December 31, 2007

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Information Technology System Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$960	\$960	\$960	\$0
Expenditures				
Capital Outlay:				
Materials and Supplies	17,500	17,500	17,500	0
Contractual Services	51,557	51,557	25,238	26,319
<i>Total Expenditures</i>	69,057	69,057	42,738	26,319
<i>Excess of Revenues Under Expenditures</i>	(68,097)	(68,097)	(41,778)	26,319
Other Financing Sources				
Proceeds of Notes	19,040	43,090	15,000	(28,090)
<i>Net Change in Fund Balance</i>	(49,057)	(25,007)	(26,778)	(1,771)
<i>Fund Balance Beginning of Year</i>	25,042	25,042	25,042	0
Prior Year Encumbrances Appropriated	24,057	24,057	24,057	0
<i>Fund Balance End of Year</i>	\$42	\$24,092	\$22,321	(\$1,771)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$200,000	\$225,000	\$202,041	(\$22,959)
Expenditures				
Capital Outlay:				
Contractual Services	210,000	230,000	228,846	1,154
<i>Excess of Revenues Under Expenditures</i>	(10,000)	(5,000)	(26,805)	(21,805)
Other Financing Sources				
Proceeds of Notes	10,000	10,000	15,000	5,000
<i>Net Change in Fund Balance</i>	0	5,000	(11,805)	(16,805)
<i>Fund Balance Beginning of Year</i>	46,924	46,924	46,924	0
<i>Fund Balance End of Year</i>	<u>\$46,924</u>	<u>\$51,924</u>	<u>\$35,119</u>	<u>(\$16,805)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Snavelly Project Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	46,132	46,132	23,154	22,978
Debt Service:				
Interest and Fiscal Charges	70,000	70,000	70,000	0
<i>Total Expenditures</i>	<u>116,132</u>	<u>116,132</u>	<u>93,154</u>	<u>22,978</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(116,132)</u>	<u>(116,132)</u>	<u>(93,154)</u>	<u>22,978</u>
Other Financing Sources (Uses)				
Proceeds of Notes	40,000	31,000	5,000	(26,000)
Transfers Out	(2,000)	(2,000)	(2,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>38,000</u>	<u>29,000</u>	<u>3,000</u>	<u>(26,000)</u>
<i>Net Change in Fund Balance</i>	<u>(78,132)</u>	<u>(87,132)</u>	<u>(90,154)</u>	<u>(3,022)</u>
<i>Fund Balance Beginning of Year</i>	87,300	87,300	87,300	0
Prior Year Encumbrances Appropriated	3,132	3,132	3,132	0
<i>Fund Balance End of Year</i>	<u><u>\$12,300</u></u>	<u><u>\$3,300</u></u>	<u><u>\$278</u></u>	<u><u>(\$3,022)</u></u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emery Woods Project Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$671	\$671	\$671	\$0
Expenditures				
Capital Outlay:				
Contractual Services	66,953	151,658	133,257	18,401
Debt Service:				
Interest and Fiscal Charges	38,431	56,056	56,056	0
<i>Total Expenditures</i>	105,384	207,714	189,313	18,401
<i>Excess of Revenues Under Expenditures</i>	(104,713)	(207,043)	(188,642)	18,401
Other Financing Sources (Uses)				
Proceeds of Notes	25,329	119,809	199,000	79,191
Transfers Out	(71,237)	(103,907)	(103,907)	0
<i>Total Other Financing Sources (Uses)</i>	(45,908)	15,902	95,093	79,191
<i>Net Change in Fund Balance</i>	(150,621)	(191,141)	(93,549)	97,592
<i>Fund Balance Beginning of Year</i>	256,558	256,558	256,558	0
Prior Year Encumbrances Appropriated	621	621	621	0
<i>Fund Balance End of Year</i>	<u>\$106,558</u>	<u>\$66,038</u>	<u>\$163,630</u>	<u>\$97,592</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Siren Warning System Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Capital Outlay	2,000	2,000	200	1,800
<i>Excess of Revenues Under Expenditures</i>	(2,000)	(2,000)	(200)	1,800
Other Financing Sources (Uses)				
Proceeds of Notes	4,000	4,200	200	(4,000)
Transfers Out	0	(14,000)	(12,000)	2,000
<i>Total Other Financing Sources (Uses)</i>	4,000	(9,800)	(11,800)	(2,000)
<i>Net Change in Fund Balance</i>	2,000	(11,800)	(12,000)	(200)
<i>Fund Balance Beginning of Year</i>	12,457	12,457	12,457	0
<i>Fund Balance End of Year</i>	<u>\$14,457</u>	<u>\$657</u>	<u>\$457</u>	<u>(\$200)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Route 8/Northfield Road Project Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Capital Outlay	4,000	4,000	1,000	3,000
<i>Excess of Revenues Under Expenditures</i>	(4,000)	(4,000)	(1,000)	3,000
Other Financing Sources (Uses)				
Proceeds of Notes	4,000	51,000	1,000	(50,000)
Transfers Out	0	(50,000)	0	50,000
<i>Total Other Financing Sources (Uses)</i>	4,000	1,000	1,000	0
<i>Net Change in Fund Balance</i>	0	(3,000)	0	3,000
<i>Fund Balance Beginning of Year</i>	3,146	3,146	3,146	0
<i>Fund Balance End of Year</i>	<u>\$3,146</u>	<u>\$146</u>	<u>\$3,146</u>	<u>\$3,000</u>

City of Warrensville Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Repair and Replacement Project Fund
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	2,000	2,000	800	1,200
<i>Excess of Revenues Under Expenditures</i>	(2,000)	(2,000)	(800)	1,200
Other Financing Sources (Uses)				
Proceeds of Notes	2,000	3,800	800	(3,000)
Transfers Out	0	(9,000)	(9,000)	0
<i>Total Other Financing Sources (Uses)</i>	2,000	(5,200)	(8,200)	(3,000)
<i>Net Change in Fund Balance</i>	0	(7,200)	(9,000)	(1,800)
<i>Fund Balance Beginning of Year</i>	9,081	9,081	9,081	0
<i>Fund Balance End of Year</i>	<u>\$9,081</u>	<u>\$1,881</u>	<u>\$81</u>	<u>(\$1,800)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Town Center Project Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	15,000	35,000	26,487	8,513
<i>Excess of Revenues Under Expenditures</i>	(15,000)	(35,000)	(26,487)	8,513
Other Financing Sources (Uses)				
Proceeds of Notes	15,000	31,000	31,000	0
Operating Transfers In	0	75,924	75,924	0
Transfers Out	0	(102,000)	(100,000)	2,000
<i>Total Other Financing Sources (Uses)</i>	15,000	4,924	6,924	2,000
<i>Net Change in Fund Balance</i>	0	(30,076)	(19,563)	10,513
<i>Fund Balance Beginning of Year</i>	30,586	30,586	30,586	0
<i>Fund Balance End of Year</i>	<u>\$30,586</u>	<u>\$510</u>	<u>\$11,023</u>	<u>\$10,513</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Generators Fund
For the Year Ended December 31, 2007

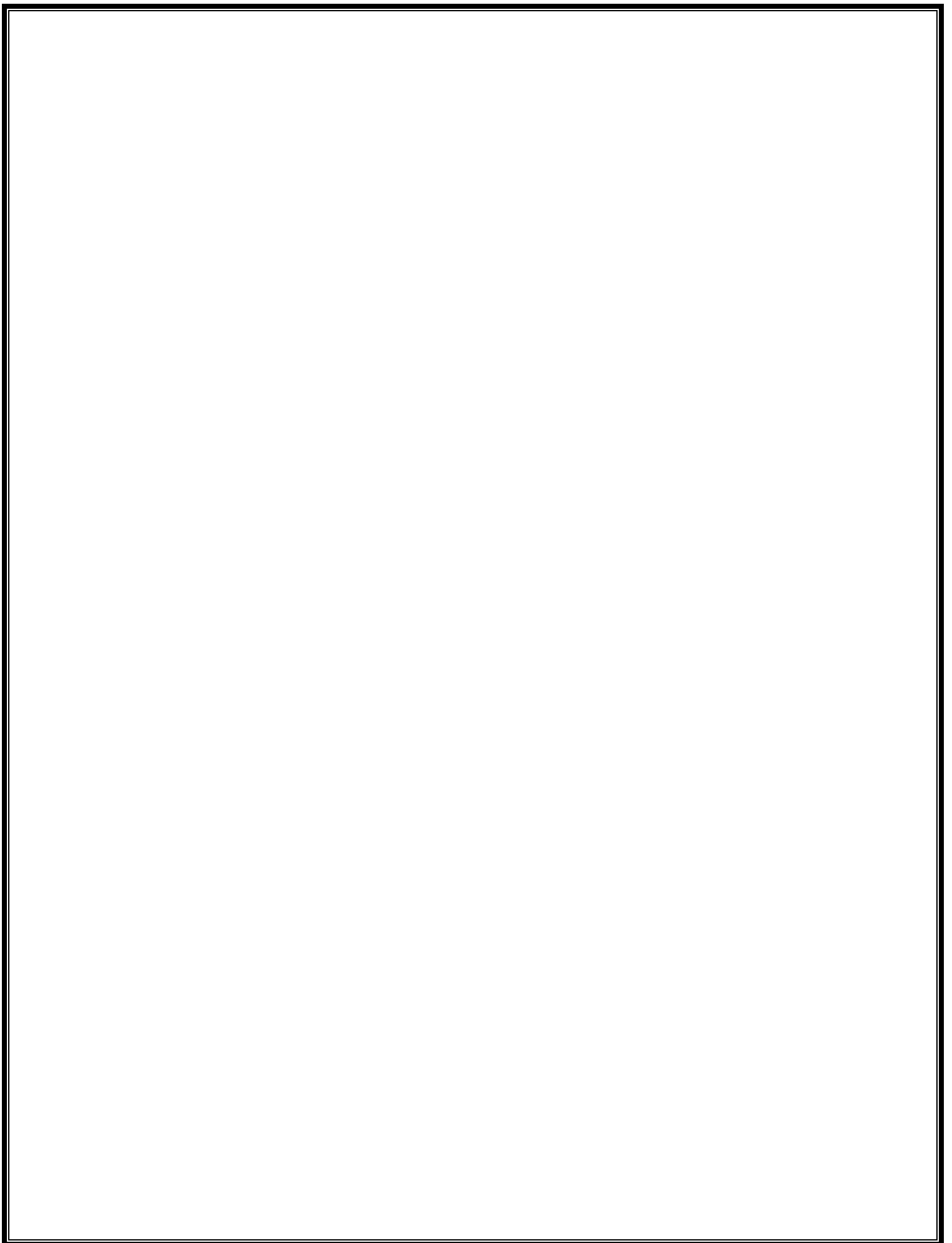
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$190	\$190	\$190	\$0
Expenditures				
Capital Outlay:				
Contractual Services	<u>2,000</u>	<u>3,000</u>	<u>2,990</u>	<u>10</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,810)</u>	<u>(2,810)</u>	<u>(2,800)</u>	<u>10</u>
Other Financing Sources (Uses)				
Proceeds of Notes	1,810	1,810	1,000	(810)
Transfers Out	<u>0</u>	<u>(26,000)</u>	<u>(15,000)</u>	<u>11,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,810</u>	<u>(24,190)</u>	<u>(14,000)</u>	<u>10,190</u>
<i>Net Change in Fund Balance</i>	0	(27,000)	(16,800)	10,200
<i>Fund Balance Beginning of Year</i>	<u>27,466</u>	<u>27,466</u>	<u>27,466</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$27,466</u></u>	<u><u>\$466</u></u>	<u><u>\$10,666</u></u>	<u><u>\$10,200</u></u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Green Road Park Improvement Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$540	\$540	\$540	\$0
<i>Total Revenues</i>				
Expenditures				
Capital Outlay:				
Contractual Services	<u>177,000</u>	<u>177,000</u>	<u>34,657</u>	<u>142,343</u>
<i>Excess of Revenues Under Expenditures</i>	(177,000)	(177,000)	(34,657)	142,343
Other Financing Sources				
Proceeds of Notes	<u>177,000</u>	<u>177,000</u>	<u>177,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	142,343	142,343
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$142,343</u>	<u>\$142,343</u>

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Statistical Section



Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S3-S9
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.	S10-S17
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S18-S22
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S23-S25
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S26-S30

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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City of Warrensville Heights, Ohio

Net Assets By Component

Last Five Years

(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
Governmental Activities					
Invested in Capital Assets,					
Net of Related Debt	(\$777,382)	(\$614,457)	\$1,893,723	\$1,815,033	\$3,349,635
Restricted:					
Capital Projects	0	0	803,927	2,229,153	52,718
Debt Service	442,118	0	8,333	522,748	885,749
Streets	535,939	552,258	275,643	223,231	202,700
Police	114,889	224,613	107,801	151,774	200,209
Fire	90,273	80,301	220,475	159,505	68,363
Other Purposes	296,327	189,078	111,153	67,074	84,299
Unrestricted (Deficit)	<u>(185,216)</u>	<u>(9,958)</u>	<u>(1,638,328)</u>	<u>(2,447,685)</u>	<u>(3,040,172)</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$516,948</u>	<u>\$421,835</u>	<u>\$1,782,727</u>	<u>\$2,720,833</u>	<u>\$1,803,501</u>

City of Warrensville Heights, Ohio

Changes in Net Assets

Last Five Years

(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$193,833	\$182,754	\$206,353	\$229,899	\$150,756
Security of Persons and Property:					
Police	361,456	313,492	393,133	340,291	319,549
Fire	267,729	211,625	261,603	251,186	158,352
Public Health Services	3,857	3,057	4,312	4,218	2,312
Leisure Time Activities	20,764	15,816	20,300	29,167	16,224
Community Development	64,823	51,681	81,530	53,263	26,513
Transportation	252,906	103,251	135,615	139,022	149,413
Basic Utility Services	4,327	69,129	107,642	114,253	23,818
Subtotal - Charges for Services	<u>1,169,695</u>	<u>950,805</u>	<u>1,210,488</u>	<u>1,161,299</u>	<u>846,937</u>
Operating Grants and Contributions:					
General Government	23,278	5,600	0	0	0
Security of Persons and Property:					
Police	24,799	62,244	61,567	114,500	156,790
Fire	8,399	2,500	84,303	232,682	78,811
Public Health Services	0	2,112	0	0	0
Leisure Time Activities	0	0	2,100	0	16,720
Community Development	290,475	388,722	218,345	225,048	286,294
Transportation	736,232	598,391	531,359	481,407	428,710
Basic Utility Services	0	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,083,183</u>	<u>1,059,569</u>	<u>897,674</u>	<u>1,053,637</u>	<u>967,325</u>
Capital Grants and Contributions:					
General Government	324,478	0	0	0	45,813
Security of Persons and Property:					
Police	15,033	0	0	0	77,000
Fire	0	0	0	0	49,258
Public Health Services	0	0	0	0	660
Leisure Time Activities	0	0	0	0	4,906
Community Development	0	0	0	0	15,920
Transportation	0	384,163	244,517	975,197	274,723
Basic Utility Services	0	0	85,000	106,460	6,807
Subtotal - Capital Grants and Contributions	<u>339,511</u>	<u>384,163</u>	<u>329,517</u>	<u>1,081,657</u>	<u>475,087</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$2,592,389</u>	<u>\$2,394,537</u>	<u>\$2,437,679</u>	<u>\$3,296,593</u>	<u>\$2,289,349</u>

(continued)

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

	2007	2006	2005	2004	2003
Expenses					
Governmental Activities:					
General Government	\$2,755,794	\$3,233,323	\$2,732,119	\$2,799,313	\$2,721,824
Security of Persons and Property:					
Police	5,138,945	5,708,747	5,408,241	4,890,454	4,653,737
Fire	3,806,397	3,543,673	3,810,719	3,219,919	3,003,340
Public Health Services	54,834	65,802	56,006	47,829	40,420
Leisure Time Activities	295,210	329,692	295,706	361,980	323,941
Community Development	1,122,810	1,091,122	1,169,496	1,066,080	960,744
Transportation	1,966,685	2,308,721	2,399,454	2,384,519	3,096,239
Basic Utility Services	1,489,299	1,358,581	1,457,364	1,355,302	499,304
Interest and Fiscal Charges	704,801	549,714	544,927	421,671	378,320
<i>Total Governmental Activities Expenses</i>	<u>17,334,775</u>	<u>18,189,375</u>	<u>17,874,032</u>	<u>16,547,067</u>	<u>15,677,869</u>
Net (Expense)/Revenue					
Governmental Activities	<u>(14,742,386)</u>	<u>(15,794,838)</u>	<u>(15,436,353)</u>	<u>(13,250,474)</u>	<u>(13,388,520)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property and Other Local Taxes Levied For:					
General Purposes	1,028,599	1,236,022	1,061,074	1,106,842	957,923
Debt Service	724,197	553,998	547,017	496,018	512,457
Other Purposes	783,059	712,565	667,078	631,777	681,792
Municipal Income Taxes levied for:					
General Purposes	10,658,860	10,625,219	10,318,081	10,527,562	9,860,864
Grants and Entitlements not Restricted to					
Specific Programs	1,430,120	1,073,104	1,456,018	1,117,195	1,258,968
Investment Earnings	166,362	173,564	126,112	37,376	60,835
Gain on Sale of Capital Assets	354				
Miscellaneous	45,948	59,474	322,867	251,036	301,129
<i>Total Governmental Activities</i>	<u>14,837,499</u>	<u>14,433,946</u>	<u>14,498,247</u>	<u>14,167,806</u>	<u>13,633,968</u>
Change in Net Assets					
Governmental Activities	<u>\$95,113</u>	<u>(\$1,360,892)</u>	<u>(\$938,106)</u>	<u>\$917,332</u>	<u>\$245,448</u>

City of Warrensville Heights, Ohio

Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$68,891	\$92,809	\$0	\$2,278	\$35,480
Unreserved	<u>577,945</u>	<u>1,073,732</u>	<u>1,243,030</u>	<u>915,727</u>	<u>932,055</u>
Total General Fund	<u>646,836</u>	<u>1,166,541</u>	<u>1,243,030</u>	<u>918,005</u>	<u>967,535</u>
All Other Governmental Funds					
Reserved	8,980	28,436	172,879	19,412	150,024
Unreserved, Undesignated, Reported in:					
Special Revenue funds	566,702	698,309	357,868	242,907	191,374
Debt Service funds	66,393	69,298	164,888	149,615	216,163
Capital Projects funds	<u>(2,727,398)</u>	<u>(2,217,021)</u>	<u>2,253,502</u>	<u>(3,878,347)</u>	<u>2,094,931</u>
Total All Other Governmental Funds	<u>(2,085,323)</u>	<u>(1,420,978)</u>	<u>2,949,137</u>	<u>(3,466,413)</u>	<u>2,652,492</u>
Total Governmental Funds	<u><u>(\$1,438,487)</u></u>	<u><u>(\$254,437)</u></u>	<u><u>\$4,192,167</u></u>	<u><u>(\$2,548,408)</u></u>	<u><u>\$3,620,027</u></u>

2002	2001	2000	1999	1998
\$125,335	\$122,433	\$216,894	\$216,705	\$407,825
866,760	1,692,364	1,683,580	1,410,765	1,610,398
992,095	1,814,797	1,900,474	1,627,470	2,018,223
638,341	328,480	234,988	583,970	340,273
257,086	246,522	217,321	345,398	139,890
7,462	(256,651)	0	0	0
138,855	127,427	861,629	1,247,847	21,938
1,041,744	445,778	1,313,938	2,177,215	502,101
\$2,033,839	\$2,260,575	\$3,214,412	\$3,804,685	\$2,520,324

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

	2007	2006	2005	2004	2003
Revenues					
Property Taxes	\$2,326,090	\$2,444,893	\$2,258,293	\$2,400,560	\$2,139,615
Income Taxes	10,739,288	10,568,048	10,369,292	10,388,957	9,997,534
Special Assessments	382,781	475,297	236,742	150,739	231,652
Intergovernmental	2,321,745	2,211,419	2,436,351	3,404,790	2,216,899
Interest	166,362	173,564	126,112	37,376	60,835
Fees, Licenses and Permits	356,550	430,681	437,052	530,536	162,383
Fines and Forfeitures	296,926	283,167	259,304	313,302	319,506
Rentals	0	0	10,045	0	0
Charges for Services	295,782	334,341	340,695	349,355	402,595
Contributions and Donations	0	0	85,010	0	0
Other	45,948	59,474	322,867	251,036	301,129
<i>Total Revenues</i>	<u>16,931,472</u>	<u>16,980,884</u>	<u>16,881,763</u>	<u>17,826,651</u>	<u>15,832,148</u>
Expenditures					
Current:					
General Government	2,619,985	2,726,545	2,495,624	2,503,986	2,741,396
Security of Persons and Property:					
Police	5,048,633	4,809,157	4,797,841	5,014,605	4,580,861
Fire	3,510,938	3,200,162	3,239,053	3,562,045	2,802,671
Public Health Services	54,392	50,615	50,615	46,838	39,132
Leisure Time Activities	278,762	261,904	238,295	330,820	293,508
Community Development	1,153,715	918,719	1,058,386	1,058,781	946,701
Transportation	2,130,634	1,812,967	2,060,585	1,874,273	2,939,556
Basic Utilities Services	1,427,767	1,144,734	1,263,610	1,346,571	338,356
Capital Outlay	1,552,707	2,404,728	2,572,219	2,924,756	3,220,808
Debt Service:					
Principal Retirement	899,393	970,136	959,466	7,383,810	2,577,462
Interest and Fiscal Charges	755,494	598,501	351,231	427,176	342,161
Bond Issuance Costs	0	0	0	0	113,000
<i>Total Expenditures</i>	<u>19,432,420</u>	<u>18,898,168</u>	<u>19,086,925</u>	<u>26,473,661</u>	<u>20,935,612</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,500,948)</u>	<u>(1,917,284)</u>	<u>(2,205,162)</u>	<u>(8,647,010)</u>	<u>(5,103,464)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	1,673	0	0	12,052	15,475
Inception of Capital Lease	198,225	10,680	146,041	171,523	80,459
Bond Anticipation Notes Issued	0	0	0	2,295,000	6,475,000
Refunding Notes Issued	9,602,000	6,580,000	11,025,000	0	0
General Obligation Bonds Issued	0	0	0	0	2,625,000
Notes Premium	0	0	69,696	0	0
Current Refunding	(8,485,000)	(9,120,000)	(2,295,000)	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	(2,506,282)
Transfers In	506,397	1,479,263	1,157,274	6,620,665	13,000
Transfers Out	(506,397)	(1,479,263)	(1,157,274)	(6,620,665)	(13,000)
Advances In	0	0	0	0	0
Advances Out	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,316,898</u>	<u>(2,529,320)</u>	<u>8,945,737</u>	<u>2,478,575</u>	<u>6,689,652</u>
<i>Net Change in Fund Balances</i>	<u>(\$1,184,050)</u>	<u>(\$4,446,604)</u>	<u>\$6,740,575</u>	<u>(\$6,168,435)</u>	<u>\$1,586,188</u>
Debt Service as a Percentage of Noncapital Expenditures	9.47%	9.39%	7.94%	33.17%	17.12%

2002	2001	2000	1999	1998
\$2,411,677	\$2,154,716	\$1,878,671	\$9,928,786	\$10,325,038
8,513,212	8,761,300	8,543,695	0	0
180,708	255,733	258,559	224,128	274,818
2,267,868	2,292,583	2,374,547	2,382,384	1,552,407
29,272	120,970	180,896	100,929	552,182
704,382	360,992	282,576	310,998	310,656
0	0	0	0	0
0	0	0	0	0
349,637	298,424	150,567	132,326	53,022
0	0	0	0	0
407,474	487,409	167,797	109,448	14,853
<u>14,864,230</u>	<u>14,732,127</u>	<u>13,837,308</u>	<u>13,188,999</u>	<u>13,082,976</u>
2,069,131	3,728,788	3,173,574	3,208,771	2,150,421
7,922,500	7,110,172	6,524,773	6,740,788	6,249,337
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
44,572	88,496	21,650	23,230	22,199
382,752	155,833	317,034	230,122	207,075
853,923	1,008,714	733,190	621,260	505,331
3,109,339	507,441	582,295	601,508	1,169,576
71,193	1,236,255	1,003,422	801,708	834,286
1,591,406	695,966	622,422	518,330	122,842
645,000	740,000	650,000	2,897,619	3,075,717
376,150	416,929	503,218	421,102	470,568
0	0	0	0	0
<u>17,065,966</u>	<u>15,688,594</u>	<u>14,131,578</u>	<u>16,064,438</u>	<u>14,807,352</u>
<u>(2,201,736)</u>	<u>(956,467)</u>	<u>(294,270)</u>	<u>(2,875,439)</u>	<u>(1,724,376)</u>
0	2,630	2,809	4,800	0
0	0	0	0	0
0	0	0	4,155,000	2,180,000
0	0	0	0	0
1,975,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
275,286	675,332	227,000	305,740	703,345
(275,286)	(675,332)	(227,000)	(305,740)	(703,345)
33,604	0	0	0	0
(33,604)	0	0	0	0
0	0	(298,812)	0	0
<u>1,975,000</u>	<u>2,630</u>	<u>(296,003)</u>	<u>4,159,800</u>	<u>2,180,000</u>
<u>(\$226,736)</u>	<u>(\$953,837)</u>	<u>(\$590,273)</u>	<u>\$1,284,361</u>	<u>\$455,624</u>
6.60%	7.72%	8.54%	21.35%	24.15%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2007	\$121,171,620	\$143,841,240	\$757,179,600	\$747,885	\$5,983,080
2006	121,805,680	139,133,100	745,539,371	2,792,947	14,895,716
2005	103,386,585	113,790,495	620,505,943	12,772,240	14,513,909
2004	104,986,970	108,882,400	611,055,343	12,828,990	14,578,398
2003	102,192,535	108,387,635	601,657,629	13,379,180	15,203,614
2002	94,087,620	101,313,100	558,287,771	11,690,000	13,284,091
2001	94,193,600	96,719,160	545,465,029	13,150,000	14,943,182
2000	80,297,140	84,378,960	470,503,143	12,230,000	13,897,727
1999	80,213,980	83,697,080	468,317,314	9,250,000	10,511,364
1998	79,803,480	83,618,130	466,918,886	9,320,000	10,590,909

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

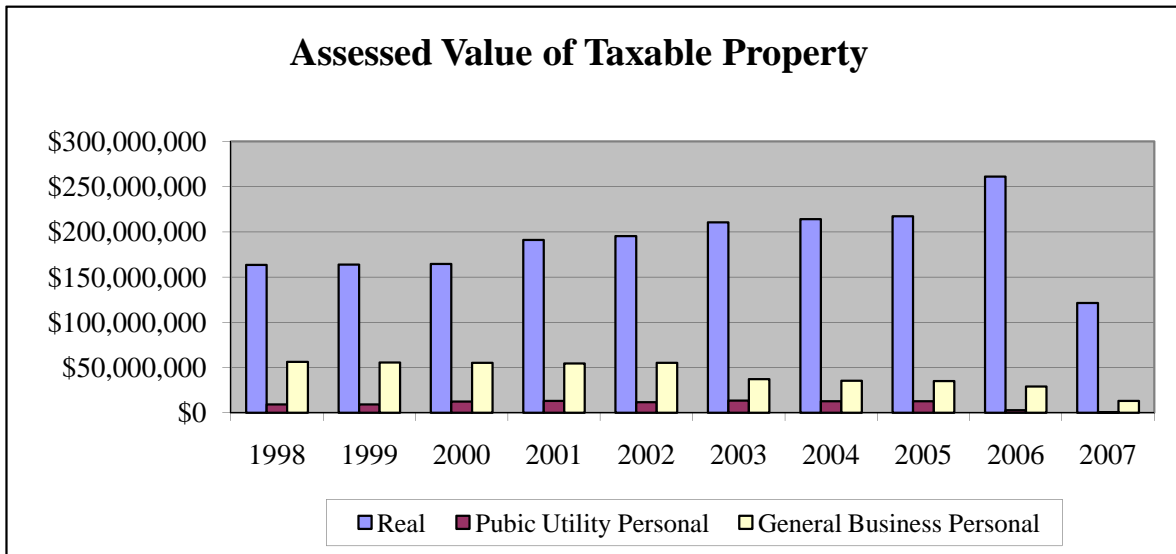
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property

General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$13,016,219	\$104,129,752	\$278,776,964	\$867,292,432	32.14%	\$8.7894
28,901,882	154,143,371	292,633,609	914,578,458	32.00	8.9083
35,108,650	140,434,600	265,057,970	775,454,452	34.18	9.2033
35,229,342	140,917,368	261,927,702	766,551,109	34.17	9.1402
36,972,668	147,890,672	260,932,018	764,751,915	34.12	9.2981
55,035,241	220,140,964	262,125,961	791,712,826	33.11	9.6896
54,383,385	217,533,540	258,446,145	777,941,751	33.22	9.1509
55,281,342	221,125,368	232,187,442	705,526,238	32.91	8.7529
55,680,991	222,723,964	228,842,051	701,552,642	32.62	8.5939
56,324,058	225,296,232	229,065,668	702,806,027	32.59	8.6139



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

	2007	2006	2005	2004	2003
Unvoted Millage					
Operating	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Debt Service	2.3000	2.3000	2.3000	2.3000	2.3000
<i>Total Unvoted Millage</i>	<u>3.3000</u>	<u>3.3000</u>	<u>3.3000</u>	<u>3.3000</u>	<u>3.3000</u>
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.7095	0.7107	0.8302	0.8306	0.8307
Commercial/Industrial and Public Utility Real	1.2820	1.3207	1.4557	1.4732	0.1484
General Business and Public Utility Personal	2.9000	2.9000	2.9000	2.9000	2.9000
1978 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	1.1046	1.1064	1.2926	1.2932	1.2933
Commercial/Industrial and Public Utility Real	1.8588	1.9149	2.1106	2.1360	2.1517
General Business and Public Utility Personal	3.5000	3.5000	3.5000	3.5000	3.5000
1976 Police Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.2447	0.2451	0.2863	0.2864	0.2864
Commercial/Industrial and Public Utility Real	0.4421	0.4554	0.5020	0.5080	0.5117
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
1976 Fire Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.2447	0.2451	0.2863	0.2864	0.2864
Commercial/Industrial and Public Utility Real	0.4421	0.4554	0.5020	0.5080	0.5117
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
1980 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.2062	0.2065	0.2412	0.2414	0.2414
Commercial/Industrial and Public Utility Real	0.3018	0.3110	0.3427	0.3469	0.3494
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000	0.5000
2001 Street Lighting - continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.7756	0.7768	0.9075	0.9080	0.9080
Commercial/Industrial and Public Utility Real	0.8314	0.8565	0.9440	0.9554	0.9624
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	3.2852	3.2905	3.8442	3.8460	3.8463
Commercial/Industrial and Public Utility Real	5.1581	5.3140	5.8570	5.9273	4.6354
General Business and Public Utility Personal	9.9000	9.9000	9.9000	9.9000	9.9000
Total Millage	<u>\$21.6433</u>	<u>\$21.8045</u>	<u>\$22.9011</u>	<u>\$22.9733</u>	<u>\$21.6817</u>
Overlapping Rates by Taxing District					
Warrensville Heights City School District					
Residential/Agricultural Real	\$49.6674	\$54.5983	\$54.4140	\$45.3169	\$48.2000
Commercial/Industrial and Public Utility Real	68.8833	72.9116	70.4382	63.4157	64.3990
General Business and Public Utility Personal	90.1000	89.6000	89.4000	80.3000	80.3000
Orange City School District					
Residential/Agricultural Real	40.0272	43.3893	42.9127	38.2707	40.3637
Commercial/Industrial and Public Utility Real	46.6442	48.0058	47.7209	42.7469	44.1442
General Business and Public Utility Personal	86.1000	86.1000	86.1000	81.1000	81.1000
Cuyahoga County					
Residential/Agricultural Real	11.8688	11.7227	10.9754	10.9899	9.7642
Commercial/Industrial and Public Utility Real	12.4535	12.5762	11.9846	12.0433	10.1235
General Business and Public Utility Personal	13.4200	13.5200	13.5200	13.5200	11.7200
Special Taxing Districts (1)					
Residential/Agricultural Real	5.9675	6.2900	6.2880	4.7783	5.2290
Commercial/Industrial and Public Utility Real	6.2540	6.5552	6.5067	5.1811	5.3026
General Business and Public Utility Personal	6.7800	6.7800	6.7800	5.8800	5.8800

Source: County Auditor

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

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

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

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

2002	2001	2000	1999	1998
\$0.4000	\$0.4000	\$0.4000	\$0.8000	\$0.8000
0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000
2.3000	2.3000	2.3000	1.9000	1.9000
3.3000	3.3000	3.3000	3.3000	3.3000
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
2.9000	2.9000	2.9000	2.9000	2.9000
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
3.5000	3.5000	3.5000	3.5000	3.5000
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
1.0000	1.0000	1.0000	1.0000	1.0000
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
1.0000	1.0000	1.0000	1.0000	1.0000
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
0.5000	0.5000	0.5000	0.5000	0.5000
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
1.0000	1.0000	1.0000	1.0000	1.0000
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
9.9000	9.9000	9.9000	9.9000	9.9000
\$13.2000	\$13.2000	\$13.2000	\$13.2000	\$13.2000

\$46.0640	\$46.0502	\$52.1049	\$46.1921	\$46.2000
60.4436	60.5661	66.1743	60.1554	60.7532
79.8000	79.8000	80.6000	74.7000	74.7000
40.2645	40.2929	34.0571	34.1086	30.8590
44.2070	44.2070	43.3185	44.0838	40.9194
81.1000	81.1000	71.5000	71.5000	68.2000
9.7719	9.7845	9.6061	9.6155	9.6597
10.0505	9.9919	10.1631	10.1892	11.7001
11.7200	11.7200	10.8200	10.8200	15.0500
4.1379	4.1544	4.6295	4.3685	4.2810
4.4838	4.4632	5.1028	4.9931	4.9355
5.8800	5.8800	5.8800	5.8800	5.8800

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

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2007	\$2,144,001	\$1,915,149	89.33%	\$110,223	\$2,025,372
2006	2,199,723	3,465,835	157.56	196,497	3,662,332
2005	2,712,282	2,152,970	79.38	123,932	2,276,902
2004	2,741,976	2,209,096	80.57	150,782	2,359,878
2003	2,670,825	2,157,433	80.78	157,680	2,315,113
2002	2,680,951	2,166,735	80.82	153,220	2,319,955
2001	2,586,531	2,092,813	80.91	131,693	2,224,506
2000	2,471,937	1,992,515	80.61	166,512	2,159,027
1999	2,440,360	1,992,782	81.66	96,986	2,089,768
1998	2,435,115	1,987,602	81.62	95,662	2,083,264

Source: County Auditor

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

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

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
94.47%	\$433,791	20.23%
166.49	327,207	14.87
83.95	425,420	15.68
86.06	345,986	12.62
86.68	349,299	13.08
86.53	348,565	13.00
86.00	347,548	13.44
87.34	312,139	12.63
85.63	318,385	13.05
85.55	304,709	12.51

City of Warrensville Heights, Ohio

Principal Taxpayers - Real Estate Tax

2007 and 1998

<i>2007</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
JLP - Harvard Park LLC	\$12,192,950	4.60 %
Cleveland East Hotel	11,063,920	4.17
Merida Health System	6,007,750	2.27
Highlands Multi Family, LTD	6,092,500	2.30
Clarkwood Apartments, LTD	5,540,850	2.09
Cleveland Electric Illuminating Co.	4,374,770	1.65
Sherwin-Williams Automotive	3,480,540	1.31
Warrensville Heights Properties	2,243,510	0.85
Granada Apartments	2,896,960	1.09
Heinens, Inc.	2,547,870	0.96
Total	\$56,441,620	21.30 %
Total Assessed Valuation	\$265,012,860	

<i>1998</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$5,939,560	3.63 %
Granada Apartments	2,386,410	1.46
Sherwin-Williams Automotive	5,273,770	3.23
Clarkwood Apartments, LTD	4,906,250	3.00
Alltel Ohio Limited Partnership	3,949,560	2.42
Dalebridge Reaissance, LTD	3,411,110	2.09
Heinens, Inc.	2,344,200	1.43
Ohio Bell Telephone	2,261,140	1.38
Ellacot Parkway, LTD	1,933,320	1.18
Brentwood Hospital	1,672,970	1.02
Total	\$34,078,290	20.85 %
Total Assessed Valuation	\$163,421,610	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

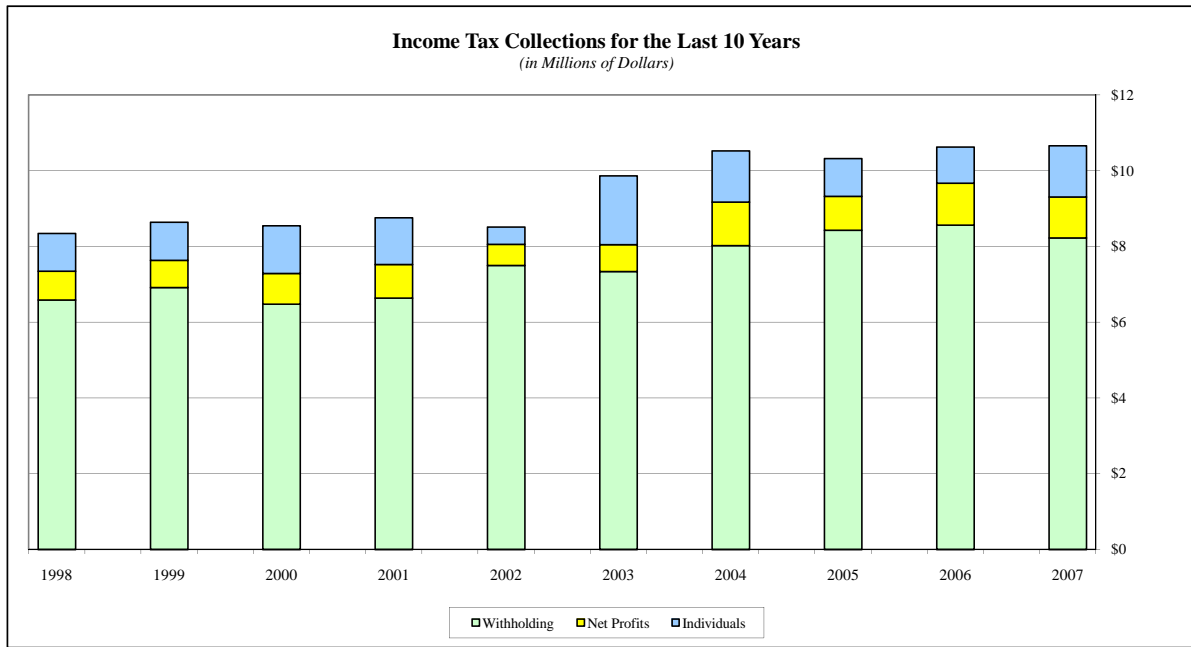
City of Warrensville Heights, Ohio

Income Tax Revenue Base Collections

Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected (3)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2007	2%	\$10,658,860	\$8,229,196	77.21%	\$1,075,261	10.09%	\$1,354,403	12.71%
2006	2	10,625,219	8,567,114	80.63	1,100,773	10.36	957,332	9.01
2005	2	10,318,081	8,431,976	81.72	888,228	8.61	997,877	9.67
2004	2	10,527,562	8,025,091	76.23	1,143,457	10.86	1,359,014	12.91
2003	2	9,860,864	7,339,861	74.43	711,895	7.22	1,809,108	18.35
2002	2	8,513,212	7,499,399	88.09	553,584	6.50	460,229	5.41
2001	1.75	8,761,300	6,638,177	75.77	889,080	10.15	1,234,043	14.09
2000	1.75	8,543,695	6,477,177	75.81	814,238	9.53	1,252,280	14.66
1999	1.75	8,636,670	6,912,569	80.04	722,554	8.37	1,001,547	11.60
1998	1.75	8,342,943	6,587,685	78.96	762,535	9.14	992,723	11.90

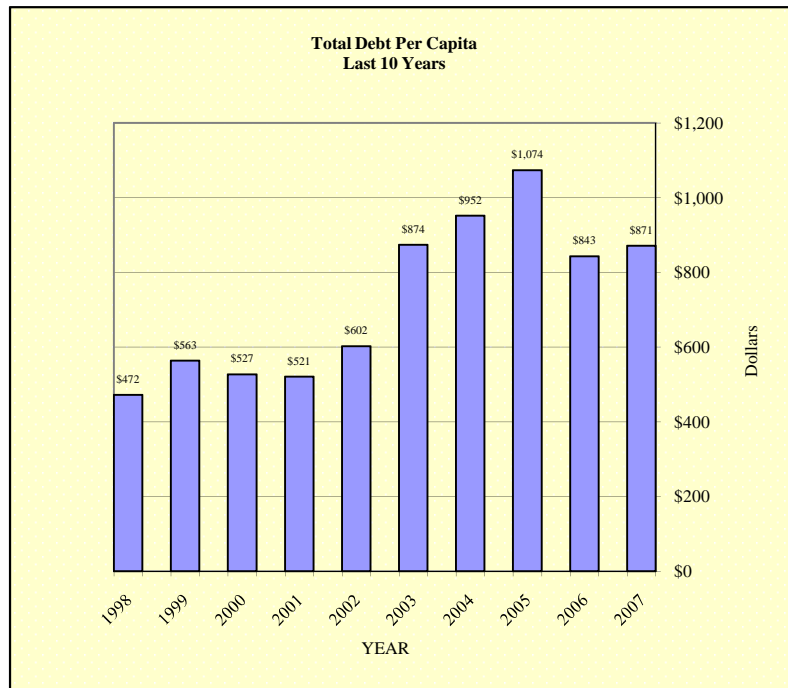
- (1) Effective January 1, 2002 the City of Warrensville Heights Electors voted to increase the City's income tax rate from 1.75% to 2%.
- (2) The City is statutorily prohibited from presenting individual taxpayers.
- (3) 2003 through 2007 are on a full accrual basis. 1998 through 2002 are on a modified accrual basis.



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

Year	Governmental Activities					Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Long-Term Notes	Capital Leases	Total Debt		
2007	\$2,758,983	\$298,865	\$9,602,000	\$499,401	\$13,159,249	4.68%	\$871
2006	3,378,500	362,917	8,485,000	505,569	12,731,986	4.53	843
2005	3,978,714	456,272	11,025,000	760,025	16,220,011	5.77	1,074
2004	4,564,624	548,931	8,385,000	883,450	14,382,005	5.11	952
2003	5,098,571	683,553	6,475,000	940,737	13,197,861	4.69	874
2002	4,853,546	1,171,446	1,975,000	1,095,431	9,095,423	3.23	602
2001	5,379,819	1,290,181	0	1,198,536	7,868,536	2.80	521
2000	6,001,085	1,408,915	0	550,776	7,960,776	2.83	527
1999	6,541,648	1,518,344	0	810,076	8,870,068	4.24	563
1998	2,687,218	1,627,774	2,180,000	937,930	7,432,922	3.55	472

Note: Population and Personal Income data are presented on page S24.



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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
2007	15,109	b	\$867,292,432	\$2,758,983	0.32 %	\$182.61
2006	15,109	b	914,578,458	3,378,500	0.37	223.61
2005	15,109	b	775,454,452	3,978,914	0.51	263.35
2004	15,109	b	766,551,109	4,564,624	0.60	302.11
2003	15,109	b	764,751,915	5,098,571	0.67	337.45
2002	15,109	b	791,712,826	4,846,084	0.61	320.74
2001	15,109	b	777,941,751	5,347,900	0.69	353.95
2000	15,109	a	705,526,238	5,679,670	0.81	375.91
1999	15,745	a	701,552,642	6,065,499	0.86	385.23
1998	15,745	a	702,806,027	2,372,154	0.34	150.66

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) County Auditor

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

City of Warrensville Heights, Ohio
Legal Debt Margin
Last Ten Years

	2007	2006	2005	2004	2003
Total Assessed Property Value	<u>\$278,776,964</u>	<u>\$292,633,609</u>	<u>\$265,057,970</u>	<u>\$261,927,702</u>	<u>\$260,932,018</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$29,271,581</u>	<u>\$30,726,529</u>	<u>\$27,831,087</u>	<u>\$27,502,409</u>	<u>\$27,397,862</u>
Debt Outstanding:					
General Obligation Bonds	2,758,983	3,378,500	4,058,728	4,656,069	5,201,447
Special Assessment Bonds	298,865	362,917	456,272	548,931	683,553
Bond Anticipation Notes	<u>12,726,000</u>	<u>12,479,000</u>	<u>11,025,000</u>	<u>8,385,000</u>	<u>6,475,000</u>
Total Gross Indebtedness	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000
Less:					
Notes issued in anticipation of the levy or collection of municipal income taxes	(7,976,000)	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(69,298)</u>	<u>(164,888)</u>	<u>(149,615)</u>	<u>(216,163)</u>
Total Net Debt Applicable to Debt Limit	<u>3,770,348</u>	<u>4,107,904</u>	<u>3,343,840</u>	<u>4,506,454</u>	<u>4,985,284</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$25,501,233</u>	<u>\$26,618,625</u>	<u>\$24,487,247</u>	<u>\$22,995,955</u>	<u>\$22,412,578</u>
Legal Debt Margin as a Percentage of the Debt Limit	87.12%	86.63%	87.99%	83.61%	81.80%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$15,332,733</u>	<u>\$16,094,848</u>	<u>\$14,578,188</u>	<u>\$14,406,024</u>	<u>\$14,351,261</u>
Total Gross Indebtedness	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000
Less:					
Bonds and notes issued in anticipation of the levy or collection of municipal income taxes	(7,976,000)	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(69,298)</u>	<u>(164,888)</u>	<u>(149,615)</u>	<u>(216,163)</u>
Net Debt Within 5 ½ % Limitations	<u>3,770,348</u>	<u>4,107,904</u>	<u>3,343,840</u>	<u>4,506,454</u>	<u>4,985,284</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$11,562,385</u>	<u>\$11,986,944</u>	<u>\$11,234,348</u>	<u>\$9,899,570</u>	<u>\$9,365,977</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	75.41%	74.48%	77.06%	68.72%	65.26%

Source: City Financial Records

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

City of Warrensville Heights, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2007

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Warrensville Heights
Direct Debt:			
City of Warrensville Heights			
General Obligation Bonds	\$2,758,983	100%	\$2,758,983
Special Assessment Bonds	298,865	100	298,865
Capital Leases	499,401	100	499,401
General Obligation Notes	12,726,000	100	12,726,000
<i>Total Direct Debt</i>	16,283,249		16,283,249
Overlapping Debt:			
Payable from Property Taxes:			
Warrensville Heights City School District			
General Obligation Bonds	23,682,345	100.00	23,682,345
Capital Leases	112,026	100.00	112,026
Orange Local School District			
General Obligation Bonds	26,765,000	1.00	267,650
Capital Leases	31,536	1.00	315
Cuyahoga County			
Cuyahoga County Bonds	188,814,000	0.86	1,623,800
Regional Transit Authority Bonds	149,463,059	0.86	1,285,382
Payable from Other Sources:			
Cuyahoga County Capital Leases	4,268,000	0.86	36,705
Cuyahoga County Loans	7,293,000	0.86	62,720
Regional Transit Authority Loan	4,088,320	0.86	35,160
<i>Total Overlapping Debt</i>	404,517,286		27,106,103
Total Direct and Overlapping Debt	\$420,800,535		\$43,389,352

Source: County Auditor

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

City of Warrensville Heights

Principal Employers

Current Year and Nine Years Ago

2007 (1)

Employer	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	1,645	11.84%
Warrensville Heights City Schools District	555	3.99
Sherwin-Williams Co.	388	2.79
Heinen's, Inc.	335	2.41
Henkel Corporation	160	1.15
City of Warrensville Heights	173	1.24
Lubriquip	89	0.64
Mortgage Information Services	301	2.17
United Health Homecare Service	396	2.85
Horizon, Inc.	124	0.89
Total	<u>4,166</u>	<u>29.98%</u>
Total Employment within the City	<u>13,896</u>	

1998 (2)

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

Source: (1) City of Cleveland Central Collection Agency.

(2) Official Statement Date - September 1, 1999

n/a - Information not available

Warrensville Heights, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2007	15,109	\$281,193,599	\$18,611	\$37,204	37.7
2006	15,109	281,193,599	18,611	37,204	37.7
2005	15,109	281,193,599	18,611	37,204	37.7
2004	15,109	281,193,599	18,611	37,204	37.7
2003	15,109	281,193,599	18,611	37,204	37.7
2002	15,109	281,193,599	18,611	37,204	37.7
2001	15,109	281,193,599	18,611	37,204	37.7
2000	15,109	281,193,599	18,611	37,204	37.7
1999	15,745	209,424,245	13,301	31,856	33.5
1998	15,745	209,424,245	13,301	31,856	33.5

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County, Ohio Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
16.40%	2,536	6.1%	\$99,265	\$278,776,964
16.40	2,700	5.7	94,699	292,633,609
16.40	2,864	5.7	89,838	265,057,970
16.40	2,783	6.2	89,838	261,927,702
16.40	2,876	6.4	89,838	260,932,018
16.40	2,841	6.7	77,063	262,125,961
16.40	3,024	4.6	70,700	258,446,145
16.40	3,099	4.5	70,700	232,187,442
12.40	3,228	4.6	63,309	228,842,051
12.40	2,993	4.6	63,309	229,065,668

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

Function/Program	2007	2006	2005	2004	2003	2002
General Government						
<i>Council and Clerk</i>						
Number of Ordinances Passed	171	178	211	177	174	116
Number of Resolutions Passed	64	57	88	88	51	90
<i>Finance Department</i>						
Number of checks/ vouchers issued	3,145	3,075	2,881	3,104	829	n/a
Amount of checks written	\$12,106,582	\$10,439,805	\$12,162,486	\$12,336,381	n/a	n/a
General Fund Interest earnings for fiscal year (cash basis)	\$156,973	\$173,560	\$119,692	\$37,030	\$55,476	n/a
Number of Receipts issued	3,806	4,098	4,200	4,125	4,075	n/a
Number of Budget Adjustments issued	82	162	201	152	22	n/a
Agency Ratings - Moody's Financial Services	A-3	A-3	A-3	A-3	A-3	A-3
Health Insurance Costs vs General Fund Expenditures %	10.80%	9.71%	10.36%	9.78%	8.80%	n/a
General Fund Receipts (cash basis)	\$14,178,286	\$14,224,242	\$14,078,484	\$14,042,599	\$13,111,055	\$10,389,010
General Fund Expenditures (cash basis)	\$14,415,510	\$13,916,892	\$13,937,358	\$13,635,555	\$13,256,165	\$12,615,868
General Fund Cash Balances	\$259,541	\$694,777	\$424,384	\$368,460	(\$29,396)	\$65,113
<i>Building Department Indicators</i>						
Construction Permits Issued	213	820	1,026	624	580	605
Estimated Value of Construction	\$11,625,337	\$13,677,990	\$15,254,686	\$40,106,403	\$3,028,904	\$5,666,550
Number of plumbing and electrical permits issued	693	601	1,024	558	300	275
Amount of Revenue generated from permits	\$313,340	\$238,583	\$131,497	\$285,295	\$48,709	\$125,350
Number of contract registrations issued	700	454	486	485	337	350
Number of rental inspections performed	414	662	500	550	455	350
Number of point of sale inspections	403	600	400	350	415	300
Security of Persons and Property						
<i>Police</i>						
Total Calls for Services	15,492	13,244	14,358	12,207	n/a	n/a
Number of traffic citations issued	1,935	2,137	2,934	n/a	3,652	4,125
Number of parking citations issued	1,900	1,631	1,813	n/a	2,080	1,748
Number of criminal arrests	1,027	894	965	1,057	966	844
Number of accident reports completed	784	683	797	841	873	838
Part 1 Offenses (major offenses)	614	535	455	485	647	610
DUI Arrests	21	10	31	17	20	26
Prisoners	965	896	974	1,195	1,268	1,194
Prisoner meal costs	\$29,816	\$18,552	\$17,017	\$14,998	\$17,198	\$15,782
Motor Vehicle Accidents	784	683	797	841	873	838
Property damage accidents	682	598	688	720	766	729
Fatalities from Motor Vehicle Accidents	1	1	2	3	2	2
Gasoline costs of fleet	\$53,701	\$74,767	\$40,538	\$47,570	n/a	n/a
Community Diversion Program Youths	25	29	30	18	35	63
Community Diversion Program - community service hours	806	494	576	747	1,386	n/a
<i>Fire</i>						
EMS Calls	1,991	1,775	1,757	1,722	1,885	1,683
Ambulance Billing Collections (net)	\$205,810	\$282,057	\$301,030	\$294,356	\$282,868	n/a
Fire Calls	316	278	289	265	302	302
Fires with Loss	37	24	32	40	42	n/a
Fires with Losses exceeding \$10K	16	4	9	7	8	n/a
Fire Losses \$	\$883,920	\$170,940	\$574,600	\$281,180	\$514,010	n/a
Fire Safety Inspections	265	257	236	195	145	n/a
Number of times Mutual Aid given to Fire and EMS	75	72	89	100	113	n/a
Number of times Mutual Aid received for Fire and EMS	12	14	10	13	5	7

(continued)

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

Function/Program	2007	2006	2005	2004	2003	2002
Basic Utility Services						
Refuse disposal per year (in tons)	4,862	5,912	5,222	5,422	5,790	5,459
Refuse disposal costs per year (calendar year)	\$231,743	\$236,377	\$228,596	\$222,154	\$234,364	\$167,943
Annual recycling tonnage (excluding leaf, and compost items)	733	696	692	625	642	622
Percentage of waste recycled	13.57%	10.53%	11.70%	10.34%	9.98%	10.26%
Transportation						
Street Repair (Curbs, aprons, berms, asphalt) (hours)	905	812	864	880	886	820
Guardrail Repair (hours)	120	180	198	174	162	158
Paint Striping (hours)	366	324	390	406	356	412
Street Sweeper (hours)	841	880	896	810	856	802
Cold Patch (hours)	883	808	816	820	810	860
Snow & Ice Removal overtime hours	0	0	0	3,652	4,458	4,088
Landscaping Stump-Chipper service (hours)	847	804	813	867	913	895
Holiday Lights Setup (hours)	88	76	80	88	84	86
Sign Department (hours)	294	304	346	285	357	326
Number of Trees Planted per year	26	6	3	7	27	4
Tons of Snow Melting Salt Purchased (Nov - Mar)	5,391	3,413	4,435	3,408	3,627	2,518
Cost of Salt Purchased	\$177,783	\$104,967	\$141,218	\$112,640	\$119,920	\$80,080

(1) Information prior to 2002 is not available.

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

Function/Program	2007	2006	2005	2004
General Government				
Square Footage Occupied	25,515	25,515	25,515	25,515
Administrative Vehicles	1	1	2	2
Inspection Vehicles	7	6	6	6
Police				
Stations	1	1	1	1
Square Footage of Building	4,840	4,840	4,840	4,840
Vehicles	32	26	26	24
Fire				
Stations	2	2	2	2
Square Footage of Buildings	13,460	13,460	13,460	13,460
Vehicles	12	12	11	11
Public Works				
Square Footage of Building	41,360	41,360	41,360	41,360
Vehicles	39	37	37	37
Streets (miles)	52	52	51	51
Recreation				
Number of Parks	6	6	6	6

2003	2002	2001	2000	1999	1998
25,515	20,365	20,365	20,365	20,365	20,365
2	2	2	1	1	1
5	5	4	4	4	4
1	1	1	1	1	1
4,840	4,840	4,840	4,840	4,840	4,840
24	24	24	23	23	23
2	2	2	2	2	2
13,460	13,460	13,460	13,460	13,460	13,460
11	11	11	11	11	11
41,360	14,245	14,245	14,245	14,245	14,245
35	35	35	34	34	34
51	51	51	51	51	51
6	6	6	6	6	6

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

Function/Program	2007	2006	2005	2004	2003	2002
General Government						
Council	9.00	9.00	9.00	9.00	9.00	9.00
Executive Administration	5.00	5.00	5.00	5.00	5.00	4.00
Finance	6.00	6.00	6.00	7.00	7.00	7.00
Tax	1.00	1.00	1.00	1.00	1.00	0.50
Law	1.00	1.50	1.50	1.50	1.50	1.50
Personnel	2.00	1.00	2.00	2.00	2.00	2.00
Planning	2.00	2.00	2.00	2.00	2.00	2.00
Civil Service	1.50	1.50	1.50	1.50	1.50	1.50
Security of Persons and Property						
Police	36.00	36.00	34.00	38.00	40.00	39.00
Police - Auxiliary/Guards	3.50	4.00	4.00	4.00	4.50	4.00
Police - Dispatchers/Office/Other	11.00	11.00	9.00	8.00	8.00	14.00
Police - Jailers	1.00	1.00	1.00	2.00	2.00	2.00
Police - Animal Wardens	1.00	1.00	1.00	1.00	1.00	1.00
Fire	35.00	35.00	33.00	34.00	36.00	32.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities						
Senior and Civic Center	4.00	4.00	4.00	4.00	7.00	7.00
Community Activities	0.50	1.00	1.00	1.00	1.00	1.00
Community Development						
Building	10.00	9.00	8.00	9.00	8.50	8.50
Economic Development	1.00	1.00	1.00	2.00	2.00	2.00
Transportation						
Service	41.00	39.00	37.00	43.00	45.00	49.00
Totals:	<u>172.50</u>	<u>170.00</u>	<u>162.00</u>	<u>176.00</u>	<u>185.00</u>	<u>188.00</u>

Source: City Payroll Department W2 Audit Listing

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

City of Warrensville Heights, Ohio

December 31, 2007

City of Warrensville Heights, Ohio

For The Year Ended December 31, 2007

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Members of the City Council
Warrensville Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio (the “City”) as of and for the year ended December 31, 2007, which collectively comprise the City’s basic financial statements and have issued our report thereon dated September 16, 2008, wherein we noted the City of Warrensville Heights adopted *Government Accounting Standards Board Statements Nos. 45, 48 and 50*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City’s financial statements that is more than inconsequential will not be prevented or detected by the City’s internal control.

We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-002.

Members of the City Council
Warrensville Heights, Ohio

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider finding numbers 2007-001 and 2007-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City, in a separate letter dated September 16, 2008.

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

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

Cini & Panichi, Inc.

Cleveland, Ohio
September 16, 2008

City of Warrensville Heights

Schedule of Findings

December 31, 2007

1. Summary of Auditors' Results

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiencies reported at the financial statement level (GAGAS)?	Yes
Were there any other material weaknesses reported at the financial statement level (GAGAS)?	Yes
Was there any material noncompliance reported at the financial statement level (GAGAS)?	No

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

2007-001 – Material Weakness

Sound financial reporting is the responsibility of the City Auditor and the City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

The following audit adjustments were made to the financial statements:

1. Restatement of Net Assets at December 31, 2006 for prior year understatement of intergovernmental payables, notes payable and claims payable and overstatement of accounts payable.
2. Adjusted contracts payable and the related construction in progress to actual.
3. Adjusted accounts payable to actual.

The lack of controls over financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data at year-end.

We recommend the City adopts policies and procedures for controls over year-end financial reporting to help ensure the information accurately reflects the activity of the City thereby increasing the reliability of the financial data at year-end. Although the City has contracted a third party to perform their GAAP Conversion, the City's management needs to review the statements to be sure that all items are being properly recorded.

City of Warrensville Heights

Schedule of Findings (Continued)

December 31, 2007

2007-002 – Material Weakness

Based on our control testing performed over the City's payroll cycle, we noted that the City is not consistently reviewing and approving each payroll report. Also, a payroll registry summary page is used to prepare and submit the ACH wire transfer, as well as used to ensure that the payroll account is adequately funded to cover the entire payroll. However, we noted that there were no controls in place to ensure that the payroll amount per the payroll registry summary page was not changed after the initial approval.

We recommend that management of the City approve each payroll report and that both the first page and the summary page of the payroll registry are approved and a copy of the approved summary page is provided prior to approval of the ACH transaction.

3. Other Findings

None.

City of Warrensville Heights

Schedule of Prior Audit Findings

December 31, 2007

None prior audit findings noted.

City of Warrensville Heights

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

Response to Findings Associated With
Audit Conducted In Accordance With
Government Auditing Standards
For The Year Ended December 31, 2007

Finding Number	Planned Correction Action	Anticipated Completion Date	Responsible Contact Person
2007-001	Management will create and implement written policies and procedures relating to the financial reporting process.	N/A	Rubin Moultrie, Finance Director
2007-002	Management will create and implement written policies and procedures relating to the payroll reporting and approval process.	N/A	Rubin Moultrie, Finance Director



Mary Taylor, CPA
Auditor of State

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 24, 2008**