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# CITY OF MIDDLEBURG HEIGHTS, OHIO



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2001

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Prepared by:

**THE DEPARTMENT OF FINANCE**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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Members of Council  
City of Middleburg Heights

We have reviewed the Independent Auditor's Report of the City of Middleburg Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc. for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

May 21, 2002

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**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**Finance Department**  
**CITY OF MIDDLEBURG HEIGHTS**

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Gary W. Starr  
Mayor

Timothy Pope, CPA  
Director of Finance

March 14, 2002

Honorable Mayor Gary Starr,  
Members of City Council  
and the Citizens of Middleburg Heights, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Middleburg Heights (the "City") for the year ended December 31, 2001. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 2001 that should be useful to citizens and taxpayers. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

This report is presented in three sections: the Introductory Section, which contains the table of contents, this transmittal letter, a listing of City officials and the City's organizational structure; the Financial Section, which contains the independent accountants' report, the general purpose financial statements, the notes to the financial statements and more detailed combining and individual fund and account group statements and schedules; and the Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

### **CITY ORGANIZATION**

The City of Middleburg Heights is approximately 8 square miles and is located in northeastern Ohio, southwest of Cleveland, within the boundaries of Cuyahoga County. The City's population from the 2000 federal census was 15,542. The City was first established as a village in 1927 and was incorporated as a City in 1961 under the laws of the State of Ohio.

The City operates under and is governed by its Charter, which was first adopted by the voters in 1961. The Charter has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the City Constitution, the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable general laws. The Charter provides for a Mayor-Council form of government.

Legislative authority is vested in a seven-member Council. Three members are elected at-large and four members are elected from wards, for two-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected at large by the electors for a two-year term. The Charter establishes certain administrative departments; and, the Council may establish divisions within these departments and additional departments.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term.

The Mayor appoints, subject to the approval of a majority of the members of Council, the Directors of the City's departments. The major appointed officials are the Directors of Finance, Law, Public Service, Recreation and Public Safety. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

All elected officials, except the Mayor, serve part-time.

## **REPORTING ENTITY**

***Reporting Entity:*** The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. This definition of the reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity."

The City of Middleburg Heights primary government consists of all funds and departments, which are not legally separate from the City. They include a police force, a fire fighting and emergency medical transport force, a service department, a building department, a recreation department, 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 City participates in several jointly governed organizations, including the Southwest General Health Center, the Woodvale Union Cemetery, the Southwest Council of Governments, the Northeast Ohio Public Energy Council, and the Southwest Suburban Airport Council of Governments. Note 14 to the general purpose financial statements describes the City's relationship to these entities.

## ECONOMIC CONDITION AND OUTLOOK

**Summary of Local Economy:** Location is one of the greatest assets of the City of Middleburg Heights. As a major suburb of the City of Cleveland, its proximity to Cleveland Hopkins Airport and easy access to three interstate highways has contributed to the City’s continued outstanding economic growth. Major development of the commercial corridor, west of Interstate 71, during the last ten years is responsible for an increase in service industry jobs in the City. Assessed valuation of commercial property in the City has increased by over \$177,000,000 over the last 10 years, indicating continued growth in that area. Construction of Hepburn Road has added 70 acres of commercially zoned land accessible for future expansion. According to an article in *Crain’s Cleveland Business*, “The Middleburg Heights commercial market has prospered by filling a niche between the high-end corporate office space and the older commercial space of Cleveland and suburbs bordering the airport.”

Income tax collections remained strong and account for over 60% of all General Fund revenues. On August 5, 1997, residents of the City approved an increase in the municipal income tax rate, effective January 1, 1998, from 1% to 1.75% to provide funds to pay the costs of constructing, equipping, operating and maintaining the Community and Service centers and to provide additional funds to fix and maintain roads and to improve safety forces. To that end, the Service Center was completed and opened in 1999, the Community Center was completed and opened in 2000, the City continues to spend more on its streets, and in 2001 the City hired eight additional safety personnel. After voters approved the tax increase, City Council increased the income tax credit for residents who work outside the City from 75% to 100%. This tax increase enables the City of Middleburg Heights to remain in excellent financial position while reducing the overall local tax burden of 40% of the City’s residents.

The General Fund’s fund balance continues to demonstrate that the City is financially sound. The following schedule shows the City’s General Fund GAAP basis fund balance over the last ten years:

YEAR	FUND BALANCE
1992	\$ 770,901
1993	1,016,087
1994	1,520,238
1995	2,165,450
1996	2,654,212
1997	2,397,135
1998	5,772,699
1999	6,350,391
2000	7,945,129
2001	7,533,632

**Major Industries Affecting the City Economy:** With the expansion of its commercial base, the City has experienced substantial growth in its lodgings industry. Again, location is a major contributing factor in the expansion of this segment of the City’s economy. With a major airport and the International Exposition Center only two miles away and downtown Cleveland only twelve miles away, the City’s hotel industry reports occupancy rates of 59% or better throughout the year. This makes lodging taxes one of the major revenue sources of the City. The City collects a transient guest tax of three percent on hotel and motel room receipts. Despite the blow dealt to the travel industry as a result of the events of September 11, lodging taxes remained relatively strong. The hotels and motels generated \$594,662, \$642,558 and \$583,748 in lodging tax in 1999, 2000, and 2001, respectively. There are currently over 1,500 rooms available in these hotels.

The latest additions and renovations to hotels in the City include the Hampton Inn and Suites, which was opened in 1998. The Courtyard by Marriott and the TownePlace Suites were completed in 1999, and the Clarion’s major renovation was finished in 2000.

The following is a list of hotels and motels located in the City of Middleburg Heights:

	<b>Current Number of Rooms</b>
Clarion Hotel	238
Comfort Inn	136
Courtyard by Marriott	154
Cross Country Inn	112
Hampton Inn and Suites	97
Motel 6	95
Radisson Hotel	237
Red Roof Inn	117
Residence Inn	158
Studio Plus Hotels	71
TownePlace Suites	95
<b>Total</b>	<b>1,510</b>

The Engle/Bagley Road business district continues to grow and play a vital role in providing the City of Middleburg Heights tax dollars. There is over 2,239,560 square feet of commercial space in the Engle/Bagley Road area with over 1,000,000 square feet proposed for the future. With the completion of the \$10 million reconstruction and widening of Engle Road anticipated by the end of 2002, the traffic flow in this business district is certain to improve, assuring continued growth in this area.

The City of Middleburg Heights’ major industries include a significant number of health care, education and government employers. Therefore, the City’s economic health is not based solely upon the success or failure of a single industry.

**Future Economic Outlook:** Since its founding in 1920, the Southwest General Health Center has served southwestern Cuyahoga, eastern Lorain and northern Medina counties from its primary facility located in Middleburg Heights. The health center is a private, not-for-profit, 336-bed facility.

The 1997 partnership with University Hospitals HealthSystem made Southwest General the flagship hospital for University on Cleveland’s west side. The agreement brought the world-renowned services of Rainbow Babies & Children’s Hospital, MacDonald Women’s Hospital and the Ireland Cancer Center to the Southwest campus. The partnership also opened the door for perinatal and neonatal services to be available at Southwest General.

Over the past five years, Southwest General has spent over \$100 million to expand its services and enhance its capabilities. In 1998, a comprehensive cardiac care program was launched which included enhanced catheterization capabilities and the initiation of open-heart surgery procedures. In 1999, a new 84,000-square-foot fitness center, LifeWorks of Southwest General, was opened. An 84,000-square-foot Surgery Pavilion was also opened to expand the center’s surgical capabilities and meet increased demand for medical treatment in the field of podiatry.

In 2000, the entire Ireland Cancer Center at Southwest General Health Center opened to patients. The center consists of two distinct areas: chemotherapy and radiation therapy. The chemotherapy unit is housed in the main health center building, adjacent to the recently constructed building which houses the radiation therapy equipment.

In accordance with the partnering agreement, University Hospitals HealthSystem is permitted to propose a merger agreement to the board of trustees in 2002. If no such agreement is presented or one is rejected by either the board of trustees or the taxing district delegates, the partnership will continue for an additional ten years. The City is presently unaware of a merger proposal and anticipates the agreement to be automatically renewed.

The City continued to attract new businesses, as well as assist in the expansion of several existing businesses during 2001. For instance, the Midpark Branch of the U.S. Post Office completed a \$4.9 million renovation in the latter part of 2001 that almost doubled the size of the original building. The Parkside Villa Nursing Facility on Hepburn Road was also completed and the construction of the Ford/UAW Learning and Day Care Facility is in progress. The Ford/UAW project is a collaborative effort involving Ford Motor Company, the United Auto Workers union and automotive supplier Visteon Corp. to construct the \$8.5 million family service and community outreach center. The 32,809 square-foot facility will offer child care, after-school programs, wellness classes, health screenings, volunteer activities and other services, and will be one of 13 centers opened by 2003 in areas with large concentrations of Ford and Visteon workers.

Other new buildings and projects started in 2001 include the following:

- Questron Office Building / Warehouse (new)
- Big Creek Pet Hospital (new)
- Bethel Lutheran Church (addition)

New buildings or projects proposed for 2002 include the following:

- Walgreens Drug Store (new)
- Greater Cleveland Christian School (addition)
- St. Bartholomew School (expansion of offices and classrooms)
- Sunnyside Audi (renovation and addition)
- B.P. Oil Gas Station (new)
- Grace Church (addition)

The City is not only seeing expansion of its industrial and commercial base, but also continues to see new residential construction projects. Current residential construction includes:

- Crystal Lakes - Misty Lakes - 344 Townhouse Units/Attached Clusters (150 remaining)
- Ivy Woods - 12 Detached Cluster Units (3 remaining)
- Nantucket Woods - 48 Detached Cluster Units (40 remaining)
- Silver Oaks - 104 Detached Cluster Units (86 remaining)
- The Lake Isaac Reserve Subdivision - 28 Upscale Cluster Residential Units, 13 Cluster Units (1 single, 1 cluster remaining)
- Deer Creek Estates – 22 Homes (2 remaining)
- Vito Ragone – 4 Unit Apartment Building

## MAJOR INITIATIVES

***Current year projects:*** Improving public safety was a primary concern of the City of Middleburg Heights in 2001, even prior to the tragic events of September 11. As discussed in the “Department Focus” below, safety forces were increased, safety programs were implemented and enhanced, and necessary emergency response equipment was purchased. During 2001, the City also contracted for the purchase of emergency backup generators to service the police and fire stations, as well as the Community Center. In conjunction with the purchase of the generators, the City entered into an agreement with the American Red Cross to designate the Community Center as an emergency shelter. With the limited amount of recognized shelter space in the area, especially shelters with backup power, the City wanted to ensure its ability to assist its citizens in the event of an emergency. The Center will be equipped with blankets, cots and food.

Public safety was further enhanced by the City’s aggressive effort to improve the flow of traffic through the City’s major arteries and residential areas. In addition to the annual street resurfacing and sidewalk repair projects, two large paving projects were undertaken in 2001. The City contracted for over \$1 million in repairs and improvements on residential streets and sidewalks in various parts of the city and completed the \$1 million resurfacing of Pearl Road between West 130<sup>th</sup> Street and Sprague Road. The resurfacing of Pearl Road was largely paid with state funds (\$792,000), with the remainder being contributed by the City. The widening and reconstruction of Engle Road also commenced in 2001. This \$10 million project will widen Engle Road to five lanes from Bagley Road north to Englewood Drive and to four lanes from Englewood on up to Sheldon Road. This project is being managed by the State of Ohio and plans call for its completion by December 2002.

In addition to these paving projects, the City upgraded and replaced worn-out, obsolete equipment. These purchases included four new police cruisers and an exterior surveillance system for the Police Department, two portable defibrillator units and a set of emergency extrication tools for the Fire Department, a scissors lift truck and a fork lift for the Recreation Department, and several pieces of machinery for the Service Department—including a trailer-mounted sewer jetter, a compact excavator, an animal transport vehicle, as well as a labeling machine and an auto-leveling laser. Additionally, the City was awarded a \$30,000 grant for the purchase of a senior transportation vehicle.

In honor of the victims and heroes of the September 11 terrorist attacks, the Mayor led the community in a commemorative ceremony held at the Veterans Memorial on September 23, 2001. Members of the community united together to express their sympathy to the families of those who lost their lives, to praise the men and women of the armed forces for their strength and valiant efforts, and to honor a resident of the City who personally assisted in the rescue efforts in New York. Soon afterwards, the City donated \$7,500 to assist the injured and the families of those killed in the World Trade Center attack.

***Future Projects:*** City Council appropriated over \$1.3 million for the resurfacing of various streets throughout the City in 2002. A few of the proposed repairs include a rehabilitation of Bagley Road from Pearl Road to the western city limit and the addition of two right-turn lanes, one from Engle Road to Fowles Road and one from Fowles Road to Pearl Road. In addition, the Ohio Public Works Commission awarded \$2.2 million in federal funds to widen Sprague Road from two lanes to five between Pearl and Webster roads. Total project costs are estimated at \$4.6 million, with \$2.2 million being provided through Issue 2, \$1.1 million will be paid by Cuyahoga County, and the remainder will be split between the cities of Strongsville and Middleburg Heights (\$600,000 each). Construction is anticipated to get underway in the fall of 2002 and last approximately 15 months.

The City has pledged \$50,000 to assist the Middleburg Heights Historical Society in the restoration and relocation of the 90-year-old District 10 Schoolhouse. Various sites for the historic landmark are currently being considered, including land owned by the City. Once restored, the building could be used for several purposes,

such as a welcoming center, a place to preserve historical archives or hold historical programs and lectures, and as general meeting space.

In 2002, attention will also be directed towards improving access and enjoyment of the City's recreational amenities. For instance, the City plans to construct a walkway on the City Hall Campus that will provide a link between municipal facilities and ease pedestrian access for the residential areas to the north and west of the campus. The City has also set aside \$83,000 to build a restroom/concession stand facility at the Koeppel soccer fields. Plans call for a brick design that will blend with the aesthetics of the surrounding neighborhood.

**Department Focus:** In 2001, the City devoted over \$6 million, or 28%, of its resources to providing and improving public safety.

In December 2000, the Mayor proposed the hiring of four new firefighter/paramedics and four new police officers. City Council affirmed this notion by appropriating the funds in the City's 2001 budget to accomplish this goal. By the end of 2001, eight additional safety personnel were hired.

The four newly hired police officers bring the Police Department's strength up to thirty-four sworn members. In a recent survey conducted of Northeast Ohio police departments, the City of Middleburg Heights had the highest ratio of police officers to residents (1:457). By increasing the department's man-hours, the City was able to direct attention towards the development of a traffic enforcement bureau. Starting in 2002, this bureau will use motorcycles and other vehicles to enforce the City's traffic ordinances. This renewed focus on curbing speeding and other traffic offenses is certain to advance the safety for those traveling the City's 61 miles of streets.

In addition to implementing a traffic program, the Police Department continued educating the community on public safety issues through various programs such as D.A.R.E., Eddie the Eagle, Inspection for Protection, Neighborhood Watch, Safety Town, and Seniors and Lawmen Together. These pro-active programs present methods to improve personal safety at home and while traveling, as well as inform citizens on identifying and avoiding consumer, postal and telecommunications fraud.

With the hiring of four additional firefighter/paramedics, the Fire Department's staffing increased by over 18%, from 22 to 26. The increased personnel, combined with the purchase of a state-of-the-art emergency medical transport vehicle, allows the City to man two fully equipped rescue vehicles around the clock. As a result, the amount of mutual aid received from other cities is presently three times less than in the past and response times have dropped. Efficiency in the field was also improved by the purchase of various rescue equipment in 2001. For instance, the new cardiac monitoring equipment allows those in the field to perform 12 lead EKG's and the lighter and safer-to-use vehicle extrication tools require less personnel to operate, thus freeing a paramedic at the scene of an accident to assist in patient care.

In response to the events of September 11, the Police and Fire Departments revisited the City's Emergency Management Plan to ensure its readiness not only in the event of a natural disaster, but also in the occurrence of a man-made catastrophe. City officials worked quickly, with the plan updated and approved by Council by September 25.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a

control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**The Accounting System:** The City’s accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by generally accepted accounting principles (“GAAP”) and the number of individual funds established is determined by sound financial administration.

In the preparation of its annual report, the City uses the modified accrual basis of accounting for governmental and fiduciary funds and the full accrual basis for enterprise and internal service funds. When using the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. The accrual basis recognizes revenues when earned and expenses when incurred. This timing enables management to improve the quality of its decision making process by providing more consistent, comparable information regarding the current and past operations and financial position of the City.

**Budgetary System:** The City adopts a permanent operating appropriations measure before January 1 of each year for that fiscal year. The calendar year is used as the City’s fiscal year. Department heads submit their annual budget needs to the Mayor and Director of Finance who then submit the appropriation document to Council for review and passage. Capital improvements undergo the same process with Council passing a capital improvement appropriations ordinance around April 1. All disbursements require appropriation authority. The operating appropriations are made by department in two major categories, “Wages and Fringe Benefits” and “Other”. The “Other” category includes items such as travel and transportation, contractual services, operating supplies, debt service, and refunds and reimbursements. The legal level of budgetary control is major category, supported by line item detail. The Director of Finance may, upon request of the department head and approval of the Mayor, transfer appropriations between line items within a department and a major category. No appropriations may be transferred between departments or major categories without approval of Council. All purchases require a purchase order.

### General Government

Revenues for all Governmental Fund Type operations, which include the General, Special Revenue, Debt Service and Capital Projects Funds, amounted to \$24,426,000 for 2001. The amount of revenues on a GAAP basis, including the increases (decreases) over the prior year are shown in the following tabulation:

	2001 Actual	% of Total	2000 Actual	% of Total	Increase (Decrease) Over 2000
<b>REVENUES</b>					
Property taxes	\$ 2,095,127	8.6%	\$ 1,866,997	8.9%	\$ 228,130
Income taxes	12,720,629	52.1%	12,834,407	61.0%	(113,778)
Other local taxes	684,553	2.8%	718,032	3.4%	(33,479)
Intergovernmental revenues	6,215,508	25.4%	2,396,392	11.4%	3,819,116
Special assessments	141,037	0.6%	129,693	0.6%	11,344
Charges for services	874,296	3.6%	811,018	3.8%	63,278
Fines, licenses and permits	680,870	2.8%	775,737	3.7%	(94,867)
Interest earnings	817,361	3.3%	1,212,912	5.8%	(395,551)
Miscellaneous revenue	196,619	0.8%	306,831	1.4%	(110,212)
<b>TOTAL REVENUES</b>	<b>\$ 24,426,000</b>	<b>100.0%</b>	<b>\$ 21,052,019</b>	<b>100.0%</b>	<b>\$ 3,373,981</b>

Property tax revenues increased as a result of the reappraisal conducted by the County Auditor in 2000, while income taxes are weathering the downturn in the economy. Intergovernmental revenues increased significantly in

2001 due to the commencement of construction on Engle Road. This project is being predominantly funded by the State of Ohio. The decline in interest earnings is due to lower cash balances in the Capital Project Funds and the sharp decline in interest rates, especially short-term interest rates, during 2001. In October 1998, \$29,685,000 of bond proceeds was received, with nearly all of the proceeds being spent by the end of 2000.

Expenditures for all Governmental Fund Type operations, which include the General, Special Revenue, Debt Service and Capital Projects Funds, amounted to \$25,364,857 for 2001. The amount of expenditures on a GAAP basis, including the increases (decreases) over the prior year are shown in the following tabulation:

	<b>2001 Actual</b>	<b>% of Total</b>	<b>2000 Actual</b>	<b>% of Total</b>	<b>Increase (Decrease) Over 2000</b>
<b>EXPENDITURES</b>					
Current:					
Public safety	\$ 5,962,994	23.5%	\$ 4,872,848	18.5%	\$ 1,090,146
Public health and welfare	20,524	0.1%	20,879	0.1%	(355)
Culture and recreation	2,202,176	8.7%	1,592,893	6.0%	609,283
Community development	486,411	1.9%	404,481	1.5%	81,930
Sanitation	670,964	2.6%	641,825	2.4%	29,139
Streets and highways	995,240	3.9%	837,694	3.2%	157,546
General government	4,726,051	18.6%	4,511,307	17.1%	214,744
Capital outlay	7,292,919	28.8%	10,473,147	39.8%	(3,180,228)
Debt service:					
Principal retirement	1,716,441	6.8%	1,657,007	6.3%	59,434
Interest and other charges	1,291,137	5.1%	1,342,311	5.1%	(51,174)
<b>TOTAL EXPENDITURES</b>	<b>\$ 25,364,857</b>	<b>100.0%</b>	<b>\$ 26,354,392</b>	<b>100.0%</b>	<b>\$ (989,535)</b>

The decline in total expenditures, especially capital outlay, was due to completing the construction of the Community Center during the first part of 2000. Excluding capital outlay, expenditures rose in 2001 primarily due to granting wage and benefit package increases for all City employees ranging from 4.5% - 5.0% effective January 1, 2001. In addition to the increase in wages and benefits, eight additional public safety personnel were added in 2001. The increase in culture and recreation is due primarily to the Community Center being open for its first full year of operations in 2001.

### Debt Administration

The principal amounts outstanding at December 31, 2001 are as follows:

	<b>Balance January 1, 2001</b>	<b>Debt Issued</b>	<b>Debt Retired</b>	<b>Balance December 31, 2001</b>
General Obligation Bonds	\$ 26,264,138		\$ (1,642,509)	\$ 24,621,629
Special Assessment Bonds	1,356,155		(73,932)	1,282,223
Bond Anticipation Notes Payable	920,000	\$ 2,215,000	(920,000)	2,215,000
<b>Total</b>	<b>\$ 28,540,293</b>	<b>\$ 2,215,000</b>	<b>\$ (2,636,441)</b>	<b>\$ 28,118,852</b>

During the year ended December 31, 2001, the City issued bond anticipation notes ("BANs") in the aggregate amount of \$2,215,000. The City intends to retire \$985,000 of the BANs upon maturity with available cash and issue bonds to retire \$1,230,000.

In 1999, the City issued \$216,000 of manuscript bonds to pay, in anticipation of the collection of special assessments levied, the property owners' portion of the cost of improving Fowles Road and Big Creek Parkway between certain termini by constructing sanitary sewers. The outstanding principal balance as of December 31, 2001 is \$207,751.

In 1998, the City defeased a general obligation bond issue by placing the proceeds of new bonds in an irrevocable escrow account to provide for all future debt service payments on the old bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's General Long-Term Obligation Account Group. As of December 31, 2001, the amount of defeased debt outstanding amounted to \$2,810,000.

The City currently has a bond rating of Aa2 from Moody's Investors Service.

### **Enterprise Funds**

Effective December 30, 1992, the City discontinued operations of its sewage treatment plant by contracting with the Northeast Ohio Regional Sewer District to provide sewer services. The assets of the sewage treatment plant consist primarily of land and buildings that are to be sold and have been reclassified, at their net realizable value, to net assets held for sale.

### **Internal Service Funds**

The City maintains a self-insurance fund (internal service) for employee health benefits with excess insurance coverage for claims over a specified amount. This fund accounts for self-insured claims and payment of premiums for the excess liability insurance coverage. Operating revenues of the fund consist of payments from other City funds and are based upon self-insured losses, estimated insurance policy premiums and other operating expenses.

### **General Fixed Assets**

The general fixed assets of the City include all City-owned land, buildings, furniture and fixtures, and machinery and equipment used in the performance of general governmental functions. Infrastructure such as roads, curbs, and sidewalks are not included in the fixed assets of the General Fixed Assets Account Group. The general fixed assets excludes the fixed assets of the Proprietary Funds. Fixed assets associated with the Proprietary Funds are recorded in the appropriate proprietary fund. As of December 31, 2001, the general fixed assets of the City amounted to \$38,538,100.

### **Cash Management**

All City cash is pooled for investment purposes in order to generate the highest possible yield. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least one hundred five percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, hold the collateral.

## Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year the City contracted with Phelan Risk Management Services Company to manage our insurance coverage. The coverage limits on December 31, 2001, per occurrence, for all types of coverage are as follows:

Type of Coverage	Carrier	Coverage
Comprehensive general liability	Specialty National Ins. Co.	\$1 million per occurrence/ 3 million aggregate
Blanket building and contents	Specialty National Ins. Co.	38,471,087
Boiler and machinery coverage	Travelers Property and Casualty	20 million
Inland marine coverage	Specialty National Ins. Co.	535,679
Automobile liability	Specialty National Ins. Co.	1 million
Public officials liability	Specialty National Ins. Co.	1 million
Police professional liability	Specialty National Ins. Co.	1 million
Public employee blanket bond	Specialty National Ins. Co.	100,000
Excess umbrella liability	Specialty National Ins. Co.	10 million

Settled claims have not exceeded coverage for the past three years.

The City provides two different medical plans for full time employees and council members and their families. A traditional plan with a Preferred Provider Organization is self-funded and administered by a third party administrator. A Health Maintenance Organization plan is also offered at no cost to the employee. All covered employees also receive prescription benefits, vision and dental plans. Full time employees are covered by a \$30,000 term life insurance policy.

For the traditional plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has purchased stop loss coverage of \$40,000 per individual and \$895,284 in aggregate.

The claims liability of \$185,584, as estimated by the third party administrator and reported in the internal service fund at December 31, 2001, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10 which requires that 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. Changes in the fund's claim liability amount for the last three years are as follows:

	Estimated Claims Payable January 1	Current-Year Claims and Changes in Estimates	Claim Payments	Estimated Claims Payable December 31
1999	\$ 82,601	\$ 729,841	\$ (777,746)	\$ 34,696
2000	34,696	701,487	(691,296)	44,887
2001	44,887	895,649	(754,952)	185,584

The State of Ohio provides worker's compensation coverage. 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.

### OTHER INFORMATION

**Independent Audit:** In accordance with Ohio law, annual independent audits are required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. The City of Middleburg Heights selected Ciuni & Panichi, Inc., to perform these services for 2001. Their report is presented in the financial section of this report.

**GFOA Certificate of Achievement Award:** 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 Middleburg Heights, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2000. 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 governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to 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 Middleburg Heights has received a Certificate of Achievement for the last 6 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

**Acknowledgments:** The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. We would like to express our appreciation to all staff members who have contributed or assisted in its preparation.

In closing, we would like to thank the Mayor and the members of Middleburg Heights City Council, and the citizens of this fine City, for without your continued support, the preparation of this report to help ensure the continued financial integrity of the City, would not have been possible.

Sincerely,



Timothy Pope, CPA  
Director of Finance



Stephanie A. Lyons, CPA  
Assistant Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Middleburg Heights,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

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.



*Timothy A. Brown*  
President

*Jeffrey L. Esler*  
Executive Director

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## LISTING OF PRINCIPAL CITY OFFICIALS

DECEMBER 31, 2001

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### ELECTED OFFICIALS

Mayor..... Gary W. Starr  
Council President..... Alan C. Budney  
Councilman At-Large ..... Michael G. Oros  
Councilman At-Large ..... James F. Sheppard  
Councilman Ward 1 ..... Tim Ali  
Council Member Ward 2 ..... Barbara A. Becker  
Councilman Ward 3 ..... David Bortolotto  
Councilman Ward 4 ..... Raymond G. Guttman

### APPOINTED OFFICIALS

Director of Finance ..... Timothy Pope, CPA  
Assistant Finance Director ..... Stephanie A. Lyons, CPA  
Director of Public Service..... Frank D. Castelli  
Chief Building Official ..... Robert M. Cline  
Assistant Building Director..... Norman H. Herwerden  
Director of Recreation..... Carl Guarnieri  
Director of Law ..... Peter Hull  
Director of Public Safety ..... Sandra J. Kerber  
Chief of Police ..... John Maddox  
Chief of Fire..... Bernard M. Benedict  
Court Administrator ..... Doris E. Linge  
Executive Assistant..... Jeffrey Minch  
Clerk of Council..... Mary Ann Meola

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**SPECIAL BOARDS AND COMMISSIONS**

Planning Commission .....	Joseph Caterini*
Planning Commission .....	John J. Grech
Planning Commission .....	Carol Herman
Planning Commission .....	Diane Mille
Planning Commission .....	Randall Over
Planning Commission .....	Tom Rea
Planning Commission .....	Rebecca Russo
Planning Commission .....	Rose Zatezalo
Board of Zoning and Building Appeals (Alternate).....	Matthew Castelli
Board of Zoning and Building Appeals .....	Fred Duprow
Board of Zoning and Building Appeals .....	Phil Latsko
Board of Zoning and Building Appeals .....	Barbara Mihuta
Board of Zoning and Building Appeals .....	Donald Reiman
Board of Zoning and Building Appeals .....	Gino Zomparelli
Civil Service .....	Walter Gainer
Civil Service .....	Eileen Herold*
Civil Service .....	Catherine Oliverio
Secretary - Civil Service .....	Bernice E. Uveges
Secretary - Boards and Commissions .....	Kimberly Drown

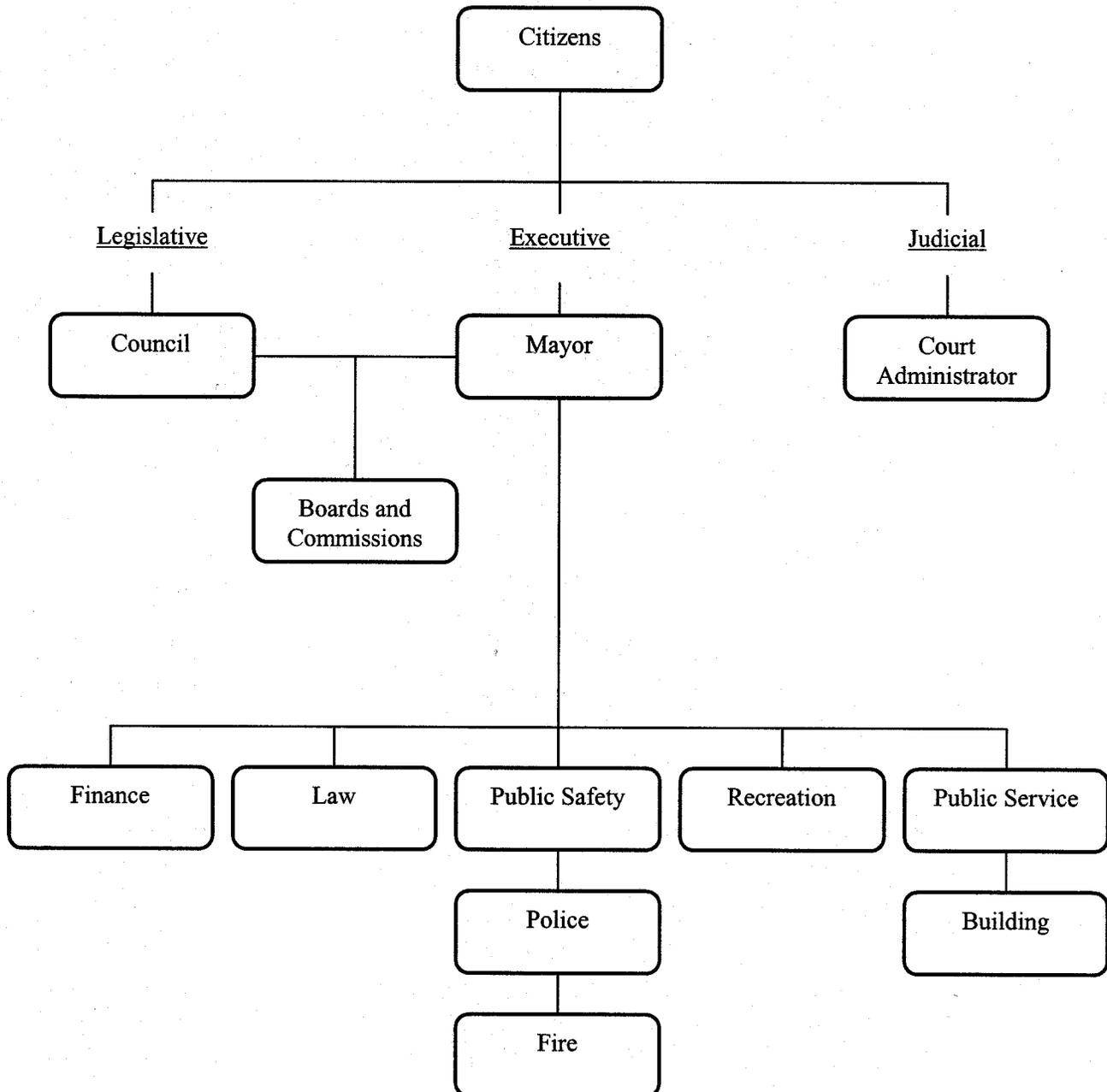
\*Appointed 1/1/02

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## ORGANIZATIONAL CHART

DECEMBER 31, 2001

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*Creating economic value through  
knowledge, innovation, commitment, and service*

**CIUNI & PANICHI**  
INC.

CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS CONSULTING FIRM

**INDEPENDENT AUDITORS' REPORT**

*a C&P Advisors Company*

Members of the City Council  
Middleburg Heights, Ohio

We have audited the accompanying general-purpose financial statements of the City of Middleburg Heights, as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Middleburg Heights' management. Our responsibility is to express an opinion on these general-purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Middleburg Heights, as of December 31, 2001, and the result of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* as of December 31, 2001. This results in a change to the City's method of accounting for certain nonexchange revenues.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2002 on our consideration of the City of Middleburg Heights' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Middleburg Heights, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.



Cleveland, Ohio  
March 14, 2002

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**

**December 31, 2001**

**With Comparative Totals for December 31, 2000**

	<b>Governmental Fund Types</b>			
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 6,739,255	\$ 960,650	\$ 2,316,220	\$ 4,240,847
Cash with fiscal agent			22,884	
Investment in manuscript bond			207,751	
Receivables - net of allowances:				
Taxes	3,026,660	797,364	1,056,452	395,377
Special assessments			1,871,797	
Accounts	18,598	15,124		2,472
Accrued interest	66,838	1,718	15,995	11,416
Due from other governments	364,077	220,219	32,313	122,936
Due from other funds	25,593	100		
Inventories	22,045	102,171		
Prepaid items	63,048	3,726		
Fixed assets in service:				
Land and improvements				
Buildings and improvements				
Furniture and fixtures				
Machinery and equipment				
Construction in progress				
Assets held for sale				
Amount available in debt service funds				
Amount to be provided for the retirement of general long-term obligations:				
Debt				
Other obligations				
<b>TOTAL ASSETS</b>	<b>\$ 10,326,114</b>	<b>\$ 2,101,072</b>	<b>\$ 5,523,412</b>	<b>\$ 4,773,048</b>

See notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2001	2000
\$ 137,116	\$ 773,607	\$ 514,421			\$ 15,682,116	\$ 15,081,940
					22,884	7,060
					207,751	214,093
		205,136			5,480,989	5,506,791
					1,871,797	2,004,795
	299				36,493	77,099
24	52				96,043	150,562
		8,856			748,401	965,939
					25,693	23,225
					124,216	62,407
					66,774	59,917
			\$ 2,772,139		2,772,139	2,747,302
			29,639,749		29,639,749	29,587,102
			260,468		260,468	265,328
			5,805,353		5,805,353	5,283,490
			60,391		60,391	8,200
448,470					448,470	458,000
				\$ 2,885,400	2,885,400	2,704,882
				23,018,452	23,018,452	24,915,411
				1,336,978	1,336,978	1,229,444
<u>\$ 585,610</u>	<u>\$ 773,958</u>	<u>\$ 728,413</u>	<u>\$ 38,538,100</u>	<u>\$ 27,240,830</u>	<u>\$ 90,590,557</u>	<u>\$ 91,352,987</u>

Continued

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)

December 31, 2001

With Comparative Totals for December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES</b>				
Accounts payable	\$ 122,899	\$ 163,974	\$ 2,560	\$ 308,649
Accrued payroll:				
Wages and benefits	543,930	206,313		
Vacation	49,044	2,799		
Sick leave	26,602	4,032		
Claims payable				
Due to other governments	380	228		
Due to other funds				
Matured interest			22,884	
Deferred revenue	2,049,627	588,688	2,612,568	241,545
Debt:				
Bond anticipation notes payable		115,000		2,100,000
General obligation bonds payable				
Special assessment bonds payable				
<b>TOTAL LIABILITIES</b>	2,792,482	1,081,034	2,638,012	2,650,194
<b>EQUITY AND OTHER CREDITS</b>				
Investment in general fixed assets				
Contributed capital - City, grantors and others (net of accumulated amortization)				
Retained earnings				
Fund balances:				
Reserved for inventories	22,045	102,171		
Reserved for prepaid items	63,048	3,726		
Reserved for encumbrances	112,976	275,517		1,237,383
Reserved for debt service			2,885,400	
Undesignated	7,335,563	638,624		885,471
<b>TOTAL EQUITY AND OTHER CREDITS</b>	7,533,632	1,020,038	2,885,400	2,122,854
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	\$ 10,326,114	\$ 2,101,072	\$ 5,523,412	\$ 4,773,048

See notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2001	2000
\$ 1,093		\$ 223,732			\$ 822,907	\$ 1,059,444
					750,243	569,273
				\$ 580,735	632,578	595,400
				756,243	786,877	673,590
	\$ 185,584				185,584	44,887
128		5,328			6,064	174,535
		25,693			25,693	23,225
					22,884	7,060
					5,492,428	5,592,099
					2,215,000	920,000
				24,621,629	24,621,629	26,264,138
				1,282,223	1,282,223	1,356,155
1,221	185,584	254,753		27,240,830	36,844,110	37,279,806
			\$ 38,538,100		38,538,100	37,891,422
448,470					448,470	458,000
135,919	588,374				724,293	685,382
					124,216	62,407
					66,774	59,917
		5,950			1,631,826	1,790,085
					2,885,400	2,704,882
		467,710			9,327,368	10,421,086
584,389	588,374	473,660	38,538,100		53,746,447	54,073,181
\$ 585,610	\$ 773,958	\$ 728,413	\$ 38,538,100	\$ 27,240,830	\$ 90,590,557	\$ 91,352,987

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## *COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS*

**For the Year Ended December 31, 2001**

**With Comparative Totals for the Year Ended December 31, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>REVENUES</b>				
Property taxes	\$ 1,298,069	\$ 273,276	\$ 523,782	
Income taxes	6,687,832	1,738,037	2,152,481	\$ 2,142,279
Other local taxes	684,553			
Intergovernmental revenues	1,198,630	637,259	60,519	4,319,100
Special assessments			141,037	
Charges for services	50,910	823,386		
Fines, licenses and permits	677,999	2,871		
Interest earnings	425,372	50,241	168,583	173,165
Miscellaneous revenue	51,393	10,768	99,418	35,040
<b>TOTAL REVENUES</b>	11,074,758	3,535,838	3,145,820	6,669,584
<b>EXPENDITURES</b>				
Current:				
Public safety	5,297,832	665,162		
Public health and welfare	20,524			
Culture and recreation		2,202,176		
Community development	486,411			
Sanitation	670,964			
Streets and highways		995,240		
General government	4,352,252	373,799		
Capital outlay				7,292,919
Debt service:				
Principal retirement			1,716,441	
Interest and other charges		7,547	1,248,861	34,729
<b>TOTAL EXPENDITURES</b>	10,827,983	4,243,924	2,965,302	7,327,648
Excess (deficiency) of revenues over expenditures	246,775	(708,086)	180,518	(658,064)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	44,066	550,000		152,238
Operating transfers - out	(702,338)			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(658,272)	550,000		152,238
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(411,497)	(158,086)	180,518	(505,826)
Fund balances, beginning of year	7,945,129	1,178,124	2,704,882	2,628,680
Fund balances, end of year	\$ 7,533,632	\$ 1,020,038	\$ 2,885,400	\$ 2,122,854

See notes to financial statements.

<b>Fiduciary Fund Types</b>		<b>Totals (Memorandum Only)</b>	
<b>Expendable Trust</b>		<b>2001</b>	<b>2000</b>
	\$	2,095,127	\$ 1,866,997
		12,720,629	12,834,407
		684,553	718,032
		6,215,508	2,396,392
		141,037	129,693
\$ 118,531		992,827	1,007,580
		680,870	775,737
148		817,509	1,216,056
32,267		228,886	317,824
150,946		24,576,946	21,262,718
		5,962,994	4,872,848
		20,524	20,879
		2,202,176	1,592,893
		486,411	404,481
		670,964	641,825
		995,240	837,694
214,882		4,940,933	4,758,212
		7,292,919	10,473,147
		1,716,441	1,657,007
		1,291,137	1,342,311
214,882		25,579,739	26,601,297
(63,936)		(1,002,793)	(5,338,579)
18,763		765,067	206,599
(62,729)		(765,067)	(206,599)
(43,966)			
(107,902)		(1,002,793)	(5,338,579)
581,562		15,038,377	20,376,956
\$ 473,660		\$ 14,035,584	\$ 15,038,377

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the Year Ended December 31, 2001

	General Fund				Special Revenue Funds			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)
<b>REVENUES</b>								
Property taxes	\$ 1,319,126	\$ 1,317,851	\$ 1,298,069	\$ (19,782)	\$ 277,870	\$ 277,602	\$ 273,276	\$ (4,326)
Income taxes	6,860,500	6,860,500	6,663,876	(196,624)	1,663,000	1,683,402	1,649,464	(33,938)
Other local taxes	730,000	730,000	692,500	(37,500)				
Intergovernmental revenues	862,434	859,480	1,341,549	482,069	767,000	657,000	642,830	(14,170)
Special assessments								
Charges for services	55,450	55,450	50,910	(4,540)	926,000	926,000	817,319	(108,681)
Fines, licenses and permits	753,475	753,475	674,165	(79,310)	4,500	4,500	2,946	(1,554)
Interest earnings	250,000	250,000	453,919	203,919	21,500	32,500	54,739	22,239
Miscellaneous revenue	15,000	15,000	147,259	132,259	12,200	12,200	10,645	(1,555)
<b>TOTAL REVENUES</b>	<b>10,845,985</b>	<b>10,841,756</b>	<b>11,322,247</b>	<b>480,491</b>	<b>3,672,070</b>	<b>3,593,204</b>	<b>3,451,219</b>	<b>(141,985)</b>
<b>EXPENDITURES</b>								
Current:								
Public safety	5,433,524	5,717,355	5,193,978	523,377	410,000	417,500	385,881	31,619
Public health and welfare	28,200	29,249	20,269	8,980				
Culture and recreation					2,324,978	2,470,549	2,176,799	293,750
Community development	512,123	555,399	476,426	78,973				
Sanitation	675,000	675,000	667,872	7,128				
Streets and highways					1,305,000	1,422,050	1,256,477	165,573
General government	4,694,503	5,156,655	4,485,541	671,114	384,000	373,402	373,402	
Capital outlay								
Debt service:								
Principal retirement					220,000	220,000	220,000	
Interest and other charges					11,550	11,550	11,550	
<b>TOTAL EXPENDITURES</b>	<b>11,343,350</b>	<b>12,133,658</b>	<b>10,844,086</b>	<b>1,289,572</b>	<b>4,655,528</b>	<b>4,915,051</b>	<b>4,424,109</b>	<b>490,942</b>
Excess (deficiency) of revenues over expenditures	(497,365)	(1,291,902)	478,161	1,770,063	(983,458)	(1,321,847)	(972,890)	348,957
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from sale of notes					170,000	115,000	115,000	
Operating transfers - in	45,000	45,000	44,066	(934)	350,000	550,000	550,000	
Operating transfers - out	(487,216)	(705,100)	(702,338)	2,762				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(442,216)</b>	<b>(660,100)</b>	<b>(658,272)</b>	<b>1,828</b>	<b>520,000</b>	<b>665,000</b>	<b>665,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(939,581)	(1,952,002)	(180,111)	1,771,891	(463,458)	(656,847)	(307,890)	348,957
Decertification of prior year encumbrances			29,995	29,995			8,744	8,744
Fund balances, beginning of year	6,648,743	6,648,743	6,648,743		923,917	923,917	923,917	
Fund balances, end of year	<b>\$ 5,709,162</b>	<b>\$ 4,696,741</b>	<b>\$ 6,498,627</b>	<b>\$ 1,801,886</b>	<b>\$ 460,459</b>	<b>\$ 267,070</b>	<b>\$ 624,771</b>	<b>\$ 357,701</b>

See notes to financial statements.

Debt Service Funds				Capital Projects Funds			
Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)
\$ 531,997	\$ 531,483	\$ 523,782	\$ (7,701)	\$ 2,350,000	\$ 2,310,000	\$ 2,240,761	\$ (69,239)
2,223,250	2,223,250	2,159,453	(63,797)				
60,000	60,000	60,519	519	30,000	708,370	708,742	372
132,998	132,998	141,037	8,039				
90,000	90,000	157,230	67,230	65,000	80,000	177,812	97,812
118,328	118,328	118,605	277	60,320	60,320	105,037	44,717
3,156,573	3,156,059	3,160,626	4,567	2,505,320	3,158,690	3,232,352	73,662
				2,835,000	4,593,582	3,732,575	861,007
2,166,442	2,166,442	2,166,441	1	250,000	250,000	250,000	
1,249,625	1,254,625	1,246,302	8,323	12,188	12,188	12,188	
3,416,067	3,421,067	3,412,743	8,324	3,097,188	4,855,770	3,994,763	861,007
(259,494)	(265,008)	(252,117)	12,891	(591,868)	(1,697,080)	(762,411)	934,669
	450,000	450,000		1,400,000	1,650,000	1,650,000	
				137,116	155,000	152,238	(2,762)
	450,000	450,000		1,537,116	1,805,000	1,802,238	(2,762)
(259,494)	184,992	197,883	12,891	945,248	107,920	1,039,827	931,907
					21,096	100,594	79,498
2,105,006	2,105,006	2,105,006		1,603,928	1,603,928	1,603,928	
\$ 1,845,512	\$ 2,289,998	\$ 2,302,889	\$ 12,891	\$ 2,549,176	\$ 1,732,944	\$ 2,744,349	\$ 1,011,405

Continued

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## *COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (Continued)*

For the Year Ended December 31, 2001

	Expendable Trust Funds				Totals (Memorandum Only)			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)
<b>REVENUES</b>								
Property taxes					\$ 2,128,993	\$ 2,126,936	\$ 2,095,127	\$ (31,809)
Income taxes					13,096,750	13,077,152	12,713,554	(363,598)
Other local taxes					730,000	730,000	692,500	(37,500)
Intergovernmental revenues					1,719,434	2,284,850	2,753,640	468,790
Special assessments					132,998	132,998	141,037	8,039
Charges for services	\$ 159,500	\$ 159,500	\$ 118,531	\$ (40,969)	1,140,950	1,140,950	986,760	(154,190)
Fines, licenses and permits					757,975	757,975	677,111	(80,864)
Interest earnings			168	168	426,500	452,500	843,868	391,368
Miscellaneous revenue	25,000	41,000	32,267	(8,733)	230,848	246,848	413,813	166,965
<b>TOTAL REVENUES</b>	<b>184,500</b>	<b>200,500</b>	<b>150,966</b>	<b>(49,534)</b>	<b>20,364,448</b>	<b>20,950,209</b>	<b>21,317,410</b>	<b>367,201</b>
<b>EXPENDITURES</b>								
Current:								
Public safety					5,843,524	6,134,855	5,579,859	554,996
Public health and welfare					28,200	29,249	20,269	8,980
Culture and recreation					2,324,978	2,470,549	2,176,799	293,750
Community development					512,123	555,399	476,426	78,973
Sanitation					675,000	675,000	667,872	7,128
Streets and highways					1,305,000	1,422,050	1,256,477	165,573
General government	267,150	291,150	216,716	74,434	5,345,653	5,821,207	5,075,659	745,548
Capital outlay					2,835,000	4,593,582	3,732,575	861,007
Debt service:								
Principal retirement					2,636,442	2,636,442	2,636,441	1
Interest and other charges					1,273,363	1,278,363	1,270,040	8,323
<b>TOTAL EXPENDITURES</b>	<b>267,150</b>	<b>291,150</b>	<b>216,716</b>	<b>74,434</b>	<b>22,779,283</b>	<b>25,616,696</b>	<b>22,892,417</b>	<b>2,724,279</b>
Excess (deficiency) of revenues over expenditures	(82,650)	(90,650)	(65,750)	24,900	(2,414,835)	(4,666,487)	(1,575,007)	3,091,480
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from sale of notes					1,570,000	2,215,000	2,215,000	
Operating transfers - in	30,100	18,764	18,763	(1)	562,216	768,764	765,067	(3,697)
Operating transfers - out	(75,000)	(63,664)	(62,729)	935	(562,216)	(768,764)	(765,067)	3,697
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(44,900)</b>	<b>(44,900)</b>	<b>(43,966)</b>	<b>934</b>	<b>1,570,000</b>	<b>2,215,000</b>	<b>2,215,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(127,550)	(135,550)	(109,716)	25,834	(844,835)	(2,451,487)	639,993	3,091,480
Decertification of prior year encumbrances			94	94		21,096	139,427	118,331
Fund balances, beginning of year	585,137	585,137	585,137		11,866,731	11,866,731	11,866,731	
Fund balances, end of year	<b>\$ 457,587</b>	<b>\$ 449,587</b>	<b>\$ 475,515</b>	<b>\$ 25,928</b>	<b>\$ 11,021,896</b>	<b>\$ 9,436,340</b>	<b>\$ 12,646,151</b>	<b>\$ 3,209,811</b>

See notes to financial statements.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For the Year Ended December 31, 2001

With Comparative Totals for the Year Ended December 31, 2000

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2001	2000
<b>OPERATING REVENUES</b>				
Charges for services		\$ 1,109,736	\$ 1,109,736	\$ 1,013,815
Other income				24,531
<b>TOTAL OPERATING REVENUES</b>		1,109,736	1,109,736	1,038,346
<b>OPERATING EXPENSES</b>				
Contractual services	\$ 15,296		15,296	9,652
Benefit payments		888,067	888,067	701,487
Insurance premiums and loss provision		208,234	208,234	162,574
<b>TOTAL OPERATING EXPENSES</b>	15,296	1,096,301	1,111,597	873,713
<b>OPERATING INCOME (LOSS)</b>	(15,296)	13,435	(1,861)	164,633
<b>NONOPERATING REVENUES</b>				
Interest income	5,351	25,891	31,242	42,363
Gain on the sale of fixed assets	9,530		9,530	
<b>TOTAL NONOPERATING REVENUES</b>	14,881	25,891	40,772	42,363
<b>NET INCOME (LOSS)</b>	(415)	39,326	38,911	206,996
Retained earnings, beginning of year	136,334	549,048	685,382	478,386
Retained earnings, end of year	\$ 135,919	\$ 588,374	\$ 724,293	\$ 685,382

See notes to financial statements.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES

For the Year Ended December 31, 2001

With Comparative Totals for the Year Ended December 31, 2000

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2001	2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers		\$ 1,109,736	\$ 1,109,736	\$ 1,112,013
Cash payments to suppliers for goods or services	\$ (15,999)	(952,098)	(968,097)	(862,635)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	(15,999)	157,638	141,639	249,378
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of fixed assets	9,530		9,530	
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	9,530		9,530	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	5,377	27,688	33,065	40,504
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	5,377	27,688	33,065	40,504
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,092)	185,326	184,234	289,882
Cash and cash equivalents, beginning of year	138,208	588,281	726,489	436,607
Cash and cash equivalents, end of year	\$ 137,116	\$ 773,607	\$ 910,723	\$ 726,489
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
<b>OPERATING INCOME (LOSS)</b>	\$ (15,296)	\$ 13,435	\$ (1,861)	\$ 164,633
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Change in assets and liabilities:				
Decrease (increase) in accounts receivable		3,506	3,506	73,667
Increase (decrease) in accounts payable	(707)		(707)	880
Increase (decrease) in claims payable		140,697	140,697	10,191
Increase (decrease) in due to other governments	4		4	7
<b>TOTAL ADJUSTMENTS</b>	(703)	144,203	143,500	84,745
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	\$ (15,999)	\$ 157,638	\$ 141,639	\$ 249,378

See notes to financial statements.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2001

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Middleburg Heights, Ohio (City) operates under an elected Mayor-Council form of government and provides the following services: public safety (police and fire), highway and streets maintenance, parks and recreation, public improvements, community development (planning and zoning), public health and certain social services, and general administrative services.

*Reporting Entity:* The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. This definition of the reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity."

The City of Middleburg Heights 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, a service department, a building department, a recreation department, 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 that 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 City participates in several jointly governed organizations, including the Southwest General Health Center, the Woodvale Union Cemetery, the Southwest Council of Governments, the Northeast Ohio Public Energy Council, and the Southwest Suburban Airport Council of Governments. Refer to Note 14 for the City's relationship to these entities.

The significant accounting policies followed in the preparation of these financial statements are summarized below.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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### A. Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

#### **Governmental Fund Types**

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenues and financing sources are derived primarily from taxes and special assessments.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or roads (other than those financed by the Proprietary Funds). Revenues and financing sources are derived primarily from the issuance of bonds and a portion of city income taxes.

#### **Proprietary Fund Types**

Enterprise Fund - An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges. The City's Enterprise Fund is the Sewer District Fund. Refer to Note 9.

Internal Service Fund - An Internal Service Fund is used to account for the goods or services provided to certain City departments and funds or to other governments on a cost reimbursement basis. The City's Internal Service Fund is the Health Insurance Reserve Fund.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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### **Fiduciary Fund Types**

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust Funds and Agency Funds.

### **Account Groups**

General Fixed Assets - Fixed assets acquired or constructed for general governmental services, exclusive of fixed assets acquired by the Enterprise Fund, are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

General Long-Term Obligations - All unmatured long-term indebtedness including special assessment debt for which the government is obligated in some manner is reported in the General Long-Term Obligations Account Group. This debt is backed by the full faith and credit of the City.

### **B. Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on their balance sheets. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements for the Proprietary Funds present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

### **C. Basis of Accounting**

The modified accrual basis of accounting is used for reporting purposes by the Governmental Fund Types and Fiduciary Fund Types. Under this method of accounting, the City recognizes revenue when it becomes both measurable and available to finance expenditures of the current period. To be measurable, the amount of the transaction must be determinable. The City considers revenues collected within 60 days after year-end as available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Principal and interest on general long-term and special assessment debt are recognized when due or when amounts have been accumulated in the debt service fund for payment to be made early in the following year.

Revenues accrued at the end of the year consist primarily of income taxes, interest on investments, intergovernmental revenues (including motor vehicle license fees, gasoline tax, and local government assistance), and fines and forfeitures.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports deferred revenue on its combined balance sheet. Deferred revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Special assessment levies not yet payable are recorded as receivables and equally offset by deferred revenue, which is recognized as revenue when the receivable becomes current. Property taxes measurable as of December 31, 2001 and delinquent property taxes, whose availability is indeterminate and which are not intended to finance the current year, have also been recorded as deferred revenue. Additionally, income taxes earned as of December 31, 2001 but received beyond the available period have been reported as deferred revenue.

Financial transactions for proprietary funds are recorded on the accrual basis of accounting; revenues are recognized when earned and measurable, and expenses are recognized as incurred.

With respect to proprietary activities, the City has adopted GASB Statement 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, except those pronouncements that conflict with or contradict GASB pronouncements.

### **D. Budgeting Process**

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

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

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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Appropriations - Ohio law requires that an annual permanent appropriation ordinance to control cash disbursements be legally enacted no later than April 1 of the fiscal year for which it applies. The City's policy is to pass the permanent operating appropriation ordinance in December of each year effective for the period January 1 to December 31 of the following year and to pass the Capital Improvement budget by April 1. The appropriation ordinance may be amended during the year, as new information becomes available, provided that total appropriations do not exceed estimated resources, as certified. Amendments to the 2001 appropriation ordinance were approved by City Council as provided by the City Charter. Supplemental appropriations approved in 2001 within the Governmental Fund Types and Expendable Trust funds totaled \$3,043,961. The City maintains budgetary control by not permitting expenditures to exceed appropriations for personnel costs (including benefits), and other costs within a department of the City without the approval of City Council. Adjustments to the budget can only be made within a department and then within each category by the Director of Finance, upon request by the department head and approval of the Mayor. Additional legislation is needed in order to move budget authority from "personnel" to "other" or vice versa, or between departments. Capital items are appropriated by line item and must be approved by Council for any increase or transfer.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

The actual results of operations as compared to the amended appropriations passed by Council are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types in accordance with the City's budgetary process (budget basis) to provide a meaningful comparison of actual results with the budget for all governmental funds. Several supplemental appropriation measures were legally enacted during 2001.

Additionally, the City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP basis).

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
3. Encumbrances are recorded as expenditures (budget) as opposed to reservation of fund balance (GAAP).
4. Proceeds from and principal payments on short-term obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

A reconciliation of the results of operations for the year on the GAAP basis to the budget basis is as follows:

	<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses</b>				
	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Project Fund</b>	<b>Expendable Trust Fund</b>
GAAP basis	\$ (411,497)	\$ (158,086)	\$ 180,518	\$ (505,826)	\$ (107,902)
Increase (decrease):					
Accrued receivables at December 31, 2001, not recognized in the 2001 budget	(4,171,979)	(1,140,945)	(2,952,548)	(541,676)	
Accrued receivables at December 31, 2000, recognized in the 2001 budget	3,902,229	977,876	3,104,232	645,543	21
Expenditures accrued as liabilities at December 31, 2001, not recognized in the 2001 budget	3,356,289	1,081,034	2,622,186	2,650,195	8,606
Expenditures accrued as liabilities at December 31, 2000, recognized in the 2001 budget	(2,853,226)	(1,118,575)	(2,756,505)	(1,406,945)	(3,690)
Net impact of encumbrances on budget basis expenditures	(1,927)	50,806		198,536	(6,751)
Budget basis	<u>\$ (180,111)</u>	<u>\$ (307,890)</u>	<u>\$ 197,883</u>	<u>\$ 1,039,827</u>	<u>\$ (109,716)</u>

### E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized during the year for budget control purposes. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. The City honors the contracts represented by year-end encumbrances. Unencumbered budgetary appropriations lapse at the end of the year.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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### F. Cash and Cash Equivalents

Cash received by the City is deposited into several bank accounts. Monies for all funds, including Enterprise Funds, are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the City's records. During 2001, investments consisted primarily of certificates of deposit, U.S. Treasury and agency obligations and time deposits. These investments are reported at fair value, which is based on quoted market prices. Individual investments are specifically identified as to which fund or funds the investment relates and to which funds the related interest earnings are to be credited. Cash with fiscal agent is cash segregated for payment of matured debt principal and interest.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balances of these accounts are presented on the combined balance sheet under the caption "Cash with Fiscal Agent" and represent deposits or short-term investments in U.S. Treasury Bills.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with maturity of three months or less at the time they were purchased by the City are considered to be cash equivalents.

### G. Inventories

Inventory is valued at cost on a first-in, first-out basis and is accounted for using the consumption method. An asset is recorded at the time of purchase, and an expenditure is reported in the year in which the item is used.

### H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items. An asset for the prepaid amount is recorded at the time of purchase, and an expenditure is reported in the year in which services are provided.

### I. Fixed Assets

Fixed assets include land, buildings, improvements and equipment owned by the City. When purchased, such assets are recorded as expenditures in the Governmental Funds and accounted for in the General Fixed Asset Account Group. Infrastructure fixed assets such as streets, sidewalks, curbs and gutters are not capitalized.

All fixed assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their fair market value on the date received.

Depreciation is not provided in the General Fixed Assets Account Group.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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Estimated useful lives of the various classes of fixed assets are as follows:

- Buildings and improvements 45 years
- Furniture and fixtures 10 years
- Machinery and equipment 5 - 15 years

### J. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences".

City employees earn vacation leave at graduated rates based on length of service. The City accrues the vacation leave benefits as earned. At December 31, 2001 all vacation leave, not expected to be paid within 60 days, is recorded as a liability in the General Long-Term Obligations Account Group.

City employees earn 15 sick days per year. Beginning in July 2001, employees with a sick leave balance of at least 120 days may convert to cash a percentage of the sick days accumulated during the current fiscal year. The percentage paid varies from 35% to 60%, based upon years of continuous service. Sick leave, if not taken or converted to cash, accumulates until retirement. Upon retirement, an employee is paid one-third of the accumulated sick leave, subject to certain limitations, calculated at current wage rates. The estimated earned benefit to be paid at retirement for the Governmental Funds has been recorded in the General Long-Term Obligations Account Group, representing the City's commitment to fund such costs from future operations.

### K. Reserves of Fund Equity

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbrances, inventories, prepaid items and debt service.

### L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including transfers of resources to provide services, construct assets and service debt. Such transactions are generally reflected as operating transfers or reimbursements in the accompanying financial statements.

### M. Total Columns In Combined Financial Statements

The total columns in the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated information in conformity with generally accepted accounting principles.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

### NOTE 2 - DEFICIT FUND BALANCES

The following individual funds had deficit fund balances at December 31, 2001:

	<b>Deficit Fund Balance</b>
<b>Special Revenue:</b>	
Medical Transport	\$ 36,582
Police Pension	16,517
Fire Pension	16,517
<b>Capital Projects:</b>	
Pearl Road Resurfacing	313,501

The deficits in the Medical Transport and Pearl Road Resurfacing funds resulted from the use of short-term notes, which are recorded as liabilities in the funds, to finance capital projects. Once the notes are retired or bonds are issued, the deficits will be eliminated.

The fund balance deficits in the Police and Fire Pension funds are caused by the application of generally accepted accounting principles to the financial reporting of these funds. The General Fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

### NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR YEAR FUND BALANCES

For 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and began reporting inventories and prepaid items. In order to recognize the prior year balances for these previously unrecognized accounts and the change in accounting principle, the beginning of the year fund balances were restated as follows:

	<b>General Fund</b>	<b>Special Revenue Funds</b>
Fund Balances, December 31, 2000	\$ 7,799,074	\$ 1,101,470
GASB 33 Adjustment:		
Due from other governments	62,676	37,709
Adjustment for Inventories	27,188	35,219
Adjustment for Prepaid items	56,191	3,726
Adjusted Fund Balances, December 31, 2000	\$ 7,945,129	\$ 1,178,124

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## *NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*

**December 31, 2001**

As a result of the change in accounting principle, deferred revenue was also restated as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Deferred Revenue, December 31, 2000	\$ 1,455,497	\$ 290,114	\$ 2,560,846	
GASB 33 Adjustments:				
Taxes Receivable	489,741	118,742	158,713	\$ 167,782
Due from other governments	152,446	168,332	29,886	
Restated Deferred Revenue, December 31, 2000	\$ 2,097,684	\$ 577,188	\$ 2,749,445	\$ 167,782

Additionally, the Agency Funds' due from other governments and accounts payable reported as of December 31, 2000 increased by \$8,234 as a result of the change in accounting principle.

### **NOTE 4 – DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents".

Deposits: Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. The City's policy is to place deposits only with major local commercial banks and savings and loan institutions. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to 105% of the excess of deposits not insured by the Federal Deposit Insurance Corporation.

Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of the state and its municipalities. The collateral is held in the name of the financial institution holding the City's deposits.

At year-end, the total amount of the City's deposits was \$398,238 and the bank balance was \$659,332. Of the bank balance, \$150,743 was covered by federal depository insurance and the remaining \$508,589 was uninsured but collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments: The City's investment policies are governed by state statutes and its own investment policy which authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bonds and other state obligations, commercial paper, bankers acceptances, State Treasurer Asset Reserve of Ohio (STAR Ohio) and repurchase transactions. Such repurchase transactions are not to exceed a period of thirty days.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## *NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*

**December 31, 2001**

The City's investments are detailed below and are categorized to give an indication of the level of risk assumed by the City at year-end. The categorized investments include those which are classified as cash and cash equivalents in accordance with the provisions of GASB Statement No. 9. Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty or by its trust department or agent but not in the City's name.

	Risk Category		Fair Value
	(1)	(3)	
Banker's Acceptances		\$ 326,165	\$ 326,165
Manuscript Bond	\$ 207,751		207,751
U.S. Government Securities		7,790,525	7,790,525
	<u>\$ 207,751</u>	<u>\$ 8,116,690</u>	<u>8,324,441</u>
State Treasury Asset			
Reserve of Ohio (STAR Ohio)			7,190,072
<b>Total Investments</b>			<u><u>\$ 15,514,513</u></u>

All investments are reported at fair value, which equals their carrying amount.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2001. The amounts invested with STAR Ohio are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

### **NOTE 5 - INCOME TAXES**

The City levies an income tax of 1.75% on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit of 100% for all income taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit this tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits tax collected for the City each month, net of a fee for their service.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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### NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the City. The assessed value upon which the 2001 levy was based was \$519,325,251. Ohio law prohibits taxation of property from all taxing authorities in excess of ten mills of assessed value without a vote of the people. The City's current share of unvoted property tax is 4.45 mills of assessed value. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in 2000. The Cuyahoga County (County) Auditor establishes assessed values. The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City.

Real property taxes, excluding public utility property, are assessed at 35% of appraised market value. Pertinent real property tax dates are:

- Collection Date January 20 and June 20 of the current year
- Lien Date January 1 of the year preceding the collection year
- Levy Date October 1 of the year preceding the collection year

Tangible personal property taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. For the collection year 2001, the percentage used to determine taxable value of personal property and inventory was 25%. Pertinent tangible personal property tax dates are:

- Collection Date April 30 and September 30 of the current year
- Lien Date January 1 of the current year
- Levy Date October 1 of the year preceding the collection year

Public utility tangible personal property currently is assessed at 100% of its true value except for rural electric companies (50%) and railroads (25%). Pertinent public utility tangible personal property tax dates are:

- Collection Date January 20 and June 20 of the current year
- Lien Date December 31 of the second year preceding the collection year
- Levy Date October 1 of the year preceding the collection year

Property taxes measurable as of December 31, 2001 and delinquent property taxes, whose availability is indeterminate and which are not intended to finance the current year, have been recorded as taxes receivable with an offset to deferred revenue.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

### NOTE 7 - INTERFUND TRANSACTIONS

Interfund balances at December 31, 2001 consist of the following individual fund receivables and payables:

	Due From	Due To
<b>GENERAL FUND</b>	\$ 25,593	
<b>SPECIAL REVENUE FUNDS</b>		
Law Enforcement and Education	100	
<b>AGENCY FUNDS</b>		
Mayor's Court		\$ 25,693
<b>TOTALS</b>	\$ 25,693	\$ 25,693

### NOTE 8 – FIXED ASSETS

A summary of changes in General Fixed Assets during the year ended December 31, 2001 were as follows:

	Balance January 1, 2001	Additions	(Disposals)	Transfers	Balance December 31, 2001
Land and improvements	\$ 2,747,302	\$ 24,837			\$ 2,772,139
Building and improvements	29,587,102	58,897	\$ (6,250)		29,639,749
Furniture and fixtures	265,328	1,440	(6,300)		260,468
Machinery and equipment	5,283,490	899,803	(377,940)		5,805,353
Construction in progress	8,200	52,191			60,391
<b>TOTALS</b>	\$ 37,891,422	\$ 1,037,168	\$ (390,490)	\$ 0	\$ 38,538,100

### NOTE 9 - ENTERPRISE FUND

Effective December 30, 1992, the City discontinued operations of its sewage treatment plant by contracting with the Northeast Ohio Regional Sewer District to provide sewer services. The assets of the sewage treatment plant consist primarily of land and buildings that are to be sold and have been reclassified, at their net realizable value, to net assets held for sale.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

### NOTE 10 - DEBT AND LONG-TERM OBLIGATIONS

Debt and long-term obligations of the City payable as of December 31, 2001 is as follows:

	Balance January 1, 2001	Additions	(Reductions)	Balance December 31, 2001
<b>Short Term Obligations:</b>				
Bond Anticipation Notes Payable:				
4.88% to 5.25% General Obligation due in 2001	\$ 920,000		\$ (920,000)	
3.00% to 3.51% General Obligation due in 2002		\$ 2,215,000		\$ 2,215,000
<b>TOTAL</b>	\$ 920,000	\$ 2,215,000	\$ (920,000)	\$ 2,215,000
	Balance January 1, 2001	Additions	(Reductions)	Balance December 31, 2001
<b>General Long-Term Obligations:</b>				
General Obligation Bonds:				
3.35% to 6.75% unvoted General Obligation Bonds due through 2018	\$ 26,264,138		\$ (1,642,509)	\$ 24,621,629
Special Assessment Bonds:				
3.35% to 6.75% Special Assessment Obligation Bonds due through 2018	1,356,155		(73,932)	1,282,223
Other Long-Term Obligations:				
Accrued payroll-vacation	573,735	\$ 7,000		580,735
Accrued payroll-sick leave	655,709	100,534		756,243
<b>TOTAL</b>	\$ 28,849,737	\$ 107,534	\$ (1,716,441)	\$ 27,240,830

During the year ended December 31, 2001, the City issued bond anticipation notes ("BANs") in the aggregate amount of \$2,215,000. The City intends to retire \$985,000 of the BANs upon maturity with available cash and issue bonds to retire \$1,230,000.

In 1999, the City issued \$216,000 of manuscript bonds to pay, in anticipation of the collection of special assessments levied, the property owners' portion of the cost of improving Fowles Road and Big Creek Parkway between certain termini by constructing sanitary sewers. The outstanding principal balance as of December 31, 2001 is \$207,751.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## *NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*

**December 31, 2001**

In 1998, the City defeased a general obligation bond issue by placing the proceeds of new bonds in an irrevocable escrow account to provide for all future debt service payments on the old bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's General Long-Term Obligations Account Group. As of December 31, 2001, the amount of defeased debt outstanding amounted to \$2,810,000.

During 1992, the Special Assessment Bond Fund issued \$102,000 of special assessment bonds ("bonds") to pay for the costs of constructing sanitary sewers. The bonds were purchased by the City's General Obligation Bond Retirement Fund and the proceeds were utilized to retire the bond anticipation notes, which were issued in 1991. The bonds bear interest of 6.75% per year with principal of \$5,100 and interest payable on December 1 each year through December 1, 2012. The outstanding principal balance as of December 31, 2001 is \$56,100.

The City's future bonds payable debt service requirements at December 31, 2001 follow:

Due In	General Obligation Bonds		Special Assessment Bonds		Total
	Principal	Interest	Principal	Interest	
2002	\$ 1,621,621	\$ 1,082,289	\$ 75,201	\$ 63,208	\$ 2,842,319
2003	1,560,289	1,020,035	76,936	59,902	2,717,162
2004	1,604,402	960,739	78,251	56,458	2,699,850
2005	1,628,514	898,163	79,593	52,890	2,659,160
2006	1,647,626	833,832	80,961	49,218	2,611,637
2007-2018	16,559,177	4,374,524	891,281	273,061	22,098,043
	<u>\$ 24,621,629</u>	<u>\$ 9,169,582</u>	<u>\$ 1,282,223</u>	<u>\$ 554,737</u>	<u>\$ 35,628,171</u>

Special assessment bonds are being retired by assessments against the affected property owners. The City would be obligated to pay the bonds should the assessments not be collected. Management does not foresee any circumstances that would change the current source of funding for these obligations.

All general obligation bonds and notes outstanding are backed by the full faith and credit of the City.

*Conduit Debt Obligations:* On December 2, 1999 the City entered into a \$3,650,000 lease-sublease purchase agreement with the Southwest General Health Center and a local financial institution for the purpose of paying the cost of various medical equipment. The City is not obligated in any way to make rental payments from any of its funds pursuant to this lease, and therefore, they have been excluded entirely from the City's debt presentation.

On December 29, 1997 the City issued \$30,000,000 of Variable Rate Demand Hospital Improvement Revenue Bonds, Series 1997 for the purpose of providing funds to pay the cost of various Southwest General Health Center facility improvements. The City is not obligated in any way to pay debt charges on these bonds from any of its funds, and therefore, they have been excluded entirely from the City's debt presentation.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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On October 1, 1995 the City issued \$41,615,000 of Hospital Improvement Refunding Revenue Bonds, Series 1995 for the purpose of providing funds to pay costs of Hospital Facilities to be used by Southwest General Health Center and to advance refund the Hospital Improvement Revenue Bonds, Series 1991. The City is not obligated in any way to pay debt charges on these bonds from any of its funds, and therefore, they have been excluded entirely from the City's debt presentation.

At December 31, 2001, the aggregate principal amount of conduit debt obligations outstanding is \$65,281,748.

### NOTE 11 - PENSION AND RETIREMENT PLANS

The City has implemented GASB No. 27 "Accounting for Pensions of State and Local Government Employees", which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets and note disclosures in the financial reports of the state and local government employers.

The City contributes to two cost-sharing multiple-employer defined benefit plans: (1) Public Employees Retirement System of Ohio (PERS), and (2) Ohio Police and Fire Pension Fund (OP&F). Both plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code for PERS and Chapter 742 for OP&F. PERS and OP&F issue stand-alone financial reports. Interested parties may obtain a copy from PERS by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS. Interested parties may obtain a copy from OP&F by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

The funding policy for the above plans is as follows:

*Public Employees Retirement System of Ohio:* The Ohio Revised Code provides statutory authority for employee and employer contributions. During 2001, PERS employees contributed 8.5% of their salary to the plan and the City contributed 13.55% of covered payrolls to the plan, of which 4.3% was applied towards the health care program for retirees. The City's contributions to PERS for the years ending December 31, 2001, 2000, and 1999 were \$654,653, \$420,034 and \$422,261, respectively, equal to the required contributions for each year.

*Ohio Police and Fire Pension Fund:* The Ohio Revised Code provides statutory authority for employee and employer contributions. During 2001, plan members contributed 10% of their salary to the plan and the City contributed 19.5% of gross salary for police officers and 24.0% for firefighters, of which 7.5% was applied towards the health care program for retirees. The City's contributions to OP&F for the years ending December 31, 2001, 2000, and 1999 were \$701,881, \$620,262 and \$568,709, respectively, equal to the required contributions for each year.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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### NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

State statute provides that the City fund health care benefits as a post-employment benefit through employer contributions to PERS and the OP&F.

*Public Employees Retirement System of Ohio:* PERS provides post-retirement health care coverage to age and service retirees with 10 years or more of qualifying service credit. The post-retirement health care benefits cover disability recipients and primary survivor recipients. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of the City's contribution funds post-retirement health care coverage. During 2001, the City's portion that was used to fund health care was \$206,965, representing 4.3% of covered payroll.

The post-retirement health care coverage is advance-funded on an actuarially determined basis. The following assumptions and calculations were based on PERS's latest actuarial review performed as of December 31, 2000: an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 2000 was 7.75%; all investments are carried at market value; for actuarial valuation purposes, a smoothed market approach is used—meaning that assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.75% compounded annually, with no change in the number of active employees; annual pay increases over and above the 4.75% base increase were assumed to range from 0.54% to 5.1%; and health care costs are assumed to increase 4.75% annually. The actuarially accrued post-retirement health care liability for PERS at December 31, 2000 was \$14,364,600,000. The net assets were \$11,735,900,000, leaving an unfunded actuarial accrued liability of \$2,628,700,000. The number of active contributing participants was 411,076.

*Ohio Police and Fire Pension Fund:* OP&F provides post-retirement health care coverage to any police officer or firefighter who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a two-thirds basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Post-retirement health care coverage is funded by a portion of the City's contribution and is determined on a pay-as-you-go basis.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.25% and 7.5% of covered payroll in 2000 and 2001, respectively. The allocation is 7.75% in 2002. Since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. During 2001, the City's portion that was used to fund health care was \$146,381 for police and \$107,087 for firefighters. The number of participants eligible to receive health care benefits as of December 31, 2000, the date of the last actuarial valuation available, was 12,853 and 10,037 for police and firefighters, respectively. OP&F's total health care expense for the year ended December 31, 2000, was \$106,160,054, which was net of member contributions of \$5,657,431.

### NOTE 13 - CONTRIBUTED CAPITAL

During the year, contributed capital changed by the following amounts in the Proprietary Funds:

	<u>Sewer District</u>
Balance January 1, 2001	\$ 458,000
Total fixed assets disposals	(9,530)
Balance December 31, 2001	<u>\$ 448,470</u>

### NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS

#### A. Southwest General Health Center

The Southwest General Health Center is an Ohio nonprofit corporation providing health services to the communities of Berea, Brook Park, Middleburg Heights, Olmsted Falls, Strongsville, and Columbia Township. Each of these governments supports the hospital through property tax levies and has representation on the Board of Trustees.

The Health Center is governed by a Board of Trustees consisting of the following: one person who is a member of the legislative body from each of the political subdivisions, one person residing in each political subdivision who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president of the corporation, the president of the medical staff, the vice president of the medical staff, and the executive vice president of the corporation. The legislative bodies of each political subdivision elect their members to serve on the Board of Trustees of the Health Center.

The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's degree of control is limited to its representation on the Board. The Southwest General Hospital Agency Fund accounts for property tax resources that are distributed to the Health Center. In 2001, the City of Middleburg Heights contributed \$210,585 of property tax revenues to the Health Center.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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### **B. Woodvale Union Cemetery**

The Woodvale Union Cemetery is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Woodvale Union Cemetery provides burial grounds and burial services to the public. The Cemetery is a jointly governed organization among the cities of Middleburg Heights and Berea.

The Cemetery is governed by a joint council consisting of the council members from the member communities. The joint council elects and appoints the members of the Board of Trustees. The Board consists of the following: one elected member of the legislative body from each of the political subdivisions, and one appointed resident from either of the political subdivisions who is not a member of the legislative body.

The joint council exercises total control over the operation of the Cemetery including budgeting, appropriating, and contracting. Each City's degree of control is limited to its representation on the Board. In 2001, the City of Middleburg Heights contributed \$35,000 to the Cemetery.

### **C. Southwest Council of Governments**

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Council's Board is comprised of one member from each of the sixteen 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.

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT"), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. The Council's financial statements may be obtained by contacting the Southwest Council of Governments, Parma Heights, Ohio.

### **D. Northeast Ohio Public Energy Council**

The City is a member of the Northeast Ohio Public Energy Council ("NOPEC"). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of member communities.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

### E. Southwest Suburban Airport Council of Governments

The City is a member of the Southwest Suburban Airport Council of Governments ("SSAC"). SSAC was formed to protect the environment and quality of life within the southwest suburban area from the impact of expansion of the Cleveland Hopkins International Airport. The Council presently includes the cities of Middleburg Heights and Berea.

The Council's Board is comprised of one member from each of the participating communities. The Board oversees and manages the operation of the Council. The degree of control exercised by each City is limited to its representation on the Board. Financial information can be obtained by contacting Timothy Pope, Treasurer, 15700 Bagley Road, Middleburg Heights, Ohio 44130.

### NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year the City contracted with Phelan Risk Management Services Company to manage our insurance coverage.

The coverage limits on December 31, 2001, per occurrence, for various types of coverage are as follows:

Type of Coverage	Carrier	Coverage
Comprehensive general liability	Specialty National Ins. Co.	\$1 million per occurrence/ 3 million aggregate
Blanket building and contents	Specialty National Ins. Co.	38,471,087
Boiler and machinery coverage	Travelers Property and Casualty	20 million
Inland marine coverage	Specialty National Ins. Co.	535,679
Automobile liability	Specialty National Ins. Co.	1 million
Public officials liability	Specialty National Ins. Co.	1 million
Police professional liability	Specialty National Ins. Co.	1 million
Public employee blanket bond	Specialty National Ins. Co.	100,000
Excess umbrella liability	Specialty National Ins. Co.	10 million

Settled claims have not exceeded coverage for the past three years.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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The City provides two different medical plans for full time employees and council members and their families. A traditional plan with a Preferred Provider Organization is self funded and administered by a third party administrator. A Health Maintenance Organization plan is also offered and is fully insured. All covered employees also receive prescription benefits, vision and dental plans. Starting in 2001, employees can waive health care benefits and receive a monthly opt-out payment ranging from \$14 to \$100. Full time employees are covered by a \$30,000 term life insurance policy.

Under the traditional medical plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has purchased stop loss coverage of \$40,000 per individual and \$895,284 in aggregate. In 2001, the City funded the self-insurance reserve \$300 per month for single coverage and \$830 per month for family coverage. These rates are paid by the fund from which the employee's compensation is paid.

The claims liability of \$185,584, as estimated by the third party administrator and reported in the internal service fund at December 31, 2001, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10 which requires that 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.

Changes in the fund's claims liability balance for the last three years are as follows:

	<b>Estimated Claims Payable January 1</b>	<b>Current-Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Estimated Claims Payable December 31</b>
1999	\$ 82,601	\$ 729,841	\$ (777,746)	\$ 34,696
2000	34,696	701,487	(691,296)	44,887
2001	44,887	895,649	(754,952)	185,584

The State of Ohio provides workers' compensation coverage. 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 16 - CONTINGENT LIABILITIES

There are several pending lawsuits in which the City is involved. City officials, after consultation with the City's Law Director, are of the opinion that potential uninsured claims against the City would not materially affect the financial statements.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

December 31, 2001

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### NOTE 17 – COMMITMENTS

At December 31, 2001, uncompleted construction and other significant contracts were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
Emergency generators	\$ 452,436
Engle road widening	318,140
Salt	280,000
Street improvements	152,536
Salt Truck	94,920
Pearl road resurfacing	83,591
Patrol vehicles	83,092
Community center	63,679
Solid waste removal	49,459
W. 130th street improvements	48,292
Rescue vehicles repair / repainting	33,500
Glenridge waterline	30,000
Service 4WD Truck	23,900
<b>Total</b>	<u><u>\$ 1,713,545</u></u>

### NOTE 18 – SUBSEQUENT EVENT

The Ohio Public Works Commission awarded \$2.2 million in federal funds to widen Sprague Road from two lanes to five between Pearl and Webster roads. Total project costs are estimated at \$4.6 million, with \$2.2 million being provided through Issue 2, \$1.1 million will be paid by Cuyahoga County, and the remainder will be split between the cities of Strongsville and Middleburg Heights (\$600,000 each).

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**GENERAL FUND**

**COMPARATIVE FINANCIAL STATEMENTS**

**THE GENERAL FUND IS ESTABLISHED TO  
ACCOUNT FOR ALL FINANCIAL RESOURCES  
EXCEPT THOSE REQUIRED TO BE ACCOUNTED  
FOR IN ANOTHER FUND**

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMPARATIVE BALANCE SHEET - GENERAL FUND

December 31, 2001 and 2000

	Totals	
	2001	2000
<b>ASSETS</b>		
Equity in pooled cash and cash equivalents	\$ 6,739,255	\$ 6,901,099
Receivables - net of allowances:		
Taxes	3,026,660	3,012,615
Accounts	18,598	17,147
Accrued interest	66,838	113,129
Due from other governments	364,077	647,936
Due from other funds	25,593	23,050
Inventories	22,045	27,188
Prepaid items	63,048	56,191
<b>TOTAL ASSETS</b>	<b>\$ 10,326,114</b>	<b>\$ 10,798,355</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 122,899	\$ 131,094
Accrued payroll:		
Wages and benefits	543,930	417,280
Vacation	49,044	21,368
Sick leave	26,602	17,881
Due to other governments	380	167,919
Deferred revenue	2,049,627	2,097,684
<b>TOTAL LIABILITIES</b>	<b>2,792,482</b>	<b>2,853,226</b>
<b>FUND BALANCE</b>		
Reserved for inventories	22,045	27,188
Reserved for prepaid items	63,048	56,191
Reserved for encumbrances	112,976	139,629
Undesignated	7,335,563	7,722,121
<b>TOTAL FUND BALANCE</b>	<b>7,533,632</b>	<b>7,945,129</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 10,326,114</b>	<b>\$ 10,798,355</b>

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

For the Years Ended December 31, 2001 and 2000

	Totals	
	2001	2000
<b>REVENUES</b>		
Property taxes	\$ 1,298,069	\$ 1,156,726
Income taxes	6,687,832	6,735,091
Other local taxes	684,553	718,032
Intergovernmental revenues	1,198,630	1,400,949
Charges for services	50,910	76,332
Fines, licenses and permits	677,999	765,738
Interest earnings	425,372	480,381
Miscellaneous revenue	51,393	110,145
<b>TOTAL REVENUES</b>	11,074,758	11,443,394
<b>EXPENDITURES</b>		
Current:		
Public safety	5,297,832	4,590,998
Public health and welfare	20,524	20,879
Community development	486,411	404,481
Sanitation	670,964	641,825
General government	4,352,252	4,132,400
<b>TOTAL EXPENDITURES</b>	10,827,983	9,790,583
Excess (deficiency) of revenues over expenditures	246,775	1,652,811
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers - in	44,066	52,967
Operating transfers - out	(702,338)	(111,040)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(658,272)	(58,073)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(411,497)	1,594,738
Fund balance, beginning of year	7,945,129	6,350,391
Fund balance, end of year	\$ 7,533,632	\$ 7,945,129

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-**  
**GENERAL FUND**

For the Year Ended December 31, 2001

	General Fund			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 1,319,126	\$ 1,317,851	\$ 1,298,069	\$ (19,782)
Income taxes	6,860,500	6,860,500	6,663,876	(196,624)
Other local taxes	730,000	730,000	692,500	(37,500)
Intergovernmental revenues	862,434	859,480	1,341,549	482,069
Charges for services	55,450	55,450	50,910	(4,540)
Fines, licenses and permits	753,475	753,475	674,165	(79,310)
Interest earnings	250,000	250,000	453,919	203,919
Miscellaneous revenue	15,000	15,000	147,259	132,259
<b>TOTAL REVENUES</b>	<b>10,845,985</b>	<b>10,841,756</b>	<b>11,322,247</b>	<b>480,491</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
Police				
Personnel	2,787,369	2,923,160	2,814,587	108,573
Other	325,200	356,772	290,928	65,844
Total police	3,112,569	3,279,932	3,105,515	174,417
Fire				
Personnel	2,057,031	2,101,175	1,805,563	295,612
Other	241,800	310,050	257,143	52,907
Total fire	2,298,831	2,411,225	2,062,706	348,519
Safety director				
Personnel	21,664	25,738	25,370	368
Other	460	460	387	73
Total safety director	22,124	26,198	25,757	441
<b>TOTAL PUBLIC SAFETY</b>	<b>5,433,524</b>	<b>5,717,355</b>	<b>5,193,978</b>	<b>523,377</b>
<b>PUBLIC HEALTH AND WELFARE</b>				
Senior Bus				
Personnel	21,000	22,049	19,390	2,659
Other	7,200	7,200	879	6,321
Total senior bus	28,200	29,249	20,269	8,980
<b>TOTAL PUBLIC HEALTH AND WELFARE</b>	<b>28,200</b>	<b>29,249</b>	<b>20,269</b>	<b>8,980</b>
<b>COMMUNITY DEVELOPMENT</b>				
Planning and zoning				
Personnel	45,540	49,353	45,679	3,674
Other	3,000	3,000	2,088	912
Total planning and zoning	48,540	52,353	47,767	4,586

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)- GENERAL FUND (Continued)

For the Year Ended December 31, 2001

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Building				
Personnel	357,244	387,115	329,019	58,096
Other	24,050	25,250	14,255	10,995
Total building	381,294	412,365	343,274	69,091
Engineer				
Personnel	77,289	85,681	85,385	296
Other	5,000	5,000		5,000
Total engineer	82,289	90,681	85,385	5,296
<b>TOTAL COMMUNITY DEVELOPMENT</b>	512,123	555,399	476,426	78,973
<b>SANITATION</b>				
Refuse removal				
Other	675,000	675,000	667,872	7,128
Total refuse removal	675,000	675,000	667,872	7,128
<b>TOTAL SANITATION</b>	675,000	675,000	667,872	7,128
<b>GENERAL GOVERNMENT</b>				
Mayor's court				
Personnel	119,028	131,054	123,505	7,549
Other	34,200	34,200	29,153	5,047
Total mayor's court	153,228	165,254	152,658	12,596
Mayor				
Personnel	293,692	334,144	320,328	13,816
Other	19,200	19,200	16,469	2,731
Total mayor	312,892	353,344	336,797	16,547
Finance				
Personnel	339,993	381,439	355,936	25,503
Other	61,392	61,392	46,920	14,472
Total finance	401,385	442,831	402,856	39,975
Law				
Personnel	167,967	182,859	172,246	10,613
Other	93,750	93,750	48,923	44,827
Total law	261,717	276,609	221,169	55,440
Service				
Personnel	2,096,508	2,281,412	2,119,339	162,073
Other	307,100	362,800	273,428	89,372
Total service	2,403,608	2,644,212	2,392,767	251,445

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-**  
**GENERAL FUND (Continued)**

**For the Year Ended December 31, 2001**

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Council				
Personnel	238,503	281,446	229,619	51,827
Other	38,380	40,880	33,385	7,495
Total council	276,883	322,326	263,004	59,322
Board and commissions				
Personnel	8,019	8,450	7,906	544
Other	4,250	6,450	6,235	215
Total board and commissions	12,269	14,900	14,141	759
City hall-general government				
Other	558,650	623,308	412,192	211,116
Total city hall-general government	558,650	623,308	412,192	211,116
Statutory accounts				
Other	313,871	313,871	289,957	23,914
Total statutory accounts	313,871	313,871	289,957	23,914
<b>TOTAL GENERAL GOVERNMENT</b>	4,694,503	5,156,655	4,485,541	671,114
<b>TOTAL EXPENDITURES</b>	11,343,350	12,133,658	10,844,086	1,289,572
Excess (deficiency) of revenues over expenditures	(497,365)	(1,291,902)	478,161	1,770,063
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	45,000	45,000	44,066	(934)
Operating transfers - out	(487,216)	(705,100)	(702,338)	2,762
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(442,216)	(660,100)	(658,272)	1,828
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(939,581)	(1,952,002)	(180,111)	1,771,891
Decertification of prior year encumbrances			29,995	29,995
Fund balances, beginning of year	6,648,743	6,648,743	6,648,743	
Fund balances, end of year	\$ 5,709,162	\$ 4,696,741	\$ 6,498,627	\$ 1,801,886

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# CITY OF MIDDLEBURG HEIGHTS, OHIO

## SPECIAL REVENUE FUNDS

### COMBINING FINANCIAL STATEMENTS

**SPECIAL REVENUE FUNDS ARE ESTABLISHED  
TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE  
SOURCES (OTHER THAN SPECIAL ASSESSMENTS, EXPENDABLE TRUSTS  
OR SOURCES FOR MAJOR CAPITAL PROJECTS) THAT ARE RESTRICTED  
BY LAW AND ADMINISTRATIVE ACTION TO EXPENDITURES  
FOR SPECIFIED PURPOSES**

#### **Street Construction, Maintenance and Repair**

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of streets within the City.

#### **State Highway**

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of State highways within the City.

#### **Sign**

To account for revenue earmarked for improvements to be made to signs.

#### **Recreation**

To account for revenues and expenditures relating to leisure time activities, including in part, the Community Center's operations.

#### **Income Tax**

To account for the 3% RITA fee.

#### **Law Enforcement and Education**

Required by State law to account for the proceeds of the City's portion of fines collected on all DUI related offense convictions and related disbursements.

#### **Law Enforcement Drug Penalty**

Required by State law to account for the collection of fines imposed on certain drug offenses and disbursed to local governmental units.

**Law Enforcement Contraband Seizure**

Required by State law to account for the collection of proceeds from the sale of contraband.

**Law Enforcement Drug Fine**

Required by State law to account for the collection of fines imposed on certain drug offenses.

**Medical Transport**

To account for the collection of proceeds from our emergency medical care transport units and related expenditures.

**Police Pension**

To accumulate property taxes levied for the payment of amounts due to the state administered police disability and pension fund.

**Fire Pension**

To accumulate property taxes levied for the payment of amounts due to the state administered fire fighters disability and pension fund.

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS**

**December 31, 2001**

With Comparative Totals for December 31, 2000

	<b>Street Construction, Maintenance and Repair</b>	<b>State Highway</b>	<b>Sign</b>	<b>Recreation</b>	<b>Income Tax</b>
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 379,332	\$ 179,298	\$ 2,122	\$ 197,583	
Receivables - net of allowances:					
Taxes				415,727	\$ 89,815
Accounts				305	
Accrued interest	38	155		1,428	
Due from other governments	194,721	8,640			
Due from other funds					
Inventories	42,897	46,080		13,194	
Prepaid items				3,726	
<b>TOTAL ASSETS</b>	<b>\$ 616,988</b>	<b>\$ 234,173</b>	<b>\$ 2,122</b>	<b>\$ 631,963</b>	<b>\$ 89,815</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 64,261	\$ 1,163		\$ 33,589	\$ 62,842
Accrued payroll:					
Wages and benefits	44,648			79,165	
Vacation	857			1,942	
Sick leave	2,889			1,143	
Due to other governments				228	
Due to other funds					
Deferred revenue	125,309	3,012		124,714	26,973
Debt:					
Bond anticipation notes payable					
<b>TOTAL LIABILITIES</b>	<b>237,964</b>	<b>4,175</b>		<b>240,781</b>	<b>89,815</b>
<b>FUND BALANCE</b>					
Reserved for inventories	42,897	46,080		13,194	
Reserved for prepaid items				3,726	
Reserved for encumbrances	163,933	103,810		6,217	
Undesignated	172,194	80,108	\$ 2,122	368,045	
<b>TOTAL FUND BALANCE</b>	<b>379,024</b>	<b>229,998</b>	<b>2,122</b>	<b>391,182</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 616,988</b>	<b>\$ 234,173</b>	<b>\$ 2,122</b>	<b>\$ 631,963</b>	<b>\$ 89,815</b>

Law Enforcement and Education	Law Enforcement Drug Penalty	Law Enforcement Contraband Seizure	Law Enforcement Drug Fine	Medical Transport	Police Pension	Fire Pension	Totals	
							2001	2000
\$ 39,040	\$ 18,810	\$ 28,631	\$ 741	\$ 65,629	\$ 24,732	\$ 24,732	\$ 960,650	\$ 1,323,704
					145,911	145,911	797,364	674,139
				14,819			15,124	7,994
3	1	2		89	1	1	1,718	1,859
					8,429	8,429	220,219	249,883
100							100	175
							102,171	35,219
							3,726	3,726
<b>\$ 39,143</b>	<b>\$ 18,811</b>	<b>\$ 28,633</b>	<b>\$ 741</b>	<b>\$ 80,537</b>	<b>\$ 179,073</b>	<b>\$ 179,073</b>	<b>\$ 2,101,072</b>	<b>\$ 2,296,699</b>
				\$ 2,119			\$ 163,974	\$ 167,508
					\$ 41,250	\$ 41,250	206,313	151,993
							2,799	297
							4,032	
							228	1,589
					154,340	154,340	588,688	577,188
				115,000			115,000	220,000
				117,119	195,590	195,590	1,081,034	1,118,575
							102,171	35,219
							3,726	3,726
				1,557			275,517	336,960
\$ 39,143	\$ 18,811	\$ 28,633	\$ 741	(38,139)	(16,517)	(16,517)	638,624	802,219
39,143	18,811	28,633	741	(36,582)	(16,517)	(16,517)	1,020,038	1,178,124
<b>\$ 39,143</b>	<b>\$ 18,811</b>	<b>\$ 28,633</b>	<b>\$ 741</b>	<b>\$ 80,537</b>	<b>\$ 179,073</b>	<b>\$ 179,073</b>	<b>\$ 2,101,072</b>	<b>\$ 2,296,699</b>

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS**

**For the Year Ended December 31, 2001**

**With Comparative Totals for the Year Ended December 31, 2000**

	<b>Street Construction, Maintenance and Repair</b>	<b>State Highway</b>	<b>Sign</b>	<b>Recreation</b>	<b>Income Tax</b>
<b>REVENUES</b>					
Property taxes					
Income taxes				\$ 1,364,238	\$ 373,799
Intergovernmental revenues	\$ 560,257	\$ 45,426			
Charges for services	4,784			720,644	
Fines, licenses and permits					
Interest earnings	7,084	8,862	\$ 75	13,955	
Miscellaneous revenue				10,768	
<b>TOTAL REVENUES</b>	<b>572,125</b>	<b>54,288</b>	<b>75</b>	<b>2,109,605</b>	<b>373,799</b>
<b>EXPENDITURES</b>					
Current:					
Public safety					
Culture and recreation				2,202,176	
Streets and highways	915,591	79,649			
General government					373,799
Debt service:					
Interest and other charges					
<b>TOTAL EXPENDITURES</b>	<b>915,591</b>	<b>79,649</b>		<b>2,202,176</b>	<b>373,799</b>
Excess (deficiency) of revenues over expenditures	(343,466)	(25,361)	75	(92,571)	
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers - in	550,000				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>550,000</b>				
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	206,534	(25,361)	75	(92,571)	
Fund balances, beginning of year	172,490	255,359	2,047	483,753	
Fund balances, end of year	\$ 379,024	\$ 229,998	\$ 2,122	\$ 391,182	\$ 0

Law Enforcement and Education	Law Enforcement	Law Enforcement	Law Enforcement	Medical Transport	Police Pension	Fire Pension	Totals	
	Drug Penalty	Contraband Seizure	Drug Fine				2001	2000
					\$ 136,638	\$ 136,638	\$ 273,276	\$ 243,522
							1,738,037	1,413,806
						15,788	637,259	708,608
				\$ 97,958			823,386	734,686
\$ 2,546	\$ 325						2,871	9,999
1,461	710	\$ 1,102	\$ 22	11,650	2,660	2,660	50,241	83,530
							10,768	14,521
4,007	1,035	1,102	22	109,608	155,086	155,086	3,535,838	3,208,672
					312,662	176,250	665,162	281,850
							2,202,176	1,592,893
							995,240	837,694
							373,799	378,907
					7,547		7,547	5,917
					320,209	176,250	4,243,924	3,097,261
4,007	1,035	1,102	22	(210,601)	(21,164)	(21,164)	(708,086)	111,411
							550,000	60,000
							550,000	60,000
4,007	1,035	1,102	22	(210,601)	(21,164)	(21,164)	(158,086)	171,411
35,136	17,776	27,531	719	174,019	4,647	4,647	1,178,124	1,006,713
\$ 39,143	\$ 18,811	\$ 28,633	\$ 741	\$ (36,582)	\$ (16,517)	\$ (16,517)	\$ 1,020,038	\$ 1,178,124

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2001**

	<b>Street Construction, Maintenance and Repair</b>			
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 685,000	\$ 575,000	\$ 565,410	\$ (9,590)
Charges for services			4,784	4,784
Interest earnings	5,000	5,500	7,353	1,853
<b>TOTAL REVENUES</b>	<b>690,000</b>	<b>580,500</b>	<b>577,547</b>	<b>(2,953)</b>
<b>EXPENDITURES</b>				
Streets and highways				
Personnel	465,000	465,000	431,168	33,832
Other	630,000	717,050	596,008	121,042
<b>TOTAL STREETS AND HIGHWAYS</b>	<b>1,095,000</b>	<b>1,182,050</b>	<b>1,027,176</b>	<b>154,874</b>
<b>TOTAL EXPENDITURES</b>	<b>1,095,000</b>	<b>1,182,050</b>	<b>1,027,176</b>	<b>154,874</b>
Excess (deficiency) of revenues over expenditures	(405,000)	(601,550)	(449,629)	151,921
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	350,000	550,000	550,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>350,000</b>	<b>550,000</b>	<b>550,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(55,000)	(51,550)	100,371	151,921
Decertification of prior year encumbrances			5,077	5,077
Fund balances, beginning of year	56,618	56,618	56,618	
Fund balances, end of year	\$ 1,618	\$ 5,068	\$ 162,066	\$ 156,998

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	State Highway			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 51,000	\$ 51,000	\$ 45,844	\$ (5,156)
Interest earnings	5,000	5,000	9,709	4,709
<b>TOTAL REVENUES</b>	56,000	56,000	55,553	(447)
<b>EXPENDITURES</b>				
Streets and highways				
Other	210,000	240,000	229,301	10,699
<b>TOTAL STREETS AND HIGHWAYS</b>	210,000	240,000	229,301	10,699
<b>TOTAL EXPENDITURES</b>	210,000	240,000	229,301	10,699
Excess (deficiency) of revenues over expenditures	(154,000)	(184,000)	(173,748)	10,252
Decertification of prior year encumbrances			182	182
Fund balances, beginning of year	247,785	247,785	247,785	
Fund balances, end of year	\$ 93,785	\$ 63,785	\$ 74,219	\$ 10,434

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Sign			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Intergovernmental revenues				
Interest earnings			\$ 87	\$ 87
<b>TOTAL REVENUES</b>			87	87
Excess (deficiency) of revenues over expenditures			87	87
Fund balances, beginning of year	\$ 2,035	\$ 2,035	2,035	
Fund balances, end of year	\$ 2,035	\$ 2,035	\$ 2,122	\$ 87

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Recreation			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Income taxes	\$ 1,270,000	\$ 1,310,000	\$ 1,276,062	\$ (33,938)
Charges for services	846,000	846,000	720,462	(125,538)
Interest earnings	3,500	3,500	14,592	11,092
Miscellaneous revenue	12,200	12,200	10,645	(1,555)
<b>TOTAL REVENUES</b>	<b>2,131,700</b>	<b>2,171,700</b>	<b>2,021,761</b>	<b>(149,939)</b>
<b>EXPENDITURES</b>				
Culture and recreation				
Personnel	1,502,678	1,623,049	1,464,737	158,312
Other	822,300	847,500	712,062	135,438
<b>TOTAL CULTURE AND RECREATION</b>	<b>2,324,978</b>	<b>2,470,549</b>	<b>2,176,799</b>	<b>293,750</b>
<b>TOTAL EXPENDITURES</b>	<b>2,324,978</b>	<b>2,470,549</b>	<b>2,176,799</b>	<b>293,750</b>
Excess (deficiency) of revenues over expenditures	(193,278)	(298,849)	(155,038)	143,811
Decertification of prior year encumbrances			3,481	3,481
Fund balances, beginning of year	337,483	337,483	337,483	
Fund balances, end of year	\$ 144,205	\$ 38,634	\$ 185,926	\$ 147,292

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Income Tax			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Income taxes	\$ 393,000	\$ 373,402	\$ 373,402	
<b>TOTAL REVENUES</b>	393,000	373,402	373,402	
<b>EXPENDITURES</b>				
General government				
Other	384,000	373,402	373,402	
<b>TOTAL GENERAL GOVERNMENT</b>	384,000	373,402	373,402	
<b>TOTAL EXPENDITURES</b>	384,000	373,402	373,402	
Excess (deficiency) of revenues over expenditures	9,000			
Fund balances, beginning of year				
Fund balances, end of year	\$ 9,000	\$ 0	\$ 0	\$ 0

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Law Enforcement and Education			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Fines, licenses and permits	\$ 4,500	\$ 4,500	\$ 2,621	\$ (1,879)
Interest earnings	1,000	1,000	1,657	657
<b>TOTAL REVENUES</b>	5,500	5,500	4,278	(1,222)
Excess (deficiency) of revenues over expenditures	5,500	5,500	4,278	(1,222)
Fund balances, beginning of year	34,762	34,762	34,762	
Fund balances, end of year	\$ 40,262	\$ 40,262	\$ 39,040	\$ (1,222)

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Law Enforcement Drug Penalty			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Fines, licenses and permits			\$ 325	\$ 325
Interest earnings	\$ 500	\$ 500	810	310
<b>TOTAL REVENUES</b>	500	500	1,135	635
Excess (deficiency) of revenues over expenditures	500	500	1,135	635
Fund balances, beginning of year	17,675	17,675	17,675	
Fund balances, end of year	\$ 18,175	\$ 18,175	\$ 18,810	\$ 635

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Law Enforcement Contraband Seizure			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Interest earnings	\$ 1,000	\$ 1,000	\$ 1,260	\$ 260
<b>TOTAL REVENUES</b>	1,000	1,000	1,260	260
Excess (deficiency) of revenues over expenditures	1,000	1,000	1,260	260
Fund balances, beginning of year	27,371	27,371	27,371	
Fund balances, end of year	\$ 28,371	\$ 28,371	\$ 28,631	\$ 260

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Law Enforcement Drug Fine Fund			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Interest earnings			\$ 26	\$ 26
<b>TOTAL REVENUES</b>			26	26
Excess (deficiency) of revenues over expenditures			26	26
Fund balances, beginning of year	\$ 715	\$ 715	715	
Fund balances, end of year	\$ 715	\$ 715	\$ 741	\$ 26

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**

For the Year Ended December 31, 2001

	Medical Transport			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 80,000	\$ 80,000	\$ 92,073	\$ 12,073
Interest earnings	1,500	12,000	13,611	1,611
<b>TOTAL REVENUES</b>	<b>81,500</b>	<b>92,000</b>	<b>105,684</b>	<b>13,684</b>
<b>EXPENDITURES</b>				
Public safety				
Other	10,000	17,500	15,881	1,619
Debt service				
Principal retirement	220,000	220,000	220,000	
Interest and other charges	11,550	11,550	11,550	
<b>TOTAL PUBLIC SAFETY</b>	<b>241,550</b>	<b>249,050</b>	<b>247,431</b>	<b>1,619</b>
<b>TOTAL EXPENDITURES</b>	<b>241,550</b>	<b>249,050</b>	<b>247,431</b>	<b>1,619</b>
Excess (deficiency) of revenues over expenditures	(160,050)	(157,050)	(141,747)	15,303
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of notes	170,000	115,000	115,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>170,000</b>	<b>115,000</b>	<b>115,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	9,950	(42,050)	(26,747)	15,303
Decertification of prior year encumbrances			4	4
Fund balances, beginning of year	90,495	90,495	90,495	
Fund balances, end of year	\$ 100,445	\$ 48,445	\$ 63,752	\$ 15,307

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY**  
**BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Police Pension			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 138,935	\$ 138,801	\$ 136,638	\$ (2,163)
Intergovernmental revenues	15,500	15,500	15,788	288
Interest earnings	2,000	2,000	2,817	817
<b>TOTAL REVENUES</b>	<b>156,435</b>	<b>156,301</b>	<b>155,243</b>	<b>(1,058)</b>
<b>EXPENDITURES</b>				
Public safety				
Personnel	200,000	200,000	185,000	15,000
<b>TOTAL PUBLIC SAFETY</b>	<b>200,000</b>	<b>200,000</b>	<b>185,000</b>	<b>15,000</b>
<b>TOTAL EXPENDITURES</b>	<b>200,000</b>	<b>200,000</b>	<b>185,000</b>	<b>15,000</b>
Excess (deficiency) of revenues over expenditures	(43,565)	(43,699)	(29,757)	13,942
Fund balances, beginning of year	54,489	54,489	54,489	
Fund balances, end of year	<b>\$ 10,924</b>	<b>\$ 10,790</b>	<b>\$ 24,732</b>	<b>\$ 13,942</b>

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY  
BASIS)-ALL SPECIAL REVENUE FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Fire Pension			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 138,935	\$ 138,801	\$ 136,638	\$ (2,163)
Intergovernmental revenues	15,500	15,500	15,788	288
Interest earnings	2,000	2,000	2,817	817
<b>TOTAL REVENUES</b>	<b>156,435</b>	<b>156,301</b>	<b>155,243</b>	<b>(1,058)</b>
<b>EXPENDITURES</b>				
Public safety				
Personnel	200,000	200,000	185,000	15,000
<b>TOTAL PUBLIC SAFETY</b>	<b>200,000</b>	<b>200,000</b>	<b>185,000</b>	<b>15,000</b>
<b>TOTAL EXPENDITURES</b>	<b>200,000</b>	<b>200,000</b>	<b>185,000</b>	<b>15,000</b>
Excess (deficiency) of revenues over expenditures	(43,565)	(43,699)	(29,757)	13,942
Fund balances, beginning of year	54,489	54,489	54,489	
Fund balances, end of year	\$ 10,924	\$ 10,790	\$ 24,732	\$ 13,942

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL (Continued)

For the Year Ended December 31, 2001

	Totals			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 277,870	\$ 277,602	\$ 273,276	\$ (4,326)
Income taxes	1,663,000	1,683,402	1,649,464	(33,938)
Intergovernmental revenues	767,000	657,000	642,830	(14,170)
Charges for services	926,000	926,000	817,319	(108,681)
Fines, licenses and permits	4,500	4,500	2,946	(1,554)
Interest earnings	21,500	32,500	54,739	22,239
Miscellaneous revenue	12,200	12,200	10,645	(1,555)
<b>TOTAL REVENUES</b>	<b>3,672,070</b>	<b>3,593,204</b>	<b>3,451,219</b>	<b>(141,985)</b>
<b>EXPENDITURES</b>				
Public safety				
Personnel	400,000	400,000	370,000	30,000
Other	10,000	17,500	15,881	1,619
<b>TOTAL PUBLIC SAFETY</b>	<b>410,000</b>	<b>417,500</b>	<b>385,881</b>	<b>31,619</b>
Culture and recreation				
Personnel	1,502,678	1,623,049	1,464,737	158,312
Other	822,300	847,500	712,062	135,438
<b>TOTAL CULTURE AND RECREATION</b>	<b>2,324,978</b>	<b>2,470,549</b>	<b>2,176,799</b>	<b>293,750</b>
Streets and highways				
Personnel	465,000	465,000	431,168	33,832
Other	840,000	957,050	825,309	131,741
<b>TOTAL STREETS AND HIGHWAYS</b>	<b>1,305,000</b>	<b>1,422,050</b>	<b>1,256,477</b>	<b>165,573</b>
General government				
Other	384,000	373,402	373,402	
<b>TOTAL GENERAL GOVERNMENT</b>	<b>384,000</b>	<b>373,402</b>	<b>373,402</b>	
Debt Service				
Principal retirement	220,000	220,000	220,000	
Interest and other charges	11,550	11,550	11,550	
<b>TOTAL DEBT SERVICE</b>	<b>231,550</b>	<b>231,550</b>	<b>231,550</b>	
<b>TOTAL EXPENDITURES</b>	<b>4,655,528</b>	<b>4,915,051</b>	<b>4,424,109</b>	<b>490,942</b>
Excess (deficiency) of revenues over expenditures	(983,458)	(1,321,847)	(972,890)	348,957
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of notes	170,000	115,000	115,000	
Operating transfers - in	350,000	550,000	550,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>520,000</b>	<b>665,000</b>	<b>665,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(463,458)	(656,847)	(307,890)	348,957
Decertification of prior year encumbrances			8,744	8,744
Fund balances, beginning of year	923,917	923,917	923,917	
Fund balances, end of year	\$ 460,459	\$ 267,070	\$ 624,771	\$ 357,701

# **CITY OF MIDDLEBURG HEIGHTS, OHIO**

## **DEBT SERVICE FUNDS**

### **COMBINING FINANCIAL STATEMENTS**

**DEBT SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR  
THE ACCUMULATION OF RESOURCES FOR THE PAYMENT OF  
DEBT REPORTED IN THE GENERAL LONG-TERM OBLIGATION  
ACCOUNT GROUP**

#### **General Obligation Bond Retirement**

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

#### **Special Assessment Bond Retirement**

To account for monies received from the levy of special assessments for the purpose of paying the principal and interest on special assessment bonds.

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS**

**December 31, 2001**

**With Comparative Totals for December 31, 2000**

	<b>General Obligation Bond Retirement</b>	<b>Special Assessment Bond Retirement</b>	<b>Totals</b>	
			<b>2001</b>	<b>2000</b>
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 1,577,833	\$ 738,387	\$ 2,316,220	\$ 2,117,000
Cash with fiscal agent	22,884		22,884	7,060
Investment in manuscript bond		207,751	207,751	214,093
Receivables - net of allowances:				
Taxes	1,056,452		1,056,452	1,069,730
Special assessments, deferred		1,871,797	1,871,797	2,004,795
Accrued interest	13,363	2,632	15,995	18,823
Due from other governments	32,313		32,313	29,886
<b>TOTAL ASSETS</b>	<b>\$ 2,702,845</b>	<b>\$ 2,820,567</b>	<b>\$ 5,523,412</b>	<b>\$ 5,461,387</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,560		\$ 2,560	
Matured interest	22,884		22,884	\$ 7,060
Deferred revenue	740,771	\$ 1,871,797	2,612,568	2,749,445
<b>TOTAL LIABILITIES</b>	<b>766,215</b>	<b>1,871,797</b>	<b>2,638,012</b>	<b>2,756,505</b>
<b>FUND BALANCE</b>				
Reserved for debt service	1,936,630	948,770	2,885,400	2,704,882
<b>TOTAL FUND BALANCE</b>	<b>1,936,630</b>	<b>948,770</b>	<b>2,885,400</b>	<b>2,704,882</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,702,845</b>	<b>\$ 2,820,567</b>	<b>\$ 5,523,412</b>	<b>\$ 5,461,387</b>

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL DEBT SERVICE FUNDS**

**For the Year Ended December 31, 2001**

**With Comparative Totals for the Year Ended December 31, 2000**

	<b>General Obligation Bond Retirement</b>	<b>Special Assessment Bond Retirement</b>	<b>Totals</b>	
			<b>2001</b>	<b>2000</b>
<b>REVENUES</b>				
Property taxes	\$ 523,782		\$ 523,782	\$ 466,749
Income taxes	2,152,481		2,152,481	2,230,107
Intergovernmental revenues	60,519		60,519	53,116
Special assessments		\$ 141,037	141,037	129,693
Interest earnings	124,850	43,733	168,583	215,292
Miscellaneous revenue	99,418		99,418	104,232
<b>TOTAL REVENUES</b>	<b>2,961,050</b>	<b>184,770</b>	<b>3,145,820</b>	<b>3,199,189</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	1,642,509	73,932	1,716,441	1,657,007
Interest and other charges	1,181,029	67,832	1,248,861	1,281,814
<b>TOTAL EXPENDITURES</b>	<b>2,823,538</b>	<b>141,764</b>	<b>2,965,302</b>	<b>2,938,821</b>
Excess (deficiency) of revenues over expenditures	137,512	43,006	180,518	260,368
Fund balances, beginning of year	1,799,118	905,764	2,704,882	2,444,514
Fund balances, end of year	\$ 1,936,630	\$ 948,770	\$ 2,885,400	\$ 2,704,882

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL DEBT SERVICE FUNDS**

**For the Year Ended December 31, 2001**

	<b>General Obligation Bond Retirement</b>			<b>Variance- Favorable (Unfavorable)</b>
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Property taxes	\$ 531,997	\$ 531,483	\$ 523,782	\$ (7,701)
Income taxes	2,223,250	2,223,250	2,159,453	(63,797)
Intergovernmental revenues	60,000	60,000	60,519	519
Interest earnings	50,000	50,000	123,067	73,067
Miscellaneous revenue	99,141	99,141	99,418	277
<b>TOTAL REVENUES</b>	<b>2,964,388</b>	<b>2,963,874</b>	<b>2,966,239</b>	<b>2,365</b>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	2,092,510	2,092,510	2,092,509	1
Interest and other charges	1,178,238	1,183,238	1,178,470	4,768
<b>TOTAL EXPENDITURES</b>	<b>3,270,748</b>	<b>3,275,748</b>	<b>3,270,979</b>	<b>4,769</b>
Excess (deficiency) of revenues over expenditures	(306,360)	(311,874)	(304,740)	7,134
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of notes		450,000	450,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>450,000</b>	<b>450,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(306,360)	138,126	145,260	7,134
Fund balances, beginning of year	1,420,402	1,420,402	1,420,402	
Fund balances, end of year	\$ 1,114,042	\$ 1,558,528	\$ 1,565,662	\$ 7,134

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL DEBT SERVICE FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Special Assessment Bond Retirement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Special assessments	\$ 132,998	\$ 132,998	\$ 141,037	\$ 8,039
Interest earnings	40,000	40,000	34,163	(5,837)
Miscellaneous revenue	19,187	19,187	19,187	
<b>TOTAL REVENUES</b>	<b>192,185</b>	<b>192,185</b>	<b>194,387</b>	<b>2,202</b>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	73,932	73,932	73,932	
Interest and other charges	71,387	71,387	67,832	3,555
<b>TOTAL EXPENDITURES</b>	<b>145,319</b>	<b>145,319</b>	<b>141,764</b>	<b>3,555</b>
Excess (deficiency) of revenues over expenditures	46,866	46,866	52,623	5,757
Fund balances, beginning of year	684,604	684,604	684,604	
Fund balances, end of year	<b>\$ 731,470</b>	<b>\$ 731,470</b>	<b>\$ 737,227</b>	<b>\$ 5,757</b>

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-**  
**ALL DEBT SERVICE FUNDS (Continued)**  
**For the Year Ended December 31, 2001**

	Totals			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 531,997	\$ 531,483	\$ 523,782	\$ (7,701)
Income taxes	2,223,250	2,223,250	2,159,453	(63,797)
Intergovernmental revenues	60,000	60,000	60,519	519
Special assessments	132,998	132,998	141,037	8,039
Interest earnings	90,000	90,000	157,230	67,230
Miscellaneous revenue	118,328	118,328	118,605	277
<b>TOTAL REVENUES</b>	<b>3,156,573</b>	<b>3,156,059</b>	<b>3,160,626</b>	<b>4,567</b>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	2,166,442	2,166,442	2,166,441	1
Interest and other charges	1,249,625	1,254,625	1,246,302	8,323
<b>TOTAL EXPENDITURES</b>	<b>3,416,067</b>	<b>3,421,067</b>	<b>3,412,743</b>	<b>8,324</b>
Excess (deficiency) of revenues over expenditures	(259,494)	(265,008)	(252,117)	12,891
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of notes		450,000	450,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>450,000</b>	<b>450,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(259,494)	184,992	197,883	12,891
Decertification of prior year encumbrances				
Fund balances, beginning of year	2,105,006	2,105,006	2,105,006	
Fund balances, end of year	<b>\$ 1,845,512</b>	<b>\$ 2,289,998</b>	<b>\$ 2,302,889</b>	<b>\$ 12,891</b>

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## CAPITAL PROJECTS FUNDS

### COMBINING FINANCIAL STATEMENTS

#### CAPITAL PROJECTS ARE ESTABLISHED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES

**Capital Improvement**

To account for the annual purchase of capital equipment and certain capital improvements financed by at least 20 % of the first 1% of net income tax collections.

**Signalization**

To account for revenue earmarked for improvements to be made to signalization throughout the City.

**Engle Road Widening**

To account for revenue earmarked for improvements to be made to the widening of Engle Road.

**Service Center**

To account for revenue earmarked for construction of the Service Center.

**Community Center**

To account for revenue earmarked for construction of the Community Center.

**Hepburn Road Improvement**

To account for revenue earmarked for improvements to be made to Hepburn Road.

**City Hall/Fire Station Expansion**

To account for revenue earmarked for improvements to City Hall/Fire Station Expansion.

**Eastland Road Improvement**

To account for revenue earmarked for improvements made to Eastland Road.

**Fowles Sanitary Sewer**

To account for revenue earmarked for improvements made to Fowles Sanitary Sewer.

**W. 130th Street Improvement**

To account for revenue earmarked for improvements made to W. 130th Street.

**Pearl Road Resurfacing**

To account for revenue earmarked for improvements made to Pearl Road.

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS**

**December 31, 2001**

**With Comparative Totals for December 31, 2000**

	<b>Capital Improvement</b>	<b>Signalization</b>	<b>Engle Road Widening</b>	<b>Service Center</b>	<b>Community Center</b>
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 2,046,256		\$ 581,230	\$ 50,516	\$ 156,560
Receivables - net of allowances:					
Taxes	395,377				
Accounts	40		2,432		
Accrued interest	7,054		3,354	11	42
Due from other governments					
<b>TOTAL ASSETS</b>	<b>\$ 2,448,727</b>	<b>\$ 0</b>	<b>\$ 587,016</b>	<b>\$ 50,527</b>	<b>\$ 156,602</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 146,573		\$ 25,357		\$ 225
Deferred revenue	118,609				
Bond anticipation notes payable	450,000		450,000		
<b>TOTAL LIABILITIES</b>	<b>715,182</b>		<b>475,357</b>		<b>225</b>
<b>FUND BALANCE</b>					
Reserved for encumbrances	827,536		298,101		63,454
Undesignated	906,009		(186,442)	\$ 50,527	92,923
<b>TOTAL FUND BALANCE</b>	<b>1,733,545</b>		<b>111,659</b>	<b>50,527</b>	<b>156,377</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,448,727</b>	<b>\$ 0</b>	<b>\$ 587,016</b>	<b>\$ 50,527</b>	<b>\$ 156,602</b>

Hepburn Road Improvement	City Hall/ Fire Station Expansion	Eastland Road Improvement	Fowles Sanitary Sewer	W. 130th Street Improvement	Pearl Road Resurfacing	Totals	
						2001	2000
\$ 7,502	\$ 4,236	\$ 204,604	\$ 66,141	\$ 101,739	\$ 1,022,063	\$ 4,240,847	\$ 3,399,589
						395,377	543,032
						2,472	48,153
		14	4	7	930	11,416	14,851
					122,936	122,936	30,000
<u>\$ 7,502</u>	<u>\$ 4,236</u>	<u>\$ 204,618</u>	<u>\$ 66,145</u>	<u>\$ 101,746</u>	<u>\$ 1,145,929</u>	<u>\$ 4,773,048</u>	<u>\$ 4,035,625</u>
					\$ 136,494	\$ 308,649	\$ 539,163
					122,936	241,545	167,782
					1,200,000	2,100,000	700,000
					1,459,430	2,650,194	1,406,945
				\$ 48,292		1,237,383	1,313,401
\$ 7,502	\$ 4,236	\$ 204,618	\$ 66,145	53,454	(313,501)	885,471	1,315,279
<u>7,502</u>	<u>4,236</u>	<u>204,618</u>	<u>66,145</u>	<u>101,746</u>	<u>(313,501)</u>	<u>2,122,854</u>	<u>2,628,680</u>
<u>\$ 7,502</u>	<u>\$ 4,236</u>	<u>\$ 204,618</u>	<u>\$ 66,145</u>	<u>\$ 101,746</u>	<u>\$ 1,145,929</u>	<u>\$ 4,773,048</u>	<u>\$ 4,035,625</u>

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - ALL CAPITAL PROJECTS FUNDS**

**For the Year Ended December 31, 2001**

**With Comparative Totals for the Year Ended December 31, 2000**

	<b>Capital Improvement</b>	<b>Signalization</b>	<b>Engle Road Widening</b>	<b>Service Center</b>	<b>Community Center</b>
<b>REVENUES</b>					
Income taxes	\$ 2,142,279				
Intergovernmental revenues	940	\$ 8,738	\$ 3,640,358		
Interest earnings	95,772	4,144	26,642	\$ 2,179	\$ 6,907
Miscellaneous revenue	35,040				
<b>TOTAL REVENUES</b>	<b>2,274,031</b>	<b>12,882</b>	<b>3,667,000</b>	<b>2,179</b>	<b>6,907</b>
<b>EXPENDITURES</b>					
Capital outlay	2,472,470		3,818,793	4,677	16,473
Debt service:					
Interest and other charges	824	7,413			
<b>TOTAL EXPENDITURES</b>	<b>2,473,294</b>	<b>7,413</b>	<b>3,818,793</b>	<b>4,677</b>	<b>16,473</b>
Excess (deficiency) of revenues over expenditures	(199,263)	5,469	(151,793)	(2,498)	(9,566)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers - in		102,238			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>102,238</b>			
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(199,263)	107,707	(151,793)	(2,498)	(9,566)
Fund balances, beginning of year	1,932,808	(107,707)	263,452	53,025	165,943
Fund balances, end of year	<b>\$ 1,733,545</b>	<b>\$ 0</b>	<b>\$ 111,659</b>	<b>\$ 50,527</b>	<b>\$ 156,377</b>

Hepburn Road Improvement	City Hall/ Fire Station Expansion	Eastland Road Improvement	Fowles Sanitary Sewer	W. 130th Street Improvement	Pearl Road Resurfacing	Totals	
						2001	2000
						\$ 2,142,279	\$ 2,455,403
					\$ 669,064	4,319,100	233,719
\$ 270	\$ 152	\$ 8,349	\$ 2,571	\$ 1,746	24,433	173,165	433,709
						35,040	77,933
270	152	8,349	2,571	1,746	693,497	6,669,584	3,200,764
					980,506	7,292,919	10,473,147
					26,492	34,729	54,580
					1,006,998	7,327,648	10,527,727
270	152	8,349	2,571	1,746	(313,501)	(658,064)	(7,326,963)
				50,000		152,238	50,000
				50,000		152,238	50,000
270	152	8,349	2,571	51,746	(313,501)	(505,826)	(7,276,963)
7,232	4,084	196,269	63,574	50,000		2,628,680	9,905,643
\$ 7,502	\$ 4,236	\$ 204,618	\$ 66,145	\$ 101,746	\$ (313,501)	\$ 2,122,854	\$ 2,628,680

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS**

**For the Year Ended December 31, 2001**

	Capital Improvement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Income taxes	\$ 2,350,000	\$ 2,310,000	\$ 2,240,761	\$ (69,239)
Intergovernmental revenues	30,000	30,000	30,940	940
Interest earnings	50,000	50,000	93,756	43,756
Miscellaneous revenue			35,000	35,000
<b>TOTAL REVENUES</b>	<b>2,430,000</b>	<b>2,390,000</b>	<b>2,400,457</b>	<b>10,457</b>
<b>EXPENDITURES</b>				
Capital outlay	1,390,000	3,282,425	2,681,204	601,221
<b>TOTAL EXPENDITURES</b>	<b>1,390,000</b>	<b>3,282,425</b>	<b>2,681,204</b>	<b>601,221</b>
Excess (deficiency) of revenues over expenditures	1,040,000	(892,425)	(280,747)	611,678
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of notes		450,000	450,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>450,000</b>	<b>450,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,040,000	(442,425)	169,253	611,678
Decertification of prior year encumbrances			66,447	66,447
Fund balances, beginning of year	831,639	831,639	831,639	
Fund balances, end of year	<b>\$ 1,871,639</b>	<b>\$ 389,214</b>	<b>\$ 1,067,339</b>	<b>\$ 678,125</b>

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	<b>Signalization</b>			<b>Variance- Favorable (Unfavorable)</b>
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Intergovernmental revenues		\$ 8,370	\$ 8,738	\$ 368
Interest earnings		5,000	5,044	44
<b>TOTAL REVENUES</b>		<b>13,370</b>	<b>13,782</b>	<b>412</b>
<b>EXPENDITURES</b>				
Capital outlay		2,350	2,350	
Debt service				
Principal retirement	\$ 250,000	250,000	250,000	
Interest and other charges	12,188	12,188	12,188	
<b>TOTAL EXPENDITURES</b>	<b>262,188</b>	<b>264,538</b>	<b>264,538</b>	
Excess (deficiency) of revenues over expenditures	(262,188)	(251,168)	(250,756)	412
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	137,116	105,000	102,238	(2,762)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>137,116</b>	<b>105,000</b>	<b>102,238</b>	<b>(2,762)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(125,072)	(146,168)	(148,518)	(2,350)
Decertification of prior year encumbrances		21,096	23,446	2,350
Fund balances, beginning of year	125,072	125,072	125,072	
Fund balances, end of year	\$ 0	\$ 0	\$ 0	\$ 0

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Engle Road Widening			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Interest earnings	\$ 6,000	\$ 6,000	\$ 28,808	\$ 22,808
Miscellaneous revenue	60,320	60,320	70,037	9,717
<b>TOTAL REVENUES</b>	<b>66,320</b>	<b>66,320</b>	<b>98,845</b>	<b>32,525</b>
<b>EXPENDITURES</b>				
Capital outlay	45,000	45,000	44,666	334
<b>TOTAL EXPENDITURES</b>	<b>45,000</b>	<b>45,000</b>	<b>44,666</b>	<b>334</b>
Excess (deficiency) of revenues over expenditures	21,320	21,320	54,179	32,859
Decertification of prior year encumbrances			5,095	5,095
Fund balances, beginning of year	201,986	201,986	201,986	
Fund balances, end of year	<b>\$ 223,306</b>	<b>\$ 223,306</b>	<b>\$ 261,260</b>	<b>\$ 37,954</b>

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Service Center			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Interest earnings			\$ 3,124	\$ 3,124
<b>TOTAL REVENUES</b>			3,124	3,124
<b>EXPENDITURES</b>				
Capital outlay		\$ 2,377	2,377	
<b>TOTAL EXPENDITURES</b>		2,377	2,377	
Excess (deficiency) of revenues over expenditures		(2,377)	747	3,124
Fund balances, beginning of year	\$ 49,769	49,769	49,769	
Fund balances, end of year	\$ 49,769	\$ 47,392	\$ 50,516	\$ 3,124

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

		<b>Community Center</b>			
		<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>					
	Interest earnings			\$ 9,447	\$ 9,447
	<b>TOTAL REVENUES</b>			9,447	9,447
<b>EXPENDITURES</b>					
	Capital outlay		\$ 21,688	18,142	3,546
	<b>TOTAL EXPENDITURES</b>		21,688	18,142	3,546
	Excess (deficiency) of revenues over expenditures		(21,688)	(8,695)	12,993
	Decertification of prior year encumbrances			5,606	5,606
	Fund balances, beginning of year	\$ 95,947	95,947	95,947	
	Fund balances, end of year	\$ 95,947	\$ 74,259	\$ 92,858	\$ 18,599

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Hepburn Road Improvement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Interest earnings			\$ 312	\$ 312
<b>TOTAL REVENUES</b>			312	312
Excess (deficiency) of revenues over expenditures			312	312
Fund balances, beginning of year	\$ 7,190	\$ 7,190	7,190	
Fund balances, end of year	\$ 7,190	\$ 7,190	\$ 7,502	\$ 312

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	City Hall/Fire Station Expansion			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Interest earnings			\$ 175	\$ 175
<b>TOTAL REVENUES</b>			175	175
Excess (deficiency) of revenues over expenditures			175	175
Fund balances, beginning of year	\$ 4,061	\$ 4,061	4,061	
Fund balances, end of year	\$ 4,061	\$ 4,061	\$ 4,236	\$ 175

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Eastland Road Improvement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Interest earnings	\$ 8,000	\$ 8,000	\$ 11,110	\$ 3,110
<b>TOTAL REVENUES</b>	8,000	8,000	11,110	3,110
Excess (deficiency) of revenues over expenditures	8,000	8,000	11,110	3,110
Fund balances, beginning of year	193,494	193,494	193,494	
Fund balances, end of year	\$ 201,494	\$ 201,494	\$ 204,604	\$ 3,110

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

		<b>Fowles Sanitary Sewer</b>			
		<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>					
	Interest earnings			\$ 2,821	\$ 2,821
	<b>TOTAL REVENUES</b>			2,821	2,821
	Excess (deficiency) of revenues over expenditures			2,821	2,821
	Fund balances, beginning of year	\$ 63,320	\$ 63,320	63,320	
	Fund balances, end of year	\$ 63,320	\$ 63,320	\$ 66,141	\$ 2,821

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	<b>W. 130th Street Improvement</b>			
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Interest earnings	\$ 1,000	\$ 1,000	\$ 1,739	\$ 739
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>1,000</b>	<b>1,739</b>	<b>739</b>
<b>EXPENDITURES</b>				
Capital outlay		29,742	29,742	
<b>TOTAL EXPENDITURES</b>		<b>29,742</b>	<b>29,742</b>	
Excess (deficiency) of revenues over expenditures	1,000	(28,742)	(28,003)	739
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in		50,000	50,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>50,000</b>	<b>50,000</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,000	21,258	21,997	739
Fund balances, beginning of year	31,450	31,450	31,450	
Fund balances, end of year	\$ 32,450	\$ 52,708	\$ 53,447	\$ 739

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Pearl Road Resurfacing			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Intergovernmental revenues		\$ 670,000	\$ 669,064	\$ (936)
Interest earnings		10,000	21,476	11,476
<b>TOTAL REVENUES</b>		680,000	690,540	10,540
<b>EXPENDITURES</b>				
Capital outlay	\$ 1,400,000	1,210,000	954,094	255,906
<b>TOTAL EXPENDITURES</b>	1,400,000	1,210,000	954,094	255,906
Excess (deficiency) of revenues over expenditures	(1,400,000)	(530,000)	(263,554)	266,446
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of notes	1,400,000	1,200,000	1,200,000	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	1,400,000	1,200,000	1,200,000	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses		670,000	936,446	266,446
Fund balances, beginning of year				
Fund balances, end of year	\$ 0	\$ 670,000	\$ 936,446	\$ 266,446

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL CAPITAL PROJECTS FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	<b>Totals</b>			
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Income taxes	\$ 2,350,000	\$ 2,310,000	\$ 2,240,761	\$ (69,239)
Intergovernmental revenues	30,000	708,370	708,742	372
Interest earnings	65,000	80,000	177,812	97,812
Miscellaneous revenue	60,320	60,320	105,037	44,717
<b>TOTAL REVENUES</b>	<b>2,505,320</b>	<b>3,158,690</b>	<b>3,232,352</b>	<b>73,662</b>
<b>EXPENDITURES</b>				
Capital outlay	2,835,000	4,593,582	3,732,575	861,007
Debt service				
Principal retirement	250,000	250,000	250,000	
Interest and other charges	12,188	12,188	12,188	
<b>TOTAL EXPENDITURES</b>	<b>3,097,188</b>	<b>4,855,770</b>	<b>3,994,763</b>	<b>861,007</b>
Excess (deficiency) of revenues over expenditures	(591,868)	(1,697,080)	(762,411)	934,669
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of notes	1,400,000	1,650,000	1,650,000	
Operating transfers - in	137,116	155,000	152,238	(2,762)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,537,116</b>	<b>1,805,000</b>	<b>1,802,238</b>	<b>(2,762)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	945,248	107,920	1,039,827	931,907
Decertification of prior year encumbrances		21,096	100,594	79,498
Fund balances, beginning of year	1,603,928	1,603,928	1,603,928	
Fund balances, end of year	\$ 2,549,176	\$ 1,732,944	\$ 2,744,349	\$ 1,011,405

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## TRUST AND AGENCY FUNDS

### COMBINING FINANCIAL STATEMENTS

**TRUST AND AGENCY FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY A GOVERNMENTAL UNIT IN A TRUSTEE CAPACITY AND/OR AS AN AGENT FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, OTHER GOVERNMENTAL UNITS, AND/OR OTHER FUNDS. THESE INCLUDE (A) EXPENDABLE TRUST FUNDS AND (B) AGENCY FUNDS**

#### **EXPENDABLE TRUSTS**

##### **Architectural Review Trust**

To account for deposits made by contractors and disbursements of the architectural review fees paid to the City Architect.

##### **Builders' Bond Trust**

To account for the deposits made by builders to ensure compliance with building codes and disbursements of the builders' bond trust.

##### **Examination of Plans Trust**

To account for the deposits made by the contractors to pay for plan examinations by the City Engineer and disbursements of the examination of plans trust.

##### **Yard Grade Trust**

To account for the deposits placed by residents and builders to ensure proper grading on construction projects and disbursements of the yard grade trust.

##### **Sidewalk Grade Trust**

To account for the proceeds and disbursements of the sidewalk grade trust.

##### **Tree Planting Trust**

To account for the fees charged to developers and builders to plant trees on tree lawns and disbursements of the tree planting trust.

**Miscellaneous Inspection Trust**

To account for the deposits placed by builders for inspection of construction projects and disbursements of the miscellaneous inspection trust.

**Unclaimed Funds Trust**

To account for the monies left unclaimed. These monies are held for five years in the Unclaimed Funds Trust and then deposited in the General Fund per Section 9.39 of the Ohio Revised Code.

**Plaque**

To account for donations to purchase plaques for commission members retiring from City service.

**Veterans Memorial Trust**

To account for donations to build a Veteran's Memorial in the City.

**Rental Deposit Trust**

To account for security deposits required for the rental of City facilities and disbursements made upon satisfaction of the rental agreements.

**AGENCY****Board of Building Standard Fee**

To account for state building fees collected from builders and disbursed to the State Board of Building Standards.

**Southwest General Hospital**

To account for funds held for and disbursed to Southwest General Hospital.

**Mayor's Court**

To account for funds received and disbursed by the Mayor's Court pursuant to the laws of the State.

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS**

December 31, 2001

With Comparative Totals for December 31, 2000

	Expendable Trust				
	Architectural Review Trust	Builders' Bond Trust	Examination of Plans Trust	Yard Grade Trust	Sidewalk Grade Trust
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 5,518	\$ 172,419	\$ 37,102	\$ 52,219	\$ 887
Receivables - net of allowances:					
Taxes					
Accrued interest					
Due from other governments					
<b>TOTAL ASSETS</b>	<b>\$ 5,518</b>	<b>\$ 172,419</b>	<b>\$ 37,102</b>	<b>\$ 52,219</b>	<b>\$ 887</b>
<b>LIABILITIES</b>					
Accounts payable		\$ 300		\$ 4,296	\$ 228
Due to other governments					
Due to other funds					
<b>TOTAL LIABILITIES</b>		<b>300</b>		<b>4,296</b>	<b>228</b>
<b>FUND BALANCE</b>					
Reserved for encumbrances					
Undesignated	\$ 5,518	172,119	\$ 37,102	47,923	659
<b>TOTAL FUND BALANCE</b>	<b>5,518</b>	<b>172,119</b>	<b>37,102</b>	<b>47,923</b>	<b>659</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 5,518</b>	<b>\$ 172,419</b>	<b>\$ 37,102</b>	<b>\$ 52,219</b>	<b>\$ 887</b>

**Expendable Trust**

Tree Planting Trust	Miscellaneous Inspection Trust	Unclaimed Funds Trust	Plaque	Veterans Memorial Trust	Rental Deposit Trust
\$ 24,138	\$ 16,424	\$ 161,604	\$ 83	\$ 4,596	\$ 7,275
\$ 24,138	\$ 16,424	\$ 161,604	\$ 83	\$ 4,596	\$ 7,275
	\$ 2,981				\$ 800
	2,981				800
\$ 24,138	13,443	\$ 161,604	\$ 83	\$ 4,596	5,950
24,138	13,443	161,604	83	4,596	525
24,138	13,443	161,604	83	4,596	6,475
\$ 24,138	\$ 16,424	\$ 161,604	\$ 83	\$ 4,596	\$ 7,275

Continued

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS (Continued)

December 31, 2001

With Comparative Totals for December 31, 2000

	Agency			Totals	
	Board of Building Standard Fee	Southwest General Hospital	Mayor's Court	2001	2000
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 118		\$ 32,038	\$ 514,421	\$ 614,059
Receivables - net of allowances:					
Taxes		\$ 205,136		205,136	207,275
Accrued interest					1
Due from other governments		8,856		8,856	8,234
<b>TOTAL ASSETS</b>	<b>\$ 118</b>	<b>\$ 213,992</b>	<b>\$ 32,038</b>	<b>\$ 728,413</b>	<b>\$ 829,569</b>
<b>LIABILITIES</b>					
Accounts payable		\$ 213,992	\$ 1,135	\$ 223,732	\$ 219,879
Due to other governments	\$ 118		5,210	5,328	4,903
Due to other funds			25,693	25,693	23,225
<b>TOTAL LIABILITIES</b>	<b>118</b>	<b>213,992</b>	<b>32,038</b>	<b>254,753</b>	<b>248,007</b>
<b>FUND BALANCE</b>					
Reserved for encumbrances				5,950	95
Undesignated				467,710	581,467
<b>TOTAL FUND BALANCE</b>				<b>473,660</b>	<b>581,562</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 118</b>	<b>\$ 213,992</b>	<b>\$ 32,038</b>	<b>\$ 728,413</b>	<b>\$ 829,569</b>

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**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - ALL EXPENDABLE TRUST FUNDS**

For the Year Ended December 31, 2001

With Comparative Totals for the Year Ended December 31, 2000

	Expendable Trust				
	Architectural Review Trust	Builders' Bond Trust	Examination of Plans Trust	Yard Grade Trust	Sidewalk Grade Trust
<b>REVENUES</b>					
Charges for services	\$ 2,796	\$ 74,475	\$ 13,851	\$ 17,580	\$ 308
Interest earnings					
Miscellaneous revenue					
<b>TOTAL REVENUES</b>	<b>2,796</b>	<b>74,475</b>	<b>13,851</b>	<b>17,580</b>	<b>308</b>
<b>EXPENDITURES</b>					
Current:					
General government	2,173	151,740	7,538	10,412	605
<b>TOTAL EXPENDITURES</b>	<b>2,173</b>	<b>151,740</b>	<b>7,538</b>	<b>10,412</b>	<b>605</b>
Excess (deficiency) of revenues over expenditures	623	(77,265)	6,313	7,168	(297)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers - in					
Operating transfers - out		(12,140)	(1,045)	(2,160)	(1,688)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(12,140)</b>	<b>(1,045)</b>	<b>(2,160)</b>	<b>(1,688)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	623	(89,405)	5,268	5,008	(1,985)
Fund balances, beginning of year	4,895	261,524	31,834	42,915	2,644
Fund balances, end of year	<b>\$ 5,518</b>	<b>\$ 172,119</b>	<b>\$ 37,102</b>	<b>\$ 47,923</b>	<b>\$ 659</b>

Expendable Trust							
Tree Planting Trust	Miscellaneous Inspection Trust	Unclaimed Funds Trust	Plaque	Veterans Memorial Trust	Rental Deposit Trust	Totals	
						2001	2000
\$ 450	\$ 9,071			\$ 148		\$ 118,531	\$ 196,562
				2,340	\$ 29,927	148	3,144
						32,267	10,993
450	9,071			2,488	29,927	150,946	210,699
	12,106	\$ 5,324	\$ 107	1,425	23,452	214,882	246,905
	12,106	5,324	107	1,425	23,452	214,882	246,905
450	(3,035)	(5,324)	(107)	1,063	6,475	(63,936)	(36,206)
		18,663	100			18,763	43,632
	(1,630)	(44,066)				(62,729)	(95,559)
	(1,630)	(25,403)	100			(43,966)	(51,927)
450	(4,665)	(30,727)	(7)	1,063	6,475	(107,902)	(88,133)
23,688	18,108	192,331	90	3,533		581,562	669,695
\$ 24,138	\$ 13,443	\$ 161,604	\$ 83	\$ 4,596	\$ 6,475	\$ 473,660	\$ 581,562

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS**

**For the Year Ended December 31, 2001**

	Architectural Review Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 2,796	\$ (7,204)
<b>TOTAL REVENUES</b>	<b>10,000</b>	<b>10,000</b>	<b>2,796</b>	<b>(7,204)</b>
<b>EXPENDITURES</b>				
Current				
General government	10,000	10,000	2,173	7,827
<b>TOTAL EXPENDITURES</b>	<b>10,000</b>	<b>10,000</b>	<b>2,173</b>	<b>7,827</b>
Excess (deficiency) of revenues over expenditures			623	623
Fund balances, beginning of year	4,895	4,895	4,895	
Fund balances, end of year	\$ 4,895	\$ 4,895	\$ 5,518	\$ 623

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Builders' Bond Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 74,475	\$ (525)
<b>TOTAL REVENUES</b>	<b>75,000</b>	<b>75,000</b>	<b>74,475</b>	<b>(525)</b>
<b>EXPENDITURES</b>				
Current				
General government	151,000	156,000	154,100	1,900
<b>TOTAL EXPENDITURES</b>	<b>151,000</b>	<b>156,000</b>	<b>154,100</b>	<b>1,900</b>
Excess (deficiency) of revenues over expenditures	(76,000)	(81,000)	(79,625)	1,375
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - out	(19,000)	(12,140)	(12,140)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(19,000)</b>	<b>(12,140)</b>	<b>(12,140)</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(95,000)	(93,140)	(91,765)	1,375
Fund balances, beginning of year	264,184	264,184	264,184	
Fund balances, end of year	\$ 169,184	\$ 171,044	\$ 172,419	\$ 1,375

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Examination of Plans Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 40,000	\$ 40,000	\$ 13,851	\$ (26,149)
<b>TOTAL REVENUES</b>	<b>40,000</b>	<b>40,000</b>	<b>13,851</b>	<b>(26,149)</b>
<b>EXPENDITURES</b>				
Current				
General government	37,000	37,000	7,538	29,462
<b>TOTAL EXPENDITURES</b>	<b>37,000</b>	<b>37,000</b>	<b>7,538</b>	<b>29,462</b>
Excess (deficiency) of revenues over expenditures	3,000	3,000	6,313	3,313
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - out	(1,500)	(1,045)	(1,045)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,500)</b>	<b>(1,045)</b>	<b>(1,045)</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,500	1,955	5,268	3,313
Fund balances, beginning of year	31,834	31,834	31,834	
Fund balances, end of year	\$ 33,334	\$ 33,789	\$ 37,102	\$ 3,313

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Yard Grade Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 12,000	\$ 12,000	\$ 17,580	\$ 5,580
<b>TOTAL REVENUES</b>	<b>12,000</b>	<b>12,000</b>	<b>17,580</b>	<b>5,580</b>
<b>EXPENDITURES</b>				
Current				
General government	10,000	10,000	6,756	3,244
<b>TOTAL EXPENDITURES</b>	<b>10,000</b>	<b>10,000</b>	<b>6,756</b>	<b>3,244</b>
Excess (deficiency) of revenues over expenditures	2,000	2,000	10,824	8,824
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - out	(5,500)	(2,160)	(2,160)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,500)</b>	<b>(2,160)</b>	<b>(2,160)</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(3,500)	(160)	8,664	8,824
Fund balances, beginning of year	43,555	43,555	43,555	
Fund balances, end of year	\$ 40,055	\$ 43,395	\$ 52,219	\$ 8,824

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Sidewalk Grade Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 1,000	\$ 1,000	\$ 308	\$ (692)
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>1,000</b>	<b>308</b>	<b>(692)</b>
<b>EXPENDITURES</b>				
Current				
General government	1,000	1,000	377	623
<b>TOTAL EXPENDITURES</b>	<b>1,000</b>	<b>1,000</b>	<b>377</b>	<b>623</b>
Excess (deficiency) of revenues over expenditures			(69)	(69)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - out	(2,000)	(1,688)	(1,688)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,000)</b>	<b>(1,688)</b>	<b>(1,688)</b>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(2,000)	(1,688)	(1,757)	(69)
Fund balances, beginning of year	2,644	2,644	2,644	
Fund balances, end of year	\$ 644	\$ 956	\$ 887	\$ (69)

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	<b>Tree Planting Trust</b>			
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for services	\$ 1,500	\$ 1,500	\$ 450	\$ (1,050)
<b>TOTAL REVENUES</b>	<b>1,500</b>	<b>1,500</b>	<b>450</b>	<b>(1,050)</b>
<b>EXPENDITURES</b>				
Current				
General government	10,000	10,000		10,000
<b>TOTAL EXPENDITURES</b>	<b>10,000</b>	<b>10,000</b>		<b>10,000</b>
Excess (deficiency) of revenues over expenditures	(8,500)	(8,500)	450	8,950
Fund balances, beginning of year	23,688	23,688	23,688	
Fund balances, end of year	\$ 15,188	\$ 15,188	\$ 24,138	\$ 8,950

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Miscellaneous Inspection Trust			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 9,071	\$ (10,929)
<b>TOTAL REVENUES</b>	<b>20,000</b>	<b>20,000</b>	<b>9,071</b>	<b>(10,929)</b>
<b>EXPENDITURES</b>				
Current				
General government	21,000	21,000	9,514	11,486
<b>TOTAL EXPENDITURES</b>	<b>21,000</b>	<b>21,000</b>	<b>9,514</b>	<b>11,486</b>
Excess (deficiency) of revenues over expenditures	(1,000)	(1,000)	(443)	557
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - out	(2,000)	(1,631)	(1,630)	1
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,000)</b>	<b>(1,631)</b>	<b>(1,630)</b>	<b>1</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(3,000)	(2,631)	(2,073)	558
Decertification of prior year encumbrances			94	94
Fund balances, beginning of year	18,403	18,403	18,403	
Fund balances, end of year	\$ 15,403	\$ 15,772	\$ 16,424	\$ 652

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Unclaimed Funds Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>EXPENDITURES</b>				
Current				
General government	\$ 5,000	\$ 8,000	\$ 5,324	\$ 2,676
<b>TOTAL EXPENDITURES</b>	<b>5,000</b>	<b>8,000</b>	<b>5,324</b>	<b>2,676</b>
Excess (deficiency) of revenues over expenditures	(5,000)	(8,000)	(5,324)	2,676
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	30,000	18,664	18,663	(1)
Operating transfers - out	(45,000)	(45,000)	(44,066)	934
<b>TOTAL OTHER FINANCING             SOURCES (USES)</b>	<b>(15,000)</b>	<b>(26,336)</b>	<b>(25,403)</b>	<b>933</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(20,000)	(34,336)	(30,727)	3,609
Fund balances, beginning of year	192,331	192,331	192,331	
Fund balances, end of year	\$ 172,331	\$ 157,995	\$ 161,604	\$ 3,609

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Plaques			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>EXPENDITURES</b>				
Current				
General government	\$ 150	\$ 150	\$ 107	\$ 43
<b>TOTAL EXPENDITURES</b>	150	150	107	43
Excess (deficiency) of revenues over expenditures	(150)	(150)	(107)	43
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	100	100	100	
<b>TOTAL OTHER FINANCING       SOURCES (USES)</b>	100	100	100	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(50)	(50)	(7)	43
Fund balances, beginning of year	90	90	90	
Fund balances, end of year	\$ 40	\$ 40	\$ 83	\$ 43

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Veterans Memorial Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Interest earnings			\$ 168	\$ 168
Miscellaneous revenue	\$ 5,000	\$ 5,000	2,340	(2,660)
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>5,000</b>	<b>2,508</b>	<b>(2,492)</b>
<b>EXPENDITURES</b>				
Current				
General government	2,000	2,000	1,425	575
<b>TOTAL EXPENDITURES</b>	<b>2,000</b>	<b>2,000</b>	<b>1,425</b>	<b>575</b>
Excess (deficiency) of revenues over expenditures	3,000	3,000	1,083	(1,917)
Fund balances, beginning of year	3,513	3,513	3,513	
Fund balances, end of year	\$ 6,513	\$ 6,513	\$ 4,596	\$ (1,917)

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	Rental Deposit			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<b>REVENUES</b>				
Miscellaneous revenue	\$ 20,000	\$ 36,000	\$ 29,927	\$ (6,073)
<b>TOTAL REVENUES</b>	<b>20,000</b>	<b>36,000</b>	<b>29,927</b>	<b>(6,073)</b>
<b>EXPENDITURES</b>				
Current				
General government	20,000	36,000	29,402	6,598
<b>TOTAL EXPENDITURES</b>	<b>20,000</b>	<b>36,000</b>	<b>29,402</b>	<b>6,598</b>
Excess (deficiency) of revenues over expenditures			525	525
Fund balances, beginning of year				
Fund balances, end of year	\$ 0	\$ 0	\$ 525	\$ 525

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
ALL EXPENDABLE TRUST FUNDS (Continued)**

**For the Year Ended December 31, 2001**

	<b>Totals</b>			<b>Variance- Favorable (Unfavorable)</b>
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ 159,500	\$ 159,500	\$ 118,531	\$ (40,969)
Interest earnings			168	168
Miscellaneous revenue	25,000	41,000	32,267	(8,733)
<b>TOTAL REVENUES</b>	<b>184,500</b>	<b>200,500</b>	<b>150,966</b>	<b>(49,534)</b>
<b>EXPENDITURES</b>				
Current				
General government	267,150	291,150	216,716	74,434
<b>TOTAL EXPENDITURES</b>	<b>267,150</b>	<b>291,150</b>	<b>216,716</b>	<b>74,434</b>
Excess (deficiency) of revenues over expenditures	(82,650)	(90,650)	(65,750)	24,900
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	30,100	18,764	18,763	(1)
Operating transfers - out	(75,000)	(63,664)	(62,729)	935
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(44,900)</b>	<b>(44,900)</b>	<b>(43,966)</b>	<b>934</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(127,550)	(135,550)	(109,716)	25,834
Decertification of prior year encumbrances			94	94
Fund balances, beginning of year	585,137	585,137	585,137	
Fund balances, end of year	\$ 457,587	\$ 449,587	\$ 475,515	\$ 25,928

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
<b>BOARD OF BUILDING STANDARD FEE</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 103	\$ 3,440	\$ 3,425	\$ 118
<b>TOTAL ASSETS</b>	<b>\$ 103</b>	<b>\$ 3,440</b>	<b>\$ 3,425</b>	<b>\$ 118</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 103	\$ 3,440	\$ 3,425	\$ 118
<b>TOTAL LIABILITIES</b>	<b>\$ 103</b>	<b>\$ 3,440</b>	<b>\$ 3,425</b>	<b>\$ 118</b>
<b>SOUTHWEST GENERAL HOSPITAL</b>				
<b>ASSETS</b>				
Taxes receivable	\$ 207,275	\$ 205,136	\$ 207,275	\$ 205,136
Due from other governments	8,234	8,856	8,234	8,856
<b>TOTAL ASSETS</b>	<b>\$ 215,509</b>	<b>\$ 213,992</b>	<b>\$ 215,509</b>	<b>\$ 213,992</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 215,509	\$ 213,992	\$ 215,509	\$ 213,992
<b>TOTAL LIABILITIES</b>	<b>\$ 215,509</b>	<b>\$ 213,992</b>	<b>\$ 215,509</b>	<b>\$ 213,992</b>
<b>MAYOR'S COURT</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 28,705	\$ 417,815	\$ 414,482	\$ 32,038
<b>TOTAL ASSETS</b>	<b>\$ 28,705</b>	<b>\$ 417,815</b>	<b>\$ 414,482</b>	<b>\$ 32,038</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 680	\$ 1,158	\$ 703	\$ 1,135
Due to other governments	4,800	70,705	70,295	5,210
Due to other funds	23,225	345,952	343,484	25,693
<b>TOTAL LIABILITIES</b>	<b>\$ 28,705</b>	<b>\$ 417,815</b>	<b>\$ 414,482</b>	<b>\$ 32,038</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 28,808	\$ 421,255	\$ 417,907	\$ 32,156
Taxes receivable	207,275	205,136	207,275	205,136
Due from other governments	8,234	8,856	8,234	8,856
<b>TOTAL ASSETS</b>	<b>\$ 244,317</b>	<b>\$ 635,247</b>	<b>\$ 633,416</b>	<b>\$ 246,148</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 216,189	\$ 215,150	\$ 216,212	\$ 215,127
Due to other governments	4,903	74,145	73,720	5,328
Due to other funds	23,225	345,952	343,484	25,693
<b>TOTAL LIABILITIES</b>	<b>\$ 244,317</b>	<b>\$ 635,247</b>	<b>\$ 633,416</b>	<b>\$ 246,148</b>

# **CITY OF MIDDLEBURG HEIGHTS, OHIO**

## **GENERAL FIXED ASSETS**

### **ACCOUNT GROUP**

**THIS ACCOUNT GROUP IS USED TO PRESENT THE GENERAL  
FIXED ASSETS OF THE CITY UTILIZED IN ITS GENERAL  
OPERATIONS, EXCLUSIVE OF THOSE USED IN ENTERPRISE AND  
INTERNAL SERVICE FUNDS. GENERAL FIXED ASSETS INCLUDE  
LAND AND IMPROVEMENTS, BUILDINGS AND IMPROVEMENTS,  
FURNITURE AND FIXTURES, MACHINERY AND EQUIPMENT  
AND CONSTRUCTION IN PROGRESS OWNED BY THE CITY**

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES

December 31, 2001

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### GENERAL FIXED ASSETS:

Land and improvements	\$ 2,772,139
Building and improvements	29,639,749
Furniture and fixtures	260,468
Machinery and equipment	5,805,353
Construction in progress	60,391

**TOTAL GENERAL FIXED ASSETS** \$ 38,538,100

### INVESTMENT IN GENERAL FIXED ASSETS FROM:

General obligation bonds	\$ 29,330,360
General fund and other revenues	1,244,673
Special revenue fund revenues	5,457,973
Donations	89,310
Unassigned *	2,415,784

**TOTAL INVESTMENT IN GENERAL FIXED ASSETS** \$ 38,538,100

\* Represents general fixed assets for which sources of funding are not available.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

December 31, 2001

<u>Function and Activity</u>	<u>Land and Improvements</u>	<u>Building and Improvements</u>	<u>Furniture and Fixtures</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<b>Public Safety:</b>					
Police		\$ 1,337,017	\$ 11,079	\$ 619,537	\$ 1,967,633
Fire		1,864,838	19,823	1,806,118	3,690,779
<b>Total Public Safety</b>		3,201,855	30,902	2,425,655	5,658,412
<b>Public Health and Welfare:</b>					
Senior Bus				74,371	74,371
<b>Total Public Health and Welfare</b>				74,371	74,371
<b>Culture and Recreation:</b>					
Recreation	\$ 1,028,795	16,798,088	124,230	477,180	18,428,293
<b>Total Culture and Recreation</b>	1,028,795	16,798,088	124,230	477,180	18,428,293
<b>Community and Development:</b>					
Planning and Zoning			1,247	1,250	2,497
Building			5,486	56,968	62,454
<b>Total Community Development</b>			6,733	58,218	64,951
<b>General Government:</b>					
Mayor's Court			1,125	11,642	12,767
Mayor			19,184	23,787	42,971
Finance		2,000	17,970	57,300	77,270
Law			8,520	8,890	17,410
Service	804,504	7,196,075	33,378	2,594,827	10,628,784
Council			13,753	12,326	26,079
Boards and Commissions			2,395		2,395
City Hall-General Government	938,840	2,441,731	2,278	61,157	3,444,006
<b>Total General Government</b>	1,743,344	9,639,806	98,603	2,769,929	14,251,682
<b>Total by Function</b>	2,772,139	29,639,749	260,468	5,805,353	38,477,709
Construction in progress		60,391			60,391
<b>Total General Fixed Assets</b>	\$ 2,772,139	\$ 29,700,140	\$ 260,468	\$ 5,805,353	\$ 38,538,100

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

For the Year Ended December 31, 2001

Function and Activity	Balance January 1, 2001	Additions	Deductions	Transfers	Balance December 31, 2001
<b>Public Safety:</b>					
Police	\$ 2,019,715	\$ 103,513	\$ (111,250)	\$ (44,345)	\$ 1,967,633
Fire	3,294,228	501,159	(104,608)		3,690,779
<b>Total Public Safety</b>	5,313,943	604,672	(215,858)	(44,345)	5,658,412
<b>Public Health and Welfare:</b>					
Senior Bus		32,857		41,514	74,371
<b>Total Public Health and Welfare</b>		32,857		41,514	74,371
<b>Culture and Recreation:</b>					
Recreation	18,356,349	73,237	(16,766)	15,473	18,428,293
<b>Total Culture and Recreation</b>	18,356,349	73,237	(16,766)	15,473	18,428,293
<b>Community and Development:</b>					
Planning and Zoning	2,497				2,497
Building	77,834	1,300	(32,304)	15,624	62,454
<b>Total Community Development</b>	80,331	1,300	(32,304)	15,624	64,951
<b>General Government:</b>					
Mayor's Court	10,990	1,777			12,767
Mayor	33,357	9,614			42,971
Finance	79,359	5,073	(7,162)		77,270
Law	21,610		(4,200)		17,410
Service	10,473,289	256,447	(114,200)	13,248	10,628,784
Council	26,079				26,079
Boards and Commissions	2,395				2,395
City Hall-General Government	3,485,520			(41,514)	3,444,006
<b>Total General Government</b>	14,132,599	272,911	(125,562)	(28,266)	14,251,682
<b>Total by Function</b>	37,883,222	984,977	(390,490)		38,477,709
Construction in progress	8,200	52,191			60,391
<b>Total General Fixed Assets</b>	<b>\$ 37,891,422</b>	<b>\$ 1,037,168</b>	<b>\$ (390,490)</b>	<b>\$ 0</b>	<b>\$ 38,538,100</b>

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## GENERAL FUND REVENUES BY SOURCE

### LAST TEN FISCAL YEARS

Fiscal Year	Taxes (1)	Intergovernmental Revenues	Charges for Services	Fines, Licenses and Permits	Interest Earnings	Miscellaneous Revenue	Totals
1992	\$ 4,977,399	\$ 577,132	\$ 28,075	\$ 603,276	\$ 140,558	\$ 30,143	\$ 6,356,583
1993	5,086,067	641,953	23,350	566,828	126,066	48,071	6,492,335
1994	5,781,533	665,346	11,849	645,027	120,837	41,255	7,265,847
1995	6,330,474	679,236	31,507	702,991	184,011	39,218	7,967,437
1996	6,484,334	828,042	33,821	670,534	161,300	103,968	8,281,999
1997	6,702,202	892,846	33,656	696,995	158,060	46,160	8,529,919
1998	9,075,230	1,001,968	34,045	1,043,027	227,455	315,737	11,697,462
1999	8,047,629	1,095,839	56,450	803,659	292,296	86,081	10,381,954
2000	8,609,849	1,400,949	76,332	765,738	480,381	110,145	11,443,394
2001	8,670,454	1,198,630	50,910	677,999	425,372	51,393	11,074,758

(1) Includes Property, Income, State-Levied and Shared, and Other Local Taxes.

Source: City of Middleburg Heights, Finance Department

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## GENERAL FUND EXPENDITURES BY FUNCTION

### LAST TEN FISCAL YEARS

Fiscal Year	Public Safety	Public Health and Welfare	Community Development	Sanitation	General Government	Totals
1992	\$ 3,205,861	\$ 11,075	\$ 292,852	\$ 555,881	\$ 2,206,843	\$ 6,272,512
1993	3,197,923	16,267	324,660	562,769	2,384,319	6,485,938
1994	3,402,490	15,358	315,345	554,795	2,408,601	6,696,589
1995	3,373,543	18,230	319,473	556,664	2,658,207	6,926,117
1996	3,648,659	18,014	324,887	561,377	2,844,023	7,396,960
1997	3,862,928	18,043	357,071	585,524	2,730,643	7,554,209
1998	4,182,444	23,912	365,493	601,783	2,844,277	8,017,909
1999	4,522,060	19,522	389,869	612,496	3,491,258	9,035,205
2000	4,590,998	20,879	404,481	641,825	4,132,400	9,790,583
2001	5,297,832	20,524	486,411	670,964	4,352,252	10,827,983

Source: City of Middleburg Heights, Finance Department

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## PROPERTY TAX LEVIES AND COLLECTIONS REAL AND PUBLIC UTILITY

### LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Current Collections	Percent of Current Levy Collected	Collection Including Delinquencies	Total Collections As Percent of Current Levy	Accumulated Delinquency
1991/1992	\$ 1,957,148	\$ 1,913,431	97.8%	\$ 1,946,982	99.5%	\$ 103,109
1992/1993	1,830,231	1,776,198	97.0%	1,815,238	99.2%	95,217
1993/1994	1,843,691	1,795,741	97.4%	1,846,917	100.2%	74,103
1994/1995	1,801,763	1,759,817	97.7%	1,775,727	98.6%	56,968
1995/1996	1,808,124	1,777,935	98.3%	1,801,722	99.6%	44,574
1996/1997	1,791,132	1,736,891	97.0%	1,752,232	97.8%	59,637
1997/1998	1,959,435	1,878,618	95.9%	1,934,025	98.7%	75,024
1998/1999	1,980,787	1,935,119	97.7%	1,962,836	99.1%	71,546
1999/2000	2,042,289	1,973,594	96.6%	2,017,915	98.8%	94,684
2000/2001	2,297,430	2,191,586	95.4%	2,285,460	99.5%	105,464

Source: Cuyahoga County Auditor

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

### LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Real Property (1)			Personal Property (2)			Public Utility Property (3)			Total			Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		
1992/1993	\$ 284,210,640	\$ 812,030,400	\$ 35,910,768	\$ 138,118,338	\$ 21,887,750	\$ 43,775,500	\$ 342,009,158	\$ 993,924,238					34.4%
1993/1994	287,839,140	822,397,543	34,419,142	137,676,568	21,887,870	43,775,740	344,146,152	1,003,849,851					34.3%
1994/1995	286,855,190	819,586,257	35,183,611	140,734,444	22,188,990	25,214,761	344,227,791	985,535,462					34.9%
1995/1996	326,679,730	933,370,657	37,942,938	151,771,752	22,560,410	25,636,830	387,183,078	1,110,779,239					34.9%
1996/1997	334,514,330	955,755,200	42,717,032	170,868,128	22,085,910	25,097,630	399,317,272	1,151,720,958					34.7%
1997/1998	369,990,240	1,057,114,971	46,497,314	185,989,256	21,361,400	24,274,318	437,848,954	1,267,378,545					34.5%
1998/1999	374,433,000	1,069,808,571	48,791,605	195,166,420	20,858,100	23,702,386	444,082,705	1,288,677,377					34.5%
1999/2000	388,560,540	1,110,172,971	47,131,859	188,527,436	19,100,640	21,705,273	454,793,039	1,320,405,680					34.4%
2000/2001	452,686,520	1,293,390,057	48,858,969	195,435,876	18,908,480	21,486,909	520,453,969	1,510,312,842					34.5%
2001/2002	456,826,300	1,305,218,000	47,573,331	190,293,324	14,925,620	16,960,932	519,325,251	1,512,472,256					34.3%

(1) The assessed valuation level for real property in Cuyahoga County is 35% of market value, except for certain agricultural land.

(2) For the collection year 2000, the percentage used to determine taxable value of personal property and inventory was 25%.

(3) In the case of public utilities, real property is assessed at 35% of true (market) value and personal property is assessed at 88% of true value except personal property of railroads which is assessed at 25% of true value in 1995.

Source: Cuyahoga County Auditor

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## PROPERTY TAX RATES-ALL DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION)

### LAST TEN FISCAL YEARS

Tax Year/ Collection Year	City of Middleburg Heights						Polaris and Berea School District			Southwest Community Hospital	Total
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation	Total	Berea School District	Cuyahoga County			
1991/1992	3.31	1.13	0.30	0.30	0.26	5.30	53.70	16.80	1.00	76.80	
1992/1993	3.00	1.04	0.30	0.30	0.26	4.90	54.60	16.80	1.00	77.30	
1993/1994	3.10	0.94	0.30	0.30	0.26	4.90	60.50	16.80	1.00	83.20	
1994/1995	2.85	1.19	0.30	0.30	0.26	4.90	60.80	16.80	1.00	83.50	
1995/1996	2.95	1.09	0.30	0.30	0.26	4.90	60.90	16.60	1.00	83.40	
1996/1997	2.85	1.15	0.30	0.30		4.60	61.70	16.60	1.00	83.90	
1997/1998	2.85	1.15	0.30	0.30		4.60	60.40	16.70	1.00	82.70	
1998/1999	2.85	1.15	0.30	0.30		4.60	66.30	16.70	1.00	88.60	
1999/2000	2.85	1.15	0.30	0.30		4.60	66.20	17.60	1.00	89.40	
2000/2001	2.85	1.15	0.30	0.30		4.60	66.20	17.60	1.00	89.40	

Source: Cuyahoga County Auditor

**CITY OF MIDDLEBURG HEIGHTS, OHIO**  
**RATIO OF NET GENERAL BONDED DEBT TO**  
**ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

**LAST TEN FISCAL YEARS**

Year	Population (1)	Assessed Value (2)	Gross General Bonded Debt (3)	Less Balance in Debt Service Fund	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1992	14,702	\$ 342,009,158	\$ 5,012,666	\$ 1,178,365	\$ 3,834,301	1.12%	\$ 260.80
1993	14,702	344,146,152	4,777,930	1,288,036	3,489,894	1.01%	237.38
1994	14,702	344,227,791	4,538,195	1,273,393	3,264,802	0.95%	222.07
1995	14,702	387,183,078	4,291,856	1,329,902	2,961,954	0.77%	201.47
1996	14,702	399,317,272	4,047,516	1,473,758	2,573,758	0.64%	175.06
1997	14,702	437,848,954	3,793,688	1,563,905	2,229,783	0.51%	151.67
1998	14,702	444,082,705	29,239,153	2,299,815	26,939,338	6.07%	1,832.36
1999	14,702	454,793,039	27,858,536	2,444,514	25,414,022	5.59%	1,728.61
2000	15,542	520,453,969	26,264,138	2,704,882	23,559,256	4.53%	1,515.84
2001	15,542	519,325,251	24,621,629	2,885,400	21,736,229	4.19%	1,398.55

(1) Source: Bureau of Census; Northern Ohio Data and Information Service, College of Urban Affairs, Cleveland State University

(2) Source: Cuyahoga County Auditor

(3) Source: General Obligation Debt Outstanding at December 31

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## SPECIAL ASSESSMENT COLLECTIONS

### LAST TEN FISCAL YEARS

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<b>Fiscal Year</b>	<b>Current Assessment Due</b>	<b>Total Collection Including Delinquencies</b>	<b>Total Collection As A Percent of Current Assessments</b>	<b>Accumulated Delinquency</b>
1992	\$ 223,148	\$ 200,652	89.9%	\$ 48,144
1993	221,928	198,897	89.6%	72,274
1994	195,088	185,496	95.1%	87,807
1995	192,716	174,402	90.5%	112,721
1996	94,439	97,151	102.9%	14,814
1997	85,506	101,829	119.1%	14,771
1998	75,128	81,037	107.9%	9,998
1999	118,730	121,175	102.1%	7,599
2000	134,328	129,693	96.5%	12,779
2001	134,328	141,037	105.0%	7,248

Source: Cuyahoga County Auditor

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2001

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<b>TOTAL ASSESSED VALUATION</b>		\$	519,325,251
Overall Debt Limitation - 10 1/2% of assessed valuation			54,529,151
Debt within 10 1/2% limitation	\$	5,879,629	
Less: Bond Retirement fund balance		1,936,630	
<b>Net debt within 10 1/2% limitation</b>			<u>3,942,999</u>
<b>Legal debt margin within 10 1/2% limitation</b>		\$	<u>50,586,152</u>
Unvoted Debt Limitation - 5 1/2% of assessed valuation		\$	28,562,889
Debt within 5 1/2% limitation	\$	5,754,629	
Less: Bond Retirement fund balance		1,936,630	
<b>Net debt within 5 1/2% limitation</b>			<u>3,817,999</u>
<b>Legal debt margin within 5 1/2% limitation</b>		\$	<u>24,744,890</u>

Source: City of Middleburg Heights, Finance Department

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2001

Jurisdiction	Debt Outstanding	Percentage Applicable To City of Middleburg Heights	Amount Applicable To City of Middleburg Heights
<b>Direct:</b>			
City of Middleburg Heights	\$ 24,621,629 (a)	100.00%	\$ 24,621,629
<b>Overlapping:</b>			
Berea School District	11,715,000 (b)	35.22%	4,126,023
Cuyahoga County	216,544,636 (b)	1.81%	3,919,458
Greater Cleveland Regional Transit	<u>123,915,000 (b)</u>	1.81%	<u>2,242,862</u>
Total Overlapping	352,174,636		10,288,343
<b>Total Direct and Overlapping</b>	<b><u><u>\$ 376,796,265</u></u></b>		<b><u><u>\$ 34,909,972</u></u></b>

(a) Net General Obligation Debt Outstanding. Source: City of Middleburg Heights, Finance Department

(b) Gross General Obligation Debt Outstanding. Source: Cuyahoga County Auditor

## CITY OF MIDDLEBURG HEIGHTS, OHIO

### *RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES*

#### LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service on General Bonded Debt	General Fund Expenditures	Ratio of Tax Supported Debt Service to General Fund Expenditures
1992	\$ 227,720	\$ 294,026	\$ 521,746	\$ 6,272,512	8.3%
1993	234,735	329,505	564,240	6,485,938	8.7%
1994	239,735	315,905	555,640	6,696,589	8.3%
1995	316,340	340,993	657,333	6,926,117	9.5%
1996	244,339	349,859	594,198	7,396,960	8.0%
1997	253,828	354,333	608,161	7,554,209	8.1%
1998	261,880	183,472	445,352	8,017,909	5.6%
1999	1,380,617	1,454,953	2,835,570	9,035,205	31.4%
2000	1,594,398	1,202,108	2,796,506	9,790,583	28.6%
2001	1,642,509	1,143,799	2,786,308	10,827,983	25.7%

Source: City of Middleburg Heights, Finance Department

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## *PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS*

### LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Commercial/ Industrial Construction (a)	Residential Construction (a)	Cuyahoga County Bank Deposits (b) (In Thousands)	Total Assessed Valuation
1992/1993	\$ 1,525,400	\$ 2,623,110	\$ 19,379,280	\$ 342,009,158
1993/1994	808,470	1,708,650	21,009,421	344,146,152
1994/1995	3,513,930	2,150,820	20,885,453	344,227,791
1995/1996	1,990,460	1,120,120	22,458,573	387,183,078
1996/1997	3,155,710	2,655,950	27,068,211	399,317,272
1997/1998	10,728,360	2,396,570	53,941,971	437,848,954
1998/1999	3,753,800	3,190,890	58,904,596	444,082,705
1999/2000	9,667,480	4,327,960	57,816,942	454,793,039
2000/2001	4,334,990	5,407,710	61,942,764	520,453,969
2001/2002	2,819,720	2,026,290	63,893,769	519,325,251

(a) Source: Cuyahoga County Auditor

(b) Source: Bank deposits at year-end for banks headquartered in the Federal Reserve Bank of Cleveland (total demand, time and saving deposits)

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## DEMOGRAPHIC STATISTICS

December 31, 2001

The population of the City, the County, the PMSA and the State for each decade from 1960 to 2000 is as follows:

Year	Population			
	City	County	PMSA	State
1960	7,282	1,647,895	1,909,483	9,706,397
1970	12,367	1,721,300	2,063,729	10,652,017
1980	16,218	1,498,400	1,898,825	10,797,630
1990	14,702	1,412,140	1,831,122	10,847,115
2000	15,542	1,393,978	2,250,871	11,353,140

### AGE DISTRIBUTION

Age	1990		2000	
	Number	Percentage	Number	Percentage
Under 5 years	598	4.1%	653	4.2%
5-9 years	641	4.4%	757	4.9%
10-14 years	803	5.5%	797	5.1%
15-19 years	851	5.8%	841	5.4%
20-24 years	1,022	7.0%	834	5.4%
25-34 years	2,338	15.8%	1,935	12.5%
35-44 years	1,883	12.8%	2,368	15.2%
45-54 years	2,077	14.1%	2,137	13.7%
55-64 years	1,946	13.2%	1,853	11.9%
65-74 years	1,631	11.1%	1,749	11.3%
75 years and over	912	6.2%	1,618	10.4%
<b>Total</b>	<b>14,702</b>	<b>100.0%</b>	<b>15,542</b>	<b>100.0%</b>

Median age 40.6 43.3

### DISTRIBUTION OF FAMILIES BY INCOME BRACKET (average 2.9 persons)\*

Income	1990	
	Number	Percentage
\$0-4,999	91	1.48%
\$5,000-9,999	295	4.80%
\$10,000-14,999	342	5.57%
\$15,000-19,999	440	7.16%
\$20,000-24,999	669	10.89%
\$25,000-34,999	921	14.99%
\$35,000-49,999	1,409	22.94%
\$50,000-74,999	1,254	20.41%
\$75,000-99,999	465	7.57%
OVER \$100,000	257	4.19%
<b>Total</b>	<b>6,143</b>	<b>100.00%</b>

Median Family Income \$ 37,298  
 Per Capita Income \$ 18,158

\* Family Income Distribution from the 2000 Census is currently unavailable.

Source: Northern Ohio Data and Information Service, College of Urban Affairs, Cleveland State University

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## DEMOGRAPHIC STATISTICS (Continued)

December 31, 2001

### Employment

The following table compares estimated employment statistics for Cuyahoga County and the Cleveland-Lorain-Elyria PMSA including comparisons with unemployment rates for the State of Ohio and the United States.

Year	Employed		Unemployed		Unemployment Rate			
	County	PMSA	County	PMSA	County	PMSA	Ohio	U.S.
1992	628,100	1,009,600	48,700	80,700	7.2%	7.4%	7.2%	7.4%
1993	625,700	1,005,800	45,900	72,600	6.8%	6.7%	6.5%	6.8%
1994	636,300	1,022,800	39,400	62,800	5.8%	5.8%	5.5%	6.1%
1995	644,100	1,036,600	31,800	55,400	4.9%	5.1%	4.8%	5.6%
1996	655,700	1,046,900	34,300	57,400	5.1%	5.2%	4.9%	5.4%
1997	660,800	1,061,600	32,700	53,500	4.8%	4.8%	4.6%	5.0%
1998	643,800	1,059,900	30,100	48,400	4.5%	4.4%	4.3%	4.5%
1999	649,900	1,069,800	31,300	50,300	4.6%	4.5%	4.3%	4.2%
2000	649,500	1,075,900	31,100	49,800	4.6%	4.4%	4.1%	4.0%
2001 (1)	648,300	1,073,900	31,100	52,300	4.6%	4.6%	4.3%	4.8%

Source: Ohio Bureau of Employment Services  
U.S Department of Labor, Bureau of Labor Statistics

(1) Preliminary estimate.

(2) Effective January 1, 1994 the Cleveland PMSA was modified to include Lorain and Ashtabula counties. Data presented for years prior to 1993 does not reflect this change.

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## *PRINCIPAL TAXPAYERS*

**December 31, 2001**

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The following are the principal taxpayers in the City of Middleburg Heights, ranked in order of payroll withholding:

<b>Taxpayer</b>
Southwest General Hospital
United Parcel Service
Sears Roebuck and Company
Advanstar Communications Incorporated
Berea City School District
Polaris Joint Vocational
City of Middleburg Heights
Codonics Inc.
Transamerica Holdings LLC
Sunnyside Automotive Incorporated

Source: Regional Income Tax Agency

# CITY OF MIDDLEBURG HEIGHTS, OHIO

## MISCELLANEOUS STATISTICAL DATA

December 31, 2001

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Date of incorporation as a village	1927
Date of incorporation as a city	1961
Form of government	Mayor - Council
Area	8 Square miles
Miles of Streets	61
Fire protection:	
Number of stations	1
Number of firefighters and officers	26
Police protection:	
Number of stations	1
Number of police-persons and officers	33
Buildings:	
Permits issued	222
Estimated cost of construction	\$ 18,522,188
Parks and Recreation:	
Number of parks	1
Number of ball diamonds	3
Tennis courts	4
Volleyball courts	2
Soccer fields	3
Horseshoe pits	3
Bocce ball courts	1
Playgrounds	1

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# **City of Middleburg Heights, Ohio**

**DECEMBER 31, 2001**

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**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the City Council of the  
City of Middleburg Heights, Ohio

We have audited the financial statements of the City of Middleburg Heights, as of and for the year ended December 31, 2001, and have issued our report thereon dated March 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Middleburg Heights' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control which might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Middleburg Heights in a separate letter dated March 14, 2002.

Members of the City Council of the  
City of Middleburg Heights, Ohio

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

*Curtis P. Cantini, Assoc.*

Cleveland, Ohio  
March 14, 2002

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**SCHEDULE OF FINDINGS**

**DECEMBER 31, 2001**

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1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. OTHER FINDINGS

None.

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2001**

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None.

**CITY OF MIDDLEBURG HEIGHTS, OHIO**

**15700 BAGLEY ROAD  
MIDDLEBURG HEIGHTS, OHIO 44130  
(440) 234-8989**

**RESPONSE TO FINDINGS ASSOCIATED WITH AUDIT CONDUCTED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
Not applicable			

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF MIDDLEBURG HEIGHTS**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 6, 2002**