

5301 MAYFIELD ROAD
LYNDHURST, OHIO 44124



(440) 442-5777
FAX (440) 442-1844

Dear Neighbor,

Please take a moment to read about our municipal operations. Municipal finance can be tricky but we hope that this provides an understandable snapshot of the City's financial health. Please do not hesitate to call us with any questions . . . this is **your** City!

The main focus of this Administration and your City Council is to provide the highest quality services possible to you, the residents of Lyndhurst. We are pleased to report that, in spite of the challenges of a poor economy, we continue to do just that.

As you will see in this report, from every \$1 you pay in property tax, the City only receives 12.9 cents! For that 12.9 cents on the dollar we provide all of the services that you expect and deserve.

Over the years, Lyndhurst has enjoyed a tradition of fine management of our City's resources. Because of this, we have a healthy cash reserve balance to tap into when revenues are challenged. We are working to make the most of what we have and to cultivate new revenue streams.

After reviewing and justifying every single line of anticipated expense, submitted by the various departments, our City Council approves the yearly budget. Every dollar that Council places in our care to run the programs they deem necessary is handled very conservatively.

Our mission, when it comes to the finances of Lyndhurst, is to protect the financial integrity of our City as well as to maintain the excellent services, programs and initiatives we all enjoy.

We are pleased to report that our projections for the remainder of 2007 and the first half of 2008 are very positive. Our residents have every reason to be confident in the financial health of our City. You also have the assurance of continued fiscal responsibility on the part of ALL elected and appointed officials.

Please contact us if you have any questions.

Respectfully,

A handwritten signature in black ink that reads "Joseph M. Cicero, Jr." in a cursive style.

Joseph M. Cicero, Jr.
Mayor

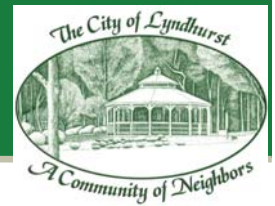
A handwritten signature in black ink that reads "Patrick A. Ward" in a cursive style.

Patrick A. Ward
Councilman/Finance Chairman

CITY OF LYNDHURST

2006 FINANCIAL REVIEW

September 2007
Volume 1, Issue 1



The following is an overview of the City's financial position for the fiscal year ended December 31, 2006 and is derived from Generally Accepted Accounting Principles (GAAP). Mary Kovalchik, Finance Director

Where the Money Comes From...

Revenues

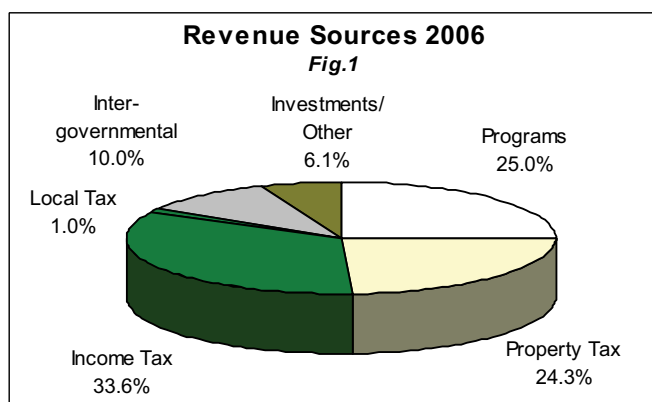
Major sources of revenues include property tax, income tax and state-shared taxes. (See Figure 1.)

Revenues	2006	2005
Programs	4,322,690	3,596,491
Property Tax	4,203,628	4,755,762
Income Tax	5,809,433	6,260,655
Local Tax	165,836	150,011
Inter-governmental	1,736,262	4,426,880
Investments/Other	1,064,029	675,228
Total Revenues	17,301,878	19,865,027

Revenues for fiscal year 2006 were generally affected by Estate and Property Tax. Estate Tax collections (classified as Inter-governmental) were nearly \$2.25 million dollars less in 2006. The lower Property Tax revenues were anticipated due to the Tax Relief Program adopted by the City of Lyndhurst. The Tax Relief Program saved the Lyndhurst taxpayers more than \$750,000 in 2006 and an additional tax savings of \$250,000 will be experienced in 2007. Investment income increased due to favorable market conditions.

Revenues at a Glance...

Source: Audited Financial Statements



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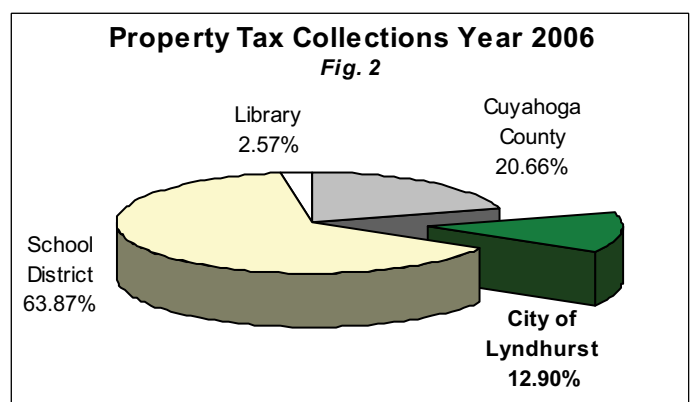
Property Tax

Property Tax in Lyndhurst is administered by the Cuyahoga County Auditor's Office. The County Auditor assesses your property on 35% of the appraised market value. This value is updated every three years based on the average sales price of properties sold in our area. Every six years your property is revisited and reappraised by the County to include any major improvements or additions. The last reappraisal took place in 2006. Lyndhurst residents paid \$67.85 per \$1,000 of the assessed value in collection year 2006. **For each one dollar (\$1.00) in property tax paid** the County Auditor distributed those funds as follows: (See Figure 2.)

School District –	63.87 cents
Cuyahoga County –	20.66 cents
City of Lyndhurst –	12.90 cents
Library –	2.57 cents

The City operates on the **12.90 cents** and provides most of the government services to you including Police, Fire, EMS, parks, cultural facilities, street maintenance, rubbish collection and neighborhood preservation.

Source: Cuyahoga County Auditor



Where the Money Goes...

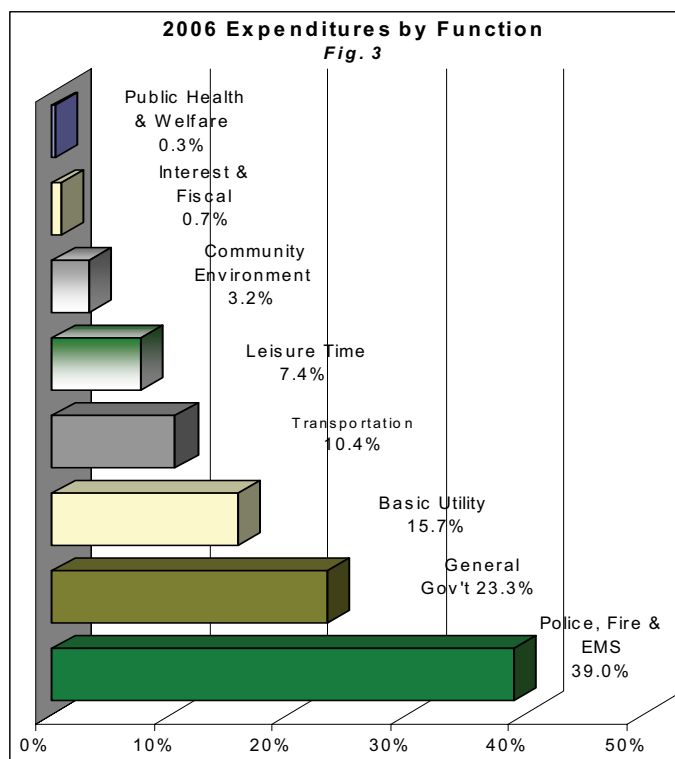
Expenditures

Expenditures incurred by the City of Lyndhurst, to provide all City services, are shown by function. (See Figure 3.) By far, **Police, Fire and EMS** are the most important and represent the highest cost of these services. The Police Department consists of 34 sworn in full-time officers and the Fire Department consists of 26 full-time firefighter / paramedics.

Transportation includes streets, sidewalks, asphalt and salt. These expenses were down for 2006 as a

Expenditures by Function	2006	2005
Police, Fire & EMS	7,661,995	7,314,588
Public Health & Welfare	51,185	52,214
Leisure Time Activities	1,454,731	1,250,457
Community Environment	623,937	585,008
Basic Utility Services	3,089,888	2,942,459
Transportation	2,043,625	3,215,544
General Government	4,574,370	4,040,834
Interest and Fiscal Charges	147,012	114,570
Total Expenditures	19,646,743	19,515,674

Expenditures at a Glance...



"Mission Statement": To protect and to enhance the fiscal integrity and efficient management of the city while maintaining citywide programs and initiatives.

result of milder weather which reduced both salt and man hour costs, and projects carried forward into 2007. **General Government** represents numerous departments including wage and benefit costs, comprehensive and workers compensation premiums, professional services, economic development, court security and building repairs and maintenance. **Community Environment** is the cost to assist in preserving our neighborhoods comprised of planning, building and housing. **Capital Outlay** increased by an additional \$99,180 in 2006. The Oakmont Water Main was completed and the acquisition of an emergency rescue squad made up for the majority of the increase over the prior year.

Debt Management

The City of Lyndhurst is a **AA2** Bond Rated Community. This category is made up of Cities with strong economic and financial character. Annual debt payments for the City of Lyndhurst include principal and interest and totaled \$1,132,785 for the year. At year end the City had \$2.35 million in bonds outstanding. These bonds were issued in 2003 for the Lyndhurst Swim Park and will be paid over fifteen years. Additionally the City renewed \$1.00 million in notes for the Street Improvement Program to be paid in 2007.

Fund Balances

Fund Type	Balance 12/31/2006	Balance 12/31/2005	Increase (Decrease)
General	4,857,063	5,239,598	(382,535)
Bond Retirement	506,945	710,094	(203,149)
Permanent Improvement	4,778,273	5,934,516	(1,156,243)
Capital Reserve	3,069,815	2,862,781	207,034
Other Governmental	4,743,246	3,713,334	1,029,912
Total	17,955,342	18,460,323	(504,981)

CITY OF LYNDHURST

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Financial Review - 2006

MAYOR, Joseph M. Cicero

CITY COUNCIL

David A. Frey	Ward 1
Joseph A. Gambatese	Ward 2
Lane A. Schlessel	Ward 3
Patrick A. Ward	Ward 4
Dale J. Fisher	At Large
Joseph A. Marko	At Large
Charles LoPresti	At Large

2006 Financial Review

CITY ADMINISTRATION

Mayor/Safety Director	Joseph M. Cicero
Finance Director	Mary Kovalchik
Law Director	Paul Murphy
Police Chief	Anthony Adinolfi
Fire Chief	Gerald Telzrow
Service Director	Rick Glady
Building Commissioner	Thomas Kunz
Community Center	Melissa Weldon
Engineer	Jeff Filarski

PHONE DIRECTORY

Municipal Offices	440-442-5777
Service Department	440-473-5100
Building/Housing Department	440-473-5108
Police (non emergency)	440-473-5116
Fire (non emergency)	440-473-5139
Community Center	440-449-5011
Municipal Court	440-461-6500
Office on Aging	440-473-5138
SELREC	216-691-2246