

**CITY OF WESTLAKE
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

CITY OF WESTLAKE
CUYAHOGA COUNTY

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Westlake
Cuyahoga County
27700 Hilliard Boulevard
Westlake, Ohio 44145

To the Members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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 audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated June 19, 2007.

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Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or other matter that we reported to the City's management in a separate letter dated June 19, 2007.

We intend this report solely for the information and use of the audit committee, management, and City Council. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 19, 2007

City of Westlake, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2006

Prepared by the Department of Finance
Anne A. Fritz, Director
Bonnie L. Freeh, Assistant Director

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City of Westlake, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
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City of Westlake

27700 HILLIARD BOULEVARD • WESTLAKE, OHIO 44145 • (440) 871-3300

Dennis M. Clough, Mayor

June 19, 2007

Members of City Council
Citizens of Westlake, Ohio

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

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

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

Mary Taylor, CPA, Auditor of State, has issued an unqualified ("clean") opinion on the City of Westlake's financial statements for the year ended December 31, 2006. The independent accountants' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent accountants' 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.

HISTORY OF WESTLAKE

In October of 1811, the Porter and Cahoon families settled in an area known as Township 7, Range 15 of the Connecticut Western Reserve. By 1812, enough people resided in the region to make it necessary to elect trustees to oversee the community and the Township of Dover was established. With Lake Erie as the northern boundary, the township grew, reaching a population of over 2,200 by the early 1900s. By 1908, the township split into three communities with Bay Village to the north and North Olmsted to the south. In 1912, the township was incorporated as Dover Village, making Frank Bailey the first mayor. Dover Village was renamed the Village of Westlake in 1940 to avoid confusion with Dover, Ohio located in Tuscarawas County. As the Cleveland suburbs grew following World War II, so did Westlake, reaching a population just under 5,000 by 1950. In 1957, the Village of Westlake became the City of Westlake.

Situated in the western reach of Cuyahoga County, Westlake is 13 miles from downtown Cleveland. Current population, per the 2000 Census, is 31,972 with a total land area of 16.5 square miles. Proximity to Interstate highways I-80, I-90, and I-480 and to Cleveland Hopkins International Airport makes Westlake a desirable locality for residents and commercial enterprise.

FORM OF GOVERNMENT

Westlake operates and is governed by the laws of the State of Ohio and its own charter that was first adopted by the electorate on November 6, 1956. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of a president who is elected at-large and six councilpersons elected by wards for four-year terms. All members of Council serve in a part-time capacity.

The City's chief executive and administrative officer is the Mayor who is elected to a four-year term and serves in a full-time capacity. The Mayor may veto legislation passed by Council. A two-thirds vote of all members of Council will override a veto.

The Rocky River Municipal Court provides judicial services for the City of Westlake. The jurisdiction of the court, as established by the Ohio Revised Code, encompasses the contiguous cities of Westlake, Rocky River, Bay Village, Fairview Park, and North Olmsted.

Established by the charter, the municipal government consists of eleven departments. A director, who is appointed by and reports directly to the Mayor, heads each department. All directors work closely with the Mayor in providing the citizens of Westlake with the highest quality of services while maintaining efficiency and cost effectiveness.

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. Most recently, the department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of three bureaus. The Field Operations Bureau oversees jail operations, animal control, and the auxiliary police, as well as the staff of patrol officers. Administrative Services Bureau consists of secretaries, dispatchers, school guards, park patrol officers, building/vehicle maintenance, and community services. The Criminal Investigations Bureau is responsible for the City's investigative services. The Police Department is located in a separate facility next to City Hall.

The **Fire Department** provides fire protection and emergency medical services to citizens, as well as placing strong emphasis on community involvement and education. A chief and his assistant head the department. A Fire Prevention unit focuses on the reduction of potential fires and loss of property within the City. Two fire facilities located on the east and west sides of the City provide protection.

The **Service Department** is comprised of several divisions administered by a director and an assistant. The City Service Division is responsible for the maintenance of all City vehicles, buildings and signs, and snow and leaf removal. The Storm/Sanitary Sewers Division maintains proper drainage control. The Parks Division maintains four parks and includes forestry services. The Streets Division is responsible for all non-contractual street repairs. In August of 2002, the City outsourced rubbish and recycling services. The City also owns and operates two cemeteries. A new Service Center facility opened in 2006.

The **Recreation Department** provides numerous courses and programs throughout the year. During summer months, the department operates the pool at Clague Park where swimming lessons are also offered. The City owns the twenty-seven hole Meadowood Golf Course which operates on a profit/loss basis. The department's main responsibility is the operation of the Recreation Center that offers numerous programs and classes to residents.

The **Community Services Department** provides programs and assistance to seniors, and numerous seniors participate and volunteer their time. The department also provides assistance and aid to families in need.

The **Finance Department** is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payrolls and maintains a fixed asset system. The department compiles the Annual Budget, prepares the Comprehensive Annual Financial Report and Popular Annual Financial Report for residents, and assists the Mayor in all financial decisions.

The **Law Department** advises the Mayor, Council, and all departments on legal matters concerning the City. The department prepares all contracts, legislation, and legal documents.

The **Purchasing Department** furnishes the City with the materials, equipment, and supplies needed to maintain operations. The department also handles all personnel matters, including health insurance.

The **Planning Department** is responsible for implementing plans and programs that promote the comprehensive and orderly development of the City. The department works in conjunction with the Planning Commission, Board of Zoning Appeals, and Board of Building Appeals and Architectural Standards.

The **Inspections Department** is responsible for interpreting and enforcing all building codes in the City. The department issues permits and citations, conducts site inspections, and licenses all contractors.

The **Engineering Department** must insure that all contractors working in Westlake meet the general engineering requirements of the City. Engineering controls the review and implementation of plans and programs relating to infrastructure.

ECONOMIC CONDITION AND OUTLOOK

Residential and commercial expansion has grown considerably over the past years resulting in several new subdivisions, offices, and retail spaces in Westlake. Several other major projects were completed in 2006 and many will follow in 2007.

In November of 2000, voters approved the construction of Crocker Park, a mixed-use planned development on seventy-five acres in western Westlake. The development features high-end retailers, restaurants, office space, and residential dwellings within a “pedestrian-friendly” setting. Phase I opened in October of 2004, showcasing “trendy” retailers, office space overlooking a “European-styled” park with fountains and an outdoor chess area, and apartments above the retail space. Beautiful landscaping and gardens are scattered among the complex and an ice rink is featured in winter. Roadway improvements were also completed, adding additional lanes, widening the Detroit/Crocker intersection, adding retaining walls and a landscaped median. Beautiful landscaping and gardens are scattered among the complex, with new features completed in 2006 including additional pedestrian features including elegant kiosks with street-level merchandising and eateries. One hundred sixty second and third floor apartment units contained within four buildings are featured above the retail shopping throughout Crocker Park’s downtown area. During 2006, additional construction was completed on the Phase II AW building, featuring Sephora and Smith & Hawken on the lower level retail, and additional residential apartments on the second floor. Construction commenced during 2006 on the Crocker Park F Building, with 11,765 square feet multi-tenant retail space on the ground floor, and a 40,000 square foot Gold’s Gym on the upper floors.

The Coral Company began construction during 2006 of Westhampton at Crocker Park, 116 units on twenty-one acres on the development’s western edge. This \$45 million project will be an example of “New Urbanist” design and include town homes, loft-style units, and attached homes. Housing will be arranged around a series of small parks and urban gardens. The total project will take four to five years to complete.

Office facilities are located throughout the City. The King James Office Park, Phases I through V, houses 335,000 square feet of office space including a fitness center. The Reserve Office Park was completed next to the Gemini Office Towers and features an Applebee's Restaurant. The Jamestown Office Building on Detroit Road and the Clemens Road West Office Building were completed in 2003. The Eveready Energizer Research Center is a 227,500 square foot facility which consists of 450 employees. Premier Physicians Office Building, consisting of 54,793 square feet of medical offices recently opened. The Next Home Realty building, consisting of 15,000 square feet of offices, was completed during 2006. Facilities under construction in 2006 include the Clemens Corporate Park, which contains 31,607 square feet of office space, and the West Side Plaza, consisting of 63,485 square feet of office space.

Several industrial parks are located in Westlake. The Sharon Drive Industrial Park features numerous businesses including the North American headquarters for Radiometer America. Several businesses are located on Sperry Drive in addition to the Marriott Courtyard and Towneplace Suites. Five restaurants are also situated on Sperry Drive. The First Street Industrial area and the Crocker Road Industrial area are sites of such facilities as Bonne Bell and USG/American Metals. The Clemens/Ranney Corporate Parkway is home to the headquarters of Hyland Software, Scott Fetzer, Nordson Corporation, Electronic Data Systems and many more companies. During 2006, Q-Lab's began construction on a 55,294 square foot warehouse addition to support their continued growth.

The Promenade of Westlake, located next to Crocker Park, features 240,000 square feet of retail space with a newly renovated Regal Cinema consisting of 16 movie theaters with stadium seating. St. John's West Shore Hospital is a seventy-acre health campus with 248 beds and is the City's largest employer with a staff of 1,210 employees. The hospital expanded its cardiac care center in 2000. University Hospital recently opened an ambulatory surgical center that also features an emergency and treatment center. Satellites of Lakewood Hospital and the Cleveland Clinic are also located in Westlake.

To encourage industrial and commercial development, the City offers four financial assistance tools. Through Industrial Development Revenue Bonds, State law allows the Westlake Community Improvement Corporation (C.I.C.) and City Council to approve the issuance of revenue bonds. The principal of these reduced interest bonds can be used for land acquisition, building construction, and equipment purchases.

In 1994, Westlake established an Enterprise Zone under State law. This program offers real and personal property tax abatement for the construction and expansion of commercial facilities located within the designated zone. The State of Ohio and County Commissioners allow up to 75 percent abatement over ten years upon approval.

Westlake received State approval to establish a Community Reinvestment Area in 1996. This program covers enterprises located in most of Westlake's industrial zone north of Detroit Road. New construction and renovation over \$100,000 can receive up to 100 percent real property tax abatement with a ten year maximum for commercial development and fifteen years for industry. This program requires the approval of City Council and Westlake Tax Incentive Review Council.

The Cuyahoga County Department of Development has also established Improved Target Areas (ITA) by which local business owners can apply for small grants and low interest loans to renovate commercial buildings. Three ITA areas currently exist in Westlake.

Starting in the mid-1960's, the City has used an outside firm to formulate a guide plan to govern future development. The plan is updated approximately every twenty years and the City finished its third plan in December of 2005. The plan addresses residential and commercial development through usage factors and recommends the placement of roadways and green spaces. The plan forecasts full growth by 2020 and the City refers to the guide when planning future development.

During 2006, the City also joined the Housing Enhancement Loan Program (H.E.L.P.) enabling residents with homes having tax valuation below \$250,000 to qualify for improvements loans at 3.0 percentage points below normal bank rates.

MAJOR INITIATIVES

Current Year Projects. The mission of the City of Westlake, its mayor, council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. In 2006, the City upheld that mission by expanding and improving services, upgrading infrastructure, and enhancing public grounds and facilities.

The Police Department continued its commitment to public safety and awareness. Programs such as the Community Police Academy, the Police Teen Academy, and the Ride-Along Program provided residents first-hand training and experiences. Student programs such as Safety Town and Drug Awareness Resistance Education (D.A.R.E.) continued with much success and classes in firearm safety and Rape Aggression Defense were held.

The Fire Department responded to 1,019 fire related calls, 2,722 emergency medical calls, and 414 service calls in 2006. In 2004, the City was awarded a \$566,000 Federal Emergency Management Agency (F.E.M.A.) grant for the purchase of equipment for the new Central Dispatching Center, which opened in March 2006. The new center is shared by the cities of Westlake, Bay Village, Rocky River, and Fairview Park and located at St. John's West Shore Hospital in 1,042 square feet of emergency room space.

The Service Department is involved in numerous activities such as the maintenance of City streets, sewers, parks, buildings, and vehicles. In August of 2002, the City out-sourced rubbish and recycling collection to an outside contractor in efforts to better utilize the time and skills of personnel. The department assists with such community events as the Easter Egg and Pumpkin Hunts, the July 4th Party in the Park, and community band concerts. The Sign Department received its second State award for the design of the D.A.R.E. van. A new Service Department facility opened in the fall of 2006. The new 66,650 square foot structure incorporates all divisions of the department.

The Inspections Department issued 1,369 permits during 2006, with an estimated value of over \$105 million. There were 70 new residential units built with an estimated value of \$25 million or \$366,000 per unit. The Planning Department was instrumental in the success of the Westlake in Bloom project, where 230 residents and businesses competed for awards in various categories relating to City beautification. The department published the "Westlake Magazine" and updated the City's web-site.

Over 8,900 Westlake residents, or 28 percent of the population, are sixty years of age or older. The Department of Community Services offers such services as referrals, prescription aid, transportation, health screening, and support groups. Westlake Assistance supplied assistance to 345 families, and 265 holiday baskets were delivered to those in need. During 2006, there were 77 regular and special programs, and 59 trips were offered through the department. The "Are You OK?" computerized calling system is used to monitor thirty-five seniors on a daily basis. Numerous seniors volunteer their time and participate in programs, activities, and trips.

The Westlake Recreation Center opened in November of 1998. Situated in an 86 acre park setting, the 82,700 square foot facility offers numerous amenities to residents. The Center features five pools, a gymnasium with two full size basketball courts, an overhead track, and exercise and craft rooms. An addition was completed in 2005 which added a one-story, 18,000 square foot fitness center, and renovated 3,000 square feet in office space. Over 5,000 square feet in the mezzanine exercise area was reconfigured to conference, multi-purpose, and exercise rooms. Peterson Pool at Clague Park is an outdoor facility offering swimming lessons throughout the summer season. In addition to the numerous classes and activities held at the Recreation Center, the department organized the Fourth of July Party in the Park, the Fall Pumpkin Festival and Hunt, the Junior Olympics, and the annual Fishing Derby. It also operates Meadowood Golf Course.

In 2006, the City utilized several technology programs to improve communications between departments and with residents and local businesses. The City began broadcasting on local cable at an accelerated pace, featuring a production video that gives an overview of Westlake and highlighting the many amenities of the City. The HAR (Highway Advisory Radio) AM channel was established, dedicated to community and emergency messages, weather advisories, and Amber alerts. The City's web-site was redesigned and now features information and access to all departments and to various City forms. It contains maps, City news, and information about local businesses, churches, and other establishments. Kiosks were located at various City locations and at Crocker Park for access to the web. Council meetings are now web-cast, placing them on local cable and on our web-site. The Mayor also issued quarterly newsletters and the City published a "Westlake Magazine" featuring articles and information about Westlake and its citizens.

Future Projects. Numerous projects are planned for 2007. The largest is the long-awaited Crocker/Stearns Road extension, with construction beginning in spring 2007, connecting Interstate 90 to Interstate 480. Hilliard Boulevard will be improved and widened, as well as Columbia and Clague Roads. A new intersection with traffic lights will be constructed in 2007 at the Bradley Road/Schwartz Road intersection. Further storm water, water line, and road construction and maintenance projects are also planned over the next year.

LONG-TERM FINANCIAL PLANNING

The City has been recognized as a leader in long-term financial planning. Since 1974, the City has been "cash" funding the annual depreciation of sewer lines to accumulate resources for their maintenance and eventual replacement. From a budget perspective, these resources are segregated into a separate fund that can only be used for its intended purpose.

In addition to the funding of sewer line replacement, the City also adopted an equipment replacement funding mechanism since the 1980's. When vehicles and certain equipment are purchased, it is depreciated over its estimated useful life, and the respective department is charged annually for the "cash" funding of the depreciation. The resources are segregated and accumulated so that when the equipment or vehicle needs replaced, the resources are available and the item may be replaced.

The City also utilizes long-term planning for the funding of capital projects. A five year capital plan is updated annually, which lists all capital projects by year, as well as the expected funding source. The funding sources are reconciled to estimated balances and revenues to ensure that the proper resources will be available for the project when the contract is signed.

A minimum general fund balance policy is also a part of the City's long-term financial planning. The policy dictates a minimum fund balance of ninety days (1/4) of annual expenditures. The fund balances are monitored monthly to ensure that the minimum fund balance level is maintained or exceeded at all times.

OTHER INFORMATION

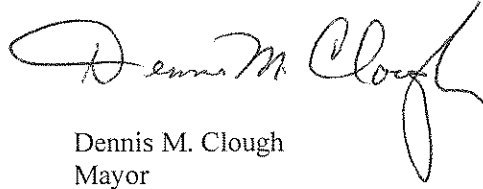
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westlake, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31,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

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

A Certificate of Achievement is valid for a period of one year only. The City of Westlake has received a Certificate of Achievement for the last twenty-two consecutive years. 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. This report was prepared in accordance with generally accepted accounting principles (GAAP). Appreciation also is expressed to those other City departments that assisted in preparing supporting documentation. In addition, we would like to thank the Mayor and Members of Council for their continuing support toward the preparation of this report.

Respectfully submitted,



Dennis M. Clough
Mayor

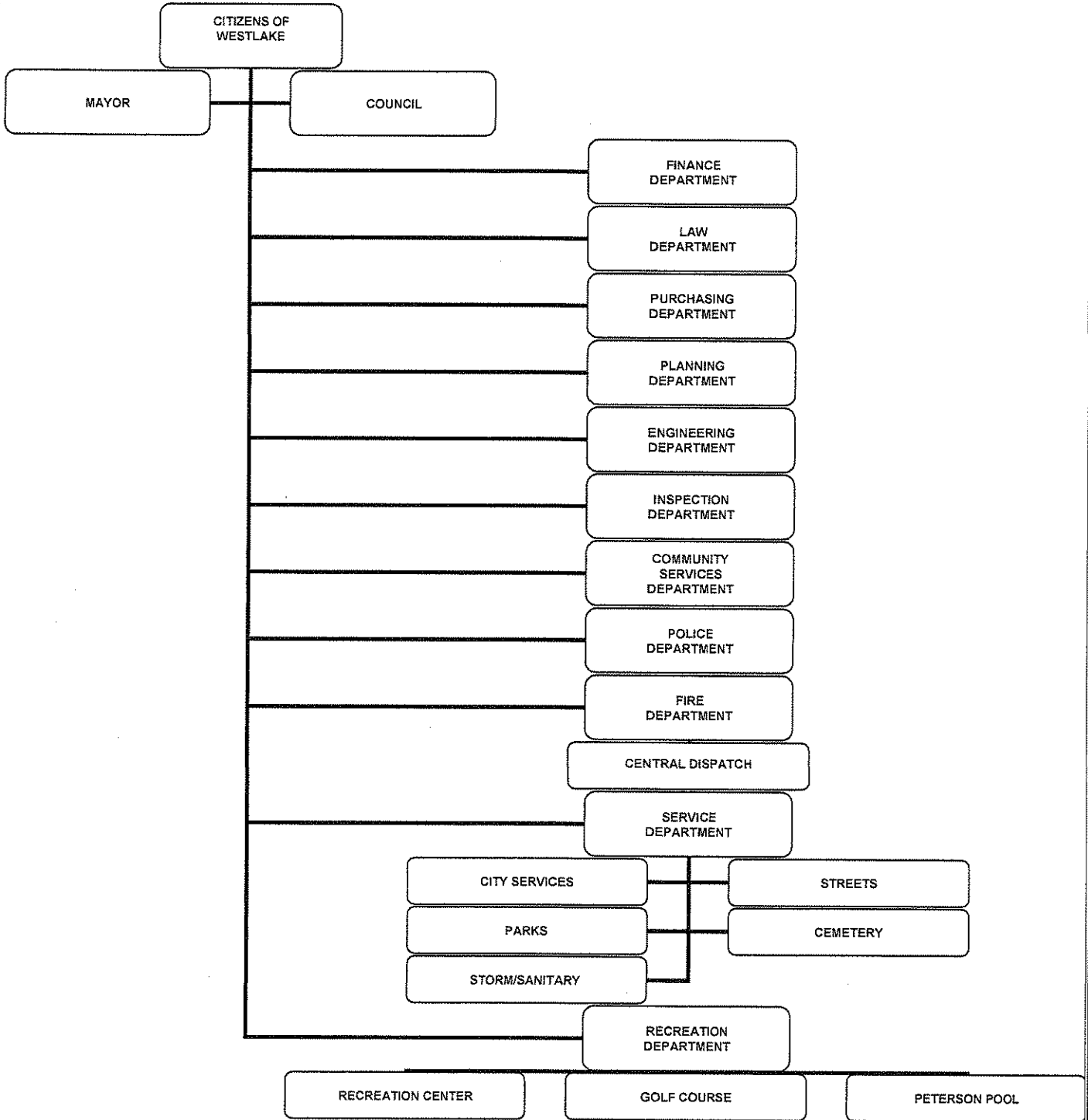


Anne A. Fritz
Director of Finance

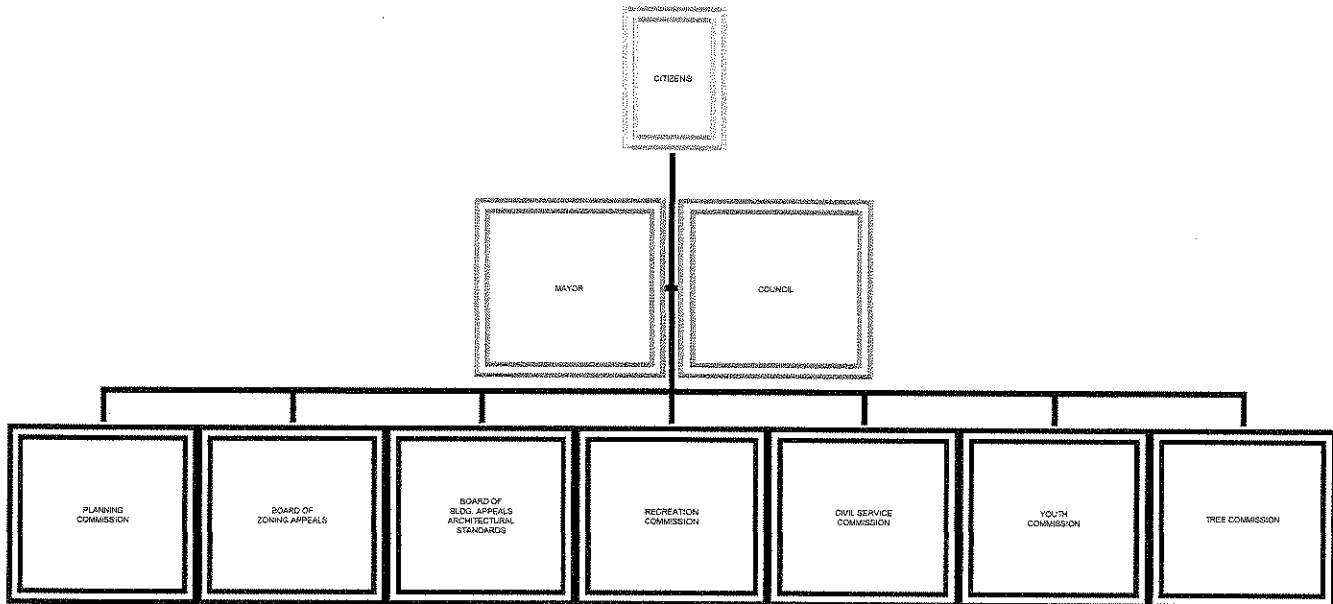


Bonnie L. Freeh
Assistant Director of Finance

CITY OF WESTLAKE ORGANIZATIONAL CHART DEPARTMENTS



CITY OF WESTLAKE ORGANIZATIONAL CHART COMMISSIONS



CITY OF WESTLAKE, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2006**

ELECTED OFFICIALS

Mayor..... Dennis M. Clough
President of Council..... Michael F. Killeen
Council Members
 Ward 1..... Edward Hack
 Ward 2..... James Connole
 Ward 3..... Dennis Sullivan
 Ward 4..... Michael O'Donnell
 Ward 5..... Kenneth Brady
 Ward 6..... Nan Baker

APPOINTED OFFICIALS

Director of Engineering Robert Kelly
Director of Finance Anne Fritz
Director of Inspections..... Robert Patton
Director of Law..... John Wheeler
Director of Planning..... Robert Parry
Director of Purchasing Mary Calabrese
Director of Recreation..... Michael Rump
Director of Community Services Joyce Able Schroth
Director of Service..... Donald Glauner
Chief of Police Richard Wallings
Chief of Fire..... Richard Pietrick

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westlake
Ohio

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

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



President

Executive Director



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Westlake
Cuyahoga County
27700 Hilliard Boulevard
Westlake, Ohio 44145

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and the statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 19, 2007

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

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

Financial Highlights

Key Financial highlights for 2006 are as follows:

- Total assets of the City of Westlake exceeded its liabilities at the close of the most recent year by \$224,078,282 (*net assets*). Of this amount, \$50,518,367 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to its citizens and creditors, subject to and in accordance with their respective purposes.
- Total Net Assets increased from 2005, increasing by \$7,421,148. Unrestricted net assets increased by \$5,875,422.
- Equity in Pooled Cash and Cash Equivalents decreased by \$101,041 from 2005, relating to the use of accumulated cash to fund capital infrastructure projects.
- Governmental Activities program expenses of \$38,000,729 were funded primarily through General revenues (which were 82.60 percent of all Governmental Activities revenues).
- Total Depreciable Capital Assets increased by \$12,219,311 or 8.90 percent from 2005. Non-depreciable Capital Assets decreased by \$11,812,711 over 2005, primarily due to the Service center facility being completed and now depreciated.
- As of the close of the current year, the City of Westlake's governmental funds reported combined ending fund balances of \$58,793,669, an increase of \$5,398,777 in comparison with the prior year.

Overview of the Financial Statements

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

City of Westlake, Ohio
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Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Westlake's finances, in a manner similar to private-sector businesses. The *statement of net assets* and *statement of activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and 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 looks at the City's most significant funds with all other funds presented in total in one column.

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

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

Both of the government-wide financial statements distinguish functions of the City of Westlake that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Westlake include general government, security of persons and property, public health services, transportation, community environment, basic utility services and leisure time activities. The business-type activities include sewer and golf course.

The government-wide financial statements can be found starting on page 17 of this report.

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

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

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

City of Westlake, Ohio
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The City of Westlake maintains 40 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General fund, Recreation fund, Special Assessment Bond Retirement fund, Issue 2 Improvements and Issue 11 Improvements fund, all of which are considered to be major funds. Data from the other 35 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds The City of Westlake maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer operations and golf course activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance of health related employee benefits. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer operations as it is considered a major fund, while the golf course enterprise fund is a nonmajor fund. The internal service fund is for self-insurance of health benefits.

The basic proprietary fund financial statements can be found on pages 26 through 29 of this report.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 through 57 of this report.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found on pages 58 through 129 of the report.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Westlake, Ohio
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These two statements report the City's net assets and the changes in those assets. The change in net assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

The City of Westlake as a Whole

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

TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and Other Assets	\$83,166,816	\$83,052,010	\$20,550,867	\$20,641,428	\$103,717,683	\$103,693,438
Capital Assets, Net	131,802,770	130,804,134	32,600,713	33,192,749	164,403,483	163,996,883
<i>Total Assets</i>	<u>214,969,586</u>	<u>213,856,144</u>	<u>53,151,580</u>	<u>53,834,177</u>	<u>268,121,166</u>	<u>267,690,321</u>
Current and Other Liabilities	15,461,163	19,786,490	49,458	114,431	15,510,621	19,900,921
Long-Term Liabilities:						
Due within One Year	3,268,031	3,645,031	0	0	3,268,031	3,645,031
Due in More than One Year	25,264,232	27,487,235	0	0	25,264,232	27,487,235
<i>Total Liabilities</i>	<u>43,993,426</u>	<u>50,918,756</u>	<u>49,458</u>	<u>114,431</u>	<u>44,042,884</u>	<u>51,033,187</u>
Invested in Capital Assets, Net of Related Debt	111,522,458	107,532,355	32,600,713	33,192,749	144,123,171	140,725,104
Restricted for:						
Capital Projects	14,041,687	16,408,432	0	0	14,041,687	16,408,432
Debt Service	7,835,428	8,210,876	0	0	7,835,428	8,210,876
Other Purpose	7,559,629	6,669,777	0	0	7,559,629	6,669,777
Unrestricted	30,016,958	24,115,948	20,501,409	20,526,997	50,518,367	44,642,945
<i>Total Net Assets</i>	<u>\$170,976,160</u>	<u>\$162,937,388</u>	<u>\$53,102,122</u>	<u>\$53,719,746</u>	<u>\$224,078,282</u>	<u>\$216,657,134</u>

City of Westlake, Ohio
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As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Westlake, total assets exceed total liabilities by \$224,078,282 at the close of the most recent year.

The largest portion of the City's net assets (64.32 percent) reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased slightly (\$430,845) from 2005 to 2006, while the City's total liabilities decreased by \$6,990,303. The most significant change in liabilities was a decrease in current and other liabilities, which declined \$4,390,300 during the year due to the City's payment of the judgment for the City's eminent domain case for the Crocker Road extension.

At the end of the current year, the City of Westlake is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Our total net assets of the City's governmental activities increased \$8,038,772 (4.93 percent) during the current year due to revenues exceeding expenses for the current year. Unrestricted net assets increased by \$5,901,010, while restricted net assets for capital projects decreased by \$2,366,745, reflecting their use in acquiring capital assets.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

CHANGES IN NET ASSETS

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues:						
Charges for Services	\$4,878,955	\$4,103,186	\$2,309,516	\$2,322,225	\$7,188,471	\$6,425,411
Operating Grants and Contributions	2,326,833	2,031,525	0	0	2,326,833	2,031,525
Capital Grants and Contributions	779,936	6,508,012	0	0	779,936	6,508,012
Total Program Revenues	7,985,724	12,642,723	2,309,516	2,322,225	10,295,240	14,964,948
General Revenues:						
Property and Other Local Taxes	11,977,308	11,946,930	0	0	11,977,308	11,946,930
Income Taxes	17,484,515	17,819,187	0	0	17,484,515	17,819,187
Grants and Entitlements	5,127,705	3,805,291	0	0	5,127,705	3,805,291
Investment Income	2,958,506	2,203,618	320,903	329,882	3,279,409	2,533,500
Other	365,149	256,046	10,000	11,165	375,149	267,211
Total General Revenues	37,913,183	36,031,072	330,903	341,047	38,244,086	36,372,119
Total Revenues	45,898,907	48,673,795	2,640,419	2,663,272	\$48,539,326	\$51,337,067

City of Westlake, Ohio
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CHANGES IN NET ASSETS

TABLE 2 (Continued)

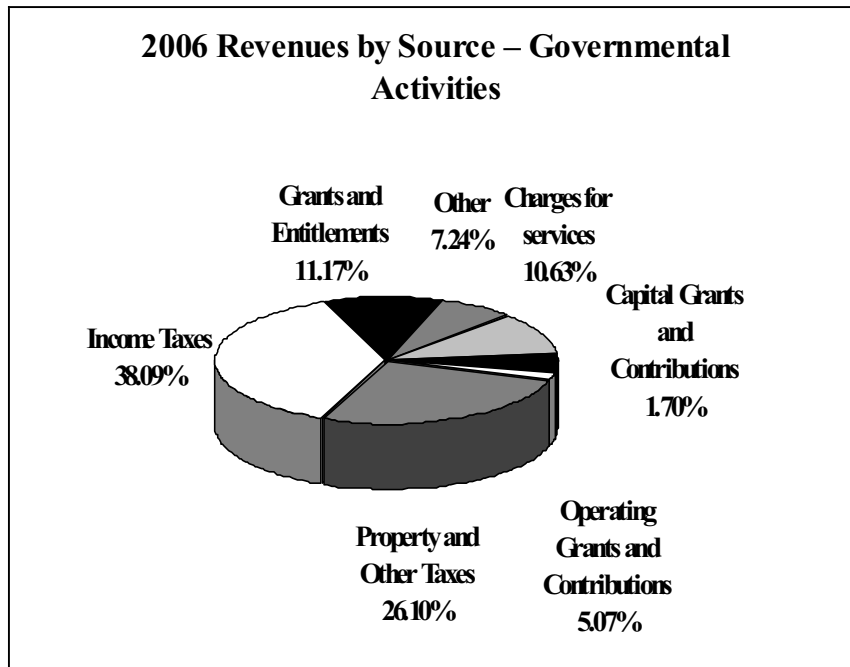
	Governmental Activities		Business - Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Program Expenses						
General Government	7,343,276	7,374,119	0	0	7,343,276	7,374,119
Security of Persons and Property	12,689,539	12,050,809	0	0	12,689,539	12,050,809
Public Health and Welfare	904,177	874,171	0	0	904,177	874,171
Transportation	8,837,612	12,801,841	0	0	8,837,612	12,801,841
Community Environment	1,403,325	1,635,242	0	0	1,403,325	1,635,242
Basic Utility	1,770,100	1,688,932	0	0	1,770,100	1,688,932
Leisure Time Activities	3,679,917	3,436,612	0	0	3,679,917	3,436,612
Interest and Fiscal Charges	1,372,783	1,176,075	0	0	1,372,783	1,176,075
Sewer	0	0	2,619,020	3,076,178	2,619,020	3,076,178
Golf Course	0	0	498,429	510,441	498,429	510,441
<i>Total Program Expenses</i>	<u>38,000,729</u>	<u>41,037,801</u>	<u>3,117,449</u>	<u>3,586,619</u>	<u>41,118,178</u>	<u>44,624,420</u>
<i>Increase (Decrease) in Net Assets Before Transfers and Contributions</i>	7,898,178	7,635,994	(477,030)	(923,347)	7,421,148	6,712,647
Transfers and Contributions	<u>140,594</u>	<u>(1,054,873)</u>	<u>(140,594)</u>	<u>1,054,873</u>	<u>0</u>	<u>0</u>
<i>Change in Net Assets</i>	8,038,772	6,581,121	(617,624)	131,526	7,421,148	6,712,647
<i>Net Assets Beginning of Year</i>	<u>162,937,388</u>	<u>156,356,267</u>	<u>53,719,746</u>	<u>53,588,220</u>	<u>216,657,134</u>	<u>209,944,487</u>
<i>Net Assets End of Year</i>	<u>\$170,976,160</u>	<u>\$162,937,388</u>	<u>\$53,102,122</u>	<u>\$53,719,746</u>	<u>\$224,078,282</u>	<u>\$216,657,134</u>

Governmental Activities

Governmental activities increased the City's net assets by \$8,038,772 during 2006, as compared to an increase of \$6,581,121 during 2005. While total revenues decreased by \$2,774,888, program expenses also decreased by \$3,037,072.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2006, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

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The income tax revenue for 2006 was \$17,484,515, a slight decrease of \$334,672 or 1.88 percent from 2005. Of the \$45,898,907 in total revenues, income tax accounts for 38.09 percent of the total, as compared to 36.61 percent of the total for 2005. Property and Other local taxes for 2006 were \$11,977,308, a \$30,378 increase from 2005.

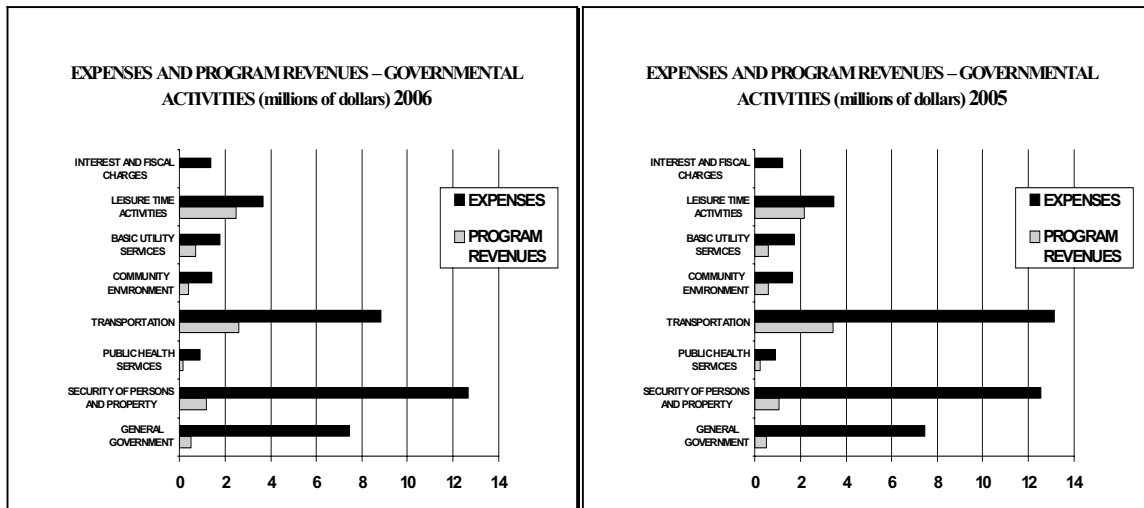
Capital grants and contributions decreased \$5,728,076 during 2006, which primarily resulted from the one-time grants awarded in the prior year.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. With the combination of property tax, income tax and intergovernmental funding, all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations. During 2006, grants and entitlements increased by \$1,322,414, due primarily to increased revenue from the City portion of the State of Ohio's estate tax. Investment earnings also increased by \$754,888 from 2005 due to higher rates earned on investments.

The largest program function for the City for 2006 is security of persons and property, with program expenses of \$12,689,539 as compared to \$12,050,809 in 2005, an increase of 5.3 percent. The next largest program is transportation, which decreased significantly (\$3,964,229 or 31 percent) during 2006 due to the large road maintenance program that was completed in 2005. Next is general government which accounts for the basic operations of the City including council, mayor, finance, law, purchasing, civil service, engineering, building maintenance, among other services. The slight decrease in general government expenses from 2005 to 2006 was \$30,843, due to further control of administrative costs.

Leisure time activity expense increased during 2006, increasing 7.08 percent, primarily due to increased labor costs and additional operating costs relating to the recreation center expansion. Community environment decreased (\$231,917 or 14.18 percent) due to the decrease in building projects throughout the City. Expenses for basic utility services increased slightly from 2005 to 2006 (4.81 percent) as additional costs for additional rubbish removal stops increased the contract amount, as well as the City having to absorb the pass thru of a full year of additional State of Ohio fees for rubbish disposal.

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The charts above reflect how the City funds its programs, either through program or general revenues. As can be seen above, all programs have a heavy reliance on general revenues, with over 82.60 percent of total 2006 revenues coming from general revenues. Leisure time activities receive the most program revenue, primarily from the city recreation center which is a membership only facility.

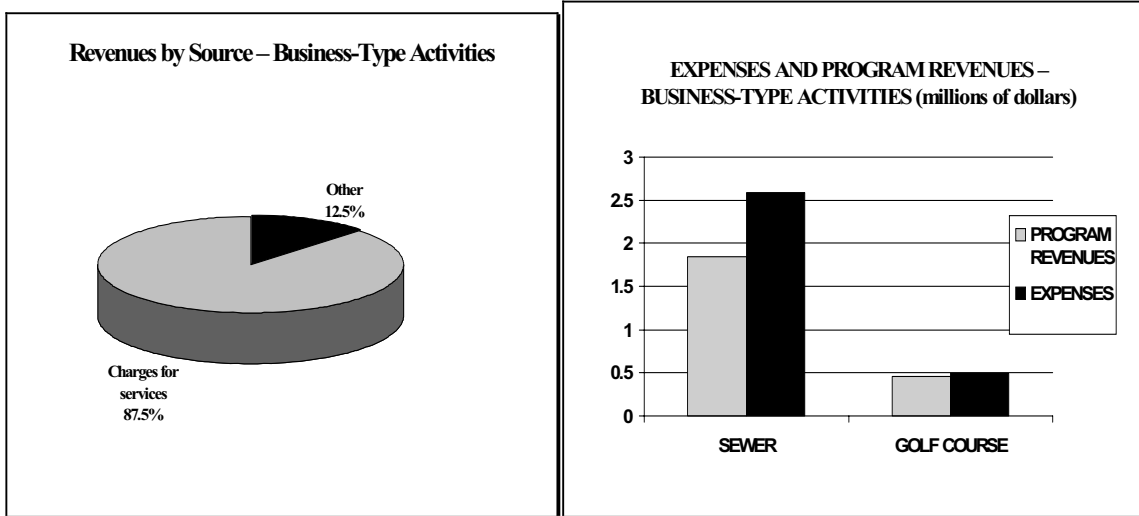
While security of persons and property is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police fines and forfeitures. The fire and emergency rescue department is funded entirely through general revenues, with no user-related charges.

Transportation program expense is only partially funded through operating grants and contributions, which are the state-collected gasoline and motor vehicle license taxes. The remaining program expense must be funded through City general revenues. With the City's aggressive infrastructure program in place, transportation program expense will continue to make up a large portion of the City's overall expenses as the roadways are capitalized and depreciated over time.

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Business-Type Activities

The Business-Type activities of the City, which include the City's sewer operations and golf activities, decreased the City's net assets by \$617,624 during 2006.



Program expenses exceeded program revenues in the amount of \$769,943 for the sewer operations for 2006. This is due to increased contributions required to the City's share of operating expenses of the Rocky River Wastewater Treatment Plant. Investment income of \$320,903 was recognized during 2006.

Expenses exceeded revenue in the Golf Course activity in the amount of \$27,990 for the current year, reflecting depreciation from the new clubhouse and additional operating costs for 2006.

Financial Analysis of the Government's Funds

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

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An activity not required to be reported in a separate fund is included in the General fund. Governmental funds are used to account for tax-supported activities.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting.

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Fund balances are the differences between assets and liabilities reported in a governmental fund. The reserved fund balance is that portion of a governmental fund's fund balance that are not available for appropriation. Unreserved fund balances are amounts available for appropriation. Designated unreserved fund balance reflects a government's self-imposed limitations on the use or otherwise available expendable financial resources in governmental funds.

As of the end of the current fiscal year, the City of Westlake's governmental funds reported combined ending fund balances of \$58,793,669, which was an increase of \$5,398,777 from 2005. Of the total governmental fund balances, \$7,975,965 is designated for capital acquisition through the City's equipment replacement program, and \$16,408,054 constitutes undesignated General fund balance. Other undesignated fund balances include amounts that are in special revenue funds (\$8,632,231), debt service funds (\$2,337,907), and capital projects funds (\$10,707,187). The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period (\$4,593,361), and to reflect amounts advanced to other funds (\$7,831,500) and for unclaimed monies (\$307,464).

All governmental funds had total revenues of \$46,821,944 and expenditures of \$41,582,677, with revenues exceeding expenditures by \$5,239,267. The increase was due both to the increase in revenues as well as the significant decrease in capital outlay as compared to the prior year as the construction of the service facility was completed, as well as significant road maintenance expended during 2005 as compared to 2006.

General Fund

The General fund is the chief operating fund of the City. At the end of the current year, total fund balance for the General fund was \$34,081,895, of which \$1,558,912 was reserved for encumbrances, \$7,831,500 reserved for advances, \$307,464 was reserved for unclaimed monies, \$7,975,965 was designated for capital acquisition, and \$16,408,054 was undesignated for financial reporting purposes. As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to annual fund expenditures. Undesignated General fund balance represents 76.29 percent of total General fund expenditures, while total fund balance represents 158.46 percent of that same amount.

During the current year, the fund balance of the City's General fund increased by \$4,612,243, resulting from the City's increased revenues in excess of original estimates as well as decreased capital spending during 2006 as compared to the prior year.

Issue 11 Fund

The Issue 11 capital projects fund accounts for the infrastructure-related capital improvements which are funded through a 3/8 of one percent of dedicated income tax. At the end of the current year, total fund balance for the Issue 11 fund was \$3,316,721, of which \$1,872,034 was reserved for encumbrances.

During the current year, the fund balance of the City's Issue 11 fund decreased by \$356,702, resulting from the City's continued implementation of the five-year plan for infrastructure improvements.

The dedicated 3/8 of one percent income tax for infrastructure used by this fund was renewed in November 2006, and will become effective for another fifteen years beginning January 1, 2008.

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Issue 2 Fund

The Issue 2 capital projects fund accounts for the capital improvements funded through Ohio Public Works Commission. At the end of the current year, total assets for the fund were \$5,279,616, and total liabilities of \$5,548,765, leaving a total fund balance for the Issue 2 fund of (\$269,149). \$5,508,500 of the total liabilities represents amounts remaining from advances from the general fund at December 31, 2006.

There was a change in fund balance of \$652,666 during 2006, which was due primarily to a transfer-in of \$1,020,853, representing the City's share of current projects completed during 2006.

General Fund Budgeting Highlights

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

For the General fund, original budgeted revenues were \$25,818,692. The final budgeted revenue amount stayed the same throughout the year. Original General fund budgeted expenditures were \$29,587,880, and the final amended budget was \$30,026,180. Actual General fund expenditures were \$23,404,971 or \$6,621,209 less than was budgeted due to certain capital projects being delayed until 2007, and other operating expenditures less than originally estimated.

The differences between the General fund's original budget and the final amended budget were minor, except as follows:

- An additional appropriation of \$117,300 for certain departmental expenditures.
- A transfer to the Central Dispatch fund for the City's share of expenditures of \$57,000 and an advance to the same fund in the amount of \$373,000.
- An additional \$150,000 for City service expenditures and an additional \$175,000 for outside legal expenditures.
- Advance to the Issue 2 fund of \$5,000,000 and to the Federal Grants fund of \$23,000.

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

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31
(NET OF DEPRECIATION)

TABLE 3

	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
Land	\$5,739,494	\$5,739,494	\$1,499,176	\$1,499,176
Construction in Progress	6,872,700	16,774,856	788,710	2,699,265
Buildings	36,124,977	27,450,229	91,431	100,115
Improvements	2,450,507	2,626,949	1,502,515	1,537,455
Machinery and Equipment	1,514,406	1,778,114	64,569	93,939
Furniture and Fixtures	876,465	831,687	16,435	19,865
Vehicles	2,734,278	2,245,508	135,489	199,122
Infrastructure				
Roads	38,934,116	39,621,637	0	0
Water Mains	17,801,760	15,037,038	0	0
Storm Sewers	13,697,814	13,430,628	0	0
Sewers	0	0	28,502,388	27,043,812
Culverts	1,041,502	1,136,822	0	0
Traffic Signals	2,749,929	2,831,417	0	0
Bridges	1,264,822	1,299,755	0	0
Total	\$131,802,770	\$130,804,134	\$32,600,713	\$33,192,749

Total capital assets net of depreciation for governmental activities of the City of Westlake for the year 2006 were \$131,802,770, as compared to \$130,804,134 in 2005. The most significant increases in our capital assets came in buildings, which increased by \$8,674,748 during 2006, most of which was the new service facility which was placed into service during 2006. Total assets for business-type activities decreased from \$33,192,749 in 2005 to \$32,600,713 in 2006, due to current year depreciation outpacing current year acquisitions.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. We have a five-year capital plan in place that provides for street improvements and adding additional facilities to complement our current structures. For additional information see Note 9 to the basic financial statements.

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

Debt

As of December 31, 2006, the City of Westlake had \$23,624,423 in bonds and loans outstanding.

OUTSTANDING DEBT AT DECEMBER 31

TABLE 4

	Governmental Activities	
	2006	2005
General Obligation Bonds	\$16,737,726	\$19,564,505
Special Assessment Bonds	6,017,943	6,309,179
Notes	0	0
OPWC Loans	868,754	929,515
Total	\$23,624,423	\$26,803,199

The general obligation bonds are composed of (1) Sewer Improvement – a 1986 voted debt issue repaid from charges for services; (2) 1997 Safety Facility Refunding Bonds repaid from property taxes, (3) 1997 Recreation Center voted issue for the construction of the City recreation center to be repaid from a dedicated 1/8 percent of the City's municipal income tax; (4) Issue 11 debt for streets and other infrastructure to be repaid from the proceeds of the Issue 11 capital improvement dedicated income tax of 3/8 of one percent; and (5) Various purpose other bonds including advance refunding bonds issued in 1997 for the safety facilities debt and 2004 for street improvements.

The special assessment bonds consist of the Crocker/Detroit intersection improvement assessment, various sewer construction projects, Ranney Parkway, various sidewalk improvements, the Marview Waterline, and various other improvements. The principal and interest for these bonds are paid from the collection of special assessments by the County Auditor from the specific property owners who primarily benefited from the projects.

The OPWC loans are being paid semi-annually from the Issue Two Improvement Fund funded by property taxes for various infrastructure projects being financed through the Ohio Public Works program.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin was \$123,676,932 at December 31, 2006.

Additional information concerning the City's debt can be found in note 15 to the basic financial statements.

Current Financial Related Activities

The City of Westlake maintained throughout 2006 a Moody's Investors Service and Fitch's Aaa rating, and Standard and Poor's AAA rating. Westlake remains the only suburb in Ohio to have been awarded all of the Aaa/AAA ratings.

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

The Administration and City Council developed a master plan for the acquisition of equipment and the building or upgrading of City facilities. As a result, we have seen a remarkable increase in our capital assets over that period of time and the expansion of all City services. The year 2006 is no different as we completed the construction of the new city service facility. Plans for the upcoming year include the commencement of construction of the Crocker/Sterns extension that will connect Interstate 480 to Interstate 90, as well as continued street, water line, sewer line, and other infrastructure improvements.

On behalf of the City of Westlake, we personally thank our State Auditor, Mary Taylor, CPA and her staff for their involvement and support in putting together the GASB 34 statements. Auditor Taylor and her staff certainly exemplify the fact that they seek the State of Ohio to be one of the more respected financial reporting governments and have committed themselves toward leading the way and providing the necessary guidance to enable all communities the opportunity to reach a level of excellence.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, tax payers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information contact Director of Finance Anne A. Fritz, City of Westlake, 27700 Hilliard Blvd., Westlake, Ohio 44145, telephone 440-617-4252, or web site at www.cityofwestlake.org.

City of Westlake, Ohio

Statement of Net Assets

December 31, 2006

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$54,963,459	\$10,182,509	\$65,145,968
Cash and Cash Equivalents with Fiscal Agents	35,166	0	35,166
Cash and Cash Equivalents with Escrow Agents	731,589	25,081	756,670
Materials and Supplies Inventory	273,647	10,566	284,213
Accrued Interest Receivable	1,084,243	349,502	1,433,745
Accounts Receivable	33,812	433,774	467,586
Internal Balances	250,000	(250,000)	0
Intergovernmental Receivable	2,333,858	0	2,333,858
Prepaid Items	217,561	1,095	218,656
Municipal Income Taxes Receivable	3,731,179	0	3,731,179
Property Taxes Receivable	13,376,972	0	13,376,972
Special Assessments Receivable	5,735,000	0	5,735,000
Deferred Charges	400,330	0	400,330
Investment in Joint Venture	0	9,798,340	9,798,340
Nondepreciable Capital Assets	12,612,194	2,287,886	14,900,080
Depreciable Capital Assets, Net	119,190,576	30,312,827	149,503,403
<i>Total Assets</i>	<u>214,969,586</u>	<u>53,151,580</u>	<u>268,121,166</u>
Liabilities			
Accounts Payable	304,835	3,480	308,315
Contracts Payable	406,312	0	406,312
Accrued Wages and Benefits	525,103	18,080	543,183
Retainage Payable	731,589	25,081	756,670
Accrued Interest Payable	112,334	0	112,334
Intergovernmental Payable	215,186	2,817	218,003
Deferred Revenue	12,909,770	0	12,909,770
Claims Payable	256,034	0	256,034
Long-Term Liabilities:			
Due Within One Year	3,268,031	0	3,268,031
Due In More Than One Year	25,264,232	0	25,264,232
<i>Total Liabilities</i>	<u>43,993,426</u>	<u>49,458</u>	<u>44,042,884</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	111,522,458	32,600,713	144,123,171
Restricted for:			
Capital Projects	14,041,687	0	14,041,687
Debt Service	7,835,428	0	7,835,428
Recreation	3,439,257	0	3,439,257
Street Maintenance	1,783,150	0	1,783,150
State Highway	761,738	0	761,738
Police and Fire Operating	1,106,075	0	1,106,075
Other Purposes	469,409	0	469,409
Unrestricted	30,016,958	20,501,409	50,518,367
<i>Total Net Assets</i>	<u>\$170,976,160</u>	<u>\$53,102,122</u>	<u>\$224,078,282</u>

See accompanying notes to the basic financial statements

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

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$7,343,276	\$173,083	\$335,452	\$0
Security of Persons and Property	12,689,539	1,035,418	118,653	0
Public Health Services	904,177	164,790	0	0
Transportation	8,837,612	18,095	1,811,362	779,936
Community Environment	1,403,325	330,801	61,366	0
Basic Utility Services	1,770,100	699,054	0	0
Leisure Time Activities	3,679,917	2,457,714	0	0
Interest and Fiscal Charges	1,372,783	0	0	0
<i>Total Governmental Activities</i>	<u>38,000,729</u>	<u>4,878,955</u>	<u>2,326,833</u>	<u>779,936</u>
Business-Type Activities				
Sewer	2,619,020	1,849,077	0	0
Golf Course	498,429	460,439	0	0
<i>Total Business-Type Activities</i>	<u>3,117,449</u>	<u>2,309,516</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u>\$41,118,178</u>	<u>\$7,188,471</u>	<u>\$2,326,833</u>	<u>\$779,936</u>

General Revenues

Property and Other Local Taxes Levied for:

General Purposes

Other Purposes

Debt Service

Municipal Income Taxes Levied for:

General Purposes

Recreation

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$6,834,741)	\$0	(\$6,834,741)
(11,535,468)	0	(11,535,468)
(739,387)	0	(739,387)
(6,228,219)	0	(6,228,219)
(1,011,158)	0	(1,011,158)
(1,071,046)	0	(1,071,046)
(1,222,203)	0	(1,222,203)
(1,372,783)	0	(1,372,783)
<u>(30,015,005)</u>	<u>0</u>	<u>(30,015,005)</u>
0	(769,943)	(769,943)
<u>0</u>	<u>(37,990)</u>	<u>(37,990)</u>
0	(807,933)	(807,933)
<u>(30,015,005)</u>	<u>(807,933)</u>	<u>(30,822,938)</u>
9,085,209	0	9,085,209
1,809,629	0	1,809,629
1,082,470	0	1,082,470
11,550,068	0	11,550,068
239,682	0	239,682
2,396,061	0	2,396,061
3,298,704	0	3,298,704
5,127,705	0	5,127,705
2,958,506	320,903	3,279,409
365,149	10,000	375,149
<u>37,913,183</u>	<u>330,903</u>	<u>38,244,086</u>
<u>140,594</u>	<u>(140,594)</u>	<u>0</u>
38,053,777	190,309	38,244,086
8,038,772	(617,624)	7,421,148
<u>162,937,388</u>	<u>53,719,746</u>	<u>216,657,134</u>
<u>\$170,976,160</u>	<u>\$53,102,122</u>	<u>\$224,078,282</u>

City of Westlake, Ohio

*Balance Sheet
Governmental Funds
December 31, 2006*

	General	Recreation	Special Assessment Bond Retirement	Issue 2 Improvements	Issue 11 Improvements	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$22,137,288	\$1,393,431	\$357,676	\$5,253,891	\$2,861,591	\$22,222,518	\$54,226,395
Cash and Cash Equivalents:							
with Fiscal Agents	0	0	0	0	0	35,166	35,166
with Escrow Agents	0	0	0	17,265	399,316	315,008	731,589
Materials and Supplies Inventory	271,013	2,634	0	0	0	0	273,647
Accrued Interest Receivable	714,868	21,283	0	0	33,705	314,387	1,084,243
Accounts Receivable	18,779	1,577	0	0	0	0	20,356
Interfund Receivable	1,102,500	0	0	0	0	0	1,102,500
Intergovernmental Receivable	1,403,086	0	0	8,460	0	922,312	2,333,858
Prepaid Items	217,561	0	0	0	0	0	217,561
Municipal Income Taxes Receivable	2,472,255	51,760	0	0	632,703	574,461	3,731,179
Property Taxes Receivable	10,281,672	0	0	0	0	3,095,300	13,376,972
Special Assessments Receivable	0	0	5,735,000	0	0	0	5,735,000
Advances to Other Funds	7,831,500	0	0	0	0	0	7,831,500
<i>Total Assets</i>	<u>\$46,450,522</u>	<u>\$1,470,685</u>	<u>\$6,092,676</u>	<u>\$5,279,616</u>	<u>\$3,927,315</u>	<u>\$27,479,152</u>	<u>\$90,699,966</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$226,298	\$49,083	\$0	\$0	\$7,720	\$21,734	\$304,835
Contracts Payable	134,639	0	0	23,000	80,502	168,171	406,312
Accrued Wages and Benefits	393,550	38,973	0	0	451	92,129	525,103
Retainage Payable	0	0	0	17,265	399,316	315,008	731,589
Interfund Payable	0	0	0	0	0	1,102,500	1,102,500
Intergovernmental Payable	195,225	5,933	0	0	69	13,959	215,186
Deferred Revenue	11,418,915	10,060	5,735,000	0	122,536	3,752,761	21,039,272
Advances From Other Funds	0	0	0	5,508,500	0	2,073,000	7,581,500
<i>Total Liabilities</i>	<u>12,368,627</u>	<u>104,049</u>	<u>5,735,000</u>	<u>5,548,765</u>	<u>610,594</u>	<u>7,539,262</u>	<u>31,906,297</u>
Fund Balances							
Reserved for Encumbrances	1,558,912	35,173	0	96,953	1,872,034	1,030,289	4,593,361
Reserved for Advances	7,831,500	0	0	0	0	0	7,831,500
Reserved for Unclaimed Monies	307,464	0	0	0	0	0	307,464
Unreserved:							
Designated for Capital Acquisitions	7,975,965	0	0	0	0	0	7,975,965
Undesignated (Deficit), Reported in:							
General Fund	16,408,054	0	0	0	0	0	16,408,054
Special Revenue Funds	0	1,331,463	0	0	0	7,300,768	8,632,231
Debt Service Funds	0	0	357,676	0	0	1,980,231	2,337,907
Capital Projects Funds	0	0	0	(366,102)	1,444,687	9,628,602	10,707,187
<i>Total Fund Balances (Deficit)</i>	<u>34,081,895</u>	<u>1,366,636</u>	<u>357,676</u>	<u>(269,149)</u>	<u>3,316,721</u>	<u>19,939,890</u>	<u>58,793,669</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$46,450,522</u>	<u>\$1,470,685</u>	<u>\$6,092,676</u>	<u>\$5,279,616</u>	<u>\$3,927,315</u>	<u>\$27,479,152</u>	<u>\$90,699,966</u>

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances \$58,793,669

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds 131,802,770

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

Property and Other Taxes	398,237
Municipal Income Tax	602,841
Intergovernmental	1,393,424
Special Assessments	5,735,000

Total 8,129,502

An internal service fund is used by management to charge the
 costs of insurance to individual funds. The assets and liabilities
 of the internal service fund are included in governmental
 activities in the statement of net assets. 494,486

Bond issuance costs will be amortized over the life of the bonds
 on the statement of net assets. 400,330

In the statement of activities, interest is accrued on outstanding
 bonds, whereas in governmental funds, an interest expenditure
 is reported when due. (112,334)

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

General Obligation Bonds	(14,965,000)
Capital Appreciation Bonds	(1,880,254)
Special Assessment Bonds	(5,735,000)
Deferred Amount of Refunding	131,360
Premium on Bonds	(306,775)
OPWC Loans	(868,754)
Landfill Postclosure Costs	(633,590)
Compensated Absences Payable	(4,274,250)

Total (28,532,263)

Net Assets of Governmental Activities \$170,976,160

See accompanying notes to the basic financial statements

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

	General	Recreation	Special Assessment Bond Retirement	Issue 2 Improvements	Issue 11 Improvements	Other Governmental Funds	Total Governmental Funds
Revenues							
Property and Other Local Taxes	\$9,081,838	\$0	\$0	\$0	\$0	\$2,894,973	\$11,976,811
Municipal Income Taxes	12,150,937	250,063	0	0	3,093,859	2,799,039	18,293,898
Charges for Services	544,335	2,088,700	0	0	0	847,519	3,480,554
Licenses, Permits and Fees	715,556	0	0	0	0	214,174	929,730
Fines and Forfeitures	90,529	0	0	0	0	152,530	243,059
Intergovernmental	4,848,064	0	0	198,521	581,415	2,381,743	8,009,743
Special Assessments	0	0	277,000	0	0	80,592	357,592
Interest	1,955,639	69,290	364,782	0	206,064	362,731	2,958,506
Rentals	67,895	77,125	0	0	0	0	145,020
Donations	0	0	0	0	0	61,882	61,882
Miscellaneous	352,392	10,044	0	0	0	2,713	365,149
<i>Total Revenues</i>	<u>29,807,185</u>	<u>2,495,222</u>	<u>641,782</u>	<u>198,521</u>	<u>3,881,338</u>	<u>9,797,896</u>	<u>46,821,944</u>
Expenditures							
Current:							
General Government	5,537,239	0	0	0	0	373,456	5,910,695
Security of Persons and Property	8,079,341	0	0	0	0	3,911,827	11,991,168
Public Health Services	576,161	0	0	0	0	206,708	782,869
Transportation	3,679,261	0	0	0	0	1,063,406	4,742,667
Community Environment	1,326,949	0	0	0	0	46,150	1,373,099
Basic Utility Services	648,973	0	0	0	0	58,593	707,566
Leisure Time Activities	638,768	2,175,443	0	0	0	208,356	3,022,567
Capital Outlay	1,021,084	0	0	505,947	4,238,040	2,802,752	8,567,823
Debt Service:							
Principal Retirement	0	0	277,000	60,761	0	2,960,000	3,297,761
Interest and Fiscal Charges	0	0	345,696	0	0	840,766	1,186,462
<i>Total Expenditures</i>	<u>21,507,776</u>	<u>2,175,443</u>	<u>622,696</u>	<u>566,708</u>	<u>4,238,040</u>	<u>12,472,014</u>	<u>41,582,677</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,299,409</u>	<u>319,779</u>	<u>19,086</u>	<u>(368,187)</u>	<u>(356,702)</u>	<u>(2,674,118)</u>	<u>5,239,267</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	17,635	0	0	0	0	0	17,635
Transfers In	0	0	0	1,020,853	0	2,825,823	3,846,676
Transfers Out	(3,704,801)	0	0	0	0	0	(3,704,801)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,687,166)</u>	<u>0</u>	<u>0</u>	<u>1,020,853</u>	<u>0</u>	<u>2,825,823</u>	<u>159,510</u>
<i>Net Change in Fund Balances</i>	<u>4,612,243</u>	<u>319,779</u>	<u>19,086</u>	<u>652,666</u>	<u>(356,702)</u>	<u>151,705</u>	<u>5,398,777</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>29,469,652</u>	<u>1,046,857</u>	<u>338,590</u>	<u>(921,815)</u>	<u>3,673,423</u>	<u>19,788,185</u>	<u>53,394,892</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$34,081,895</u>	<u>\$1,366,636</u>	<u>\$357,676</u>	<u>(\$269,149)</u>	<u>\$3,316,721</u>	<u>\$19,939,890</u>	<u>\$58,793,669</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds \$5,398,777

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

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

Capital Asset Additions	7,618,290	
Current Year Depreciation	(6,327,122)	
Total		1,291,168

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. (292,532)

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

Delinquent Property Taxes	497	
Municipal Income Taxes	(809,383)	
Intergovernmental	162,849	
Special Assessments	(277,000)	
Total		(923,037)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 3,297,761

In the statement of activities, interest accrued on outstanding bonds and bond accretion, bond premium, bond issuance costs and gain/loss on refunding are amortized over the terms of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued.

Accrued Interest	(38,621)	
Annual Accretion	(119,780)	
Amortization of Bond Premium	17,215	
Amortization of Bond Issuance Costs	(28,715)	
Amortization of Loss on Refunding	(16,420)	
Total		(186,321)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures.

Compensated Absences	(616,043)	
Landfill	37,270	
Total		(578,773)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 31,729

Change in Net Assets of Governmental Activities \$8,038,772

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$9,161,493	\$9,161,493	\$9,170,742	\$9,249
Municipal Income Taxes	11,230,000	11,230,000	11,943,876	713,876
Charges for Services	465,600	465,600	547,242	81,642
Licenses, Permits and Fees	661,000	661,000	721,761	60,761
Fines and Forfeitures	77,000	77,000	92,436	15,436
Intergovernmental	2,822,599	2,822,599	4,660,600	1,838,001
Interest	1,200,000	1,200,000	1,917,401	717,401
Rentals	51,000	51,000	67,895	16,895
Miscellaneous	150,000	150,000	351,556	201,556
<i>Total Revenues</i>	<u>25,818,692</u>	<u>25,818,692</u>	<u>29,473,509</u>	<u>3,654,817</u>
Expenditures				
Current:				
General Government	9,657,649	9,821,434	6,602,059	3,219,375
Security of Persons and Property	9,608,421	9,694,845	8,192,396	1,502,449
Public Health Services	671,597	663,543	586,877	76,666
Transportation	4,862,439	5,043,683	4,151,330	892,353
Community Environment	1,563,369	1,559,126	1,400,525	158,601
Basic Utility Services	803,472	797,616	654,151	143,465
Leisure Time Activities	870,246	870,246	672,310	197,936
Capital Outlay	1,550,687	1,575,687	1,145,323	430,364
<i>Total Expenditures</i>	<u>29,587,880</u>	<u>30,026,180</u>	<u>23,404,971</u>	<u>6,621,209</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,769,188)</u>	<u>(4,207,488)</u>	<u>6,068,538</u>	<u>10,276,026</u>
Other Financing Sources (Uses)				
Advances In	5,157,300	5,157,300	4,477,800	(679,500)
Transfers In	691,000	691,000	0	(691,000)
Advances Out	(1,319,500)	(6,692,500)	(6,154,500)	538,000
Transfers Out	(4,615,200)	(4,701,200)	(3,704,801)	996,399
<i>Total Other Financing Sources (Uses)</i>	<u>(86,400)</u>	<u>(5,545,400)</u>	<u>(5,381,501)</u>	<u>163,899</u>
<i>Net Change in Fund Balance</i>	<u>(3,855,588)</u>	<u>(9,752,888)</u>	<u>687,037</u>	<u>10,439,925</u>
<i>Fund Balance Beginning of Year</i>	18,340,556	18,340,556	18,340,556	0
Prior Year Encumbrances Appropriated	1,178,195	1,178,195	1,178,195	0
<i>Fund Balance End of Year</i>	<u>\$15,663,163</u>	<u>\$9,765,863</u>	<u>\$20,205,788</u>	<u>\$10,439,925</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$250,400	\$250,400	\$250,063	(\$337)
Charges for Services	1,854,000	1,854,000	2,088,942	234,942
Interest	36,000	36,000	57,901	21,901
Rentals	74,000	74,000	80,925	6,925
Miscellaneous	3,000	3,000	10,044	7,044
<i>Total Revenues</i>	2,217,400	2,217,400	2,487,875	270,475
Expenditures				
Current:				
Leisure Time Activities	2,506,963	2,547,963	2,236,722	311,241
<i>Net Change in Fund Balance</i>	(289,563)	(330,563)	251,153	581,716
<i>Fund Balance Beginning of Year</i>	1,018,460	1,018,460	1,018,460	0
Prior Year Encumbrances Appropriated	39,533	39,533	39,533	0
<i>Fund Balance End of Year</i>	<u>\$768,430</u>	<u>\$727,430</u>	<u>\$1,309,146</u>	<u>\$581,716</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2006

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Non Major	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$10,104,151	\$78,358	\$10,182,509	\$737,064
Cash and Cash Equivalents with Escrow Agents	25,081	0	25,081	0
Materials and Supplies Inventory	0	10,566	10,566	0
Accrued Interest Receivable	349,502	0	349,502	0
Accounts Receivable	433,774	0	433,774	13,456
Prepaid Items	1,095	0	1,095	0
<i>Total Current Assets</i>	<u>10,913,603</u>	<u>88,924</u>	<u>11,002,527</u>	<u>750,520</u>
<i>Noncurrent Assets</i>				
Investment in Joint Venture	9,798,340	0	9,798,340	0
Nondepreciable Capital Assets	788,710	1,499,176	2,287,886	0
Depreciable Capital Assets, Net	29,473,675	839,152	30,312,827	0
Total Noncurrent Assets	<u>40,060,725</u>	<u>2,338,328</u>	<u>42,399,053</u>	<u>0</u>
<i>Total Assets</i>	<u>50,974,328</u>	<u>2,427,252</u>	<u>53,401,580</u>	<u>750,520</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	1,370	2,110	3,480	0
Claims Payable	0	0	0	256,034
Accrued Wages and Benefits	12,896	5,184	18,080	0
Retainage Payable	25,081	0	25,081	0
Intergovernmental Payable	1,954	863	2,817	0
<i>Total Current Liabilities</i>	<u>41,301</u>	<u>8,157</u>	<u>49,458</u>	<u>256,034</u>
<i>Long-Term Liabilities</i>				
Advances From Other Funds	0	250,000	250,000	0
<i>Total Liabilities</i>	<u>41,301</u>	<u>258,157</u>	<u>299,458</u>	<u>256,034</u>
Net Assets				
Invested in Capital Assets	30,262,385	2,338,328	32,600,713	0
Unrestricted (Deficit)	20,670,642	(169,233)	20,501,409	494,486
<i>Total Net Assets</i>	<u>\$50,933,027</u>	<u>\$2,169,095</u>	<u>\$53,102,122</u>	<u>\$494,486</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006*

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Non Major	Total	Self Insurance
Operating Revenues				
Charges for Services	\$1,730,668	\$456,935	\$2,187,603	\$2,277,428
Tap-In-Fees	118,409	0	118,409	0
Rentals	0	3,504	3,504	0
Miscellaneous	0	10,000	10,000	0
<i>Total Operating Revenues</i>	<u>1,849,077</u>	<u>470,439</u>	<u>2,319,516</u>	<u>2,277,428</u>
Operating Expenses				
Personal Services	298,605	242,965	541,570	0
Fringe Benefits	92,177	64,657	156,834	0
Contractual Services	916,494	68,835	985,329	305,579
Materials and Supplies	14,228	61,247	75,475	0
Depreciation	1,038,579	41,793	1,080,372	0
Other	27,717	18,932	46,649	0
Claims	0	0	0	1,996,021
<i>Total Operating Expenses</i>	<u>2,387,800</u>	<u>498,429</u>	<u>2,886,229</u>	<u>2,301,600</u>
<i>Operating Loss</i>	<u>(538,723)</u>	<u>(27,990)</u>	<u>(566,713)</u>	<u>(24,172)</u>
Non Operating Revenue (Expenses)				
Interest	320,903	0	320,903	55,901
Equity in Loss of Joint Venture	(231,220)	0	(231,220)	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>89,683</u>	<u>0</u>	<u>89,683</u>	<u>55,901</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(449,040)</u>	<u>(27,990)</u>	<u>(477,030)</u>	<u>31,729</u>
Capital Contributions	1,281	0	1,281	0
Transfers Out	(141,875)	0	(141,875)	0
<i>Total Capital Contributions and Transfers</i>	<u>(140,594)</u>	<u>0</u>	<u>(140,594)</u>	<u>0</u>
<i>Change in Net Assets</i>	<u>(589,634)</u>	<u>(27,990)</u>	<u>(617,624)</u>	<u>31,729</u>
<i>Net Assets Beginning of Year</i>	<u>51,522,661</u>	<u>2,197,085</u>	<u>53,719,746</u>	<u>462,757</u>
<i>Net Assets End of Year</i>	<u>\$50,933,027</u>	<u>\$2,169,095</u>	<u>\$53,102,122</u>	<u>\$494,486</u>

See accompanying notes to the basic financial statements

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

	Business Type Activities Enterprise Funds			Governmental Activities- Internal Service Fund
	Sewer	Non Major	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,669,983	\$460,439	\$2,130,422	\$0
Cash Received from Interfund Services	0	0	0	2,275,125
Cash Received from Other Operating Sources	0	10,000	10,000	0
Cash Received from Tap-In Fees	118,409	0	118,409	0
Cash Payments to Suppliers for Goods and Services	(1,003,755)	(128,413)	(1,132,168)	(305,579)
Cash Payments for Claims	0	0	0	(1,956,591)
Cash Payments for Employee Services and Benefits	(385,242)	(308,059)	(693,301)	0
Cash Payments for Other Operating Expenses	(27,717)	(18,932)	(46,649)	0
<i>Net Cash Provided by Operating Activities</i>	<u>371,678</u>	<u>15,035</u>	<u>386,713</u>	<u>12,955</u>
Cash Flows from Noncapital Financing Activities				
Transfer Out	(141,875)	0	(141,875)	0
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(483,170)	(3,885)	(487,055)	0
Cash Flows from Investing Activities				
Interest	188,829	0	188,829	55,901
Capital Contributions to Joint Venture	(199,822)	0	(199,822)	0
<i>Net Cash Used for Investing Activities</i>	<u>(10,993)</u>	<u>0</u>	<u>(10,993)</u>	<u>55,901</u>
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	<u>(264,360)</u>	<u>11,150</u>	<u>(253,210)</u>	<u>68,856</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>10,393,592</u>	<u>67,208</u>	<u>10,460,800</u>	<u>668,208</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$10,129,232</u>	<u>\$78,358</u>	<u>\$10,207,590</u>	<u>\$737,064</u>

(continued)

City of Westlake
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2006

	Business Type Activities Enterprise Funds			Governmental Activities- Internal Service Fund
	Sewer	Non Major	Total	
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities				
<i>Operating Loss</i>	(\$538,723)	(\$27,990)	(\$566,713)	(\$24,172)
Adjustments:				
Depreciation	1,038,579	41,793	1,080,372	0
Increase in Assets:				
Accounts Receivable	(60,685)	0	(60,685)	(2,303)
Materials and Supplies Inventory	0	(193)	(193)	0
Prepaid Items	(1,095)	0	(1,095)	0
Increase/(Decrease) in Liabilities:				
Accounts Payable	(60,018)	1,784	(58,234)	0
Accrued Wages	4,800	(333)	4,467	0
Retainage Payable	(11,920)	0	(11,920)	0
Intergovernmental Payable	740	(26)	714	0
Claims Payable	0	0	0	39,430
<i>Net Cash Provided by Operating Activities</i>	<u>\$371,678</u>	<u>\$15,035</u>	<u>\$386,713</u>	<u>\$12,955</u>

Noncash Capital Financing Activities

During 2006, the sewer enterprise fund received construction in progress from the sanitary sewer capital projects fund valued at \$1,281.

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2006

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,703,004</u>
Liabilities	
Deposits Held and Due to Others	<u>\$1,703,004</u>

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The City of Westlake 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 Council/Mayor form of government, was adopted in 1956.

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. This definition of reporting is found in GASB Statement No. 14, “The Financial Report Entity”.

The City of Westlake’s primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a fire fighting force, and a street maintenance and sanitation force, planning and zoning departments, a parks and recreation system, a sewer system, one golf course, and a staff to provide essential support to these service providers.

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 the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The Rocky River Wastewater Treatment Plant is a joint venture, owned and operated by the cities of Westlake, Rocky River, Bay Village and Fairview Park. The mayors of each city serve during their term in office as members of the Management Committee of the Rocky River Wastewater Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 18).

The City is associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, Safe Air For Environment (S.A.F.E) Council of Governments, and West Shore Area Rescue Association. These organizations are presented in Note 19 to the basic financial statements.

The City is also associated with the Westlake Community Improvement Corporation (WCIC). The WCIC is a not-for-profit corporation which was founded in 1976. The seven-member Board, which consists of three elected officials of the City and four members appointed by the trustees promotes industrial, commercial, distribution and research activities within the City. The WCIC has been excluded from the reporting entity.

Note 2 – Summary of Significant Accounting Policies

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

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

A. Basis of Presentation

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

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or 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 or business activity is self-financing or draws from the general revenues of the City.

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

B. Fund Accounting

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

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

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

Recreation Fund The recreation fund accounts for membership and program fees to be used for the operation and maintenance of the recreation center.

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

Special Assessment Bond Retirement To account for resources used for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Issue 2 Improvements Fund To account for the contractor's costs and reimbursements on the Issue 2 infrastructure project.

Issue 11 Improvements Fund The Issue 11 fund accounts for the costs of all capital projects funded by a 3/8 percent increase in the municipal income tax.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Sewer Fund The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Internal Service Fund Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

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 program. 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 account for deposits held for contractors and developers, and assessments due to other governments.

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 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 the governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses and changes in fund net

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

assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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

Revenues – Exchange and 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, entitlement and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). 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 entitlements and rentals.

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

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

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

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

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

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

E. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. 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 set 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 within each department in the general fund and at the object level (salaries and other expenses) for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amount on the amended certificate of estimated resources in effect at the time the 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 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 that year.

F. Pooled Cash and Cash Equivalents

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

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating certificates of deposit and repurchase agreements, which are reported at cost.

During 2006, investments were limited to repurchase agreements, non-negotiable certificates of deposit, Federal Home Loan Bank Bonds and STAROhio.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2006 amounted to \$1,955,639 which includes \$862,999 assigned from other City funds.

Cash held for the City by KeyBank, for the payment of debt principal and interest as they come due, is included on the financial statements as "cash and cash equivalents with fiscal agents". The City utilizes financial institutions to account for retainage accounts. The balance in these accounts is presented as "cash and cash equivalents with escrow agents."

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

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

G. Materials and Supplies Inventory

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

H. Prepaid Items

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

I. 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. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (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). 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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 a straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	50 years	50 years
Land Improvements	20 years	20 years
Machinery and Equipment	5 years	5 years
Furniture and Fixtures	10 years	10 years
Vehicles	5-10 years	5-10 years
Infrastructure	20-50 years	50 years

The City's infrastructure consists of roads, water mains, storm sewers, culverts, traffic signals and bridges and includes infrastructure acquired prior to December 31, 1980.

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

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported 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, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

On fund financial statements, long-term interfund loans, reported as “advances to/from other funds”, are equally offset by a fund balance reserve account which indicate that they do not constitute “available expendable financial resources” even though it is a component of net current assets. Repayment is expected to be made within a reasonable time.

K. 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 (those employees who will be eligible to receive termination payments in the next twenty years). 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.

L. Accrued Liabilities and Long-term Obligations

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

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 long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves and Designations

The City reserves those portions of the 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, long-term advances and unclaimed monies. Fund balance designations have been established for capital acquisitions. Council intends for this portion of fund balance to be used for the acquisition of capital assets.

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

N. Net Assets

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

The government-wide statement of net assets reports \$29,436,744 of restricted net assets, none of which is restricted by enabling legislation.

Net assets restricted for other purposes include street construction and repair, and federal, state and local grant monies.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer services, golf and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction, or from other funds within the City.

Q. Interfund Activity

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

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 a repayment are reported as interfund transactions. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

R. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

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

S. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued.

T. Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method.

U. 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.

V. 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.

Note 3 – Restatement in Prior Years Net Assets

During 2006, it was determined that special assessments receivable was understated by \$40,000 at December 31, 2005. This restatement increased net assets in governmental activities \$40,000 from \$162,897,388 to \$162,937,388 as of December 31, 2005.

Note 4 – Accountability

The fund balances at December 31, 2006 included the following individual fund deficits:

Major Fund	
Issue 2 Improvements	\$269,149
Non Major Funds	
Special Revenue Funds	
FEMA	58,709
Federal Grants	6
Central Dispatch	34,579
Capital Projects Fund	
Sidewalks	121,567

The deficits are a result of interfund loans which are used to finance activities until resources are accumulated to repay the general fund.

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

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances 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 Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual presented for the general fund and the recreation major special revenue fund are 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 that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP).
- (d) Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP).
- (e) Investments are reported at fair value (GAAP) rather than cost (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund and the recreation special revenue fund.

	General	Recreation
GAAP Basis	\$4,612,243	\$319,779
Net Adjustment for Revenue Accruals	(253,378)	(7,347)
Advances In	4,477,800	0
Beginning Fair Value Adjustment for Investments	(105,787)	0
Ending Fair Value Adjustment for Investments	7,854	0
Net Adjustment for Expenditure Accruals	26,451	23,006
Advances Out	(6,154,500)	0
Encumbrances	(1,923,646)	(84,285)
Budget Basis	\$687,037	\$251,153

Note 6 – Deposits and Investment

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

Active deposits are public deposits 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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Inactive deposits are public deposits that the Council 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 Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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 securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) repurchase agreements secured by such obligations, provided that investments in securities described in the division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

The City may also invest 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. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons;
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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

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

Investments

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

	Fair Value	Maturity
Repurchase Agreement		
Federal National Mortgage Association Bonds	\$610,000	1 Day
Federal Home Loan Bank Bonds	2,000,000	11/20/08
STAROhio	557,764	Average 39 Days
	\$3,167,764	

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

Credit Risk The Federal Home Loan Bank Bonds carry a rating of AAA by Standards & Poor's and STAROhio also carries a rating of AAAM by Standard & 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.

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

Investment	Percentage of Investments
Repurchase Agreement	19.26%
Federal Home Loan Bank Bonds	63.13%
STAROhio	17.61%

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

Note 7 – Interfund Transfers and Balances

At December 31, 2006 interfund transfers were follows:

<u>Transfer To</u>	<u>Transfer From</u>		
	General	Sewer	Total
Major Funds			
Issue 2 Improvements	\$1,020,853	\$0	\$1,020,853
Nonmajor Funds			
Police Pension	350,000	0	350,000
Fire Pension	350,000	0	350,000
Central Dispatch	277,000	0	277,000
Cemetery Operating	100,000	0	100,000
General Obligation Bond Retirement	0	141,875	141,875
Sanitary Sewer Improvements	1,606,948	0	1,606,948
Total	<u>\$3,704,801</u>	<u>\$141,875</u>	<u>\$3,846,676</u>

The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations and capital improvements. The transfer from the sewer enterprise fund to the general obligation bond retirement fund was made for the payment of debt.

As of December 31, 2006, interfund balances were as follows:

<u>Transfer To</u>	<u>Receivable</u>		<u>Payable</u>	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Major Funds				
General Fund	\$1,102,500	\$7,831,500	\$0	\$0
Issue 2 Improvements	0	0	0	5,508,500
Nonmajor Funds				
FEMA	0	0	629,500	0
Federal Grants	0	0	23,000	0
Central Dispatch	0	0	200,000	173,000
Sidewalks	0	0	250,000	0
Service Center Construction	0	0	0	1,900,000
<i>Total Governmental Activities</i>	1,102,500	7,831,500	1,102,500	7,581,500
Business-Type Activity				
Golf Course	0	0	0	250,000
Total	<u>\$1,102,500</u>	<u>\$7,831,500</u>	<u>\$1,102,500</u>	<u>\$7,831,500</u>

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

Interfund balances at December 31, 2006, consisted of a general fund advance of \$250,000 to the golf enterprise fund to pay for the construction of a new clubhouse and \$8,684,000 advanced to major and nonmajor governmental funds to finance capital projects. Advances are not expected to be repaid within one year.

Note 8 – Receivables

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

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

Special assessments expected to be collected in more than one year amount to \$5,415,000 in the special assessment bond retirement fund. At December 31, 2006, the amount of delinquent special assessments was \$50,960.

A. Property Taxes

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

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

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

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

The full tax rate for all City operations for the year ended December 31, 2006 was \$10.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$1,230,598,050
Public Utility Real Property	21,120
Public Utility Tangible Property	20,367,010
Tangible Personal Property	58,827,680
	<u>\$1,309,813,860</u>

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

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

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

B. Income Taxes

The City levies an income tax of 1.5 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of 3 percent.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Homestead and Rollback	\$546,834
Local Government	533,677
Estate Tax	440,693
Excise Tax	250,886
Gasoline Tax	203,476
Auto Registration	134,067
Permissive Tax	124,268
Federal Equitable Grant	77,325
Court Fines	14,172
Issue 2 Improvements Grant	8,460
Total	\$2,333,858

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

Note 9 – Capital Assets

A summary of changes in capital assets during 2006 follows:

	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$5,739,494	\$0	\$0	\$5,739,494
Construction in Progress	16,774,856	3,872,761	(13,774,917)	6,872,700
<i>Total Capital Assets Not Being Depreciated</i>	<u>22,514,350</u>	<u>3,872,761</u>	<u>(13,774,917)</u>	<u>12,612,194</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings	32,774,562	9,602,743	(474,386)	41,902,919
Improvements	4,901,751	47,877	0	4,949,628
Machinery and Equipment	6,283,798	312,314	(123,250)	6,472,862
Furniture and Fixtures	1,467,091	173,874	(628)	1,640,337
Vehicles	8,851,069	986,315	(435,114)	9,402,270
Infrastructure				
Roads	96,231,755	2,429,387	0	98,661,142
Water Mains	27,356,500	3,236,613	0	30,593,113
Storm Sewers	23,496,282	731,323	0	24,227,605
Culverts	3,278,631	0	0	3,278,631
Traffic Signals	3,178,031	0	0	3,178,031
Bridges	1,980,831	0	0	1,980,831
<i>Total Capital Assets, Being Depreciated</i>	<u>209,800,301</u>	<u>17,520,446</u>	<u>(1,033,378)</u>	<u>226,287,369</u>
Less Accumulated Depreciation:				
Buildings	(5,324,333)	(644,723)	191,114	(5,777,942)
Improvements	(2,274,802)	(224,319)	0	(2,499,121)
Machinery and Equipment	(4,505,684)	(567,211)	114,439	(4,958,456)
Furniture and Fixtures	(635,404)	(128,647)	179	(763,872)
Vehicles	(6,605,561)	(497,545)	435,114	(6,667,992)
Infrastructure				
Roads	(56,610,118)	(3,116,908)	0	(59,727,026)
Water Mains	(12,319,462)	(471,891)	0	(12,791,353)
Storm Sewers	(10,065,654)	(464,137)	0	(10,529,791)
Culverts	(2,141,809)	(95,320)	0	(2,237,129)
Traffic Signals	(346,614)	(81,488)	0	(428,102)
Bridges	(681,076)	(34,933)	0	(716,009)
<i>Total Accumulated Depreciation</i>	<u>(101,510,517)</u>	<u>(6,327,122) *</u>	<u>740,846</u>	<u>(107,096,793)</u>
<i>Total Capital Assets, Being Depreciated, Net</i>	<u>108,289,784</u>	<u>11,193,324</u>	<u>(292,532)</u>	<u>119,190,576</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$130,804,134</u>	<u>\$15,066,085</u>	<u>(\$14,067,449)</u>	<u>\$131,802,770</u>

City of Westlake, Ohio
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For the Year Ended December 31, 2006

	Balance 12/31/05	Additions	Deletions	Balance 12/31/06
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$1,499,176	\$0	\$0	\$1,499,176
Construction in Progress	2,699,265	110,284	(2,020,839)	788,710
<i>Total Capital Assets Not Being Depreciated</i>	<u>4,198,441</u>	<u>110,284</u>	<u>(2,020,839)</u>	<u>2,287,886</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	233,675	0	0	233,675
Buildings	1,759,602	0	0	1,759,602
Machinery and Equipment	387,140	3,885	0	391,025
Furniture and Fixtures	36,853	0	0	36,853
Vehicles	661,037	0	0	661,037
Sewer Lines	46,821,525	2,395,006	0	49,216,531
<i>Total Capital Assets, Being Depreciated</i>	<u>49,899,832</u>	<u>2,398,891</u>	<u>0</u>	<u>52,298,723</u>
Less Accumulated Depreciation:				
Land Improvements	(133,560)	(8,684)	0	(142,244)
Buildings	(222,147)	(34,940)	0	(257,087)
Machinery and Equipment	(293,201)	(33,255)	0	(326,456)
Furniture and Fixtures	(16,988)	(3,430)	0	(20,418)
Vehicles	(461,915)	(63,633)	0	(525,548)
Sewer Lines	(19,777,713)	(936,430)	0	(20,714,143)
<i>Total Accumulated Depreciation</i>	<u>(20,905,524)</u>	<u>(1,080,372)</u>	<u>0</u>	<u>(21,985,896)</u>
<i>Total Capital Assets, Being Depreciated, Net</i>	<u>28,994,308</u>	<u>1,318,519</u>	<u>0</u>	<u>30,312,827</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$33,192,749</u>	<u>\$1,428,803</u>	<u>(\$2,020,839)</u>	<u>\$32,600,713</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$417,298
Security of Persons and Property	514,973
Public Health	107,978
Transportation	3,625,996
Community Environment	21,107
Basic Utility Services	1,031,348
Leisure Time Activities	608,422
Total	<u><u>\$6,327,122</u></u>

Note 10 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The City of Westlake 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

City of Westlake, Ohio
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For the Year Ended December 31, 2006

year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

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

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$818,822, \$817,845, and \$743,265 respectively; 96.35 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$15,787 made by the City and \$10,371 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$391,518 and \$461,465 for the year ended December 31, 2006, \$393,744 and \$490,565 for the year ended December 31, 2005 and \$360,985 and \$455,404 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004. 95.94 percent and 97.07 percent has been contributed for 2006.

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

Note 11 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 6 percent annually for the next nine years and 4 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$400,511. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care cost. Member and employer contribution rates increased January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. Police and Firemen's Disability and Pension Fund

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

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

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

most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$258,235 for police and \$220,083 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters.

Note 12 – Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with McGowan and Company for all their insurance. The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
St. Paul Fire and Marine Insurance Company		
Blanket Property and Contents, Replacement	\$52,735,000	\$2,500
Inland Marine	13,150,179	1,000
General Liability	1,000,000/2,000,000	0
Automobile Liability	1,000,000/2,000,000	1,000/5,000
Umbrella Excess Liability	10,000,000	0
Police Professional Liability	1,000,000/2,000,000	10,000
Employment Practice Liability	1,000,000/2,000,000	25,000
Computer - Hardware	2,045,669	1,000
Computer - Software	1,000,000	1,000
Travelers Insurance		
Public Officials	25,000	1,000
Forgery Liability	25,000	1,000
American Alternative Insurance		
Public Officials Liability	1,000,000/2,000,000	15,000

Settled claims have not exceeded this commercial coverage in any of the past three years.

The City has elected to provide employee hospital/medical, prescription, dental and vision insurance benefits through a partially self insured program. The City established a Self Insurance internal service fund to account for and finance the cost of this program.

The program provides three medical plans with different deductible options for single and family coverage, a dental plan with a \$25 deductible and a \$1,500 limit per person per year, a \$10 co-pay on generic, a \$15 co-pay on formulary and a \$20 co-pay on name brand non-formulary, and a vision plan providing \$50 every 2 years for exams and up to \$150 for prescription lenses.

A third party administrator reviews and processes the claims which the City then pays. The City purchased stop loss coverage of \$70,000 per individual and \$1,977,399 aggregate per year. For each employee, the City paid monthly into the Self Insurance internal service fund \$200 for single and \$550 for family coverage. These rates are paid by the fund from which the employees' salary is paid.

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

The claims liability of \$256,034 as estimated by the third party administrator and reported in the Self Insurance internal service fund at December 31, 2006, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund claims liability amount in 2005 and 2006 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2005	\$231,917	\$1,837,526	\$1,852,839	\$216,604
2006	216,604	1,996,021	1,956,591	256,034

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

Note 13 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to two years. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and sixth-tenths hours for every eighty hours worked. A maximum of 2,500 hours may be accumulated by each employee. Those employees whose accumulation exceeds 2,500 hours are paid, in December of each year, one-fourth of those hours at their current rate. Each employee with ten or more years of service with the City is paid for one-half of the employee's earned unused sick leave upon termination with the City, transfer to another governmental agency, or retirement, 60 percent after 17 years of service, 68 percent after 20 years of service and 75 percent after 25 years of service.

Note 14 – Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City's landfill placed its final cover in 1989. The \$633,590 reported as landfill postclosure costs in the long-term liabilities due in more than one year line of the governmental activities column of the statement of net assets at December 31, 2006, represents the estimated cost of maintenance and monitoring through 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. Financial assurance may take the form of a financial test and corporate guarantee. The financial test was performed on the 2006 audited financial statements and the City was in compliance.

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

Note 15 – Long-term Obligations

The original issue date, maturity date, interest rate and original issuance amount for each of the City’s bonds follows:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bonds				
Recreation Center	1997	2020	3.85-6.90 %	\$12,600,000
Sewer Improvements	1986	2007	6.75	2,250,000
Safety Facility Refunding Bonds	1997	2010	3.85-10.90	1,395,000
Safety Facility Refunding Capital Appreciation Bonds	1997	2010	3.85-10.90	354,900
Advance Refunding Bonds	1997	2008	3.85-6.40	1,105,000
Advance Refunding Bonds	1997	2008	3.85-10.90	2,105,000
Advance Refunding Capital Appreciation Bonds	1997	2008	3.85-10.90	193,297
Issue 11 Various Purpose	1999	2007	3.15-3.95	4,900,000
Issue 11 Sewers Refunding Bonds	2004	2013	1.25-2.00	1,390,000
Issue 11 D.W.A.K. Refunding Bonds	2004	2008	1.25-2.00	650,000
Issue 11 Clague Park Dam and Street Improvements Refunding Bonds	2004	2007	1.25-2.00	1,655,000
Street Improvements Refunding Bonds	2004	2014	1.25-3.40	1,020,000
Issue 11 Water Lines and Street Improvements Refunding Bonds	2004	2007	1.25-2.00	1,440,000
Special Assessment Bonds				
Sewer System Improvements	1986	2006	6.75	40,000
West Hedgewood Sewer Improvements	1987	2007	7.88	100,000
Marview Waterline	1997	2010	3.85-6.40	88,000
Various Purpose Improvements	1999	2009	3.30-4.15	285,000
Various Purpose Improvements	2001	2021	2.65-5.00	765,000
Issue 11 Sewers Refunding Bonds	2004	2013	1.25-3.30	345,000
Issue 11 D.W.A.K. Refunding Bonds	2004	2008	1.25-2.00	115,000
Sewer System Phase III Refunding Bonds	2004	2014	1.25-3.40	225,000
Street Improvement Bonds	2005	2025	3.00-5.25	4,620,000
OPWC Loans				
Issue 11	1994	2014	0	411,308
Issue 2	2003	2025	0	806,235

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

Changes in long-term obligations during the year ended December 31, 2006, consisted of the following:

	Balance 12/31/2005	Increase	Decrease	Balance 12/31/2006	Amounts Due in One Year
General Obligation Bonds					
Recreation Center	\$11,405,000	\$0	\$340,000	\$11,065,000	\$380,000
Sewer Improvements	250,000	0	125,000	125,000	125,000
Safety Facility Refunding Bonds	225,000	0	225,000	0	0
Safety Facility Capital Appreciation Bonds	354,900	0	0	354,900	0
Accretion on Capital Appreciation Bonds	731,774	65,976	0	797,750	0
Advance Refunding Bonds	385,000	0	120,000	265,000	130,000
Advance Refunding Bonds	290,000	0	290,000	0	0
Advance Refunding on Capital Appreciation Bonds	193,297	0	0	193,297	0
Accretion on Capital Appreciation Bonds	480,503	53,804	0	534,307	0
Issue 11 Various Purpose	1,235,000	0	605,000	630,000	630,000
Issue 11 Sewers Refunding Bonds	1,160,000	0	135,000	1,025,000	135,000
Issue 11 D.W.A.K. Refunding Bonds	420,000	0	140,000	280,000	140,000
Issue 11 Clague Park Dam and Street Improvements Refunding Bonds	905,000	0	450,000	455,000	455,000
Street Improvements Refunding Bonds	865,000	0	140,000	725,000	150,000
Street Improvements and Water Lines Refunding Bonds	785,000	0	390,000	395,000	395,000
Unamortized Premium	12,051	0	1,339	10,712	0
Deferred Amount on Refunding	(133,020)	0	(14,780)	(118,240)	0
<i>Total General Obligation Bonds</i>	<u>19,564,505</u>	<u>119,780</u>	<u>2,946,559</u>	<u>16,737,726</u>	<u>2,540,000</u>
Special Assessment Bonds (with governmental commitment)					
Sewer System Improvements	2,000	0	2,000	0	0
West Hedgewood Sewer Improvements	10,000	0	5,000	5,000	5,000
Marview Waterline	45,000	0	5,000	40,000	10,000
Various Purpose Improvements	125,000	0	30,000	95,000	30,000
Various Purpose Improvements	660,000	0	30,000	630,000	30,000
Issue 11 Sewers Refunding Bonds	75,000	0	25,000	50,000	25,000
Issue 11 D.W.A.K. Refunding Bonds	285,000	0	35,000	250,000	35,000
Sewer System Phase III Refunding Bonds	190,000	0	20,000	170,000	20,000
Street Improvements Bond	4,620,000	0	125,000	4,495,000	165,000
Unamortized Premium	311,939	0	15,876	296,063	0
Deferred Amount on Refunding	(14,760)	0	(1,640)	(13,120)	0
<i>Total Special Assessment Bonds</i>	<u>6,309,179</u>	<u>0</u>	<u>291,236</u>	<u>6,017,943</u>	<u>320,000</u>
OPWC Loans					
Issue 11	163,592	0	20,449	143,143	20,449
Issue 2	765,923	0	40,312	725,611	40,312
<i>Total OPWC Loans</i>	<u>929,515</u>	<u>0</u>	<u>60,761</u>	<u>868,754</u>	<u>60,761</u>
Compensated Absences Payable	3,658,207	1,779,139	1,163,096	4,274,250	310,000
Landfill Postclosure Costs	670,860	0	37,270	633,590	37,270
Total Governmental Long-Term Liabilities	<u>\$31,132,266</u>	<u>\$1,898,919</u>	<u>\$4,498,922</u>	<u>\$28,532,263</u>	<u>\$3,268,031</u>

City of Westlake, Ohio
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General obligation bonds General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City as well as municipal income taxes. Tax monies will be received in and the debt will be retired from the general obligation bond retirement and issue 11 bond retirement debt service funds.

The 1997 safety facility refunding and advance refunding bonds include serial bonds and capital appreciation bonds. This year the addition on these bonds was \$119,780 which represents the annual accretion of discounted interest. The final amount of these bonds will be \$1,580,000, with a maturity date of December 2010.

Sewer general obligation bonds are paid out of the Sewer enterprise fund to the extent that resources are available.

Special assessment bonds Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the special assessment debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

Refunded Bonds

On March 22, 2004, the City issued \$6,155,000 in general obligation refunding bonds and \$685,000 in special assessment refunding bonds at interest rates varying from 1.25 percent to 3.40 percent. Proceeds were used to refund \$6,540,000 of the outstanding 1993, 1994 and 1997 Issue 11 and street and water line improvements general obligation and special assessment bonds.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1993 and 1994 water and sewer construction bonds. As a result, \$6,540,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the basic financial statements. The amount still outstanding at December 31, 2006 is \$895,000.

Other long-term obligations Compensated absences will be paid from the reserve for compensated absences special revenue fund, in accordance with section 5705.13(B), Ohio Revised Code. The Issue 2 and Issue 11 Loan liabilities are payable semiannually from the general obligation bond debt service fund and the issue 2 improvements capital projects fund. The loans are interest free.

The City's overall legal debt margin was \$123,676,932 at December 31, 2006. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2006, are as follows:

Year	General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2007	\$2,540,000	\$734,762	\$180,565	\$369,435
2008	920,000	643,300	162,381	387,619
2009	705,000	600,040	105,982	134,018
2010	765,000	569,518	99,269	140,731
2011	870,000	534,778	0	0
2012-2016	4,760,000	1,982,273	0	0
2017-2021	4,405,000	626,126	0	0
2022-2025	0	0	0	0
Total	<u>\$14,965,000</u>	<u>\$5,690,797</u>	<u>\$548,197</u>	<u>\$1,031,803</u>

City of Westlake, Ohio
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For the Year Ended December 31, 2006

Year	Special Assessment Bonds		OPWC	Total	
	Principal	Interest	Loans	Principal	Interest
2007	\$320,000	\$243,812	\$60,761	\$3,101,326	\$1,348,009
2008	320,000	233,933	60,761	1,463,142	1,264,852
2009	310,000	224,208	60,761	1,181,743	958,266
2010	295,000	214,141	60,761	1,220,030	924,390
2011	290,000	204,410	60,761	1,220,761	739,188
2012-2016	1,390,000	867,450	242,458	6,392,458	2,849,723
2017-2021	1,530,000	569,400	201,558	6,136,558	1,195,526
2022-2025	1,280,000	172,461	120,933	1,400,933	172,461
Total	\$5,735,000	\$2,729,815	\$868,754	\$22,116,951	\$9,452,415

Note 16 – Construction and Other Significant Commitments

At December 31, 2006, the City’s significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
2006 Road Improvements	\$2,753,577	\$2,407,451	\$346,126
Sharon Drive	478,265	406,902	71,363
2006 Sidewalks	215,740	168,090	47,650
Berkeley Sanitary	714,989	606,877	108,112
Total	\$4,162,571	\$3,589,320	\$573,251

Note 17 – Industrial Development Revenue Bonds

The City has issued three series of industrial development revenue bonds in the aggregate outstanding principal amount of \$27,105,000 at December 31, 2006 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt related charged on the bonds from any of its funds, and therefore, they have been excluded entirely from the City’s debt presentation. There has been and there is not currently any condition of default under the bonds or the related financing documents.

Note 18 – Joint Venture – Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a Management Committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The Management Committee has authority over all aspects of the Plant’s operation, however, all employees are employees of the City of Rocky River. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City’s continued participation, and the City has an equity interest in the Plant. The City’s equity interest is \$9,798,340 which represents 39.35 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

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

Note 19 – Jointly Governed Organizations

A. West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2006, the City contributed \$69,399 which represented 19.68 percent of total contributions. Complete financial information statements can be obtained from the City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140.

The council has established two subsidiary organizations, the West Shore Hazardous Materials Committee ("HAZMAT") which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team.

B. Tri-City Park

The Tri-City Park provides a recreational park to the cities of Westlake, Rocky River, and Fairview Park. The park is governed by a board consisting of the elected mayors of the three cities. The Board exercises total control over the operation of the park including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2006, the City contributed \$1,000 which represented 33 percent of total contributions.

C. S.A.F.E Council of Governments

The S.A.F.E. Council of Governments was formed between municipalities to oppose changes to Cleveland Hopkins International Airport air traffic pattern. The Cities of Rocky River, Bay Village, Fairview Park and Westlake govern by a board consisting of the elected mayors. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. The City of Westlake did not make any contributions to the S.A.F.E. in 2006.

D. West Shore Area Rescue Association

The West Shore Area Rescue Association (Weshare) helps foster cooperation between municipalities and hospitals to provide optimum emergency medical services. The Board is comprised of one member from each of the nine participating entities. The Board exercises total control over the operation of Weshare including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2006, the City contributed \$300 which represented 8.3 percent of total contributions.

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

Note 20 – Contingent Liabilities

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

Combining Statements and Individual Fund Schedules

Fund Descriptions - Nonmajor Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Street Maintenance Fund - To account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund - To account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Permissive Motor Vehicle License Fund - To account for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

Police Pension Fund - To account for accumulated property taxes levied for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

Fire Pension Fund - To account for accumulated property taxes levied for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

Police and Fire Operating Fund - To account for accumulated property taxes levied for the payment of salaries and related expenditures for the safety forces. This is in addition to expenditures made from the general fund.

Law Enforcement Fund - To account for monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

Mandatory Drug Fines Fund - To account for the resources obtained from confiscated monies from criminal offenses and designated, by State statute, for expenditures that would enhance the police department.

Alcohol Education Fund - To account for court fees obtained from D.W.I. cases and restricted by State statute for expenditures that would promote education about driving while intoxicated.

Juvenile Diversion Fund - To account for monies received from Cuyahoga County to be used to establish or expand community policing programs.

Federal Equitable Fund - To account for federal forfeiture monies returned to the City restricted for certain law enforcement purposes.

FEMA Fund - To account for federal and State monies used for restoration of areas hit by natural disasters.

Federal Grants Fund - To account for receipts and disbursements of federal grant monies.

Swimming Pool Operation Fund - To account for membership fee monies used for the operation of the public swimming pool.

(continued)

Fund Descriptions - Nonmajor Funds (continued)

Senior/Community Service Fund - To account for money paid from participants in the City Office on Aging Programs.

Central Dispatch Fund – To account for monies received for fire dispatching services.

Cemetery Operating Fund - To account for the operation and maintenance of two public cemeteries.

Cemetery Investment Fund - To account for proceeds from the sale of cemetery lots.

Westlake/Bay Ecological Fund - To account for proceeds from the sale of humus that is restricted to expenditures that promote recycling of yard waste materials and maintain and improve the appearance of the landfill.

Newsletter Fund - To account for donations used to print the City-wide newsletter.

Reserve for Compensated Absences Fund - To account for the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City.

City Donations Fund - To account for contributions from private sources whose use is restricted.

Nonmajor Debt Service Funds

General Obligation Bond Retirement Fund - To account for resources used for the payment of principal and interest and fiscal charges on general obligation debt.

Issue 11 Bond Retirement Fund - To account for resources from a 3/8 percent increase in the income tax levy to be used for the retirement of debt issued to finance capital projects within the City.

Nonmajor Capital Projects Funds

Sanitary Sewer Improvement Fund – To account for State monies and interest revenues to be used for the cost of construction of new sewer lines within the City that will be donated to the sewer enterprise fund.

Storm Drainage Fund - To account for charges to developers which are used to finance the City's cost of installing or cleaning ditches.

Crocker Road Improvements Fund – The Crocker Road improvement fund accounts for note proceeds to be used for the Crocker Road improvement project.

Sharon Drive Improvement Fund – To account for the roadway and other related capital improvements on Sharon Drive

Grants Fund - To account for various State and Federal monies which are used for historical site preservation and the construction of recreation facilities.

Park Improvements Fund - To account for the charges to developers for the construction of new park facilities and the acquisition of new park land.

(continued)

Fund Descriptions - Nonmajor Funds (continued)

Impact Fees Fund - To account for impact fees charged to developers for new park facilities.

Sidewalks Fund - To account for special assessments used for the construction of sidewalks throughout the City.

City Hall Construction Fund - The City Hall construction fund accounts for note proceeds to be used to construct a new City Hall.

Service Center Construction Fund - The Service Center Construction fund accounts for monies to be used to construct a new service center.

Recreation Center Construction Fund - To account for income tax proceeds to be used for improvements to the recreation center.

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Fund

Golf Course Fund - The golf course fund accounts for the operations of the City owned golf course.

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,383,450	\$1,524,165	\$12,314,903	\$22,222,518
Cash and Cash Equivalents:				
with Fiscal Agents	0	35,166	0	35,166
with Escrow Agents	0	0	315,008	315,008
Accrued Interest Receivable	50,941	0	263,446	314,387
Intergovernmental Receivable	873,097	49,215	0	922,312
Municipal Income Taxes Receivable	0	517,474	56,987	574,461
Property Taxes Receivable	2,015,667	1,079,633	0	3,095,300
<i>Total Assets</i>	<u>\$11,323,155</u>	<u>\$3,205,653</u>	<u>\$12,950,344</u>	<u>\$27,479,152</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$18,227	\$0	\$3,507	\$21,734
Contracts Payable	168,171	0	0	168,171
Accrued Wages and Benefits	91,291	0	838	92,129
Retainage Payable	0	0	315,008	315,008
Interfund Payable	852,500	0	250,000	1,102,500
Intergovernmental Payable	13,831	0	128	13,959
Deferred Revenue	2,523,849	1,225,422	3,490	3,752,761
Advances From Other Funds	173,000	0	1,900,000	2,073,000
<i>Total Liabilities</i>	<u>3,840,869</u>	<u>1,225,422</u>	<u>2,472,971</u>	<u>7,539,262</u>
Fund Balances				
Reserved for Encumbrances	181,518	0	848,771	1,030,289
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	7,300,768	0	0	7,300,768
Debt Service Funds	0	1,980,231	0	1,980,231
Capital Projects Funds	0	0	9,628,602	9,628,602
<i>Total Fund Balances</i>	<u>7,482,286</u>	<u>1,980,231</u>	<u>10,477,373</u>	<u>19,939,890</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,323,155</u>	<u>\$3,205,653</u>	<u>\$12,950,344</u>	<u>\$27,479,152</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$1,808,964	\$1,086,009	\$0	\$2,894,973
Municipal Income Taxes	0	2,504,200	294,839	2,799,039
Charges for Services	847,519	0	0	847,519
Licenses, Permits and Fees	0	0	214,174	214,174
Fines and Forfeitures	152,530	0	0	152,530
Intergovernmental	2,283,313	98,430	0	2,381,743
Special Assessments	0	0	80,592	80,592
Interest	139,761	10,000	212,970	362,731
Donations	61,882	0	0	61,882
Miscellaneous	2,713	0	0	2,713
<i>Total Revenues</i>	<u>5,296,682</u>	<u>3,698,639</u>	<u>802,575</u>	<u>9,797,896</u>
Expenditures				
Current:				
General Government	373,456	0	0	373,456
Security of Persons and Property	3,911,827	0	0	3,911,827
Public Health Services	206,708	0	0	206,708
Transportation	1,063,406	0	0	1,063,406
Community Environment	46,150	0	0	46,150
Basic Utility Services	58,593	0	0	58,593
Leisure Time Activities	208,356	0	0	208,356
Capital Outlay	0	0	2,802,752	2,802,752
Debt Service:				
Principal Retirement	0	2,960,000	0	2,960,000
Interest and Fiscal Charges	0	840,766	0	840,766
<i>Total Expenditures</i>	<u>5,868,496</u>	<u>3,800,766</u>	<u>2,802,752</u>	<u>12,472,014</u>
<i>Excess of Revenues Under Expenditures</i>	(571,814)	(102,127)	(2,000,177)	(2,674,118)
Other Financing Sources				
Transfers In	1,077,000	141,875	1,606,948	2,825,823
<i>Net Change in Fund Balances</i>	505,186	39,748	(393,229)	151,705
<i>Fund Balances Beginning of Year</i>	<u>6,977,100</u>	<u>1,940,483</u>	<u>10,870,602</u>	<u>19,788,185</u>
<i>Fund Balances End of Year</i>	<u><u>\$7,482,286</u></u>	<u><u>\$1,980,231</u></u>	<u><u>\$10,477,373</u></u>	<u><u>\$19,939,890</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,390,992	\$696,834	\$387,877	\$245,720
Accrued Interest Receivable	27,967	20,763	1,016	0
Intergovernmental Receivable	544,288	44,141	124,268	16,405
Property Taxes Receivable	0	0	0	403,134
<i>Total Assets</i>	<u>\$1,963,247</u>	<u>\$761,738</u>	<u>\$513,161</u>	<u>\$665,259</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$3,067	\$0	\$0	\$0
Contracts Payable	168,171	0	0	0
Accrued Wages and Benefits	7,693	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	1,166	0	0	0
Deferred Revenue	333,857	27,068	65,232	419,539
Advances From Other Funds	0	0	0	0
<i>Total Liabilities</i>	<u>513,954</u>	<u>27,068</u>	<u>65,232</u>	<u>419,539</u>
Fund Balances				
Reserved for Encumbrances	151,531	17,045	0	0
Unreserved, Undesignated (Deficit)	1,297,762	717,625	447,929	245,720
<i>Total Fund Balances (Deficit)</i>	<u>1,449,293</u>	<u>734,670</u>	<u>447,929</u>	<u>245,720</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,963,247</u>	<u>\$761,738</u>	<u>\$513,161</u>	<u>\$665,259</u>

Fire Pension	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion	Federal Equitable
\$152,911	\$1,092,428	\$250,342	\$22,814	\$23,386	\$2,380	\$236,817
0	0	0	0	0	0	650
16,405	49,215	0	0	1,050	0	77,325
403,134	1,209,399	0	0	0	0	0
<u>\$572,450</u>	<u>\$2,351,042</u>	<u>\$250,342</u>	<u>\$22,814</u>	<u>\$24,436</u>	<u>\$2,380</u>	<u>\$314,792</u>
\$0	\$0	\$0	\$0	\$55	\$0	\$0
0	0	0	0	0	0	0
0	62,014	0	0	0	0	0
0	0	0	0	0	0	0
0	9,395	0	0	0	0	0
419,539	1,258,614	0	0	0	0	0
0	0	0	0	0	0	0
419,539	1,330,023	0	0	55	0	0
0	0	0	0	0	0	0
152,911	1,021,019	250,342	22,814	24,381	2,380	314,792
152,911	1,021,019	250,342	22,814	24,381	2,380	314,792
<u>\$572,450</u>	<u>\$2,351,042</u>	<u>\$250,342</u>	<u>\$22,814</u>	<u>\$24,436</u>	<u>\$2,380</u>	<u>\$314,792</u>

(continued)

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

	FEMA	Federal Grants	Swimming Pool Operation	Senior/ Community Service	Central Dispatch
Assets					
Equity in Pooled Cash and Cash Equivalents	\$570,791	\$25,220	\$55,499	\$53,148	\$365,523
Accrued Interest Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$570,791</u>	<u>\$25,220</u>	<u>\$55,499</u>	<u>\$53,148</u>	<u>\$365,523</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$114	\$3,493	\$6,568
Contracts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	1,933	0	0	17,832
Interfund Payable	629,500	23,000	0	0	200,000
Intergovernmental Payable	0	293	0	0	2,702
Deferred Revenue	0	0	0	0	0
Advances From Other Funds	0	0	0	0	173,000
<i>Total Liabilities</i>	<u>629,500</u>	<u>25,226</u>	<u>114</u>	<u>3,493</u>	<u>400,102</u>
Fund Balances					
Reserved for Encumbrances	0	0	711	3,546	3,020
Unreserved, Undesignated (Deficit)	(58,709)	(6)	54,674	46,109	(37,599)
<i>Total Fund Balances (Deficit)</i>	<u>(58,709)</u>	<u>(6)</u>	<u>55,385</u>	<u>49,655</u>	<u>(34,579)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$570,791</u>	<u>\$25,220</u>	<u>\$55,499</u>	<u>\$53,148</u>	<u>\$365,523</u>

Cemetery Operating	Cemetery Investment	Westlake/ Bay Ecological	Newsletter	Reserve for Compensated Absences	City Donations	Total Nonmajor Special Revenue Funds
\$192,235	\$449,251	\$146,717	\$3,652	\$1,867,270	\$151,643	\$8,383,450
545	0	0	0	0	0	50,941
0	0	0	0	0	0	873,097
0	0	0	0	0	0	2,015,667
<u>\$192,780</u>	<u>\$449,251</u>	<u>\$146,717</u>	<u>\$3,652</u>	<u>\$1,867,270</u>	<u>\$151,643</u>	<u>\$11,323,155</u>
\$682	\$0	\$11	\$0	\$0	\$4,237	\$18,227
0	0	0	0	0	0	168,171
153	0	1,666	0	0	0	91,291
0	0	0	0	0	0	852,500
23	0	252	0	0	0	13,831
0	0	0	0	0	0	2,523,849
0	0	0	0	0	0	173,000
<u>858</u>	<u>0</u>	<u>1,929</u>	<u>0</u>	<u>0</u>	<u>4,237</u>	<u>3,840,869</u>
766	0	239	0	0	4,660	181,518
191,156	449,251	144,549	3,652	1,867,270	142,746	7,300,768
<u>191,922</u>	<u>449,251</u>	<u>144,788</u>	<u>3,652</u>	<u>1,867,270</u>	<u>147,406</u>	<u>7,482,286</u>
<u>\$192,780</u>	<u>\$449,251</u>	<u>\$146,717</u>	<u>\$3,652</u>	<u>\$1,867,270</u>	<u>\$151,643</u>	<u>\$11,323,155</u>

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

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension
Revenues				
Property and Other Local Taxes	\$0	\$0	\$0	\$361,477
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	1,335,039	108,258	262,654	33,336
Interest	38,787	30,022	23,807	0
Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>1,373,826</u>	<u>138,280</u>	<u>286,461</u>	<u>394,813</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	647,744
Public Health Services	0	0	0	0
Transportation	697,058	18,321	348,027	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>697,058</u>	<u>18,321</u>	<u>348,027</u>	<u>647,744</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	676,768	119,959	(61,566)	(252,931)
Other Financing Sources				
Transfers In	0	0	0	350,000
<i>Net Change in Fund Balances</i>	676,768	119,959	(61,566)	97,069
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>772,525</u>	<u>614,711</u>	<u>509,495</u>	<u>148,651</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,449,293</u>	<u>\$734,670</u>	<u>\$447,929</u>	<u>\$245,720</u>

Fire Pension	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion	Federal Equitable
\$361,477	\$1,086,010	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	107,710	17,338	19,843	3,900	3,739
33,336	98,429	0	0	0	0	77,325
0	0	0	0	0	0	15,882
0	0	0	0	0	0	0
0	0	0	0	0	0	0
394,813	1,184,439	107,710	17,338	19,843	3,900	96,946
0	0	0	0	0	0	0
681,933	1,703,304	22,545	15,438	27,385	3,610	84,736
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
681,933	1,703,304	22,545	15,438	27,385	3,610	84,736
(287,120)	(518,865)	85,165	1,900	(7,542)	290	12,210
350,000	0	0	0	0	0	0
62,880	(518,865)	85,165	1,900	(7,542)	290	12,210
90,031	1,539,884	165,177	20,914	31,923	2,090	302,582
\$152,911	\$1,021,019	\$250,342	\$22,814	\$24,381	\$2,380	\$314,792

(continued)

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

	FEMA	Federal Grants	Swimming Pool Operation	Senior/ Community Service
Revenues				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	208,354	123,940
Fines and Forfeitures	0	0	0	0
Intergovernmental	303,542	31,394	0	0
Interest	0	0	0	0
Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>303,542</u>	<u>31,394</u>	<u>208,354</u>	<u>123,940</u>
Expenditures				
Current:				
General Government	340,056	31,400	0	0
Security of Persons and Property	0	0	0	0
Public Health Services	0	0	0	110,425
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	208,356	0
<i>Total Expenditures</i>	<u>340,056</u>	<u>31,400</u>	<u>208,356</u>	<u>110,425</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(36,514)	(6)	(2)	13,515
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(36,514)	(6)	(2)	13,515
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(22,195)</u>	<u>0</u>	<u>55,387</u>	<u>36,140</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$58,709)</u>	<u>(\$6)</u>	<u>\$55,385</u>	<u>\$49,655</u>

Central Dispatch	Cemetery Operating	Cemetery Investment	Westlake/ Bay Ecological	Newsletter	Reserve for Compensated Absences	City Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,808,964
404,624	15,200	25,650	69,751	0	0	0	847,519
0	0	0	0	0	0	0	152,530
0	0	0	0	0	0	0	2,283,313
0	31,263	0	0	0	0	0	139,761
0	0	0	0	516	0	61,366	61,882
0	0	0	0	0	2,713	0	2,713
404,624	46,463	25,650	69,751	516	2,713	61,366	5,296,682
0	0	0	0	2,000	0	0	373,456
725,132	0	0	0	0	0	0	3,911,827
0	94,678	1,605	0	0	0	0	206,708
0	0	0	0	0	0	0	1,063,406
0	0	0	0	0	0	46,150	46,150
0	0	0	58,593	0	0	0	58,593
0	0	0	0	0	0	0	208,356
725,132	94,678	1,605	58,593	2,000	0	46,150	5,868,496
(320,508)	(48,215)	24,045	11,158	(1,484)	2,713	15,216	(571,814)
277,000	100,000	0	0	0	0	0	1,077,000
(43,508)	51,785	24,045	11,158	(1,484)	2,713	15,216	505,186
8,929	140,137	425,206	133,630	5,136	1,864,557	132,190	6,977,100
(\$34,579)	\$191,922	\$449,251	\$144,788	\$3,652	\$1,867,270	\$147,406	\$7,482,286

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2006

	General Obligation Bond Retirement	Issue 11 Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,480,458	\$43,707	\$1,524,165
Cash and Cash Equivalents with Fiscal Agents	0	35,166	35,166
Intergovernmental Receivable	49,215	0	49,215
Municipal Income Taxes Receivable	201,815	315,659	517,474
Property Taxes Receivable	1,079,633	0	1,079,633
<i>Total Assets</i>	<u>\$2,811,121</u>	<u>\$394,532</u>	<u>\$3,205,653</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$1,163,963	\$61,459	\$1,225,422
Fund Balances			
Unreserved, Undesignated	1,647,158	333,073	1,980,231
<i>Total Liabilities and Fund Balances</i>	<u>\$2,811,121</u>	<u>\$394,532</u>	<u>\$3,205,653</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2006

	General Obligation Bond Retirement	Issue 11 Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property and Other Local Taxes	\$1,086,009	\$0	\$1,086,009
Municipal Income Taxes	979,200	1,525,000	2,504,200
Intergovernmental	98,430	0	98,430
Interest	0	10,000	10,000
<i>Total Revenues</i>	<u>2,163,639</u>	<u>1,535,000</u>	<u>3,698,639</u>
Expenditures			
Debt Service:			
Principal Retirement	1,515,000	1,445,000	2,960,000
Interest and Fiscal Charges	762,988	77,778	840,766
<i>Total Expenditures</i>	<u>2,277,988</u>	<u>1,522,778</u>	<u>3,800,766</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(114,349)	12,222	(102,127)
Other Financing Sources			
Transfers In	141,875	0	141,875
<i>Net Change in Fund Balances</i>	27,526	12,222	39,748
<i>Fund Balances Beginning of Year</i>	<u>1,619,632</u>	<u>320,851</u>	<u>1,940,483</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,647,158</u></u>	<u><u>\$333,073</u></u>	<u><u>\$1,980,231</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006

	Sanitary Sewer Improvement	Storm Drainage	Crocker Road Improvements	Grants	Park Improvements
Assets					
Equity in Pooled Cash and Cash Equivalents	\$31,379	\$5,314,734	\$202,896	\$295,919	\$6,075
Cash and Cash Equivalents with Escrow Agents	0	0	0	0	0
Accrued Interest Receivable	0	203,681	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$31,379</u>	<u>\$5,518,415</u>	<u>\$202,896</u>	<u>\$295,919</u>	<u>\$6,075</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Advances From Other Funds	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	9,350	358	0	6,075
Unreserved, Undesignated (Deficit)	31,379	5,509,065	202,538	295,919	0
<i>Total Fund Balances (Deficit)</i>	<u>31,379</u>	<u>5,518,415</u>	<u>202,896</u>	<u>295,919</u>	<u>6,075</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$31,379</u>	<u>\$5,518,415</u>	<u>\$202,896</u>	<u>\$295,919</u>	<u>\$6,075</u>

Impact Fees	Sidewalks	City Hall Construction	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$1,839,527	\$128,577	\$789,686	\$2,432,826	\$1,273,284	\$12,314,903
0	13,634	0	249,127	52,247	315,008
59,765	0	0	0	0	263,446
0	0	0	0	56,987	56,987
<u>\$1,899,292</u>	<u>\$142,211</u>	<u>\$789,686</u>	<u>\$2,681,953</u>	<u>\$1,382,518</u>	<u>\$12,950,344</u>
\$0	\$0	\$0	\$3,507	\$0	\$3,507
0	125	0	713	0	838
0	13,634	0	249,127	52,247	315,008
0	250,000	0	0	0	250,000
0	19	0	109	0	128
0	0	0	0	3,490	3,490
0	0	0	1,900,000	0	1,900,000
0	263,778	0	2,153,456	55,737	2,472,971
0	61,283	0	698,541	73,164	848,771
1,899,292	(182,850)	789,686	(170,044)	1,253,617	9,628,602
1,899,292	(121,567)	789,686	528,497	1,326,781	10,477,373
<u>\$1,899,292</u>	<u>\$142,211</u>	<u>\$789,686</u>	<u>\$2,681,953</u>	<u>\$1,382,518</u>	<u>\$12,950,344</u>

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

	Sanitary Sewer Improvement	Storm Drainage	Crocker Road Improvements	Grants	Park Improvements
Revenues					
Municipal Income Taxes	\$0	\$0	\$0	\$0	\$0
Licenses, Permits and Fees	0	130,639	0	0	0
Special Assessments	80,592	0	0	0	0
Interest	0	119,457	0	0	0
<i>Total Revenues</i>	80,592	250,096	0	0	0
Expenditures					
Capital Outlay	7,774	7,650	0	690	7,823
<i>Excess of Revenues Over (Under) Expenditures</i>	72,818	242,446	0	(690)	(7,823)
Other Financing Sources					
Transfers In	1,606,948	0	0	0	0
<i>Net Change in Fund Balances</i>	1,679,766	242,446	0	(690)	(7,823)
<i>Fund Balances (Deficit) Beginning of Year</i>	(1,648,387)	5,275,969	202,896	296,609	13,898
<i>Fund Balances (Deficit) End of Year</i>	\$31,379	\$5,518,415	\$202,896	\$295,919	\$6,075

Impact Fees	Sidewalks	City Hall Construction	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$294,839	\$294,839
83,535	0	0	0	0	214,174
0	0	0	0	0	80,592
74,028	19,485	0	0	0	212,970
157,563	19,485	0	0	294,839	802,575
22,035	172,674	0	2,271,111	312,995	2,802,752
135,528	(153,189)	0	(2,271,111)	(18,156)	(2,000,177)
0	0	0	0	0	1,606,948
135,528	(153,189)	0	(2,271,111)	(18,156)	(393,229)
1,763,764	31,622	789,686	2,799,608	1,344,937	10,870,602
<u>\$1,899,292</u>	<u>(\$121,567)</u>	<u>\$789,686</u>	<u>\$528,497</u>	<u>\$1,326,781</u>	<u>\$10,477,373</u>

Fund Descriptions - Fiduciary Fund

Fiduciary Fund

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. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Deposits Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

Toledo/Lucas County Port Authority - to account for the pass-through of the annual payment of the special assessment from Crocker Park LLC to the Toledo/Lucas County Port Authority for bond payments for the public parking and other improvements made per a cooperative agreement among the City of Westlake, Crocker Park, LLC, and the Toledo/Lucas County Port Authority.

City of Westlake, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2006

	Balance 12/31/05	Additions	Reductions	Balance 12/31/06
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,803,371	\$596,649	\$697,016	\$1,703,004
Liabilities				
Deposits Held and Due to Others	\$1,803,371	\$596,649	\$697,016	\$1,703,004
 Toledo/Lucas County Port Authority				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$4,827,126	\$4,827,126	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$4,827,126	\$4,827,126	\$0
 Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,803,371	\$5,423,775	\$5,524,142	\$1,703,004
Liabilities				
Deposits Held and Due to Others	\$1,803,371	\$5,423,775	\$5,524,142	\$1,703,004

*Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances/Fund Equity
Budget (Non-GAAP Basis) and Actual*

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$9,161,493	\$9,161,493	\$9,170,742	\$9,249
Municipal Income Taxes	11,230,000	11,230,000	11,943,876	713,876
Charges for Services	465,600	465,600	547,242	81,642
Licenses, Permits and Fees	661,000	661,000	721,761	60,761
Fines and Forfeitures	77,000	77,000	92,436	15,436
Intergovernmental	2,822,599	2,822,599	4,660,600	1,838,001
Interest	1,200,000	1,200,000	1,917,401	717,401
Rentals	51,000	51,000	67,895	16,895
Miscellaneous	150,000	150,000	351,556	201,556
<i>Total Revenues</i>	<u>25,818,692</u>	<u>25,818,692</u>	<u>29,473,509</u>	<u>3,654,817</u>
Expenditures				
Current:				
General Government				
Council				
Salaries	164,600	164,600	164,348	252
Fringe Benefits	40,500	40,500	36,551	3,949
Contractual Services	28,900	28,900	13,799	15,101
Materials and Supplies	6,050	6,050	1,941	4,109
Other	7,515	7,515	4,406	3,109
Total Council	<u>247,565</u>	<u>247,565</u>	<u>221,045</u>	<u>26,520</u>
Mayor				
Salaries	190,400	190,400	186,595	3,805
Fringe Benefits	30,000	36,300	35,541	759
Contractual Services	23,100	23,100	15,572	7,528
Materials and Supplies	7,001	7,001	5,892	1,109
Other	8,215	8,215	4,847	3,368
Total Mayor	<u>258,716</u>	<u>265,016</u>	<u>248,447</u>	<u>16,569</u>
Finance Department				
Salaries	327,600	327,600	319,784	7,816
Fringe Benefits	110,900	110,900	106,017	4,883
Contractual Services	573,923	573,923	506,782	67,141
Materials and Supplies	15,944	15,944	15,490	454
Other	10,460	2,170	1,995	175
Total Finance Department	<u>\$1,038,827</u>	<u>\$1,030,537</u>	<u>\$950,068</u>	<u>\$80,469</u>

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department				
Salaries	\$339,000	\$339,000	\$298,628	\$40,372
Fringe Benefits	98,700	98,700	92,784	5,916
Contractual Services	92,260	267,260	223,624	43,636
Materials and Supplies	3,045	3,045	2,467	578
Other	2,740	2,740	1,335	1,405
Total Law Department	535,745	710,745	618,838	91,907
Purchasing				
Salaries	158,500	158,500	155,996	2,504
Fringe Benefits	53,500	53,500	46,629	6,871
Contractual Services	7,020	7,020	4,933	2,087
Materials and Supplies	6,527	6,527	5,927	600
Capital Outlay	899	899	899	0
Other	43	614	393	221
Total Purchasing	226,489	227,060	214,777	12,283
Civil Service				
Salaries	2,500	2,500	248	2,252
Fringe Benefits	500	500	37	463
Contractual Services	17,000	17,000	6,029	10,971
Material and Supplies	2,500	2,500	17	2,483
Other	2,000	2,000	201	1,799
Total Civil Service	24,500	24,500	6,532	17,968
Engineering				
Salaries	477,000	477,000	391,375	85,625
Fringe Benefits	176,100	176,100	159,819	16,281
Contractual Services	75,345	75,345	65,938	9,407
Material and Supplies	33,211	33,211	21,828	11,383
Capital Outlay	122,000	122,000	104,523	17,477
Other	14,991	5,195	2,858	2,337
Total Engineering	898,647	888,851	746,341	142,510
Building Maintenance				
Salaries	38,500	38,500	30,620	7,880
Fringe Benefits	16,100	16,100	11,815	4,285
Contractual Services	408,626	408,626	357,197	51,429
Material and Supplies	27,900	27,900	24,963	2,937
Capital Outlay	12,200	12,200	11,066	1,134
Other	7,234	7,234	5,598	1,636
Total Building Maintenance	\$510,560	\$510,560	\$441,259	\$69,301

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Miscellaneous				
Salaries	\$167,100	\$192,100	\$152,600	\$39,500
Fringe Benefits	419,400	419,400	284,579	134,821
Contractual Services	876,304	876,304	793,644	82,660
Material and Supplies	107,736	107,736	71,204	36,532
Capital Outlay	223,819	223,819	152,877	70,942
Other	828,158	803,158	667,140	136,018
Total Miscellaneous	2,622,517	2,622,517	2,122,044	500,473
Cable TV				
Salaries	43,400	43,400	19	43,381
Fringe Benefits	6,600	6,600	3	6,597
Capital Outlay	1,616,500	1,616,500	31,371	1,585,129
Total Cable TV	1,666,500	1,666,500	31,393	1,635,107
Contracts				
Contractual Services	811,521	811,521	701,052	110,469
Capital Outlay	816,062	816,062	300,263	515,799
Total Total Cable TV	1,627,583	1,627,583	1,001,315	626,268
Total General Government	9,657,649	9,821,434	6,602,059	3,219,375
Security of Persons and Property				
Police Department				
Salaries	4,282,135	4,282,135	3,589,034	693,101
Fringe Benefits	971,700	971,700	834,041	137,659
Contractual Services	415,088	450,088	386,324	63,764
Materials and Supplies	186,896	186,896	176,478	10,418
Capital Outlay	68,100	68,100	35,357	32,743
Other	85,072	38,443	33,639	4,804
Total Police Department	6,008,991	5,997,362	5,054,873	942,489
Fire Department				
Salaries	2,683,500	2,683,500	2,243,945	439,555
Fringe Benefits	550,300	550,300	510,058	40,242
Contractual Services	276,548	293,701	245,990	47,711
Materials and Supplies	47,864	128,764	110,327	18,437
Capital Outlay	7,565	7,565	3,231	4,334
Other	17,153	17,153	13,273	3,880
Total Fire Department	\$3,582,930	\$3,680,983	\$3,126,824	\$554,159

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Safety Town				
Salaries	\$7,300	\$7,300	\$5,786	\$1,514
Fringe Benefits	1,200	1,200	876	324
Other	8,000	8,000	4,037	3,963
Total Safety Town	16,500	16,500	10,699	5,801
<i>Total Security of Persons and Property</i>	9,608,421	9,694,845	8,192,396	1,502,449
Public Health Services				
Senior/Community				
Salaries	397,900	397,900	359,620	38,280
Fringe Benefits	116,500	116,500	97,032	19,468
Contractual Services	112,368	112,368	100,431	11,937
Materials and Supplies	29,365	29,365	23,560	5,805
Capital Outlay	4,500	4,500	3,359	1,141
Other	10,964	2,910	2,875	35
Total Public Health Services	671,597	663,543	586,877	76,666
Transportation				
Service Director				
Salaries	149,000	149,000	142,851	6,149
Fringe Benefits	43,000	43,000	38,781	4,219
Contractual Services	7,972	7,972	3,218	4,754
Materials and Supplies	5,893	5,893	3,830	2,063
Other	6,766	3,010	2,203	807
Total Service Director	212,631	208,875	190,883	17,992
City Service				
Salaries	1,410,000	1,410,000	1,233,456	176,544
Fringe Benefits	571,961	571,961	499,743	72,218
Contractual Services	1,649,544	1,834,544	1,762,409	72,135
Materials and Supplies	301,534	301,534	247,551	53,983
Capital Outlay	190,199	190,199	113,919	76,280
Other	316,700	316,700	11,115	305,585
Total City Service	4,439,938	4,624,938	3,868,193	756,745
Snow Removal				
Salaries	160,000	160,000	58,045	101,955
Fringe Benefits	24,100	24,100	8,633	15,467
Contractual Services	25,590	25,590	25,576	14
Other	180	180	0	180
Total Snow Removal	209,870	209,870	92,254	117,616
<i>Total Transportation</i>	\$4,862,439	\$5,043,683	\$4,151,330	\$892,353

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Planning				
Salaries	\$281,600	\$281,600	\$273,054	\$8,546
Fringe Benefits	78,400	78,400	75,233	3,167
Contractual Services	41,126	41,126	34,957	6,169
Materials and Supplies	11,223	11,223	7,691	3,532
Capital Outlay	1,775	1,775	1,648	127
Other	2,577	2,577	1,297	1,280
Total Planning	416,701	416,701	393,880	22,821
Zoning				
Salaries	500	500	0	500
Fringe Benefits	200	200	0	200
Contractual Services	3,000	3,000	1,852	1,148
Materials and Supplies	1,200	1,200	532	668
Other	100	100	0	100
Total Zoning	5,000	5,000	2,384	2,616
Board of Building Standards				
Contractual Services	800	800	0	800
Materials and Supplies	300	300	3	297
Total Board of Building Standards	1,100	1,100	3	1,097
Inspection				
Salaries	661,600	661,600	604,706	56,894
Fringe Benefits	201,550	201,550	167,693	33,857
Contractual Services	39,278	39,278	23,363	15,915
Materials and Supplies	21,489	21,489	18,640	2,849
Capital Outlay	1,000	1,000	0	1,000
Other	7,351	3,108	2,938	170
Total Inspection	932,268	928,025	817,340	110,685
Architect				
Contractual Services	150,000	150,000	149,041	959
Unclaimed Monies				
Salaries	5,000	5,000	0	5,000
Other	53,300	53,300	37,877	15,423
Total Unclaimed Monies	58,300	58,300	37,877	20,423
<i>Total Community Environment</i>	<i>\$1,563,369</i>	<i>\$1,559,126</i>	<i>\$1,400,525</i>	<i>\$158,601</i>

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Forester				
Salaries	\$191,200	\$191,200	\$181,742	\$9,458
Fringe Benefits	80,000	80,000	72,224	7,776
Contractual Services	25,800	25,800	25,665	135
Materials and Supplies	2,000	2,000	1,785	215
Other	9,585	9,585	6,796	2,789
Total Forester	\$308,585	\$308,585	\$288,212	\$20,373
Storm Drainage				
Salaries	75,000	75,000	20,343	54,657
Fringe Benefits	11,400	11,400	3,025	8,375
Contractual Services	58,800	58,800	55,553	3,247
Materials and Supplies	41,500	41,500	24,551	16,949
Capital Outlay	50,000	50,000	20,721	29,279
Other	10,400	10,400	8,745	1,655
Total Storm Drainage	247,100	247,100	132,938	114,162
Leaf Pick-Up				
Salaries	170,000	170,000	165,146	4,854
Fringe Benefits	25,700	25,700	24,548	1,152
Contractual Services	45,031	45,031	42,539	2,492
Other	7,056	1,200	768	432
Total Leaf Pick-Up	247,787	241,931	233,001	8,930
<i>Total Basic Utility Services</i>	803,472	797,616	654,151	143,465
Leisure Time Activities				
Recreation				
Salaries	174,000	174,000	165,567	8,433
Fringe Benefits	66,800	66,800	47,699	19,101
Contractual Services	94,341	94,341	76,752	17,589
Materials and Supplies	21,595	21,595	15,419	6,176
Capital Outlay	15,100	15,100	15,055	45
Other	250	250	9	241
Total Recreation	\$372,086	\$372,086	\$320,501	\$51,585

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Park				
Salaries	\$213,900	\$213,900	\$147,258	\$66,642
Fringe Benefits	75,900	75,900	62,034	13,866
Contractual Services	178,786	178,786	121,666	57,120
Materials and Supplies	10,574	10,574	8,968	1,606
Capital Outlay	9,700	9,700	2,666	7,034
Other	9,300	9,300	9,217	83
Total Park	498,160	498,160	351,809	146,351
<i>Total Leisure Time Activities</i>	870,246	870,246	672,310	197,936
Capital Outlay				
Equipment Replacement				
Capital Outlay	1,550,687	1,575,687	1,145,323	430,364
<i>Total Expenditures</i>	29,587,880	30,026,180	23,404,971	6,621,209
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,769,188)	(4,207,488)	6,068,538	10,276,026
Other Financing Sources (Uses)				
Advances In	5,157,300	5,157,300	4,477,800	(679,500)
Transfers In	691,000	691,000	0	(691,000)
Advances Out	(1,319,500)	(6,692,500)	(6,154,500)	538,000
Transfers Out	(4,615,200)	(4,701,200)	(3,704,801)	996,399
<i>Total Other Financing Sources (Uses)</i>	(86,400)	(5,545,400)	(5,381,501)	163,899
<i>Net Change in Fund Balance</i>	(3,855,588)	(9,752,888)	687,037	10,439,925
<i>Fund Balance Beginning of Year</i>	18,340,556	18,340,556	18,340,556	0
Prior Year Encumbrances Appropriated	1,178,195	1,178,195	1,178,195	0
<i>Fund Balance End of Year</i>	<u>\$15,663,163</u>	<u>\$9,765,863</u>	<u>\$20,205,788</u>	<u>\$10,439,925</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$250,400	\$250,400	\$250,063	(\$337)
Charges for Services	1,854,000	1,854,000	2,088,942	234,942
Interest	36,000	36,000	57,901	21,901
Rentals	74,000	74,000	80,925	6,925
Miscellaneous	3,000	3,000	10,044	7,044
<i>Total Revenues</i>	<u>2,217,400</u>	<u>2,217,400</u>	<u>2,487,875</u>	<u>270,475</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	1,097,330	1,129,330	1,032,703	96,627
Fringe Benefits	321,100	321,100	260,015	61,085
Contractual Services	743,772	752,772	659,846	92,926
Materials and Supplies	158,764	158,764	123,024	35,740
Capital Outlay	39,427	39,427	27,353	12,074
Other	146,570	146,570	133,781	12,789
<i>Total Expenditures</i>	<u>2,506,963</u>	<u>2,547,963</u>	<u>2,236,722</u>	<u>311,241</u>
<i>Net Change in Fund Balance</i>	(289,563)	(330,563)	251,153	581,716
<i>Fund Balance Beginning of Year</i>	1,018,460	1,018,460	1,018,460	0
Prior Year Encumbrances Appropriated	<u>39,533</u>	<u>39,533</u>	<u>39,533</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$768,430</u>	<u>\$727,430</u>	<u>\$1,309,146</u>	<u>\$581,716</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$634,000	\$659,572	\$641,782	(\$17,790)
Expenditures				
Debt Service:				
Principal Retirement	277,190	277,190	277,000	190
Interest and Fiscal Charges	295,310	380,883	345,696	35,187
<i>Total Expenditures</i>	<u>572,500</u>	<u>658,073</u>	<u>622,696</u>	<u>35,377</u>
<i>Net Change in Fund Balance</i>	61,500	1,499	19,086	17,587
<i>Fund Balance Beginning of Year</i>	<u>338,590</u>	<u>338,590</u>	<u>338,590</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$400,090</u>	<u>\$340,089</u>	<u>\$357,676</u>	<u>\$17,587</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue 2 Improvements Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$284,900	\$284,900	\$190,061	(\$94,839)
Expenditures				
Current:				
Capital Outlay:				
Issue 2 Improvements:				
Salaries	20,000	20,000	9,422	10,578
Fringe Benefits	3,000	3,000	1,411	1,589
Capital Outlay	1,290,574	1,290,574	714,901	575,673
Other	29,175	29,175	13,490	15,685
Total Capital Outlay	1,342,749	1,342,749	739,224	603,525
Debt Service:				
Principal Retirement	60,800	60,800	60,761	39
<i>Total Expenditures</i>	1,403,549	1,403,549	799,985	603,564
<i>Excess of Revenues Under Expenditures</i>	(1,118,649)	(1,118,649)	(609,924)	508,725
Other Financing Sources				
Advances In	611,500	611,500	5,508,500	4,897,000
Advances Out	(2,177,800)	(2,177,800)	(2,177,800)	0
Transfers In	1,549,200	1,549,200	1,020,853	(528,347)
<i>Total Other Financing Sources</i>	(17,100)	(17,100)	4,351,553	4,368,653
<i>Net Change in Fund Balance</i>	(1,135,749)	(1,135,749)	3,741,629	4,877,378
<i>Fund Balance Beginning of Year</i>	688,325	688,325	688,325	0
Prior Year Encumbrances Appropriated	721,249	721,249	721,249	0
<i>Fund Balance End of Year</i>	\$273,825	\$273,825	\$5,151,203	\$4,877,378

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue 11 Improvements Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$2,780,000	\$2,780,000	\$3,056,691	\$276,691
Intergovernmental	580,370	580,370	581,415	1,045
Interest	350,000	350,000	321,753	(28,247)
<i>Total Revenues</i>	<u>3,710,370</u>	<u>3,710,370</u>	<u>3,959,859</u>	<u>249,489</u>
Expenditures				
Current:				
Capital Outlay:				
Issue 11 Improvements:				
Salaries	70,000	70,000	54,042	15,958
Fringe Benefits	6,715	10,600	7,851	2,749
Contractual Services	86,530	136,600	136,573	27
Capital Outlay	4,183,757	6,645,127	6,190,290	454,837
Other	2,565,825	4,050,500	4,040,386	10,114
<i>Total Expenditures</i>	<u>6,912,827</u>	<u>10,912,827</u>	<u>10,429,142</u>	<u>483,685</u>
<i>Excess of Revenues Under Expenditures</i>	(3,202,457)	(7,202,457)	(6,469,283)	733,174
Other Financing Sources				
Notes Issued	346,600	346,600	0	(346,600)
<i>Net Change in Fund Balance</i>	(2,855,857)	(6,855,857)	(6,469,283)	386,574
<i>Fund Balance Beginning of Year</i>	4,815,847	4,815,847	4,815,847	0
Prior Year Encumbrances Appropriated	3,052,827	3,052,827	3,052,827	0
<i>Fund Balance End of Year</i>	<u>\$5,012,817</u>	<u>\$1,012,817</u>	<u>\$1,399,391</u>	<u>\$386,574</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,720,000	\$1,720,000	\$1,669,983	(\$50,017)
Tap-In Fees	140,000	140,000	118,409	(21,591)
Interest	300,000	300,000	151,269	(148,731)
<i>Total Revenues</i>	<u>2,160,000</u>	<u>2,160,000</u>	<u>1,939,661</u>	<u>(220,339)</u>
Expenses				
Current:				
Sewer Fund:				
Personal Services	345,200	345,200	293,065	52,135
Fringe Benefits	123,600	123,600	92,177	31,423
Contractual Services	1,822,204	1,822,204	1,555,269	266,935
Materials and Supplies	19,020	19,020	14,253	4,767
Capital Outlay	1,313,535	1,313,535	454,697	858,838
Other	53,366	53,366	28,610	24,756
Debt Service:				
Principal Retirement	125,000	125,000	125,000	0
Interest and Fiscal Charges	17,000	17,000	16,875	125
<i>Total Expenses</i>	<u>3,818,925</u>	<u>3,818,925</u>	<u>2,579,946</u>	<u>1,238,979</u>
<i>Net Change in Fund Equity</i>	(1,658,925)	(1,658,925)	(640,285)	1,018,640
<i>Fund Equity Beginning of Year</i>	10,127,027	10,127,027	10,127,027	0
Prior Year Encumbrances Appropriated	<u>304,125</u>	<u>304,125</u>	<u>304,125</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$8,772,227</u></u>	<u><u>\$8,772,227</u></u>	<u><u>\$9,790,867</u></u>	<u><u>\$1,018,640</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,145,000	\$1,145,000	\$1,263,929	\$118,929
Interest	17,000	17,000	13,180	(3,820)
<i>Total Revenues</i>	<u>1,162,000</u>	<u>1,162,000</u>	<u>1,277,109</u>	<u>115,109</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Salaries	279,500	279,500	247,358	32,142
Fringe Benefits	103,600	103,600	92,286	11,314
Contractual Services	63,383	63,383	54,224	9,159
Materials and Supplies	512,403	512,403	451,151	61,252
Other	12,500	12,500	6,916	5,584
<i>Total Expenditures</i>	<u>971,386</u>	<u>971,386</u>	<u>851,935</u>	<u>119,451</u>
<i>Net Change in Fund Balance</i>	190,614	190,614	425,174	234,560
<i>Fund Balance Beginning of Year</i>	626,763	626,763	626,763	0
Prior Year Encumbrances Appropriated	<u>16,286</u>	<u>16,286</u>	<u>16,286</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$833,663</u></u>	<u><u>\$833,663</u></u>	<u><u>\$1,068,223</u></u>	<u><u>\$234,560</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$95,000	\$95,000	\$102,481	\$7,481
Interest	22,000	22,000	17,801	(4,199)
<i>Total Revenues</i>	<u>117,000</u>	<u>117,000</u>	<u>120,282</u>	<u>3,282</u>
Expenditures				
Current:				
Transportation:				
State Highway				
Contractual Services	9,000	9,000	8,871	129
Materials and Supplies	109,345	109,345	45,440	63,905
Other	1,000	1,000	400	600
<i>Total Expenditures</i>	<u>119,345</u>	<u>119,345</u>	<u>54,711</u>	<u>64,634</u>
<i>Net Change in Fund Balance</i>	(2,345)	(2,345)	65,571	67,916
<i>Fund Balance Beginning of Year</i>	594,873	594,873	594,873	0
Prior Year Encumbrances Appropriated	<u>19,345</u>	<u>19,345</u>	<u>19,345</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$611,873</u></u>	<u><u>\$611,873</u></u>	<u><u>\$679,789</u></u>	<u><u>\$67,916</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$240,000	\$240,000	\$237,889	(\$2,111)
Interest	15,000	15,000	29,812	14,812
<i>Total Revenues</i>	<u>255,000</u>	<u>255,000</u>	<u>267,701</u>	<u>12,701</u>
Expenditures				
Current:				
Transportation:				
Permissive Motor Vehicle License:				
Salaries	40,000	40,000	39,839	161
Fringe Benefits	6,000	6,000	5,843	157
Capital Outlay	300,000	300,000	300,000	0
Other	34,000	34,000	2,345	31,655
<i>Total Expenditures</i>	<u>380,000</u>	<u>380,000</u>	<u>348,027</u>	<u>31,973</u>
<i>Net Change in Fund Balance</i>	(125,000)	(125,000)	(80,326)	44,674
<i>Fund Balance Beginning of Year</i>	<u>468,203</u>	<u>468,203</u>	<u>468,203</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$343,203</u></u>	<u><u>\$343,203</u></u>	<u><u>\$387,877</u></u>	<u><u>\$44,674</u></u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$361,644	\$361,644	\$361,477	(\$167)
Intergovernmental	34,336	34,336	33,336	(1,000)
<i>Total Revenues</i>	395,980	395,980	394,813	(1,167)
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Fringe Benefits	705,000	705,000	647,744	57,256
<i>Excess of Revenues Under Expenditures</i>	(309,020)	(309,020)	(252,931)	56,089
Other Financing Sources				
Transfers In	350,000	350,000	350,000	0
<i>Net Change in Fund Balance</i>	40,980	40,980	97,069	56,089
<i>Fund Balance Beginning of Year</i>	148,651	148,651	148,651	0
<i>Fund Balance End of Year</i>	<u>\$189,631</u>	<u>\$189,631</u>	<u>\$245,720</u>	<u>\$56,089</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$361,644	\$361,644	\$361,477	(\$167)
Intergovernmental	34,336	34,336	33,336	(1,000)
<i>Total Revenues</i>	395,980	395,980	394,813	(1,167)
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Fringe Benefits	705,000	705,000	681,933	23,067
<i>Excess of Revenues Under Expenditures</i>	(309,020)	(309,020)	(287,120)	21,900
Other Financing Sources				
Transfers In	350,000	350,000	350,000	0
<i>Net Change in Fund Balance</i>	40,980	40,980	62,880	21,900
<i>Fund Balance Beginning of Year</i>	90,031	90,031	90,031	0
<i>Fund Balance End of Year</i>	<u>\$131,011</u>	<u>\$131,011</u>	<u>\$152,911</u>	<u>\$21,900</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$1,084,930	\$1,084,930	\$1,086,010	\$1,080
Intergovernmental	103,009	103,009	98,429	(4,580)
<i>Total Revenues</i>	<u>1,187,939</u>	<u>1,187,939</u>	<u>1,184,439</u>	<u>(3,500)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police and Fire Operating:				
Salaries	1,030,000	1,830,000	1,624,655	205,345
Fringe Benefits	16,000	56,000	47,155	8,845
<i>Total Expenditures</i>	<u>1,046,000</u>	<u>1,886,000</u>	<u>1,671,810</u>	<u>214,190</u>
<i>Net Change in Fund Balance</i>	141,939	(698,061)	(487,371)	210,690
<i>Fund Balance Beginning of Year</i>	<u>1,579,799</u>	<u>1,579,799</u>	<u>1,579,799</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,721,738</u>	<u>\$881,738</u>	<u>\$1,092,428</u>	<u>\$210,690</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$30,000	\$30,000	\$107,710	\$77,710
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	20,000	20,000	0	20,000
Other	25,500	25,500	22,600	2,900
<i>Total Expenditures</i>	<u>45,500</u>	<u>45,500</u>	<u>22,600</u>	<u>22,900</u>
<i>Net Change in Fund Balance</i>	(15,500)	(15,500)	85,110	100,610
<i>Fund Balance Beginning of Year</i>	159,677	159,677	159,677	0
Prior Year Encumbrances Appropriated	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$149,677</u></u>	<u><u>\$149,677</u></u>	<u><u>\$250,287</u></u>	<u><u>\$100,610</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Fines Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$17,338	\$2,338
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	<u>20,000</u>	<u>20,000</u>	<u>15,438</u>	<u>4,562</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	1,900	6,900
<i>Fund Balance Beginning of Year</i>	<u>20,914</u>	<u>20,914</u>	<u>20,914</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,914</u></u>	<u><u>\$15,914</u></u>	<u><u>\$22,814</u></u>	<u><u>\$6,900</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$18,793	\$3,793
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	30,145	30,145	30,145	0
Other	4,855	4,855	2,685	2,170
<i>Total Expenditures</i>	<u>35,000</u>	<u>35,000</u>	<u>32,830</u>	<u>2,170</u>
<i>Net Change in Fund Balance</i>	(20,000)	(20,000)	(14,037)	5,963
<i>Fund Balance Beginning of Year</i>	<u>37,423</u>	<u>37,423</u>	<u>37,423</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17,423</u></u>	<u><u>\$17,423</u></u>	<u><u>\$23,386</u></u>	<u><u>\$5,963</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$3,000	\$3,900	\$3,900	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries	2,000	4,000	3,517	483
Fringe Benefits	500	550	93	457
Other	500	1,350	0	1,350
<i>Total Expenditures</i>	<u>3,000</u>	<u>5,900</u>	<u>3,610</u>	<u>2,290</u>
<i>Net Change in Fund Balance</i>	0	(2,000)	290	2,290
<i>Fund Balance Beginning of Year</i>	<u>2,090</u>	<u>2,090</u>	<u>2,090</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,090</u></u>	<u><u>\$90</u></u>	<u><u>\$2,380</u></u>	<u><u>\$2,290</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$0	\$0	\$3,739	\$3,739
Interest	9,000	9,000	21,634	12,634
<i>Total Revenues</i>	<u>9,000</u>	<u>9,000</u>	<u>25,373</u>	<u>16,373</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	34,200	34,200	15,451	18,749
Other	73,800	73,800	69,285	4,515
<i>Total Expenditures</i>	<u>108,000</u>	<u>108,000</u>	<u>84,736</u>	<u>23,264</u>
<i>Net Change in Fund Balance</i>	(99,000)	(99,000)	(59,363)	39,637
<i>Fund Balance Beginning of Year</i>	288,180	288,180	288,180	0
Prior Year Encumbrances Appropriated	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$197,180</u></u>	<u><u>\$197,180</u></u>	<u><u>\$236,817</u></u>	<u><u>\$39,637</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$481,584	\$481,584	\$303,542	(\$178,042)
Expenditures				
Current:				
General Government:				
FEMA:				
Salaries	80,709	24,708	20,518	4,190
Contractual Services	0	56,000	56,000	0
Capital Outlay	262,154	262,154	262,154	0
Other	1,394	1,394	1,384	10
<i>Total Expenditures</i>	<u>344,257</u>	<u>344,256</u>	<u>340,056</u>	<u>4,200</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	137,327	137,328	(36,514)	(173,842)
Other Financing Uses				
Advances Out	(629,500)	(629,500)	0	629,500
<i>Net Change in Fund Balance</i>	(492,173)	(492,172)	(36,514)	455,658
<i>Fund Balance Beginning of Year</i>	345,151	345,151	345,151	0
Prior Year Encumbrances Appropriated	262,154	262,154	262,154	0
<i>Fund Balance End of Year</i>	<u>\$115,132</u>	<u>\$115,133</u>	<u>\$570,791</u>	<u>\$455,658</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$17,000	\$17,000	\$31,394	\$14,394
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	29,000	29,000	29,000	0
Fringe Benefits	11,000	11,000	174	10,826
<i>Total Expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>29,174</u>	<u>10,826</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(23,000)	(23,000)	2,220	25,220
Other Financing Sources				
Advances In	23,000	23,000	23,000	0
<i>Net Change in Fund Balance</i>	0	0	25,220	25,220
<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><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$25,220</u></u>	<u><u>\$25,220</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pool Operation Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$230,000	\$230,000	\$208,354	(\$21,646)
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	120,400	120,400	107,721	12,679
Fringe Benefits	18,400	18,400	16,323	2,077
Contractual Services	48,805	48,805	44,381	4,424
Materials and Supplies	42,000	42,000	37,397	4,603
Other	5,250	5,250	3,300	1,950
<i>Total Expenditures</i>	<u>234,855</u>	<u>234,855</u>	<u>209,122</u>	<u>25,733</u>
<i>Net Change in Fund Balance</i>	(4,855)	(4,855)	(768)	4,087
<i>Fund Balance Beginning of Year</i>	55,387	55,387	55,387	0
Prior Year Encumbrances Appropriated	<u>55</u>	<u>55</u>	<u>55</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$50,587</u>	<u>\$50,587</u>	<u>\$54,674</u>	<u>\$4,087</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior/Community Service Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$147,000	\$147,000	\$123,940	(\$23,060)
Expenditures				
Current:				
Public Health Services:				
Senior/Community Services:				
Other	<u>154,419</u>	<u>154,419</u>	<u>114,768</u>	<u>39,651</u>
<i>Net Change in Fund Balance</i>	(7,419)	(7,419)	9,172	16,591
<i>Fund Balance Beginning of Year</i>	33,518	33,518	33,518	0
Prior Year Encumbrances Appropriated	<u>3,419</u>	<u>3,419</u>	<u>3,419</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$29,518</u></u>	<u><u>\$29,518</u></u>	<u><u>\$46,109</u></u>	<u><u>\$16,591</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$252,000	\$252,000	\$404,624	\$152,624
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Salaries	532,600	532,600	506,775	25,825
Fringe Benefits	183,300	183,300	156,806	26,494
Contractual Services	62,687	62,687	52,412	10,275
Materials and Supplies	15,150	15,150	13,708	1,442
Capital Outlay	6,506	6,506	5,848	658
Other	2,745	2,745	1,541	1,204
<i>Total Expenditures</i>	<u>802,988</u>	<u>802,988</u>	<u>737,090</u>	<u>65,898</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(550,988)</u>	<u>(550,988)</u>	<u>(332,466)</u>	<u>218,522</u>
Other Financing Sources				
Advances In	373,000	373,000	373,000	0
Transfers In	220,000	220,000	277,000	57,000
<i>Total Other Financing Sources</i>	<u>593,000</u>	<u>593,000</u>	<u>650,000</u>	<u>57,000</u>
<i>Net Change in Fund Balance</i>	42,012	42,012	317,534	275,522
<i>Fund Balance Beginning of Year</i>	12,213	12,213	12,213	0
Prior Year Encumbrances Appropriated	26,188	26,188	26,188	0
<i>Fund Balance End of Year</i>	<u><u>\$80,413</u></u>	<u><u>\$80,413</u></u>	<u><u>\$355,935</u></u>	<u><u>\$275,522</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$15,000	\$15,000	\$15,200	\$200
Interest	20,000	20,000	35,246	15,246
<i>Total Revenues</i>	<u>35,000</u>	<u>35,000</u>	<u>50,446</u>	<u>15,446</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Salaries	44,400	44,400	37,644	6,756
Fringe Benefits	16,800	16,800	15,611	1,189
Contractual Services	18,560	18,560	13,160	5,400
Materials and Supplies	9,860	9,860	8,282	1,578
Capital Outlay	17,800	17,800	3,471	14,329
Other	22,125	22,125	19,593	2,532
<i>Total Expenditures</i>	<u>129,545</u>	<u>129,545</u>	<u>97,761</u>	<u>31,784</u>
<i>Excess of Revenues Under Expenditures</i>	(94,545)	(94,545)	(47,315)	47,230
Other Financing Sources				
Transfers In	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	5,455	5,455	52,685	47,230
<i>Fund Balance Beginning of Year</i>	133,157	133,157	133,157	0
Prior Year Encumbrances Appropriated	4,945	4,945	4,945	0
<i>Fund Balance End of Year</i>	<u>\$143,557</u>	<u>\$143,557</u>	<u>\$190,787</u>	<u>\$47,230</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$15,000	\$15,000	\$25,650	\$10,650
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Other	12,000	12,000	1,605	10,395
<i>Net Change in Fund Balance</i>	3,000	3,000	24,045	21,045
<i>Fund Balance Beginning of Year</i>	425,206	425,206	425,206	0
<i>Fund Balance End of Year</i>	<u>\$428,206</u>	<u>\$428,206</u>	<u>\$449,251</u>	<u>\$21,045</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Westlake/Bay Ecological Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$50,000	\$50,000	\$69,751	\$19,751
Expenditures				
Current:				
Basic Utility Services:				
Litter Prevention:				
Salaries	25,000	25,000	21,213	3,787
Fringe Benefits	7,400	7,400	2,910	4,490
Contractual Services	28,474	28,474	27,304	1,170
Other	11,200	11,200	7,570	3,630
<i>Total Expenditures</i>	72,074	72,074	58,997	13,077
<i>Net Change in Fund Balance</i>	(22,074)	(22,074)	10,754	32,828
<i>Fund Balance Beginning of Year</i>	134,239	134,239	134,239	0
Prior Year Encumbrances Appropriated	1,474	1,474	1,474	0
<i>Fund Balance End of Year</i>	\$113,639	\$113,639	\$146,467	\$32,828

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$700	\$700	\$516	(\$184)
Expenditures				
Current:				
General Government:				
Newsletter:				
Other	2,000	2,000	2,000	0
<i>Net Change in Fund Balance</i>	(1,300)	(1,300)	(1,484)	(184)
<i>Fund Balance Beginning of Year</i>	5,136	5,136	5,136	0
<i>Fund Balance End of Year</i>	<u>\$3,836</u>	<u>\$3,836</u>	<u>\$3,652</u>	<u>(\$184)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Reserve for Compensated Absences Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
General Government:				
Compensated Absences:				
Personal Services	300,000	300,000	105,809	194,191
Fringe Benefits	10,000	10,000	72	9,928
<i>Total Expenditures</i>	<u>310,000</u>	<u>310,000</u>	<u>105,881</u>	<u>204,119</u>
<i>Net Change in Fund Balance</i>	(310,000)	(310,000)	(105,881)	204,119
<i>Fund Balance Beginning of Year</i>	<u>1,973,151</u>	<u>1,973,151</u>	<u>1,973,151</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,663,151</u></u>	<u><u>\$1,663,151</u></u>	<u><u>\$1,867,270</u></u>	<u><u>\$204,119</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$43,800	\$43,800	\$61,366	\$17,566
Expenditures				
Current:				
Community Environment:				
Donations:				
Other	<u>79,625</u>	<u>81,425</u>	<u>52,968</u>	<u>28,457</u>
<i>Net Change in Fund Balance</i>	(35,825)	(37,625)	8,398	46,023
<i>Fund Balance Beginning of Year</i>	131,481	131,481	131,481	0
Prior Year Encumbrances Appropriated	<u>2,867</u>	<u>2,867</u>	<u>2,867</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$98,523</u></u>	<u><u>\$96,723</u></u>	<u><u>\$142,746</u></u>	<u><u>\$46,023</u></u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$1,084,431	\$1,084,431	\$1,086,009	\$1,578
Municipal Income Taxes	975,000	975,000	975,000	0
Intergovernmental	103,509	103,509	98,430	(5,079)
<i>Total Revenues</i>	2,162,940	2,162,940	2,159,439	(3,501)
Expenditures				
Debt Service:				
Principal Retirement	1,390,000	1,390,000	1,390,000	0
Interest and Fiscal Charges	747,500	747,500	746,113	1,387
<i>Total Expenditures</i>	2,137,500	2,137,500	2,136,113	1,387
<i>Net Change in Fund Balance</i>	25,440	25,440	23,326	(2,114)
<i>Fund Balance Beginning of Year</i>	1,457,132	1,457,132	1,457,132	0
<i>Fund Balance End of Year</i>	\$1,482,572	\$1,482,572	\$1,480,458	(\$2,114)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue 11 Bond Retirement Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$1,525,000	\$1,525,000	\$1,525,000	\$0
Expenditures				
Debt Service:				
Principal Retirement	1,445,000	1,445,000	1,445,000	0
Interest and Fiscal Charges	78,000	78,000	77,778	222
<i>Total Expenditures</i>	<u>1,523,000</u>	<u>1,523,000</u>	<u>1,522,778</u>	<u>222</u>
<i>Net Change in Fund Balance</i>	2,000	2,000	2,222	222
<i>Fund Balance Beginning of Year</i>	<u>41,485</u>	<u>41,485</u>	<u>41,485</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$43,485</u></u>	<u><u>\$43,485</u></u>	<u><u>\$43,707</u></u>	<u><u>\$222</u></u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	\$95,000	\$95,000	\$80,592	(\$14,408)
Expenditures				
Capital Outlay:				
Sanitary Sewer Improvement:				
Salaries	5,000	5,000	1,113	3,887
Fringe Benefits	600	600	168	432
Capital Outlay	420,537	430,013	46,379	383,634
Other	17,200	17,200	4,157	13,043
<i>Total Expenditures</i>	443,337	452,813	51,817	400,996
<i>Excess of Revenues Over (Under) Expenditures</i>	(348,337)	(357,813)	28,775	386,588
Other Financing Sources (Uses)				
Transfers In	1,985,000	1,985,000	1,606,948	(378,052)
Advances Out	(2,300,000)	(2,300,000)	(2,300,000)	0
<i>Total Other Financing Sources (Uses)</i>	(315,000)	(315,000)	(693,052)	(378,052)
<i>Net Change in Fund Balance</i>	(663,337)	(672,813)	(664,277)	8,536
<i>Fund Balance Beginning of Year</i>	275,119	275,119	275,119	0
Prior Year Encumbrances Appropriated	420,537	420,537	420,537	0
<i>Fund Balance End of Year</i>	\$32,319	\$22,843	\$31,379	\$8,536

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses, Permits and Fees	\$150,000	\$150,000	\$130,639	(\$19,361)
Interest	180,000	180,000	60,866	(119,134)
<i>Total Revenues</i>	<u>330,000</u>	<u>330,000</u>	<u>191,505</u>	<u>(138,495)</u>
Expenditures				
Capital Outlay:				
Storm Drainage:				
Salaries	25,000	25,000	0	25,000
Capital Outlay	1,575,000	1,575,000	17,000	1,558,000
<i>Total Expenses</i>	<u>1,600,000</u>	<u>1,600,000</u>	<u>17,000</u>	<u>1,583,000</u>
<i>Net Change in Fund Balance</i>	(1,270,000)	(1,270,000)	174,505	1,444,505
<i>Fund Balance Beginning of Year</i>	<u>5,130,879</u>	<u>5,130,879</u>	<u>5,130,879</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,860,879</u>	<u>\$3,860,879</u>	<u>\$5,305,384</u>	<u>\$1,444,505</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Crocker Road Improvements Fund
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	0
Expenditures				
Capital Outlay:				
Issue II Improvements:				
Capital Outlay	2,810	2,810	358	2,452
<i>Excess of Revenues Under Expenditures</i>	(2,810)	(2,810)	(358)	2,452
Other Financing Uses				
Transfers Out	(200,086)	(200,086)	0	200,086
<i>Net Change in Fund Balance</i>	(202,896)	(202,896)	(358)	202,538
<i>Fund Balance Beginning of Year</i>	200,086	200,086	200,086	0
Prior Year Encumbrances Appropriated	2,810	2,810	2,810	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$202,538</u>	<u>\$202,538</u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Personal Services	25,000	25,000	0	25,000
Fringe Benefits	3,800	3,800	0	3,800
Other	21,200	21,200	0	21,200
<i>Total Expenditures</i>	50,000	50,000	0	50,000
<i>Excess of Revenues Under Expenditures</i>	(50,000)	(50,000)	0	50,000
Other Financing Sources				
Transfers In	50,000	50,000	0	(50,000)
<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 Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Grants:				
Other	1,715	1,715	690	1,025
<i>Net Change in Fund Balance</i>	(1,715)	(1,715)	(690)	1,025
<i>Fund Balance Beginning of Year</i>	296,609	296,609	296,609	0
<i>Fund Balance End of Year</i>	<u>\$294,894</u>	<u>\$294,894</u>	<u>\$295,919</u>	<u>\$1,025</u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Park Improvement:				
Capital Outlay	13,898	13,898	13,898	0
<i>Net Change in Fund Balance</i>	(13,898)	(13,898)	(13,898)	0
<i>Fund Balance Beginning of Year</i>	13,898	13,898	13,898	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$70,000	\$70,000	\$83,535	\$13,535
Interest	65,000	65,000	38,847	(26,153)
<i>Total Revenues</i>	<u>135,000</u>	<u>135,000</u>	<u>122,382</u>	<u>(12,618)</u>
Expenditures				
Capital Outlay:				
Impact Fee:				
Materials and Supplies	1,552,100	1,552,100	17,635	1,534,465
Other	4,400	4,400	4,400	0
<i>Total Expenditures</i>	<u>1,556,500</u>	<u>1,556,500</u>	<u>22,035</u>	<u>1,534,465</u>
<i>Net Change in Fund Balance</i>	(1,421,500)	(1,421,500)	100,347	1,521,847
<i>Fund Balance Beginning of Year</i>	<u>1,739,180</u>	<u>1,739,180</u>	<u>1,739,180</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$317,680</u></u>	<u><u>\$317,680</u></u>	<u><u>\$1,839,527</u></u>	<u><u>\$1,521,847</u></u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	\$16,929	\$16,929	\$19,485	\$2,556
Expenditures				
Capital Outlay:				
Sidewalk Improvement:				
Salaries	20,000	20,000	2,956	17,044
Fringe Benefits	3,100	3,100	448	2,652
Capital Outlay	615,000	615,000	215,741	399,259
Other	23,568	23,568	1,034	22,534
<i>Total Expenditures</i>	<u>661,668</u>	<u>661,668</u>	<u>220,179</u>	<u>441,489</u>
<i>Excess of Revenues Under Expenditures</i>	(644,739)	(644,739)	(200,694)	444,045
Other Financing Sources				
Advances In	635,000	635,000	250,000	(385,000)
<i>Net Change in Fund Balance</i>	(9,739)	(9,739)	49,306	59,045
<i>Fund Balance Beginning of Year</i>	<u>31,622</u>	<u>31,622</u>	<u>31,622</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,883</u></u>	<u><u>\$21,883</u></u>	<u><u>\$80,928</u></u>	<u><u>\$59,045</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
City Hall Construction:				
Capital Outlay	<u>98,740</u>	<u>98,740</u>	<u>98,740</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(98,740)	(98,740)	(98,740)	0
Other Financing Uses				
Transfers Out	<u>(690,946)</u>	<u>(690,946)</u>	<u>0</u>	<u>690,946</u>
<i>Net Change in Fund Balance</i>	(789,686)	(789,686)	(98,740)	690,946
<i>Fund Balance Beginning of Year</i>	759,686	759,686	759,686	0
Prior Year Encumbrances Appropriated	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$690,946</u></u>	<u><u>\$690,946</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay:				
Service Center Construction:				
Salaries	20,000	40,000	26,803	13,197
Fringe Benefits	6,100	6,100	4,059	2,041
Capital Outlay	3,698,853	3,698,853	3,653,926	44,927
Other	17,742	17,742	16,427	1,315
<i>Total Expenditures</i>	<u>3,742,695</u>	<u>3,762,695</u>	<u>3,701,215</u>	<u>61,480</u>
<i>Net Change in Fund Balance</i>	(3,742,695)	(3,762,695)	(3,701,215)	61,480
<i>Fund Balance Beginning of Year</i>	2,106,825	2,106,825	2,106,825	0
Prior Year Encumbrances Appropriated	<u>3,574,295</u>	<u>3,574,295</u>	<u>3,574,295</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,938,425</u>	<u>\$1,918,425</u>	<u>\$1,979,905</u>	<u>\$61,480</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$167,000	\$167,000	\$275,314	\$108,314
Expenditures				
Capital Outlay:				
Recreation Center Construction:				
Salaries	5,000	5,000	4,930	70
Fringe Benefits	800	800	757	43
Contractual Services	45,000	45,000	44,653	347
Capital Outlay	603,015	603,015	573,691	29,324
Other	34,455	34,455	15,235	19,220
<i>Total Expenditures</i>	<u>688,270</u>	<u>688,270</u>	<u>639,266</u>	<u>49,004</u>
<i>Net Change in Fund Balance</i>	(521,270)	(521,270)	(363,952)	157,318
<i>Fund Balance Beginning of Year</i>	1,048,849	1,048,849	1,048,849	0
Prior Year Encumbrances Appropriated	<u>567,470</u>	<u>567,470</u>	<u>567,470</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,095,049</u>	<u>\$1,095,049</u>	<u>\$1,252,367</u>	<u>\$157,318</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$588,000	\$588,000	\$456,935	(\$131,065)
Rentals	2,000	2,000	3,504	1,504
Other	10,000	10,000	10,000	0
<i>Total Revenues</i>	600,000	600,000	470,439	(129,561)
Expenses				
Personal Services	270,650	270,650	243,402	27,248
Fringe Benefits	72,500	72,500	64,657	7,843
Contractual Services	103,062	103,062	69,637	33,425
Materials and Supplies	86,955	86,955	62,409	24,546
Capital Outlay	35,000	35,000	3,885	31,115
Other	26,036	26,036	19,124	6,912
<i>Total Expenses</i>	594,203	594,203	463,114	131,089
<i>Excess of Revenues Over Expenses</i>	5,797	5,797	7,325	1,528
Advances Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Equity</i>	(44,203)	(44,203)	7,325	51,528
<i>Fund Equity Beginning of Year</i>	62,305	62,305	62,305	0
Prior Year Encumbrances Appropriated	4,903	4,903	4,903	0
<i>Fund Equity End of Year</i>	\$23,005	\$23,005	\$74,533	\$51,528

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,272,800	\$2,272,800	\$2,275,125	\$2,325
Interest	20,000	20,000	55,901	35,901
<i>Total Revenues</i>	2,292,800	2,292,800	2,331,026	38,226
Expenses				
Contractual Services	365,000	365,000	359,122	5,878
Claims	2,145,000	2,145,000	2,141,876	3,124
<i>Total Expenses</i>	2,510,000	2,510,000	2,500,998	9,002
<i>Net Change in Fund Equity</i>	(217,200)	(217,200)	(169,972)	47,228
<i>Fund Equity Beginning of Year</i>	668,208	668,208	668,208	0
<i>Fund Equity End of Year</i>	\$451,008	\$451,008	\$498,236	\$47,228

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Statistical Section

This part of the City of Westlake, 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.	S2-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-S19
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.	S20-S25
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.	S26-S29
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.	S30-S34

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 2001; schedules presenting government-wide information include information beginning in that year.

City of Westlake, Ohio
Net Assets by Component
Last Six Years
(accrual basis of accounting)

	2006	2005	2004	2003	2002	2001
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$111,522,458	\$107,532,355	\$95,408,072	\$90,918,473	\$87,726,914	\$76,571,036
Restricted	29,436,744	31,289,085	37,559,907	35,710,547	34,748,143	37,694,765
Unrestricted	<u>30,016,958</u>	<u>24,115,948</u>	<u>23,388,288</u>	<u>24,879,263</u>	<u>23,396,704</u>	<u>30,332,036</u>
<i>Total Governmental Activities Net Assets</i>	<u>170,976,160</u>	<u>162,937,388</u>	<u>156,356,267</u>	<u>151,508,283</u>	<u>145,871,761</u>	<u>144,597,837</u>
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	32,600,713	33,192,749	32,689,796	32,564,585	32,600,462	32,240,318
Unrestricted	<u>20,501,409</u>	<u>20,526,997</u>	<u>20,898,424</u>	<u>21,257,934</u>	<u>22,046,837</u>	<u>22,848,345</u>
<i>Total Business-Type Activities Net Assets</i>	<u>53,102,122</u>	<u>53,719,746</u>	<u>53,588,220</u>	<u>53,822,519</u>	<u>54,647,299</u>	<u>55,088,663</u>
Primary government						
Invested in Capital Assets, Net of Related Debt	144,123,171	140,725,104	128,097,868	123,483,058	120,327,376	108,811,354
Restricted	29,436,744	31,289,085	37,559,907	35,710,547	34,748,143	37,694,765
Unrestricted	<u>50,518,367</u>	<u>44,642,945</u>	<u>44,286,712</u>	<u>46,137,197</u>	<u>45,443,541</u>	<u>53,180,381</u>
<i>Total Primary Government Net Assets</i>	<u>\$224,078,282</u>	<u>\$216,657,134</u>	<u>\$209,944,487</u>	<u>\$205,330,802</u>	<u>\$200,519,060</u>	<u>\$199,686,500</u>

City of Westlake, Ohio
Changes in Net Assets
Last Six Years
(accrual basis of accounting)

	2006	2005	2004	2003	2002	2001
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	\$173,083	\$127,184	\$479,604	\$439,045	\$557,528	\$328,544
Security of Persons and Property	1,035,418	982,712	697,379	358,014	301,778	315,400
Public Health Services	164,790	245,703	217,676	109,774	112,691	102,326
Transportation	18,095	800	0	0	23,335	0
Community Environment	330,801	2,464	395,233	422,031	367,209	413,710
Basic Utility Services	699,054	591,125	375,328	271,828	283,095	420,401
Leisure Time Activities	2,457,714	2,153,198	2,159,425	1,954,280	2,009,919	1,808,310
Operating Grants and Contributions	2,326,833	1,991,525	1,494,552	1,561,028	1,607,321	1,252,164
Capital Grants and Contributions	779,936	6,508,012	615,617	416,865	866,330	4,290,615
<i>Total Governmental Activities Program Revenues</i>	<u>7,985,724</u>	<u>12,602,723</u>	<u>6,434,814</u>	<u>5,532,865</u>	<u>6,129,206</u>	<u>8,931,470</u>
Business-Type Activities:						
Charges for Services:						
Sewer	1,849,077	1,817,584	1,847,391	1,578,261	1,648,297	1,718,173
Golf Course	460,439	504,641	475,011	456,882	479,338	477,505
<i>Total Business-Type Activities Program Revenues</i>	<u>2,309,516</u>	<u>2,322,225</u>	<u>2,322,402</u>	<u>2,035,143</u>	<u>2,127,635</u>	<u>2,195,678</u>
<i>Total Primary Government Program Revenues</i>	<u>10,295,240</u>	<u>14,924,948</u>	<u>8,757,216</u>	<u>7,568,008</u>	<u>8,256,841</u>	<u>11,127,148</u>
Expenses						
Governmental Activities:						
General Government	7,343,276	7,374,119	6,143,020	5,579,719	8,288,139	8,405,770
Security of Persons and Property	12,689,539	12,050,809	11,750,100	10,545,048	10,701,215	10,338,153
Public Health Services	904,177	874,171	789,438	681,078	755,224	653,421
Transportation	8,837,612	12,801,841	9,106,958	6,468,674	7,435,759	5,967,956
Community Environment	1,403,325	1,635,242	1,628,983	1,004,252	1,253,995	1,141,786
Basic Utility Services	1,770,100	1,688,932	1,714,687	2,274,064	2,682,560	2,919,802
Leisure Time Activities	3,679,917	3,436,612	3,308,446	3,187,993	3,321,751	3,183,996
Interest and Fiscal Charges	1,372,783	1,176,075	1,439,879	1,524,599	1,746,348	1,784,341
<i>Total Governmental Activities Expenses</i>	<u>38,000,729</u>	<u>41,037,801</u>	<u>35,881,511</u>	<u>31,265,427</u>	<u>36,184,991</u>	<u>34,395,225</u>
Business-Type Activities:						
Sewer	2,619,020	3,076,178	3,021,810	3,011,609	3,255,674	2,606,026
Golf	498,429	510,441	483,123	520,339	510,649	427,768
<i>Total Business-Type Activities Expenses</i>	<u>3,117,449</u>	<u>3,586,619</u>	<u>3,504,933</u>	<u>3,531,948</u>	<u>3,766,323</u>	<u>3,033,794</u>
<i>Total Primary Government Expenses</i>	<u>\$41,118,178</u>	<u>\$44,624,420</u>	<u>\$39,386,444</u>	<u>\$34,797,375</u>	<u>\$39,951,314</u>	<u>\$37,429,019</u>

(continued)

City of Westlake, Ohio
Changes in Net Assets (continued)
Last Six Years
(accrual basis of accounting)

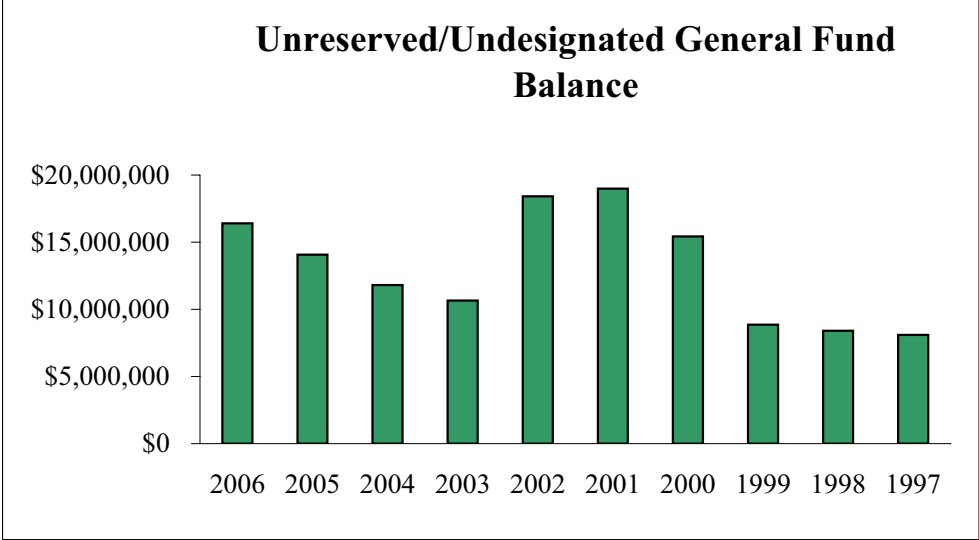
	2006	2005	2004	2003	2002	2001
Net (Expense)/Revenue						
Governmental Activities	(\$30,015,005)	(\$28,435,078)	(\$29,446,697)	(\$25,732,562)	(\$30,055,785)	(\$25,463,755)
Business-Type Activities	(807,933)	(1,264,394)	(1,182,531)	(1,496,805)	(1,638,688)	(838,116)
<i>Total Primary Government Net Expense</i>	<u>(\$30,822,938)</u>	<u>(\$29,699,472)</u>	<u>(\$30,629,228)</u>	<u>(\$27,229,367)</u>	<u>(\$31,694,473)</u>	<u>(\$26,301,871)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes:						
Property and Other Local Taxes Levied For:						
General Purposes	\$9,085,209	\$9,003,584	\$9,010,253	\$8,577,934	\$8,188,115	\$7,779,723
Other Purposes	1,809,629	1,769,604	1,700,673	1,628,652	1,541,622	1,465,913
Debt Service	1,082,470	1,173,742	1,236,724	1,408,516	1,333,378	1,270,462
Municipal Income Taxes Levied For:						
General Purposes	11,550,068	11,995,713	10,255,307	9,560,032	10,009,473	10,021,195
Other Purposes	239,682	252,404	255,214	241,261	244,093	254,744
Debt Service	2,396,061	2,477,782	2,760,486	2,541,856	2,543,848	2,623,865
Capital Outlay	3,298,704	3,093,288	2,311,569	2,102,777	2,317,580	2,110,910
Grants and Entitlements not Restricted to Specific Programs	5,127,705	3,805,291	4,380,362	4,316,817	2,956,228	3,378,432
Investment Earnings	2,958,506	2,203,618	1,503,231	1,286,215	2,725,652	3,216,845
Gain (Loss) on Sale of Capital Assets	0	0	117,337	763,927	0	0
Miscellaneous	365,149	256,046	1,361,340	239,166	353,604	561,441
Transfers	140,594	(1,054,873)	(597,815)	(824,450)	(883,884)	187,834
<i>Total Governmental Activities</i>	<u>38,053,777</u>	<u>34,976,199</u>	<u>34,294,681</u>	<u>31,842,703</u>	<u>31,329,709</u>	<u>32,871,364</u>
Business-Type Activities:						
Investment Earnings	320,903	329,882	331,106	85,088	197,583	518,911
Miscellaneous	10,000	11,165	19,311	91,348	115,857	175
Transfers	(140,594)	1,054,873	597,815	824,450	883,884	(187,834)
<i>Total Business-Type Activities</i>	<u>190,309</u>	<u>1,395,920</u>	<u>948,232</u>	<u>1,000,886</u>	<u>1,197,324</u>	<u>331,252</u>
<i>Total Primary Government</i>	<u>38,244,086</u>	<u>36,372,119</u>	<u>35,242,913</u>	<u>32,843,589</u>	<u>32,527,033</u>	<u>33,202,616</u>
Change in Net Assets						
Governmental Activities	8,038,772	6,541,121	4,847,984	6,110,141	1,273,924	7,407,609
Business-Type Activities	(617,624)	131,526	(234,299)	(495,919)	(441,364)	(506,864)
<i>Total Primary Government Change in Net Assets</i>	<u>\$7,421,148</u>	<u>\$6,672,647</u>	<u>\$4,613,685</u>	<u>\$5,614,222</u>	<u>\$832,560</u>	<u>\$6,900,745</u>

City of Westlake, Ohio
Program Revenues by Function/Program
Last Six Years
(accrual basis of accounting)

	2006	2005	2004	2003	2002	2001
Function/Program						
Governmental Activities:						
General Government	\$508,535	\$496,928	\$496,947	\$444,240	\$558,308	\$328,919
Security of Persons and Property	1,154,071	1,027,332	735,831	497,570	681,416	323,107
Public Health Services	164,790	245,703	261,584	365,866	112,691	102,326
Transportation	2,609,393	8,029,696	1,407,515	1,527,642	1,513,784	1,511,545
Community Environment	392,167	58,741	442,348	451,522	410,148	4,189,967
Basic Utility Services	699,054	591,125	931,164	291,745	842,940	420,401
Leisure Time Activities	2,457,714	2,153,198	2,159,425	1,954,280	2,009,919	2,055,205
<i>Total Governmental Activities</i>	<u>7,985,724</u>	<u>12,602,723</u>	<u>6,434,814</u>	<u>5,532,865</u>	<u>6,129,206</u>	<u>8,931,470</u>
Business-type activities:						
Sewer	1,849,077	1,817,584	1,847,391	1,578,261	1,648,297	1,718,173
Golf Course	460,439	504,641	475,011	456,882	479,338	477,505
<i>Total Business-Type Activities</i>	<u>2,309,516</u>	<u>2,322,225</u>	<u>2,322,402</u>	<u>2,035,143</u>	<u>2,127,635</u>	<u>2,195,678</u>
<i>Total Primary Government</i>	<u>\$10,295,240</u>	<u>\$14,924,948</u>	<u>\$8,757,216</u>	<u>\$7,568,008</u>	<u>\$8,256,841</u>	<u>\$11,127,148</u>

City of Westlake, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

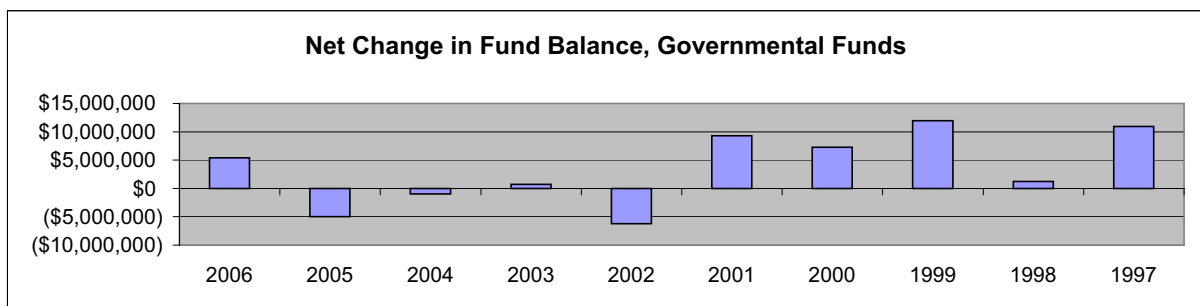
	2006	2005	2004	2003	2002
General Fund					
Reserved	\$9,697,876	\$7,806,445	\$6,815,484	\$10,021,597	\$7,935,585
Unreserved:					
Designated for Capital Acquisitions	7,975,965	7,591,251	7,969,632	7,796,347	0
Unreserved, Undesignated	16,408,054	14,071,956	11,812,699	10,653,195	18,420,711
Total General Fund	34,081,895	29,469,652	26,597,815	28,471,139	26,356,296
All Other Governmental Funds					
Reserved	3,034,449	7,606,938	3,305,126	12,157,135	2,429,131
Undesignated, Reported in:					
Special Revenue funds	8,632,231	7,702,689	7,193,443	6,876,787	6,549,206
Debt Service funds	2,337,907	2,279,073	2,029,627	1,918,125	1,668,871
Capital Projects funds	10,707,187	6,336,540	19,218,232	9,725,106	21,400,641
Total All Other Governmental Funds	24,711,774	23,925,240	31,746,428	30,677,153	32,047,849
Total Governmental Funds	\$58,793,669	\$53,394,892	\$58,344,243	\$59,148,292	\$58,404,145



2001	2000	1999	1998	1997
\$8,836,531	\$7,885,805	\$12,269,450	\$10,161,530	\$4,597,043
0	7,342,068	6,129,196	6,209,483	5,910,842
18,986,782	15,422,886	8,857,270	8,409,420	8,091,929
27,823,313	30,650,759	27,255,916	24,780,433	18,599,814
7,937,222	3,755,925	6,022,584	1,397,739	7,456,960
7,616,917	4,515,270	4,203,606	3,803,157	2,841,148
1,435,707	0	1,330,876	1,096,150	1,434,344
19,807,379	15,961,874	8,786,877	4,063,271	3,665,030
36,797,225	24,233,069	20,343,943	10,360,317	15,397,482
\$64,620,538	\$54,883,828	\$47,599,859	\$35,140,750	\$33,997,296

City of Westlake, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

	2006	2005	2004	2003	2002
Revenues					
Property and Other Local Taxes	\$11,976,811	\$12,155,219	\$11,879,372	\$11,228,925	\$11,043,798
Municipal Income Taxes	18,293,898	17,578,476	15,470,140	14,784,860	15,188,139
Charges for Services	3,480,554	2,825,684	2,483,146	2,105,237	2,186,143
Licenses, Permits and Fees	929,730	924,303	1,318,527	1,053,268	1,000,703
Fines and Forfeitures	243,059	295,531	367,721	290,852	244,578
Intergovernmental	8,009,743	7,562,035	6,495,291	6,296,343	5,033,425
Special Assessments	357,592	221,910	236,764	218,000	254,419
Interest	2,958,506	2,188,708	1,503,231	1,243,422	2,725,652
Miscellaneous	572,051	370,566	1,545,841	353,887	940,834
Total Revenues	46,821,944	44,122,432	41,300,033	37,574,794	38,617,691
Expenditures					
Current:					
General Government	5,910,695	5,849,475	5,734,643	5,466,351	8,797,996
Security of Persons and Property	11,991,168	11,079,604	10,848,006	10,225,414	9,591,265
Public Health Services	782,869	734,291	705,667	611,694	679,044
Transportation	4,742,667	4,484,762	5,274,082	3,591,594	3,866,492
Community Environment	1,337,067	1,338,074	1,534,229	957,856	1,264,504
Basic Utility Services	707,566	603,055	673,328	1,349,688	1,969,874
Leisure Time Activities	3,022,567	2,802,362	2,722,184	2,705,819	2,759,712
Capital Outlay	8,567,823	22,774,913	11,202,721	8,584,014	11,509,834
Landfill Postclosure Costs	36,032	28,364	24,958	12,576	27,589
Debt service:					
Principal Retirement	3,297,761	3,117,762	3,142,450	2,968,450	2,814,449
Interest and Fiscal Charges	1,186,462	1,048,657	1,348,307	1,537,386	1,728,950
Bond Issuance Costs	0	317,417	138,718	0	0
Total Expenditures	41,582,677	54,178,736	43,349,293	38,010,842	45,009,709
Excess of Revenues Over (Under) Expenditures	5,239,267	(10,056,304)	(2,049,260)	(436,048)	(6,392,018)
Other Financing Sources (Uses)					
Sale of Capital Assets	17,635	38,985	162,092	810,651	0
Notes and Bonds Issued	0	4,620,000	6,840,000	0	0
Bond Premium	0	314,530	16,067	0	0
Loan Issued	0	0	603,879	202,356	0
Special Assessment Bonds Issued	0	0	0	0	0
Proceeds of Bonds	0	0	0	0	0
Proceeds of Refunding Bonds	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(6,717,348)	0	0
Transfers In	3,846,676	4,217,078	10,766,761	2,369,281	4,225,625
Transfers Out	(3,704,801)	(4,083,640)	(10,608,011)	(2,202,093)	(4,050,000)
Total Other Financing Sources (Uses)	159,510	5,106,953	1,063,440	1,180,195	175,625
Net Change in Fund Balances	\$5,398,777	(\$4,949,351)	(\$985,820)	\$744,147	(\$6,216,393)
Debt Service as a Percentage of Noncapital Expenditures	13.2%	10.2%	13.4%	16.9%	13.2%



2001	2000	1999	1998	1997
\$10,544,876	\$9,877,335	\$9,588,629	\$8,867,511	\$8,692,494
15,615,349	14,503,879	13,932,820	13,268,143	11,724,351
1,954,858	2,576,524	2,091,093	2,126,854	843,497
1,080,632	336,383	596,256	571,357	490,879
263,909	1,058,014	243,781	196,413	212,092
8,867,603	8,335,592	7,148,069	4,109,312	3,951,301
325,453	774,745	1,217,900	725,172	662,359
3,216,845	3,687,324	2,588,958	2,295,892	2,282,145
724,365	528,143	557,025	1,463,229	177,857
42,593,890	41,677,939	37,964,531	33,623,883	29,036,975
8,353,695	4,084,882	4,418,553	3,477,090	3,432,466
9,328,629	9,915,392	7,985,868	7,318,077	7,012,373
552,394	545,759	521,648	560,830	518,776
2,331,272	2,504,899	1,791,762	1,615,974	1,899,481
1,054,340	1,084,387	1,026,612	888,222	823,191
1,714,022	2,101,426	1,830,218	1,875,057	1,853,946
2,542,274	2,288,584	2,401,645	1,522,285	1,267,620
3,726,438	7,272,143	6,570,376	11,021,139	10,162,776
34,465	0	23,926	23,731	13,784
2,814,453	2,829,449	2,659,449	2,300,505	2,134,165
1,794,213	1,948,661	2,127,057	1,924,153	2,041,907
0	0	0	0	0
34,246,195	34,575,582	31,357,114	32,527,063	31,160,485
8,347,695	7,102,357	6,607,417	1,096,820	(2,123,510)
0	0	0	0	12,683
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
765,000	0	0	0	0
0	0	5,185,000	0	12,792,571
0	0	0	0	5,504,709
0	0	0	0	(5,404,882)
6,987,834	4,537,877	3,902,424	614,347	579,567
(6,800,000)	(4,388,299)	(3,752,857)	(464,780)	(430,000)
952,834	149,578	5,334,567	149,567	13,054,648
\$9,300,529	\$7,251,935	\$11,941,984	\$1,246,387	\$10,931,138
14.2%	14.5%	55.4%	17.4%	14.7%

City of Westlake, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Collection Years

	2006	2005	2004	2003
Unvoted Millage				
Operating	1.60000	1.60000	1.50000	1.50000
Debt	0.50000	0.50000	0.60000	0.60000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>2.70000</u>	<u>2.70000</u>	<u>2.70000</u>	<u>2.70000</u>
Charter Millage				
1976 Charter				
General Business and Public Utility Personal	6.00000	6.00000	6.00000	6.00000
Residential/Agricultural Real	6.00000	6.00000	6.00000	6.00000
Commerical/Industrial and Public Utility Real	6.00000	6.00000	6.00000	6.00000
Voted Millage by Levy				
1982 Bond (\$3,200,000)				
General Business and Public Utility Personal	0.00000	0.00000	0.00000	0.20000
Residential/Agricultural Real	0.00000	0.00000	0.00000	0.20000
Commerical/Industrial and Public Utility Real	0.00000	0.00000	0.00000	0.20000
1987 Police and Fire Operating				
General Business and Public Utility Personal	0.00000	0.00000	0.00000	0.00000
Residential/Agricultural Real	0.00000	0.00000	0.00000	0.00000
Commerical/Industrial and Public Utility Real	0.00000	0.00000	0.00000	0.00000
1988 Bond (\$6,000,000)				
General Business and Public Utility Personal	0.40000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.40000	0.50000	0.50000	0.50000
Commerical/Industrial and Public Utility Real	0.40000	0.50000	0.50000	0.50000
2001 Police and Fire Operating				
General Business and Public Utility Personal	0.90000	0.90000	0.90000	0.90000
Residential/Agricultural Real	0.90000	0.90000	0.90000	0.90000
Commerical/Industrial and Public Utility Real	0.90000	0.90000	0.90000	0.90000
<i>Total Voted Millage by Type of Property</i>				
General Business and Public Utility Personal	7.30000	7.40000	7.40000	7.60000
Residential/Agricultural Real	7.30000	7.40000	7.40000	7.60000
Commerical/Industrial and Public Utility Real	7.30000	7.40000	7.40000	7.60000
<i>Total Millage by Type of Property</i>				
General Business and Public Utility Personal	10.00000	10.10000	10.10000	10.30000
Residential/Agricultural Real	10.00000	10.10000	10.10000	10.30000
Commerical/Industrial and Public Utility Real	10.00000	10.10000	10.10000	10.30000
Overlapping Rates by Taxing District				
<i>Westlake School District</i>				
General Business and Public Utility Personal	60.80000	60.70000	61.00000	61.20000
Residential/Agricultural Real	27.95490	27.86250	28.14620	29.99600
Commerical/Industrial and Public Utility Real	31.29490	30.80390	31.52690	32.83400

2002	2001	2000	1999	1998	1997
1.50000	1.50000	1.38000	1.38000	1.38000	1.24000
0.60000	0.60000	0.72000	0.72000	0.72000	0.86000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.70000	2.70000	2.70000	2.70000	2.70000	2.70000
6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
0.20000	0.20000	0.30000	0.39000	0.29000	0.48000
0.20000	0.20000	0.30000	0.39000	0.29000	0.48000
0.20000	0.20000	0.30000	0.39000	0.29000	0.48000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
0.50000	0.50000	0.60000	0.51000	0.31000	0.72000
0.50000	0.50000	0.60000	0.51000	0.31000	0.72000
0.50000	0.50000	0.60000	0.51000	0.31000	0.72000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
7.60000	7.60000	7.80000	7.80000	7.50000	8.10000
7.60000	7.60000	7.80000	7.80000	7.50000	8.10000
7.60000	7.60000	7.80000	7.80000	7.50000	8.10000
10.30000	10.30000	10.50000	10.50000	10.20000	10.80000
10.30000	10.30000	10.50000	10.50000	10.20000	10.80000
10.30000	10.30000	10.50000	10.50000	10.20000	10.80000
60.60000	60.70000	61.10000	61.10000	61.00000	60.70000
29.50250	29.71760	27.62280	27.74000	27.80920	28.95460
32.06810	32.32340	33.26410	33.62870	33.64690	34.26810

(continued)

City of Westlake, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Collection Years (continued)

	2006	2005	2004	2003
<i>Westlake Porter Library</i>				
Operating - continuing				
General Business and Public Utility Personal	2.50000	2.50000	2.50000	2.00000
Residential/Agricultural Real	2.29980	2.30070	2.29880	1.79720
Commerical/Industrial and Public Utility Real	2.37790	2.33610	2.38140	1.66750
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	13.52000	13.52000	13.52000	11.72000
Residential/Agricultural Real	11.72270	10.97540	10.98990	9.76420
Commerical/Industrial and Public Utility Real	12.57620	11.98460	12.04330	10.12350
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	4.78000	4.78000	4.48000	4.48000
Residential/Agricultural Real	4.29650	4.29490	3.61900	3.97250
Commerical/Industrial and Public Utility Real	4.55520	4.51750	4.00960	4.09760

(1) Metro Parks, Port Authority, Community College

Note: The rates presented for 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.

2002	2001	2000	1999	1998	1997
2.00000	2.00000	2.00000	2.00000	2.00000	2.00000
1.80650	1.81660	1.96900	1.98170	1.66870	1.79900
1.65560	1.66670	1.96030	1.99030	1.79850	1.86650
11.72000	11.72000	10.82000	10.82000	7.72000	7.72000
9.77190	9.78450	9.60610	9.61550	6.52850	6.93550
10.05050	9.99190	10.16310	10.18920	7.09370	7.23580
4.48000	4.48000	4.48000	4.48000	7.68000	8.88000
2.88670	2.89340	3.23200	3.23700	3.45650	4.63080
3.28530	3.26260	3.71440	5.19680	4.94640	6.08420

City of Westlake, Ohio
 Assessed Valuation and Estimated True Values of Taxable Property
 Last Ten Years

Collection Year	Real Property Assessed Values			Estimated Actual Value	Tangible Personal Property Assessed Values		Estimated Actual Value
	Residential/ Agricultural	Commercial Industrial	Public Utility		Public Utility	General Business	
2006	\$902,278,520	\$328,319,530	\$21,120	\$3,516,054,771	\$20,367,010	\$58,827,680	\$336,891,956
2005	886,479,740	323,008,610	21,120	3,455,741,343	22,225,550	64,928,167	371,539,864
2004	872,094,890	309,650,930	21,100	3,376,476,914	22,652,240	67,303,512	318,365,147
2003	790,183,380	302,350,550	21,100	3,121,585,800	22,213,040	74,078,302	347,321,665
2002	782,899,333	289,565,507	21,100	3,064,245,543	23,522,370	77,021,986	361,608,166
2001	750,906,222	277,732,438	21,100	2,939,027,886	30,491,100	74,494,491	358,538,069
2000	652,167,196	241,212,524	16,670	2,552,561,114	30,889,430	69,493,252	337,246,199
1999	621,880,372	230,010,548	503,290	2,435,412,029	33,579,300	63,939,231	316,154,952
1998	604,993,464	223,764,706	503,290	2,369,318,457	34,326,270	64,750,544	320,531,229
1997	555,710,770	205,536,860	503,290	2,176,431,200	35,417,680	65,660,169	325,726,359

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

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

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

Source: Cuyahoga County, Ohio; County Auditor

Total			
Assessed Values	Estimated Actual Value	Ratio	Direct Tax Rate
\$1,309,813,860	\$3,852,946,728	34.00%	\$10.00
1,296,663,187	3,827,281,207	33.88%	10.10
1,271,722,672	3,694,842,061	34.42%	10.10
1,188,846,372	3,468,907,465	34.27%	10.30
1,173,030,296	3,425,853,709	34.24%	10.30
1,133,645,351	3,297,565,954	34.38%	10.30
993,779,072	2,889,807,313	34.39%	10.50
949,912,741	2,751,566,981	34.52%	10.50
928,338,274	2,689,849,686	34.51%	10.20
862,828,769	2,502,157,559	34.48%	10.80

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy
2006	\$12,722,123	\$12,555,099	98.69 %	\$397,741	\$12,952,840	101.81 %
2005	13,949,573	14,317,638	102.64	822,863	15,140,501	108.54
2004	13,961,856	12,644,208	90.56	458,047	13,102,255	93.84
2003	11,434,306	10,960,238	95.85	270,303	11,230,541	98.22
2002	11,225,940	10,695,012	95.27	307,667	11,002,679	98.01
2001	11,310,839	10,922,571	96.57	250,109	11,172,680	98.78
2000	9,908,961	9,338,060	94.24	174,345	9,512,405	96.00
1999	9,543,649	9,142,265	95.79	195,253	9,337,518	97.84
1998	9,078,834	8,598,110	94.71	113,626	8,711,736	95.96
1997	8,896,826	8,445,688	94.93	99,814	8,545,502	96.05

Source: Cuyahoga County, Ohio; County Auditor

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

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

City of Westlake, Ohio

Principal Taxpayers

2006 and 1997

Taxpayer	2006	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Toledo-Lucas County Port Authority (Crocker Park)	\$31,018,110	2.37%
Cleveland Electric Illuminating Company	12,396,170	0.95
Westlake Center Associates LTD	11,229,580	0.86
Energizer Battery Manufacturing, Inc.	7,417,280	0.57
University Hospital Health Systems	7,215,120	0.55
Remington-OP & F, Incorporated	6,239,700	0.48
Crossings Village Westlake LLC	5,838,600	0.45
Sturbridge Square Apartments	5,630,070	0.43
Cleveland Retirement	5,600,040	0.43
WXZ Arbors, LLC	5,451,880	0.42
Ozre Lodging II LLC	5,224,140	0.40
	<u>\$103,260,690</u>	<u>7.91%</u>
Total Assessed Valuation	<u>\$1,309,813,860</u>	

Taxpayer	1997	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$18,980,440	2.20%
Westlake Health Campus Association	10,864,490	1.26
Ohio Bell Telephone Co.	8,627,660	1.00
Westlake Center Associates	8,469,930	0.98
King James Park Ltd.	8,020,820	0.93
Eveready Battery Company	6,571,180	0.76
Columbia Gas of Ohio Inc.	6,324,140	0.73
Fort Austin Ltd. Partnership	5,536,440	0.64
Kopf-Newton Venture I	5,096,350	0.59
Metric Institutional Apartment Fund II	4,947,850	0.57
	<u>\$83,439,300</u>	<u>9.66%</u>
Total Assessed Valuation	<u>\$862,828,769</u>	

Source: Cuyahoga County Auditor

City of Westlake, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2006	1.50 %	\$17,484,515	\$13,400,903	77 %	\$1,818,991	10 %	\$2,264,621	13 %
2005	1.50	16,511,134	12,981,410	79	1,316,119	8	2,213,605	13
2004	1.50	15,092,505	12,012,167	80	1,108,912	7	1,971,426	13
2003	1.50	14,878,677	11,696,293	79	1,190,241	8	1,992,143	13
2002	1.50	15,102,037	11,719,909	78	1,270,182	8	2,111,946	14
2001	1.50	14,711,782	11,202,349	76	1,511,533	10	1,997,900	14
2000	1.50	13,896,554	10,861,632	78	1,172,511	8	1,862,411	13
1999	1.50	13,388,076	10,186,585	76	1,504,171	11	1,697,320	13
1998	1.50	12,762,667	9,734,433	76	1,155,515	9	1,872,719	15
1997	1.50	11,602,867	8,750,062	75	1,233,356	11	1,619,449	14

Sources: Regional Income Tax Agency data - certain amounts may be estimates. Number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding only, without filing requirement.

(1) 2001 through 2006 are on an Accrual Basis and 1996 through 2000 are on a Modified Accrual Basis.

City of Westlake, Ohio

Income Tax Statistics

Last Five Years

Income Averages For Westlake Years 2001-2005					
Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2005	0-24,999	3,987	32.78	\$20,846,473	2.07
2005	25,000-49,999	2,289	18.82	85,362,864	8.49
2005	50,000-74,999	1,678	13.80	102,997,398	10.25
2005	75,000-99,999	1,195	9.83	103,304,682	10.28
2005	Over 100,000	<u>3,013</u>	24.77	<u>692,539,379</u>	68.91
	Total	<u>12,162</u>		<u>\$1,005,050,796</u>	
2004	0-24,999	3,880	32.60	\$7,209,472	0.72
2004	25,000-49,999	2,298	19.31	85,367,519	8.45
2004	50,000-74,999	1,675	14.07	103,513,856	10.25
2004	75,000-99,999	1,170	9.83	101,500,150	10.05
2004	Over 100,000	<u>2,879</u>	24.19	<u>712,181,078</u>	70.53
	Total	<u>11,902</u>		<u>\$1,009,772,075</u>	
2003	0-19,999	3,229	27.52	24,979,968	2.85
2003	20,000-49,999	2,949	25.13	102,360,059	11.86
2003	50,000-74,999	1,791	15.26	110,800,569	12.65
2003	75,000-99,999	1,192	10.16	103,754,628	11.84
2003	Over 100,000	<u>2,572</u>	21.92	<u>534,332,449</u>	60.98
	Total	<u>11,733</u>		<u>\$876,227,673</u>	
2002	0-19,999	3,294	28.04	\$25,396,943	3.00
2002	20,000-49,999	3,082	26.24	107,176,144	12.67
2002	50,000-74,999	1,699	14.46	104,556,114	12.36
2002	75,000-99,999	1,173	9.99	101,787,972	12.03
2002	Over 100,000	<u>2,498</u>	21.27	<u>507,296,130</u>	59.95
	Total	<u>11,746</u>		<u>\$846,213,303</u>	
2001	0-19,999	3,468	27.87	26,425,879	3.02
2001	20,000-49,999	3,318	26.66	115,759,132	13.21
2001	50,000-74,999	1,840	14.79	113,602,441	12.97
2001	75,000-99,999	1,241	9.97	107,507,315	12.27
2001	Over 100,000	<u>2,577</u>	20.71	<u>512,830,405</u>	58.53
	Total	<u>12,444</u>		<u>\$876,125,172</u>	

Source: Regional Income Tax Agency data - certain amounts may be estimates, as of December 31, 2005, year 2006 information has not been compiled.

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

Governmental Activities					
Year	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	OPWC Loans	Landfill Postclosure Costs
2006	\$16,737,726	\$6,017,943	\$0	\$868,754	\$633,590
2005	19,564,505	6,309,179	0	929,515	670,860
2004	19,808,197	1,584,090	4,367,000	990,277	708,130
2003	24,399,174	1,781,000	7,200,000	406,848	516,975
2002	27,129,174	1,999,000	229,000	224,942	551,440
2001	29,714,174	2,208,000	4,025,000	245,391	585,905
2000	32,182,724	1,768,453	1,480,000	265,841	620,370
1999	34,652,302	2,107,874	1,430,000	286,290	520,125
1998	32,021,481	2,147,307	200,000	306,739	547,500
1997	33,415,628	2,501,740	1,057,000	327,188	574,875

(1) See S28 for population and personal income data.

Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$24,258,013	2.05%	\$759
27,474,059	2.32	859
27,457,694	2.32	859
34,303,997	2.90	1,073
30,133,556	2.54	942
36,778,470	3.11	1,150
36,317,388	3.07	1,136
38,996,591	3.90	1,443
35,223,027	5.43	1,304
37,876,431	5.84	1,402

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2006	31,972	\$3,852,946,728	\$16,737,726	0.43%	\$524
2005	31,972	3,827,281,207	19,564,505	0.47	561
2004	31,972	3,694,842,061	19,808,197	0.50	575
2003	31,972	3,468,907,465	24,399,174	0.67	727
2002	31,972	3,425,853,709	27,129,174	0.76	818
2001	31,972	3,297,565,954	29,714,174	0.88	903
2000	31,972	2,889,807,313	32,182,724	1.09	983
1999	27,018	2,751,566,981	34,652,302	1.23	1,249
1998	27,018	2,689,849,686	32,021,481	1.16	1,154
1997	27,018	2,502,157,559	33,415,628	1.29	1,191

Source:

(1) See S28 for population data.

(2) See S14-15 for taxable property value data.

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

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Westlake
Direct Debt			
City of Westlake			
General Obligation Bonds	\$16,737,726	100.00%	\$16,737,726
Special Assessment Bonds	6,017,943	100.00	6,017,943
OPWC Loan	868,754	100.00	868,754
Total Direct Debt	<u>23,624,423</u>		<u>23,624,423</u>
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County Bonds	224,406,000	4.36	9,784,102
Regional Transit Authority Bonds	140,345,037	4.36	6,119,044
Westlake City School District	28,535,000	100.00	28,535,000
Payable from Other Sources:			
Cuyahoga County Capital Leases	8,035,000	4.36	350,326
Cuyahoga County Loans	2,776,000	4.36	121,034
Regional Transit Authority Loans	5,051,815	4.36	220,259
Westlake City School District Capital Leases	29,521	100.00	29,521
<i>Total Overlapping Debt</i>	<u>409,178,373</u>		<u>45,159,286</u>
Total	<u>\$432,802,796</u>		<u>\$68,783,709</u>

Source: Cuyahoga County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2006 collection year.

City of Westlake, Ohio
Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Years

	2006	2005	2004
General Bonded Debt Outstanding:			
General Obligation Bonds	\$14,965,000	\$17,925,000	\$19,808,197
Special Assessment Bonds	5,735,000	6,012,000	1,584,090
Bond Anticipation Notes	0	0	4,367,000
OPWC Loans	868,754	929,515	990,277
Total	<u>21,568,754</u>	<u>24,866,515</u>	<u>26,749,564</u>
Less:			
Special Assessment Bonds	(5,735,000)	(6,012,000)	(1,584,090)
Recreation Center Bonds	0	0	0
General Obligation Bond Retirement Fund Balance	(1,647,158)	(1,619,632)	(1,434,979)
Issue 11 Bond Retirement Fund Balance	<u>(333,073)</u>	<u>(320,851)</u>	<u>(264,921)</u>
Total Net Debt Applicable to Debt Limit	<u>13,853,523</u>	<u>16,914,032</u>	<u>23,465,574</u>
Overall Legal Debt Limit			
10 1/2% of Assessed Valuation	137,530,455	136,149,635	133,530,881
Legal Debt Margin Within 10 1/2% Limitations	<u>\$123,676,932</u>	<u>\$119,235,603</u>	<u>\$110,065,307</u>
Legal Debt Margin as a Percentage of the Debt Limit	89.93%	87.58%	82.43%
Unvoted Debt Limitation			
5 1/2% of Assessed Valuation	\$72,039,762	\$71,316,475	\$69,944,747
Net Unvoted Indebtedness Authorized by Council	10,041,673	13,461,515	15,049,564
Less:			
Special Assessment Bonds	(5,735,000)	(6,012,000)	(1,584,090)
General Obligation Bond Retirement Fund Balance	(1,647,158)	(1,619,632)	(1,434,979)
Issue 11 Bond Retirement Fund Balance	<u>(333,073)</u>	<u>(320,851)</u>	<u>(264,921)</u>
Net Debt Within 5 1/2% Limitations	<u>2,326,442</u>	<u>5,509,032</u>	<u>11,765,574</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$69,713,320</u>	<u>\$65,807,443</u>	<u>\$58,179,173</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	96.77%	92.28%	83.18%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

2003	2002	2001	2000	1999	1998	1997
\$24,399,174	\$27,129,174	\$29,714,174	\$32,182,724	\$34,652,302	\$32,021,481	\$33,415,628
1,781,000	1,999,000	2,208,000	1,768,453	2,107,874	2,147,307	2,501,740
7,200,000	229,000	4,025,000	1,480,000	1,430,000	200,000	1,057,000
406,848	224,942	245,391	265,841	286,290	306,739	327,188
<u>33,787,022</u>	<u>29,582,116</u>	<u>36,192,565</u>	<u>35,697,018</u>	<u>38,476,466</u>	<u>34,675,527</u>	<u>37,301,556</u>
(1,781,000)	(1,999,000)	(2,208,000)	(1,768,453)	(2,107,874)	(2,147,307)	(2,501,740)
0	0	0	0	0	(12,570,000)	(12,585,000)
(1,164,701)	(979,231)	(837,256)	(741,894)	(912,382)	(854,666)	(1,235,350)
<u>(424,437)</u>	<u>(431,065)</u>	<u>(424,678)</u>	<u>(351,371)</u>	<u>(368,725)</u>	<u>(256,380)</u>	<u>(248,071)</u>
<u>30,416,884</u>	<u>26,172,820</u>	<u>32,722,631</u>	<u>32,835,300</u>	<u>35,087,485</u>	<u>18,847,174</u>	<u>20,731,395</u>
133,530,881	123,168,181	119,032,762	104,346,803	99,740,838	97,475,519	90,597,021
<u>\$103,113,997</u>	<u>\$96,995,361</u>	<u>\$86,310,131</u>	<u>\$71,511,503</u>	<u>\$64,653,353</u>	<u>\$78,628,345</u>	<u>\$69,865,626</u>
77.22%	78.75%	72.51%	68.53%	64.82%	80.66%	77.12%
\$69,944,747	\$64,516,666	\$62,350,494	\$54,657,849	\$52,245,201	\$51,058,605	\$47,455,582
21,852,022	17,287,116	21,364,565	21,013,565	23,068,592	18,928,220	20,764,816
(1,781,000)	(1,999,000)	(2,208,000)	(1,768,453)	(2,107,874)	(2,147,307)	(2,501,740)
(1,164,701)	(979,231)	(837,256)	(741,894)	(912,382)	(854,666)	(1,235,350)
<u>(424,437)</u>	<u>(431,065)</u>	<u>(424,678)</u>	<u>(351,371)</u>	<u>(368,725)</u>	<u>(256,380)</u>	<u>(248,071)</u>
<u>18,481,884</u>	<u>13,877,820</u>	<u>17,894,631</u>	<u>18,151,847</u>	<u>19,679,611</u>	<u>15,669,867</u>	<u>16,779,655</u>
<u>\$51,462,863</u>	<u>\$50,638,846</u>	<u>\$44,455,863</u>	<u>\$36,506,002</u>	<u>\$32,565,590</u>	<u>\$35,388,738</u>	<u>\$30,675,927</u>
73.58%	78.49%	71.30%	66.79%	62.33%	69.31%	64.64%

City of Westlake, Ohio
Principal Employers
Current Year, Previous Year, and Eight Years Ago

2006*			1999***		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
St. John West Shore Hospital	1,210	4.64 %	St. John West Shore Hospital	921	n/a
Westlake City Schools	565	2.17	Electronic Data Systems, Inc.	876	n/a
Hyland Software	550	2.11	Westlake City Schools	520	n/a
Energizer	450	1.71	City of Westlake	410	n/a
City of Westlake	419	1.61	Scott & Fetzer Corporation	400	n/a
Lutheran Home	400	1.53	Bonne Bell	367	n/a
USG Interiors/American Metals	300	1.15	USG Interiors, Inc.	325	n/a
Harborside Healthcare	300	1.15	Giant Eagle	285	n/a
Lake Erie Electric, Inc.	275	1.05	Jacobs, Visconsi & Jacobs	280	n/a
Travel Centers of America	260	1.00	True Service Corporation	206	n/a
Total	4,729	18.12 %	Total	4,590	n/a
Total City Employment	26,093		Total City Employment	n/a	
2005**					
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
St. John West Shore Hospital	1,240	4.83 %	St. John West Shore Hospital	921	n/a
Westlake City Schools	552	2.15	Electronic Data Systems, Inc.	876	n/a
Energizer	500	1.95	Westlake City Schools	520	n/a
Hyland Software	438	1.71	City of Westlake	410	n/a
Bonne Bell	435	1.69	Scott & Fetzer Corporation	400	n/a
City of Westlake	423	1.58	Bonne Bell	367	n/a
USG Interiors/American Metals	301	1.17	USG Interiors, Inc.	325	n/a
Harborside Healthcare	300	1.16	Giant Eagle	285	n/a
Lutheran Home	291	1.13	Jacobs, Visconsi & Jacobs	280	n/a
Travel Centers of America	280	1.09	True Service Corporation	206	n/a
Total	4,760	18.47 %	Total	4,590	n/a
Total City Employment	25,679		Total City Employment	n/a	

Source: City of Westlake, Ohio, Department of Planning of Economic Development - amounts are estimates. Total City employment based upon estimate from the Regional Income Tax Authority 2006 withholding information.

n/a: Information not available

*Updated 8/01/06

**Updated 8/08/05

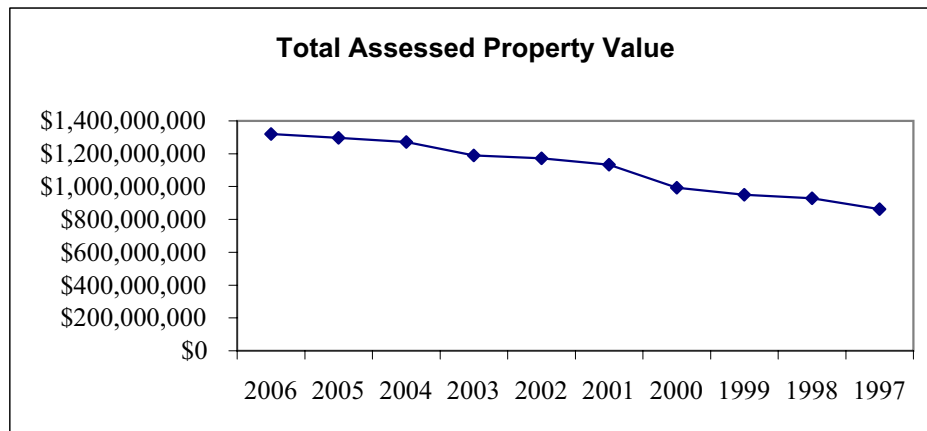
***1997 and 1998 not available

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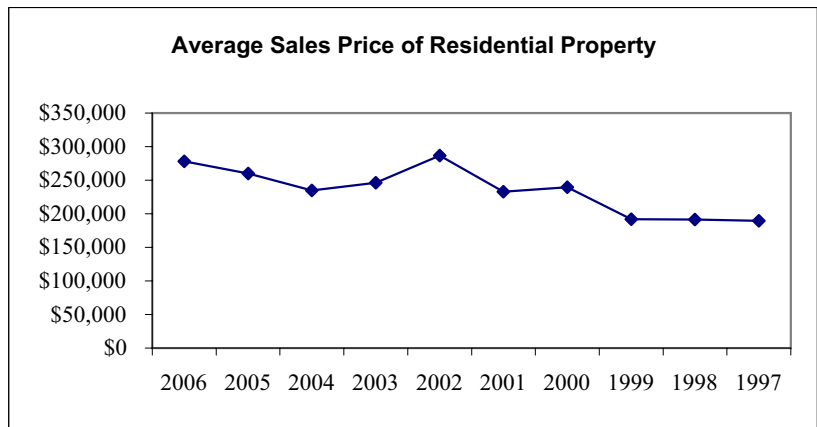
City of Westlake, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income	Per Capita Personal Income (6)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or higher (1)
2006	31,972 a	\$1,184,370,768	\$37,044 c	\$65,106 c	42.0 a	45.2 % a
2005	31,972 a	1,184,370,768	37,044 c	65,106 c	42.0 a	45.2 a
2004	31,972 a	1,184,370,768	37,044 c	65,106 c	42.0 a	45.2 a
2003	31,972 a	1,184,370,768	37,044 c	65,106 c	42.0 a	45.2 a
2002	31,972 a	1,184,370,768	37,044 c	65,106 c	42.0 a	45.2 a
2001	31,972 a	1,184,370,768	37,044 c	65,106 c	42.0 a	45.2 a
2000	31,972 a	1,184,370,768	37,044 c	65,106 c	42.0 a	45.2 a
1999	27,018 b	1,000,854,792	37,044 c	65,106 c	37.4 b	37.7 b
1998	27,018 b	648,432,000	24,000 d	47,629 d	37.4 b	37.7 b
1997	27,018 b	648,432,000	24,000 d	47,629 d	37.4 b	37.7 b

- (1) Source: U. S. Census, Census of population
 (a) 2000 Federal Census
 (b) 1990 Federal Census
 (c) 1999 Census Report
 (d) 1989 Census Report
 (2) Source: Westlake Board of Education
 (3) Source: City of Westlake Official Statement
 (e) March 9, 2004
 (f) August 11, 1994
 (4) Source: Ohio Dept. of Jobs and Family Services Civilian Labor Force Estimate
 (g) Press Release dated Jan. 20, 2006
 (5) Source: Cuyahoga County Auditor
 (6) Computation of per capita personal income multiplied by population



School Enrollment (2)	Unemployment Rate (3) (4)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
4,110	5.7 % g	\$278,319	\$1,319,931,318
4,020	5.7 g	260,137	1,296,663,187
3,921	6.2 g	234,884	1,271,722,672
3,885	6.4 g	246,325	1,188,846,372
3,743	6.7 e	286,759	1,173,030,296
3,734	4.6 e	232,741	1,133,645,351
3,698	4.5 e	239,600	993,779,072
3,760	4.6 e	191,800	949,912,741
3,674	4.5 e	191,200	928,338,274
3,688	5.8 f	189,300	862,828,769



City of Westlake, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

<u>Function/program</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Government:						
Council	5	5	5	5	5	5
Mayor	2	2	2	2	3	3
Finance	8	7	7	6.5	6.5	6.5
Law	6.5	7	7	7.5	7	7
Purchasing/Adm. Services	3.5	3	3.5	3	3	3
Planning	4.5	4.5	4.5	4.5	4.5	4
Safety Town	1.5	1.5	1.5	1.5	1	1.5
Central Dispatch	12.5	14	0	0	0	0
Police/Fire Operating Levy	28	16	16	16	16	16
Engineering	11.5	12.5	12.5	13	15.5	15.5
Inspection	10.5	11.5	11.5	10.5	11	11
Security of Persons and Property:						
Police	75.5	87	82	83.5	81	78.5
Fire	36	40.5	40	40.5	40.5	40.5
Recreation:						
Administration	4	5	4	5	4.5	4.5
Programs	0	0	0	0	0	0
Swimming Pool	51.5	44.5	58	45	45	45
Recreation Center (1)	65	64	56	70.5	101.5	98
Golf Course	12.5	16.5	15.5	17	17.5	15.5
Senior/Community Services	11.5	12	11.5	11	9	9
Service:						
Administration	2.5	2.5	2.5	2.5	3	3
Building Maintenance	1	1	1	1.5	1.5	1.5
City Services	34.5	37.5	36.5	33.5	26	21.5
Sanitary/Storm Drainage	7.5	6.5	7.5	7	9	12
Rubbish/Recycling	0	0	0	0	22	23.5
Parks	6	6.5	7	4	4	4
Forester	5	5	5	5	2	3
Street Maintenance	7.5	6	7	7.5	6	7
Cemetery	2.5	1	1.5	2.5	1.5	1.5
Miscellaneous	2.5	4	3.5	3.5	3	2
Totals:	418.5	423.5	409	409	449.5	442.5

Source: City of Westlake, Ohio 1998-2006 Annual Budgets

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.

Count taken at December 31.

(1) Recreation Center opened in 1998.

2000	1999	1998	1997
5	5	5	5
3	3	2.5	2.5
6	6	6	6.5
6	5.5	3	3
2.5	2.5	2.5	2.5
4	4	4	4
1.5	1.5	1.5	1.5
0	0	0	0
16	16	16	16
16	16	16	14.5
10.5	10	10	10
74	71.5	69.5	63
38.5	35.5	36.5	34.5
4.5	0	0	4.5
0	0	0	15.5
38	34	30.5	38.5
86	92	96	0
16	17	19.5	18
9.5	8	7.5	7
3.5	3.5	3.5	3.5
3	3	2	2
14.5	21	18	16
8	7.5	8	7
23	21.5	26	21.5
4	7.5	6.5	8.5
3	3	2	4
10	10	10	11
2	2	1.5	2
2	3.5	4.5	2.5
410	410	408	324.5

City of Westlake, Ohio
 Operating Indicators by Function/Program
 Last Ten Years

Function/program	2006	2005	2004	2003
General Government				
Construction Permits Issued (2)	1,369	1,449	1,481	1,272
Estimated Value of Construction (2)	\$105,706,757	\$91,821,553	\$153,837,378	\$88,110,510
Economic Development Projects approved (square feet) (3)	347,398	413,432	538,835	626,268
Number of Planning Commission docket items (3)	127	115	140	105
Sewer Bills mailed (1)	42,880	44,100	43,508	42,257
Purchase Orders Issued (4)	4,129	3,903	3,960	4,228
Number of new litigations filed (5)	0	11	4	17
Number of pending litigations (5)	9	7	15	21
Police (6)				
Total Arrests	5,580	6,206	6,219	7,220
Part I Offenses (major offenses such as murder and theft)	605	679	592	495
DUI Arrests	231	353	266	264
Prisoners	1,220	1,363	1,340	1,188
Motor Vehicle Accidents	741	815	810	780
Calls for Service	30,706	32,233	33,342	33,349
Fire (7)				
Emergency responses	4,155	4,258	3,987	3,980
Fire Safety Inspections/Re-Inspections	1,485	994	291	132
Fire Protection Systems Inspected	891	534	330	437
Building/Fire Protection Plan Review	466	500	457	353
Number of Community Programs	100	100	80	75
Public Service (8)				
Road Maintenance (man hours)*	9,296	8,432	10,760	8,480
Asphalt (hot/cold) used in road maintenance (tons)	413	1,341	755	808
Concrete used in road maintenance (yards)	564	486	866	421
Number of Trees Removed	260	262	193	291
Number of Trees Planted	151	170	260	208
Truckloads of leaves picked-up	1,664	1,643	1,621	1,726
Cubic Yards of leaf humus delivered/sold	7,188	7,546	5,817	5,977
Cubic Yards of wood chips delivered/sold	3,725	4,400	6,605	1,106
Tons of snow melting salt purchased	2,418	9,377	7,972	7,686
Cemetery Internments	46	41	54	49
Grave purchases/Internment payments	\$38,885	\$33,445	\$42,365	\$27,875
Recreation (9)				
Recreation Center attendance**	402,253	395,495	386,937	388,020
No. of Peterson Pool Memberships	275	346	873	1,000
Learn to Swim enrollment (Peterson Pool only)	1,001	1,112	1,015	1,300
Average daily golf revenue (June, July, & August)	\$3,100	\$3,429	\$3,209	\$3,127
Senior/Community Services (10)				
Number of Activities/Programs	1,312	1,205	1,815	
Social Services	2,380	2,278	2,071	1,890
Activity Trips	59	66	52	47
Number of Volunteers	174	152	134	194
Newsletters	13,000	n/a	13,995	13,995
Transports	8,573	8,386	8,807	8,595
Miles Transported	60,972	62,892	53,979	56,376
Donations, Center/Assistance/Prescriptions	\$54,984	\$50,083	\$39,431	\$17,932

Sources: (1) City of Westlake Finance Department (6) City of Westlake Police Department
 (2) City of Westlake Building Department (7) City of Westlake Fire Department
 (3) City of Westlake Department of Planning and Economic Development (8) City of Westlake Department of Public Service
 (4) City of Westlake Purchasing Department (9) City of Westlake Recreation Department
 (5) City of Westlake Law Department (10) City of Westlake Department of Senior and Community Services

*amounts are estimates

**attendance based upon calendar year except 1999, which includes November 2, 1998 - December 1999

n/a: Information not available

2002	2001	2000	1999	1998	1997
1,189	1,265	1,308	1,368	1,254	1,030
\$86,785,759	\$93,999,520	\$83,579,795	\$112,324,145	\$184,012,135	\$80,474,650
452,304	377,450	496,376	350,486	584,538	800,101
111	107	114	134	136	133
42,959	41,840	40,482	39,354	n/a	n/a
4,255	4,358	4,494	4,274	4,347	4,182
4	2	6	8	10	10
5	10	15	17	21	30
6,305	8,400	9,445	8,539	6,425	4,958
491	548	414	495	546	572
254	298	275	213	220	199
1,041	1,115	1,206	1,089	1,039	835
859	759	781	761	746	778
33,284	33,402	33,419	34,349	31,393	29,618
3,874	3,639	3,423	3,270	3,100	2,866
200	659	676	478	864	631
541	928	282	1,175	355	272
360	375	308	249	191	196
53	51	48	45	42	38
n/a	9,437	7,025	9,646	13,333	n/a
552	441	632	964	888	373
579	731	550	1,024	1,120	579
253	115	234	228	81	205
110	91	130	222	350	264
1,846	1,640	1,350	1,649	1,550	1,607
813	2,092	2,055	1,772	2,689	4,330
1,604	1,676	1,952	1,391	2,110	1,131
4,478	2,485	9,697	6,077	5,007	2,565
49	51	63	52	45	30
\$25,325	\$28,925	\$35,885	\$25,690	\$27,515	\$16,980
399,671	387,458	357,730	341,797	0	0
1,300	1,550	1,525	1,148	n/a	n/a
1,350	1,200	1,150	1,114	n/a	n/a
\$3,400	\$3,000	\$2,707	\$2,578	\$2,610	\$2,605
1,194	1,165	1,167	1,252	982	926
1,522	1,015	1,111	1,083	978	1,112
53	49	35	22	9	9
92	111	129	148	170	177
13,685	13,365	13,025	11,550	10,200	9,975
8,405	7,981	6,661	6,838	7,973	7,056
55,332	51,392	41,747	40,467	38,841	40,360
\$30,573	\$30,707	\$19,454	\$26,659	\$22,828	\$6,839

City of Westlake, Ohio
 Capital Asset Statistics by Function/Program
 Last Ten Years

Function/program	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Government										
Square Footage Occupied (1)	40,000	40,000	40,000	40,000	20,000	20,000	20,000	20,000	20,000	20,000
Engineering Vehicles (2)	10	9	9	12	10	8	9	9	8	n/a
Inspection Vehicles (2)	8	9	9	8	8	8	8	9	9	n/a
Other Departmental Vehicles (2)	4	4	4	4	4	4	4	4	5	n/a
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building (3)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Vehicles (2)	39	35	35	38	35	33	33	34	26	n/a
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles (2)	18	18	20	20	19	17	17	14	14	n/a
Other public works										
Streets (miles)	136	135	135	135	135	135	134	132	132	132
Number of Streetlights (per light bill)	14,918	14,888	14,622	14,407	14,407	14,288	14,288	13,814	12,924	12,924
Public Service Vehicles (5)	60	57	57	67	68	64	73	70	63	n/a
Recreation										
Number of Parks	5	5	5	5	5	5	5	4	4	4
Recreation Centers	1	1	1	1	1	1	1	1	1	0
Recreation Center Square Footage	102,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	0
Vehicles (2)	7	7	7	7	6	7	5	4	4	n/a
Senior/Community Services										
Vehicles (4)	6	6	5	5	5	5	4	4	3	3
Wastewater										
Sanitary sewers (miles)	122	121	121	121	121	121	120	117	116	116

Sources:

- (1) City of Westlake Department of Engineering
 - (2) City of Westlake Finance Department
 - (3) City of Westlake Police Department
 - (4) City of Westlake Department of Senior and Community Services
 - (5) City of Westlake Department of Public Service
- n/a: Information not available



Mary Taylor, CPA
Auditor of State

CITY OF WESTLAKE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 31, 2007**