

CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT
CLEVELAND HEIGHTS, OHIO



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001





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PREPARED BY THE DEPARTMENT OF FINANCE

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CLEVELAND HEIGHTS

INTRODUCTORY

SECTION

2001



THANKS TO THE VOTERS' PASSAGE OF THE 1997 RECREATION BOND ISSUE, CLEVELAND HEIGHTS RESIDENTS NOW HAVE A STATE-OF-THE-ART RECREATION COMPLEX. THE EXPANDED COMMUNITY CENTER OFFERS A NEW, YEAR-ROUND OLYMPIC-SIZED ICE RINK; AN EXISTING ICE RINK (USED AS A FIELD HOUSE FOR SIX MONTHS OF THE YEAR); A FIELD HOUSE/FITNESS CENTER; CHILD CARE FACILITIES; MEETING AND GENERAL RECREATION ROOMS; AND THE SENIOR ACTIVITY CENTER (PICTURED HERE), WHICH OFFERS PROGRAMS, ACTIVITIES, EVENTS AND CLASSES FOR RESIDENTS AGE 60 AND OVER.



CLEVELAND HEIGHTS

CITY OF CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2001

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May 30, 2002

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

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2001. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believes that the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

The CAFR consists of three sections. The Introductory Section which contains the table of contents, this letter of transmittal, a list of principal City officials, and organizational charts of the City and the Department of Finance; the Financial Section with the opinion letter of the City's independent auditor, the General Purpose Financial Statements and the accompanying Notes to the Financial Statements, the combining financial statements by fund type, and other schedules which provide detailed information for the 2001 fiscal year; and the Statistical Section which details selected financial, economic, and demographic information about the City for the past ten years.

CITY ORGANIZATION

The City of Cleveland Heights, located in northeastern Ohio immediately east of Cleveland, is a residential community which covers 8.11 square miles. The City's population from the 2001 Federal Census was 50,769. The City, incorporated under Ohio law in February 1921, operates under its own charter, which was adopted in August, 1921. The Charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven member elected Council, is the chief administrative officer of the City.

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

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

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ECONOMIC CONDITIONS

The City continued to enjoy economic strength during 2001 in part due to its proximity to the major cultural, educational, and medical facilities in northeastern Ohio. These facilities include the University Circle area comprised of Case Western Reserve University and its associated University Hospitals, Severance Hall for the Performing Arts which also serves as resident base to the internationally-acclaimed Cleveland Symphony Orchestra, and the Cleveland Clinic, a world-renowned medical research and treatment facility. In addition, the City is strategically located to facilitate efficient and quick access to the revitalized downtown Cleveland business district, sports facilities for the Cleveland Indians major league baseball team, the Cleveland Cavaliers professional basketball team, the Cleveland Browns professional football team, the Great Lakes Science Center, and the National Rock and Roll Hall of Fame. As a result, the City's unemployment rate in December 2001 was 3.3% as compared to the county rate of 5.2%, a State of Ohio rate of 4.5%, and a national rate of 5.8%.

Property values have increased on average by over 41% since 1992. This is a key indicator of this City's economic health and stability where the primary "industry" is its housing. All indications are that the City will continue to be a highly desirable place in which to live, further contributing to an appreciation in property values which outpaces the rate of inflation.

2001 income tax collections remained strong and continued to account for over 52% of all General Fund revenues.

HIGHLIGHTS OF 2001 AND PROSPECTS FOR THE FUTURE

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

Cain Park, the municipally-owned and operated outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Orchestral, dance, and theatrical performances produced during 2001 included: Jethro Tull, The Temptations, The Sound of Music, Janis Ian, The Neville Brothers, The YARD (Youth At Risk Dancing), Doug Elkins Dance Company, Cleveland Jazz and Pops Orchestra, Bela Fleck and the Flecktones, Ramsey Lewis and Billy Taylor, and Marian McPortland and Willie Pickens. The Cain Park Arts Festival is recognized as one of the ten best such events in the United States.

Our commercial districts, integral to the City's residential neighborhoods, are home to the many new businesses which open in Cleveland Heights every year, complementing wonderful existing enterprises.

Severance Town Center began its life in 1963 as the area's first enclosed shopping mall. After an extensive \$100 million redevelopment, the new Severance Town Center has been successful in attracting a number of new occupants to the remodeled retail space. Home Depot and Wal-Mart have opened very busy stores which also anchor the new Severance. In addition to these successful stores, many other new businesses have located in Severance. Among these are Office Max, Borders Books and Café, and Marshall's. Regal Cinemas operates a fourteen-theatre complex. April 2002 marked the completion of the sale of the Severance Town Center from Winmar to Canyon-Johnson. Canyon-Johnson is already considering additional retail use of the property, including the construction of outlying restaurants.

In addition to the revitalization of the retail spaces of Town Center, Severance Circle, which surrounds the shopping area, has seen significant capital investments in commercial projects. Among these are \$26 million for a new Kaiser Permanente medical facility which was completed in 2000 and \$5 million for a new U.S. Post Office which was completed in 1998.

The Giant Eagle grocery store at Cedar Road underwent an extensive remodel. It was completed in early 2002. Among other things, the store now has an expanded product array, new fixtures, flooring and a bright new decor. It is also a charming enhancement to the character of the surrounding district.

Zagara's Market and Café is scheduled for completion in June, 2002. The new, state-of-the-art, independent supermarket is being built on the site of two formerly vacant buildings along Lee Road. It is expected that the new market will anchor the area and encourage other development along the corridor. Zagara's currently operates from a much smaller location. The city participated in the project through a Tax Increment Financing (TIF) agreement and the subsequent issuance of \$2 million of Economic Development Revenue Bonds

Dinerama is scheduled to open in July, 2002. It consists of two authentic and restored 1950's stainless steel diners to be located at Lee and East Overlook Roads. The diners arrived in January, 2002. Final work is being completed. Dottie's Diner will have seating for 106 customers and will be open for breakfast, lunch and dinner serving traditional and modern diner fare. Sweet City Diner will be a walk-up dessert counter and soda fountain. The city participated in the project by approving a \$550,000 CDBG loan.

The first new housing subdivision in the City since the mid 1980's was Greyton Court by Zaremba, Inc. Construction of the 22 new town homes began in December, 1999. Phase I was completed in the spring of 2001 while Phase II was completed in the spring of 2002. All units have been sold. The City participated in the development of this project by establishing a linked deposit program with Third Federal Savings Bank and Fifth Third Bank. This program offered reduced mortgage interest rates to initial buyers of the new townhomes. In addition to these single-family residences, a \$15 million assisted living complex, Homewood Residence at Rockefeller Gardens, was opened in January, 2000.

Other new housing projects have begun since the success at Zaremba's Greyton Court. City Vision Development has transformed the corner of Euclid Heights Boulevard and Lee Road with the \$3 million eight-unit Boulevard Townhomes. The townhomes offer a contemporary exterior to accompany the unique design features of the interiors. The Boulevard Townhomes are within walking distance of the city's Cain Park outdoor theater.

Cedarmount Condominiums is a \$8 million development at Cedar Road and Fairmont Boulevard. The seventeen luxury condominiums offer many design options. Seven of the units offer a "brownstone" rowhouse design including four levels of living and featuring rooftop patios with great city views. The remaining ten units have Tudor accents and copper awnings.

The Courtyards at Severance is being developed by The Coral Company. January, 2002 marked the beginning of the project. There will be seventy-one single-family attached townhomes offering maintenance-free living with brick detailing on all front elevations. There will be professionally designed landscaping plus a nearby city park to provide welcome green spaces. The first model home is nearing completion in May, 2002. The city has participated in this project by offering tax abatement to the new homeowners in the amount of 50% for the first ten years.

Villa Carabelli Townhomes is set to be built along Mayfield Road in the area leading to Cleveland's "Little Italy" neighborhood. The project spans both cities and will offer twenty luxury townhomes. All units will have views of the neighborhood and the cityscape beyond. The wooded hillsides will provide a gracious urban retreat. Construction has begun and six units are already sold. The base price is in the range of \$450,000 to \$550,000 with the cost of options and amenities adding as much as \$150,000 to \$200,000 to that. Both cities, Cleveland and Cleveland Heights will offer tax abatement to the new homeowners. The tax abatement for the units in the City of Cleveland Heights will be 65% for seven years.

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

The Cleveland Electric Illuminating Company and the Dominion East Ohio Gas Company, both independent, publicly-owned utilities provide City residents with electricity and natural gas.

Community Development Block Grant Program

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2001, the City received \$2.15 million in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services, and fair housing.

CITY SERVICES

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

In addition to the basic services just described, the City continues to offer superior recreational facilities for its residents. The City operates a total of six municipal parks, which include two swimming pools and the usual sports, playground, and picnic facilities. In addition, the expansion of the Recreation Pavilion into a full-service Community Center was completed in 2001. The new Olympic-size ice rink was opened in September, 2001 providing the City with two ice rinks. The new Senior Activity Center opened in December, 2001. The Field House and Fitness Center opened in January, 2002. The Field House has two high school-size side-by-side courts with wooden floors, bleachers, scoreboards, glass backboards and the flexibility to accommodate both basketball and volleyball as well as other programs. It also includes a four-lane elevated track with a rubberized surface and length of 180 yards. The Fitness Center features Nautilus exercise machines, aerobic, elliptical, and step machines along with a variety of bikes. There is also a cardio theater system and an aerobics room. The Community Center also contains child care facilities and meeting and general recreation rooms.

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

In keeping with its primarily residential character, the City operates an urban forestry department which is funded mainly through an annual special assessment on all properties. With the addition of new equipment and manpower, the department was able to concentrate on removing and replanting Cleveland Heights' aging urban forest. During 2001, the Forestry Department provided free split firewood for residents, planted 449 trees (size 2.5" – 3" caliper), and removed 422 trees. Additionally, all small trees were trimmed on sixty-six of the City's streets. The purchase of a stump grinder allowed City staff to remove 340 tree stumps in the City. The City received its 23rd Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

The annual street resurfacing program involves removal of the asphalt street surface to its base, making base repairs, replacing curbs, catch basin and manhole castings as needed, setting all castings flush to the new street level and placing a new asphalt surface which is crowned and graded for proper drainage. The primary sources of funding for this program are motor vehicle license fees and gasoline excise tax, which generate about \$1.3 million per year. An additional \$89,200 of CDBG funds were used on streets in low/moderate income districts. The annual street surface treatment program extends the life of the road's surface by application of crack fillers, chip sealing, and single pass asphalt recycling, a method of reclaiming the top inch of loose asphalt.

REPORTING ENTITY

The City has reviewed its reporting entity definition in order to insure conformance with the Statements issued by the Governmental Accounting Standards Board. The financial reporting entity consists of the City (the primary government) as well as any component units for which the elected officials of the City are financially accountable. A component unit is a legally separate organization which would be included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Based upon this review, these financial statements do not include any component units.

ACCOUNTING POLICIES AND BUDGETARY CONTROL

The City of Cleveland Heights reports on a modified accrual/accrual basis of accounting, which conforms to generally accepted accounting principles (GAAP), as applicable to local governments. Under this system, the Governmental and Fiduciary Fund Types utilize a modified accrual basis of accounting. On this basis revenues are recognized when measurable and available to finance current expenditures; expenditures are recognized when goods and services are received and liabilities are incurred. The Proprietary Fund Types are accounted for on the accrual basis of accounting. On this basis revenues are recognized when earned; expenses are recognized when incurred.

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

INTERNAL ACCOUNTING AND REPORTING CONTROL

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

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

FUND AND ACCOUNT GROUP STRUCTURE

The City has organized its Funds and Account Groups as follows:

Governmental Funds

General Fund – To account for all financial resources except those required to be accounted for in a separate fund. Most of the City's basic services are accounted for in this fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital Projects Funds – To account for financial resources to be used for the acquisition or construction of major capital facilities, except for those financed by Proprietary or Trust Funds.

Proprietary Funds

Enterprise Funds – To account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds – To account for the financing of services provided by one department to other departments of the City on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds – To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's Trust Funds are all considered to be expendable.

Account Groups

General Fixed Assets Account Group – To account for all fixed assets of the City, except those accounted for in the Proprietary and Trust Funds.

General Long-Term Debt Account Group – To account for all long-term obligations of the City, except for those accounted for in the Proprietary and Trust Funds.

GENERAL GOVERNMENTAL REVENUES AND EXPENDITURES

Revenues for general governmental functions are classified under the following sources:

Property Taxes – Amounts levied against the taxable or assessed value of all real and public utility property, and tangible personal property used in business. Real property is assessed at 35% of true (market) value. The true value of personal property is based on composite annual allowances and is assessed at 25%, except electric utility distribution or transmission equipment which is assessed at 88% of true value, and personal property of rural electric companies which is assessed at 50% of true value, and the personal property of railroads which is assessed at 25% of true value. Effective in tax year 1995, all interexchange telephone personal property is assessed at 25 percent. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88%.

Municipal Income Taxes – Taxes levied at a rate of 2% on all wages, other compensation, and net profits earned within the City, as well as on the income of residents which is earned outside the City. In the latter case the City allows a tax credit of 50% of the tax paid to another municipality up to a maximum credit of one-half of one percent of income earned outside the City.

Other Local Taxes – Includes admission taxes levied on theatre, special event, athletic clubs and golf course gross revenues, hotel/motel taxes on gross rentals, and cable TV franchise taxes.

State Levied Shared Taxes – Includes local government taxes received from both the State of Ohio and Cuyahoga County, inheritance taxes, cigarette taxes, and liquor and beer permit fees all of which are distributed to the City according to various formulae.

Intergovernmental Grants and Contracts – Includes local, state and federal grants, such as Community Development Block Grant, COPS Ahead, and local intergovernmental operating contracts.

Charges for Services – Includes charges for general governmental services such as health and vital statistics fees, refuse collection, sewer cleaning, parking meters, swimming pools, and other recreation programs.

Fees, Licenses, and Permits – Includes charges for zoning appeals fees, building trade licenses, permits and inspections.

Interest Earnings – Interest and other profits earned on investments.

Special Assessments – Includes revenues from assessments levied on various parcels of property to finance special benefits conferred upon the parcels.

Fines and Forfeitures – Payments received by the City through the Cleveland Heights Municipal Court from fines, costs, and bond forfeitures for both civil and criminal cases. This also includes parking fines which are not received through the Court but rather directly from the payor.

All Other Revenue – Miscellaneous revenues not otherwise accounted for.

The following summary schedule compares revenues and other financing sources for general governmental functions which include the General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds and includes a discussion of material differences from 2000 to 2001.

<u>Revenue Source</u>	<u>Year ended December 31,</u>		<u>Increase (Decrease) from 2000</u>
	<u>2001</u>	<u>2000</u>	
Property taxes	\$ 12,424,639	\$ 9,506,799	\$ 2,917,840
Municipal income taxes	19,842,139	21,281,470	(1,439,331)
Other local taxes	758,825	490,099	268,726
State levied, shared taxes	6,613,439	5,816,534	796,905
Intergovernmental grants and contracts	3,983,747	3,477,391	506,356
Charges for services	1,698,829	1,524,971	173,858
Fees, licenses, and permits	890,925	1,165,156	(274,231)
Interest earnings	1,630,247	2,472,355	(842,108)
Special assessments	1,043,594	1,073,912	(30,318)
Fines and forfeitures	2,210,566	2,223,951	(13,385)
All other revenue	<u>1,627,149</u>	<u>2,239,142</u>	<u>(611,993)</u>
Subtotal	52,724,099	51,271,780	1,452,319
Other financing sources	<u>9,650,502</u>	<u>3,594,658</u>	<u>6,055,844</u>
Total	\$ <u>62,374,601</u>	\$ <u>54,866,438</u>	\$ <u>7,508,163</u>

The increase in property taxes was a result of the real property revaluation by the Cuyahoga County Auditor. The increase in assessed valuation results in a corresponding increase in property tax revenues.

The decrease in municipal income taxes can be directly attributed to the general economic downturn that took place throughout 2001.

Interest rates on fixed income securities fell dramatically during 2001. City investments consist primarily of U.S. Government Treasury and Agency notes. The City experienced a significant reduction in investment earnings due to falling interest rates.

The decrease in all other revenues was due to a reduction in the Kensington project equity participation and a decrease in Issue II funds received in 2001.

The increase in other financing sources was due to the issuance of additional debt during 2001. The City issued debt for recreation, the Zagara tax increment financing project and short term notes for motorized equipment.

Expenditures for general governmental functions are classified under the following categories:

Public Safety – Expenditures for police and fire protection, traffic signs and signals, animal control, and other activities where the primary purpose is to reduce the amounts and effects of external harm to individuals.

Public Health – Expenditures for health services, assistance to the aged, and other activities which provide for the physical and mental health of citizens by reducing the number, length, and severity of illnesses and disabilities.

Culture and Recreation – Expenditures for activities which provide year-round leisure time opportunities for citizens such as parks, recreation programs, swimming pools, and playgrounds.

Community Development – Expenditures for community planning and zoning, housing and building code enforcement, community relations, and public relations, all aimed at providing citizens with decent, safe and sanitary housing as well as improving the general economic environment of the City.

Sanitation – Expenditures for storm sewers and drains, refuse collection and disposal.

Transportation – Expenditures for street maintenance and repair, parking meters, and vehicle maintenance.

General Government – Expenditures for the administration of activities such as City Council, City Manager, Finance, Law, Municipal Court, and Community Services, as well as costs of independent audits, workers compensation, employee health benefits, County Auditor’s deductions, and overall administrative support.

Capital Outlay – Expenditures for the purchase of land, buildings, equipment, or improvements to any of the foregoing, which have a unit cost of at least five thousand dollars or more.

Debt Service – Expenditures for the principal and interest on the City’s general obligation bonds, notes, and other long-term debt.

The following summary schedule compares expenditures and other financing uses for general governmental functions which include the General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds and includes a discussion of material differences from 2000 to 2001.

<u>Function</u>	<u>Year ended December 31,</u>		<u>Increase (Decrease) from 2000</u>
	<u>2001</u>	<u>2000</u>	
Public Safety	\$ 16,814,398	\$ 15,901,028	\$ 913,370
Public Health	478,573	386,699	91,874
Culture and Recreation	12,031,569	11,657,511	374,058
Community Development	9,088,496	7,302,622	1,785,874
Sanitation	3,042,946	3,221,364	(178,418)
Transportation	4,711,853	4,737,175	(25,322)
General Government	12,563,904	11,529,977	1,033,927
Capital Outlay	1,482,142	2,305,910	(823,768)
Debt Service	<u>6,098,517</u>	<u>3,676,089</u>	<u>2,422,428</u>
Subtotal	66,312,398	60,718,375	5,594,023
Other financing uses	<u>3,073,861</u>	<u>3,401,922</u>	<u>(328,061)</u>
Total	\$ <u>69,386,259</u>	\$ <u>64,120,297</u>	\$ <u>5,265,962</u>

The increase in public safety expenditures can be attributed to an increase in the operating expenditures for precinct four of the police department and renovations at fire station number one.

Community development expenditures are a result of the severance park land purchase, the Lee Road rehabilitation project and various other community development projects.

Expenditures for general government can be attributed to increases in salaries and fringe benefits for City employees.

The City acquired several large parcels of real estate in year 2000 for economic development purposes. In 2001, real estate acquisitions were scaled back accounting for the decrease in capital outlay.

The City has issued additional debt over the past two years. This accounts for the increase in debt service expenditures. The additional debt includes recreation facilities, real estate acquisition notes, motorized equipment notes and Ohio Public Works loans.

In 2000, the City paid off the unfunded pension liability to the Ohio Police and Fire Pension Fund and defeased the HUD Section 108 Loan. There were no such payoffs in year 2001. These were the primary reasons for the sharp decline in other financing uses.

GENERAL FUND REVENUES AND EXPENDITURES

As the primary operating fund of the City, the General Fund traditionally accounts for most of the general governmental revenues and expenditures. Consequently, schedules comparing fiscal year 2001 revenues and expenditures with fiscal year 2000 revenues and expenditures follow.

<u>Revenues</u>	<u>Year ended December 31,</u>		<u>Increase (Decrease) from 2000</u>
	<u>2001</u>	<u>2000</u>	
Property taxes	\$ 4,906,303	\$ 4,481,708	\$ 424,595
Income taxes	19,835,782	21,281,470	(1,445,688)
Other local taxes	455,701	186,459	269,242
State levied shared taxes	5,559,347	4,728,606	830,741
Intergovernmental grants and contracts	755,909	657,585	98,324
Charges for services	1,317,992	1,186,295	131,697
Fees, Licenses, and Permits	860,712	941,980	(81,268)
Interest earnings	1,328,792	1,415,494	(86,702)
Fines and forfeitures	1,976,035	2,082,131	(106,096)
All other revenue	<u>616,862</u>	<u>680,213</u>	<u>(63,351)</u>
Subtotal	37,613,435	37,641,941	(28,506)
Other financing sources	<u>54,738</u>	<u>3,826</u>	<u>50,912</u>
Total	\$ <u>37,668,173</u>	\$ <u>37,645,767</u>	\$ <u>22,406</u>

The increase in state-levied, shared taxes was due to the unpredictability of inheritance taxes which increased sharply from 2000 to 2001.

<u>Expenditures</u>	<u>Year ended December 31,</u>		Increase (Decrease) from 2000
	<u>2001</u>	<u>2000</u>	
Public Safety	\$ 13,130,206	\$ 12,692,494	\$ 437,712
Public Health	446,732	381,495	65,237
Culture and Recreation	1,965,501	1,569,774	395,727
Community Development	2,604,284	2,725,883	(121,599)
Sanitation	2,921,629	2,863,542	58,087
Transportation	2,792,305	2,737,375	54,930
General Government	<u>11,878,068</u>	<u>11,191,191</u>	<u>686,877</u>
Subtotal	35,738,725	34,161,754	1,576,971
Other Financing Uses	<u>2,649,921</u>	<u>2,942,150</u>	<u>(292,229)</u>
Total	\$ <u>38,388,646</u>	\$ <u>37,103,904</u>	\$ <u>1,284,742</u>

The increase in public safety expenditures can be attributed to an increase in operating expenditures for precinct four of the police department and renovations at fire station number one.

The City community center opened in 2001 and therefore a corresponding increase in utilities and other operational costs account for the increase in culture and recreation.

Expenditures for general government can be attributed to increases in salaries and fringe benefits for City employees.

FUND EQUITY

Governmental operations during the year produced the following changes in fund equity for the various governmental fund types and Expendable Trust Funds.

<u>Fund Types</u>	<u>Year ended December 31,</u>		Increase (Decrease) from 2000
	<u>2001</u>	<u>2000</u>	
General	\$ 9,172,305	\$ 9,976,199	\$ (803,894)
Special Revenue	5,477,550	5,973,652	(496,102)
Debt Service	3,136,351	3,223,776	(87,425)
Capital Projects	(961,388)	4,747,422	(5,708,810)
Expendable Trust	339,545	338,393	1,152

The General Fund Equity increase was due primarily to a decrease in transfers out and an increase in revenues over expenditures. Increases in property taxes and state-levied, shared taxes were responsible for the increase in revenues.

Fund Equity in the Capital Projects Fund Type continued to decrease as expenditures associated with the completion of the community center and the Zagara tax increment financing project drove expenditures higher and pushing fund balance into the negative.

CASH MANAGEMENT

The City's investment policy is to ensure safety of principal while maintaining adequate liquidity with competitive yields on its portfolio. The cash resources of all funds are combined and invested to the extent available in treasury bills, treasury notes, and other authorized instruments. Interest earned is first distributed on a pro-rata basis to all restricted funds with the remainder distributed to the General Fund. Investments and deposits at December 31, 2001, totaled \$28,592,884 and are stated at fair value. The total interest earned during fiscal year 2001 was \$2,071,331.

RISK MANAGEMENT

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

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

The City applied for and was accepted into the State of Ohio Workers Compensation Retrospective Rating Plan. Under the terms of this plan, the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the employer's premium limitation. The City's retrospective rating plan provides for a \$250,000 catastrophic limit per claim and an unlimited claim limit.

GENERAL FIXED ASSETS

The General Fixed Assets of the City include all city-owned land, buildings, improvements, and equipment used in the performance of general governmental functions. The General Fixed Assets exclude the fixed assets of the Proprietary Funds. Infrastructure such as roads, curbs, and sidewalks are not included in the fixed assets of the General Fixed Assets Account Group. As of December 31, 2001, the general fixed assets of the City amounted to \$48,157,926.

This amount represents the historical cost or estimated historical cost, if actual historical cost is not available, net of accumulated depreciation, and is less than their market value. Depreciation of general fixed assets is recorded in the General Fixed Assets Account Group.

LONG-TERM OBLIGATIONS

At December 31, 2001, the City's outstanding long-term debt obligations including rates of interest ranges were as follows:

Capital Lease Commitments	\$ 320,005
General Obligation Bonded Debt	
Voted (3.0% to 6.375%)	\$ 16,400,000
Unvoted (3.0% to 6.25%)	\$ 11,960,000
Accrued Compensated Absences	\$ 3,091,774
Issue II Loans	\$ 1,000,157

The City's current bond ratings are as follows:

Moody's Investors Service, Inc.	Aa2
Standard & Poor's Corporation	AA

PENSION OBLIGATIONS

All employees of the City belong to one of two state sponsored pension plans. Non-uniformed employees and basic patrol officers are members of the Public Employees Retirement System of Ohio (PERS). Police and Fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). Both PERS and OP&F are cost-sharing multiple employer public employee retirement systems. More detailed discussion of both pension plans can be found in the Notes to the Financial Statements in the Financial Section of this Report.

INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio for the year ended December 31, 2001, have been audited by the firm of Ciuni & Panichi, Inc., Certified Public Accountants. The auditor's unqualified opinion has been included in this report.

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement For Excellence In Financial Reporting to the City of Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 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 government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last seventeen (17) consecutive years (fiscal years ended December 31, 1984, through December 31, 2001). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

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

POSTSCRIPT

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

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

To maintain our housing stock at optimum value.

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

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

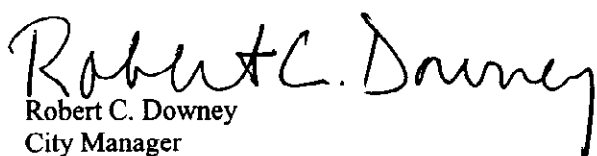
To actively engage in an on-going dialogue with neighborhood groups and residents so that changing needs of our community shape our services.

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

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

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

Respectfully submitted,


Robert C. Downey
City Manager


Thomas K. Malone
Director of Finance

CITY OF CLEVELAND HEIGHTS, OHIO

LISTING OF PRINCIPAL CITY OFFICIALS

DECEMBER 31, 2001

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

City Manager	Robert C. Downey
Vice City Manager.....	Kathleen A. Ruane
Assistant to the City Manager.....	Eddie L. Carter
Assistant to the City Manager.....	Carl Czaga
Director of Community Services	Susanna Niermann O'Neil
Director of Finance	Thomas K. Malone
Assistant Director of Finance.....	Sharon E. McGuire
Director of Law.....	John H. Gibbon
First Assistant Director of Law	Laure A. Wagner
Assistant Director of Law	William R. Hanna
Assistant Director of Law	R. Todd Hunt
Assistant Director of Law	L. James Juliano, Jr.
Assistant Director of Law	Kim Segebarth
Assistant Director of Law	Jennifer Sorce
Director of Planning.....	Richard E. Wong
Assistant Director of Planning	Kimberly Steigerwald
Director of Public Safety	Robert C. Downey
Director of Public Works	Craig R. Zins
Chief of Fire.....	Stanley J. Powaski
Chief of Police	Martin G. Lentz

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cleveland Heights,
Ohio

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



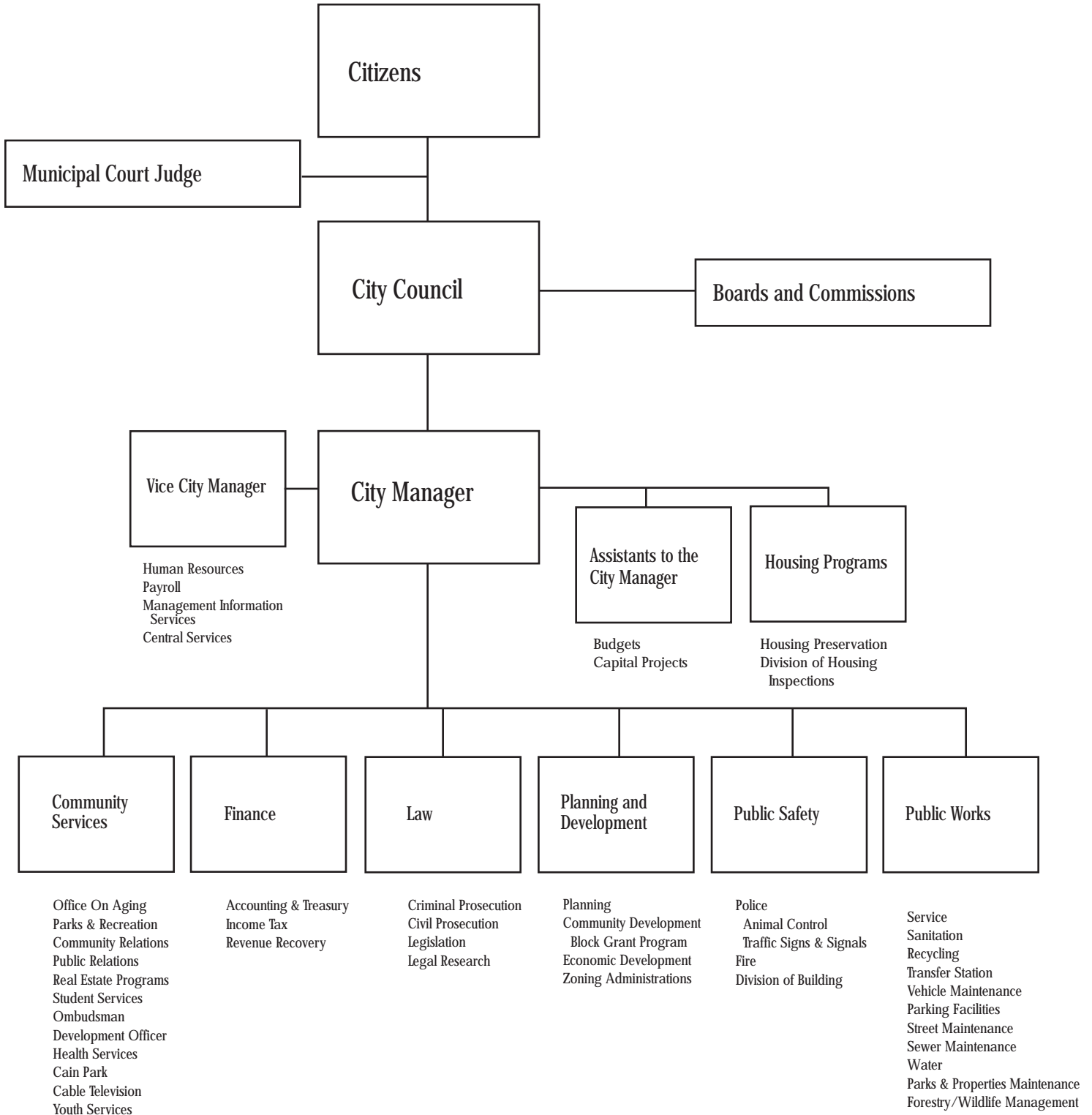
Timothy A. Howe
President

Jeffrey L. Essler
Executive Director



CLEVELAND HEIGHTS

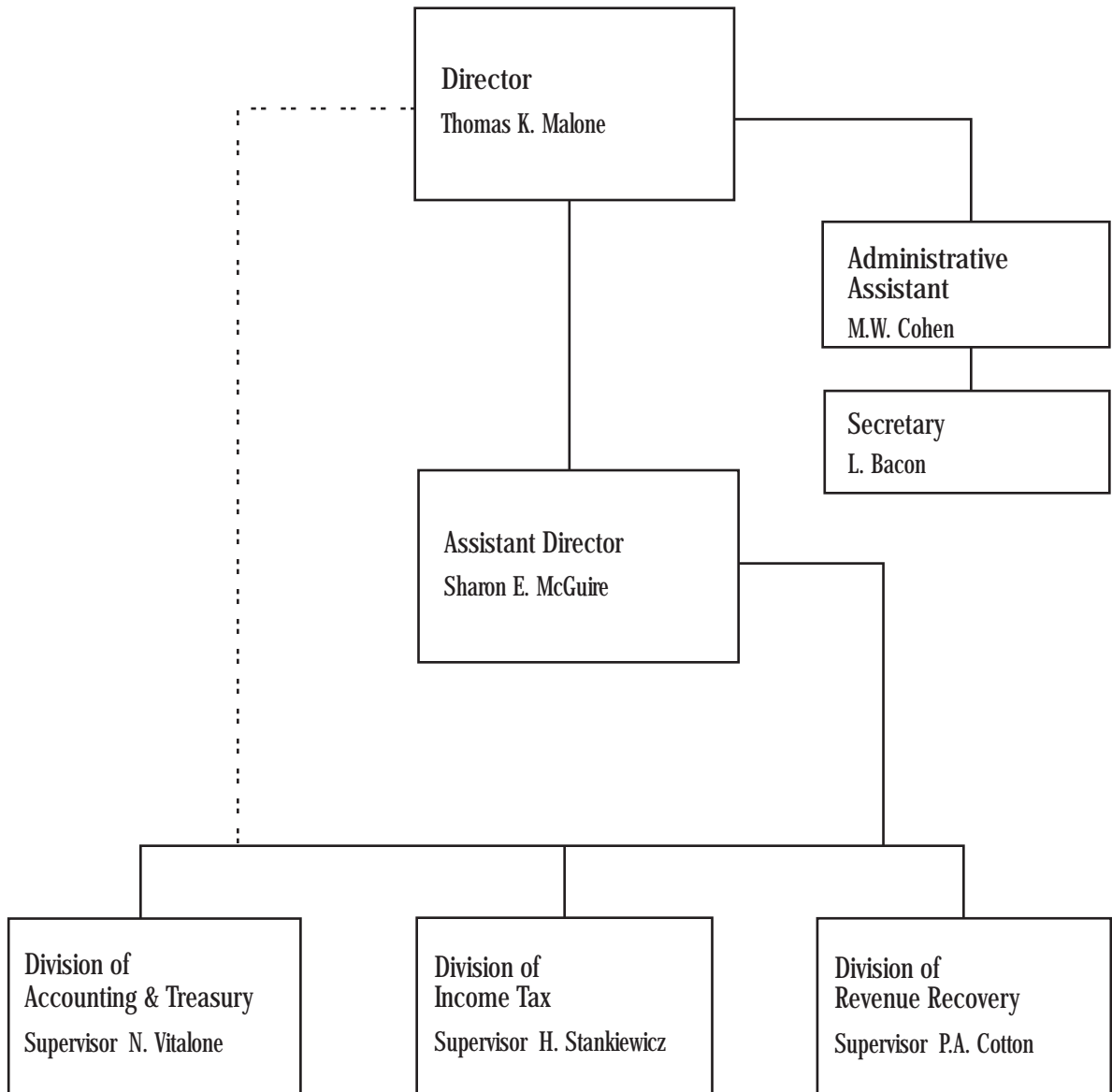
City Organization as of December 31, 2001





CLEVELAND HEIGHTS

Department of Finance Organization as of December 31, 2001



THE CLEVELAND HEIGHTS COMMUNITY CENTER FIELD HOUSE/FITNESS CENTER CONTAIN A GYMNASIUM WITH TWO, HIGH SCHOOL-SIZED BASKETBALL COURTS; A FOUR-LANE, ELEVATED TRACK; AND A FITNESS CENTER, FEATURING NAUTILUS EXERCISE MACHINES, AEROBIC MACHINES (TREAD MILLS, ELLIPTICAL MACHINES, BIKES, RECUMBENT BIKES AND STEP MACHINES); A CARDIO THEATER SYSTEM; AND AN AEROBICS ROOM.

2001



INDEPENDENT AUDITORS' REPORT

Members of the City Council
City of Cleveland Heights, Ohio

We have audited the accompanying financial statements of the City of Cleveland Heights, as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the City of Cleveland Heights, Ohio's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Cleveland Heights, as of December 31, 2001, and the results 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 20 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 April 12, 2002 on our consideration of the City of Cleveland Heights, Ohio's 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 Cleveland Heights. 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.

Members of the City Council
City of Cleveland Heights, Ohio

2

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

Cinni & Partners, Inc.

Cleveland, Ohio
April 12, 2002

CITY OF CLEVELAND HEIGHTS, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the City include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations and cash flows of proprietary fund types.

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debits</u>				
Assets:				
Equity in City Treasury Cash	\$ 8,571,283	\$ 4,787,665	\$ 3,179,833	\$ 3,132,462
Receivables (Net of Allowance for Uncollectibles):				
Taxes	11,128,040	1,035,139	4,741,362	-
Accounts	210,207	-	-	-
Special Assessments	-	3,610,008	-	-
Accrued Interest	246,274	2,839	-	4,134
Loans	-	1,390,717	-	-
Intergovernmental	-	1,287,426	-	-
Due from Other Funds	103,468	2,282,175	-	43,482
Inventory of Supplies	184,135	-	-	-
Restricted Assets:				
Deposits	-	-	-	-
Fixed Assets, (Net of Accumulated Depreciation)	-	-	-	-
Other Debits:				
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Obligations	-	-	-	-
Total Assets	\$ <u>20,443,407</u>	\$ <u>14,395,969</u>	\$ <u>7,921,195</u>	\$ <u>3,180,078</u>

The accompanying notes are an integral part of these combined financial statements

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>2001</u>	<u>2000</u>
\$ 5,099,007	\$ 1,924,734	\$ 971,341	\$ -	\$ -	\$ 27,666,325	\$ 35,127,778
-	-	-	-	-	16,904,541	17,055,304
3,037,996	-	-	-	-	3,248,203	2,912,182
-	-	-	-	-	3,610,008	1,329,846
53,071	22,214	750	-	-	329,282	325,567
-	-	-	-	-	1,390,717	1,121,075
42,913	-	-	-	-	1,330,339	127,069
-	-	-	-	-	2,429,125	2,795,569
240,433	-	-	-	-	424,568	457,160
926,558	-	-	-	-	926,558	971,311
20,519,681	-	-	48,157,926	-	68,677,607	56,947,216
-	-	-	-	3,136,351	3,136,351	3,223,776
-	-	-	-	<u>28,635,428</u>	<u>28,635,428</u>	<u>23,786,010</u>
<u>\$ 29,919,659</u>	<u>\$ 1,946,948</u>	<u>\$ 972,091</u>	<u>\$ 48,157,926</u>	<u>\$ 31,771,779</u>	<u>\$ 158,709,052</u>	<u>\$ 146,179,863</u>

Continued

CITY OF CLEVELAND 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
<u>Liabilities, Equity And Other Credits</u>				
Liabilities:				
Vouchers and Accounts Payable	\$ 750,585	\$ 208,070	\$ -	\$ 704,911
Accrued Wages and Benefits	1,498,895	1,806,777	-	-
Contracts Payable – Retainage				
Percentage	-	38,406	-	1,048,073
Lease Commitments Payable	-	-	-	-
Due to Other Funds	1,004,396	1,265,553	43,482	-
Due to Other Governments	-	-	-	-
Deferred Revenue	7,906,719	5,599,613	4,741,362	-
Restricted/Refundable Deposits	-	-	-	-
Bond Anticipation Notes Payable	-	-	-	2,345,000
Accrued Interest Payable	-	-	-	43,482
Accrued General Liability Reserve	110,507	-	-	-
Issue II Loans Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Economic Development Revenue				
Bonds Payable	-	-	-	-
Accrued Compensated Absences	-	-	-	-
Total Liabilities	<u>11,271,102</u>	<u>8,918,419</u>	<u>4,784,844</u>	<u>4,141,466</u>
Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital:				
Contributed from Special				
Assessments	-	-	-	-
Contributed from Governments	-	-	-	-
Contributed from Other Funds	-	-	-	-
Capital Grants (Net of				
Accumulated Amortization)	-	-	-	-
Retained Earnings:				
Reserved for Workers'				
Compensation	-	-	-	-
Unreserved	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	148,649	1,563,369	-	330,351
Reserved for Loans	-	1,390,717	-	-
Reserved for Inventory of				
Supplies	184,135	-	-	-
Unreserved; Undesignated	<u>8,839,521</u>	<u>2,523,464</u>	<u>3,136,351</u>	<u>(1,291,739)</u>
Total Fund Equity and Other				
Credits	<u>9,172,305</u>	<u>5,477,550</u>	<u>3,136,351</u>	<u>(961,388)</u>
Total Liabilities, Equity, and				
Other Credits	\$ <u>20,443,407</u>	\$ <u>14,395,969</u>	\$ <u>7,921,195</u>	\$ <u>3,180,078</u>

The accompanying notes are an integral part of these combined financial statements

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>2001</u>	<u>2000</u>
\$ 764,327	\$ -	\$ -	\$ -	\$ -	\$ 2,427,893	\$ 2,098,440
276,038	1,075,764	-	-	-	4,657,474	3,670,027
-	-	-	-	-	1,086,479	817,088
-	-	-	-	320,005	320,005	376,021
-	-	103,619	-	-	2,417,050	2,795,569
-	420,638	126,052	-	-	546,690	519,011
-	-	-	-	-	18,247,694	15,758,525
1,020,027	-	402,875	-	-	1,422,902	1,380,185
-	-	-	-	-	2,345,000	2,853,000
-	-	-	-	-	43,482	87,562
-	-	-	-	-	110,507	73,712
1,132,937	-	-	-	-	1,132,937	1,123,375
-	-	-	-	26,365,000	26,365,000	24,355,000
-	-	-	-	1,995,000	1,995,000	-
-	-	-	-	3,091,774	3,091,774	2,278,765
<u>3,193,329</u>	<u>1,496,402</u>	<u>632,546</u>	<u>-</u>	<u>31,771,779</u>	<u>66,209,887</u>	<u>58,186,280</u>
-	-	-	48,157,926	-	48,157,926	36,753,655
32,963	-	-	-	-	32,963	32,963
2,324,568	-	-	-	-	2,324,568	2,376,110
3,450,790	-	-	-	-	3,450,790	3,509,430
41,462	-	-	-	-	41,462	42,586
-	450,546	-	-	-	450,546	772,188
20,876,547	-	-	-	-	20,876,547	20,247,209
-	-	-	-	-	2,042,369	8,883,036
-	-	-	-	-	1,390,717	1,121,075
-	-	-	-	-	184,135	267,556
<u>-</u>	<u>-</u>	<u>339,545</u>	<u>-</u>	<u>-</u>	<u>13,547,142</u>	<u>13,987,775</u>
<u>26,726,330</u>	<u>450,546</u>	<u>339,545</u>	<u>48,157,926</u>	<u>-</u>	<u>92,499,165</u>	<u>87,993,583</u>
\$ <u>29,919,659</u>	\$ <u>1,946,948</u>	\$ <u>972,091</u>	\$ <u>48,157,926</u>	\$ <u>31,771,779</u>	\$ <u>158,709,052</u>	\$ <u>146,179,863</u>

CITY OF CLEVELAND HEIGHTS, OHIO

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

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS
FOR DECEMBER 31, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues</u>				
Property Taxes	\$ 4,906,303	\$ 397,809	\$ 5,779,568	\$ 1,340,959
Municipal Income Taxes	19,835,782	-	6,357	-
Other Local Taxes	455,701	303,124	-	-
State Levied Shared Taxes	5,559,347	1,054,092	-	-
Intergovernmental Grants and Contracts	755,909	2,747,100	-	480,738
Charges for Services	1,317,992	380,837	-	-
Fees, Licenses, and Permits	860,712	30,213	-	-
Interest Earnings	1,328,792	69,216	-	226,964
Special Assessments	-	1,043,594	-	-
Fines and Forfeitures	1,976,035	234,531	-	-
All Other Revenue	616,862	901,883	2,345	99,167
Total Revenues	37,613,435	7,162,399	5,788,270	2,147,828
<u>Expenditures</u>				
Current:				
Public Safety	13,130,206	3,684,192	-	-
Public Health	446,732	24,326	-	-
Culture and Recreation	1,965,501	644,559	-	9,421,509
Community Development	2,604,284	3,500,392	-	2,983,820
Sanitation	2,921,629	14,473	-	106,844
Transportation	2,792,305	1,680,396	-	239,152
General Government	11,878,068	235,744	285,156	161,436
Capital Outlay	-	38,406	-	1,443,736
Debt Service:				
Principal	-	-	4,513,993	-
Interest and Fiscal Charges	-	-	1,362,126	222,398
Total Expenditures	35,738,725	9,822,488	6,161,275	14,578,895
Excess of Revenues Over (Under)				
Expenditures	1,874,710	(2,660,089)	(373,005)	(12,431,067)

The accompanying notes are an integral part of these combined financial statements

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	2001	2000
\$ -	\$ 12,424,639	\$ 9,506,799
-	19,842,139	21,281,470
-	758,825	490,099
-	6,613,439	5,816,534
-	3,983,747	3,477,391
-	1,698,829	1,524,971
-	890,925	1,165,156
5,275	1,630,247	2,472,355
-	1,043,594	1,073,912
-	2,210,566	2,223,951
<u>6,892</u>	<u>1,627,149</u>	<u>2,239,142</u>
<u>12,167</u>	<u>52,724,099</u>	<u>51,271,780</u>
-	16,814,398	15,901,028
7,515	478,573	386,699
-	12,031,569	11,657,511
-	9,088,496	7,302,622
-	3,042,946	3,221,364
-	4,711,853	4,737,175
3,500	12,563,904	11,529,977
-	1,482,142	2,305,910
-	4,513,993	2,115,000
-	<u>1,584,524</u>	<u>1,561,089</u>
<u>11,015</u>	<u>66,312,398</u>	<u>60,718,375</u>
<u>1,152</u>	<u>(13,588,299)</u>	<u>(9,446,595)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Debt	-	-	-	5,995,000
Operating Transfers – In	28,964	2,500,365	329,062	465,000
Operating Transfers – Out	(2,649,921)	(336,378)	(43,482)	(44,080)
Inception of Capital Lease	-	-	-	-
Proceeds from Sale of Fixed Assets	25,774	-	-	306,337
Total Other Financing Sources (Uses)	<u>(2,595,183)</u>	<u>2,163,987</u>	<u>285,580</u>	<u>6,722,257</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(720,473)	(496,102)	(87,425)	(5,708,810)
Fund Balance at Beginning of Year	9,976,199	5,973,652	3,223,776	4,747,422
Increase (Decrease) in Reserve for Inventory	<u>(83,421)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>9,172,305</u>	\$ <u>5,477,550</u>	\$ <u>3,136,351</u>	\$ <u>(961,388)</u>

The accompanying notes are an integral part of these combined financial statements

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	2001	2000
-	5,995,000	67,910
-	3,323,391	3,407,922
-	(3,073,861)	(3,401,922)
-	-	115,000
-	<u>332,111</u>	<u>3,826</u>
-	<u>6,576,641</u>	<u>192,736</u>
1,152	(7,011,658)	(9,253,859)
338,393	24,259,442	33,500,294
-	<u>(83,421)</u>	<u>13,007</u>
\$ <u>339,545</u>	\$ <u>17,164,363</u>	\$ <u>24,259,442</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>General Fund</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
<u>Revenues</u>			
Property Taxes	\$ 5,781,106	\$ 4,906,303	\$ (874,803)
Municipal Income Taxes	19,175,143	18,941,501	(233,642)
Other Local Taxes	215,968	213,015	(2,953)
State Levied Shared Taxes	5,954,609	5,873,182	(81,427)
Intergovernmental Grants and Contracts	766,389	755,909	(10,480)
Charges for Services	1,281,630	1,264,104	(17,526)
Fees, Licenses, and Permits	872,646	860,712	(11,934)
Interest Earnings	1,199,110	1,182,713	(16,397)
Fines and Forfeitures	1,874,727	1,849,091	(25,636)
Other Revenue	625,414	616,862	(8,552)
Total Revenues	<u>37,746,742</u>	<u>36,463,392</u>	<u>(1,283,350)</u>
<u>Expenditures</u>			
Current:			
Public Safety	12,836,217	12,729,215	107,002
Public Health	429,627	443,604	(13,977)
Culture and Recreation	1,971,319	1,867,751	103,568
Community Development	2,772,686	2,661,800	110,886
Sanitation	3,005,175	2,954,715	50,460
Transportation	2,901,358	2,784,008	117,350
General Government	12,338,188	11,777,396	560,792
Total Expenditures	<u>36,254,570</u>	<u>35,218,489</u>	<u>1,036,081</u>
Excess of Revenues Over (Under) Expenditures	<u>1,492,172</u>	<u>1,244,903</u>	<u>(247,269)</u>
<u>Other Financing Sources (Uses)</u>			
Sale of Fixed Assets	-	67,800	67,800
Operating Transfers – In	28,966	28,964	(2)
Operating Transfers – Out	(2,434,300)	(1,881,350)	552,950
Other Financing Sources	-	82,955	82,955
Other Financing Uses	(2,000)	(1,858)	142
Total Other Financing Sources (Uses)	<u>(2,407,334)</u>	<u>(1,703,489)</u>	<u>703,845</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL GOVERNMENTAL FUND TYPES (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>General Fund</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(915,162)	(458,586)	456,576
Cash Fund Balance at Beginning of Year	8,946,576	8,946,576	-
Current Year Charges Against Prior Years Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(358,752)</u>	<u>(358,752)</u>
Cash Fund Balance at End of Year	8,031,414	8,129,238	97,824
Reserved for Encumbrances	<u>-</u>	<u>236,142</u>	<u>236,142</u>
Total Cash Fund Balance at End of Year	<u>\$ 8,031,414</u>	<u>\$ 8,365,380</u>	<u>\$ 333,966</u>

Continued

The accompanying notes are an integral part of these combined financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$ 468,738	\$ 397,809	\$ (70,929)
Other Local Taxes	225,729	274,728	48,999
State Levied Shared Taxes	1,200,817	1,071,744	(129,073)
Intergovernmental Grants and Contracts	4,214,918	2,557,047	(1,657,871)
Charges for Services	312,197	381,188	68,991
Fees, Licenses, and Permits	100,270	42,716	(57,554)
Interest Earnings	87,448	79,632	(7,816)
Special Assessments	1,025,400	1,043,595	18,195
Fines and Forfeitures	77,570	220,448	142,878
Other Revenue	989,289	749,664	(239,625)
Total Revenues	8,702,376	6,818,571	(1,883,805)
<u>Expenditures</u>			
Current:			
Public Safety	3,613,413	3,343,275	270,138
Public Health	20,000	19,999	1
Culture and Recreation	646,131	638,489	7,642
Community Development	5,288,353	3,510,692	1,777,661
Sanitation	9,620	7,869	1,751
Transportation	3,341,152	3,318,666	22,486
General Government	218,523	158,258	60,265
Total Expenditures	13,137,192	10,997,248	2,139,944
Excess of Revenues Over (Under) Expenditures	(4,434,816)	(4,178,677)	256,139
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	72,682	64,870	(7,812)
Operating Transfers – In	2,457,777	1,693,500	(764,277)
Operating Transfers – Out	(358,452)	(336,378)	22,074
Other Financing Sources	1,721,488	1,836,916	115,428
Other Financing Uses	(321,102)	(1,346,651)	(1,025,549)
Total Other Financing Sources (Uses)	3,572,393	1,912,257	(1,660,136)

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Special Revenue Funds</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(862,423)	(2,266,420)	(1,403,997)
Cash Fund Balance at Beginning of Year	5,581,573	5,581,573	-
Current Year Charges Against Prior Years Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(229,273)</u>	<u>(229,273)</u>
Cash Fund Balance at End of Year:			
Unreserved	4,719,150	3,085,880	(1,663,270)
Reserved for Encumbrances	<u>-</u>	<u>1,699,412</u>	<u>1,699,412</u>
Total Cash Fund Balance at End of Year	\$ <u>4,719,150</u>	\$ <u>4,785,292</u>	\$ <u>66,142</u>

Continued

The accompanying notes are an integral part of these combined financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Debt Service Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>Revenues</u>			
Property Taxes	\$ 4,765,506	\$ 4,597,008	\$ (168,498)
Municipal Income Taxes	3,848	6,357	2,509
Other Revenue	<u>1,420</u>	<u>2,345</u>	<u>925</u>
Total Revenues	<u>4,770,774</u>	<u>4,605,710</u>	<u>(165,064)</u>
<u>Expenditures</u>			
Current:			
General Government	194,944	285,157	(90,213)
Debt Service:			
Principal	5,036,369	7,366,993	(2,330,624)
Interest and Fiscal Charges	<u>1,018,687</u>	<u>1,490,085</u>	<u>(471,398)</u>
Total Expenditures	<u>6,250,000</u>	<u>9,142,235</u>	<u>(2,892,235)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,479,226)</u>	<u>(4,536,525)</u>	<u>(3,057,299)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	2,520,596	4,163,519	1,642,923
Operating Transfers – In	<u>241,500</u>	<u>241,500</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,762,096</u>	<u>4,405,019</u>	<u>1,642,923</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,282,870	(131,506)	(1,414,376)
Cash Fund Balance at Beginning of Year	<u>3,311,339</u>	<u>3,311,339</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>4,594,209</u>	\$ <u>3,179,833</u>	\$ <u>(1,414,376)</u>

Continued

The accompanying notes are an integral part of these combined financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 480,738	\$ 480,738
Interest Earnings	243,023	273,663	30,640
Other Revenue	<u>541,748</u>	<u>405,504</u>	<u>(136,244)</u>
Total Revenues	<u>784,771</u>	<u>1,159,905</u>	<u>375,134</u>
<u>Expenditures</u>			
Current:			
Culture and Recreation	933,360	901,700	31,660
Community Development	2,996,556	2,987,366	9,190
Sanitation	268,051	261,590	6,461
Transportation	214,754	209,578	5,176
General Government	188,121	176,339	11,782
Capital Outlay	<u>1,219,738</u>	<u>1,190,335</u>	<u>29,403</u>
Total Expenditures	<u>5,820,580</u>	<u>5,726,908</u>	<u>93,672</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,035,809)</u>	<u>(4,567,003)</u>	<u>468,806</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	3,902,228	6,561,481	2,659,253
Operating Transfers – In	465,000	465,000	-
Other Financing Uses	<u>(2,366,640)</u>	<u>(2,286,362)</u>	<u>80,278</u>
Total Other Financing Sources (Uses)	<u>2,000,588</u>	<u>4,740,119</u>	<u>2,739,531</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,035,221)	173,116	3,208,337
Cash Fund Balance at Beginning of Year	11,676,932	11,676,932	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(9,236,831)</u>	<u>(9,236,831)</u>
Cash Fund Balance at End of Year:			
Unreserved	8,641,711	2,613,217	(6,028,494)
Reserved for Encumbrances	<u>-</u>	<u>515,788</u>	<u>515,788</u>
Total Cash Fund Balances at End of Year	\$ <u>8,641,711</u>	\$ <u>3,129,005</u>	\$ <u>(5,512,706)</u>

The accompanying notes are an integral part of these combined financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS – ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
<u>Operating Revenues</u>				
Charges for Services	\$ 11,252,792	\$ -	\$ 11,252,792	\$ 10,984,216
Other Income	201,206	409,956	611,162	99,727
Total Operating Revenues	<u>11,453,998</u>	<u>409,956</u>	<u>11,863,954</u>	<u>11,083,943</u>
<u>Operating Expenses</u>				
Personal Services	1,150,186	-	1,150,186	1,149,053
Fringe Benefits	326,912	867,615	1,194,527	301,832
Contractual Services	7,903,870	-	7,903,870	7,180,606
Materials and Supplies	221,993	-	221,993	191,373
Utilities	87,140	-	87,140	80,370
Other Operating	484,609	-	484,609	405,243
Depreciation	<u>807,325</u>	<u>-</u>	<u>807,325</u>	<u>815,853</u>
Total Operating Expenses	<u>10,982,035</u>	<u>867,615</u>	<u>11,849,650</u>	<u>10,124,330</u>
Operating Income (Loss)	<u>471,963</u>	<u>(457,659)</u>	<u>14,304</u>	<u>959,613</u>
<u>Non-Operating Revenues (Expenses)</u>				
Interest Income	305,067	136,017	441,084	359,110
Intergovernmental Grants	2,215	-	2,215	-
Loss on Sale of Assets	<u>(37,563)</u>	<u>-</u>	<u>(37,563)</u>	<u>(140,351)</u>
Total Non-Operating Revenues (Expenses)	<u>269,719</u>	<u>136,017</u>	<u>405,736</u>	<u>218,759</u>
Net Income (Loss) Before Operating Transfers	741,682	(321,642)	420,040	1,178,372
Transfers – Out	<u>(249,530)</u>	<u>-</u>	<u>(249,530)</u>	<u>(6,000)</u>
Net Income (Loss)	492,152	(321,642)	170,510	1,172,372
Add Depreciation on Fixed Assets Acquired by Contribution	<u>137,186</u>	<u>-</u>	<u>137,186</u>	<u>159,024</u>
Increase (Decrease) in Retained Earnings	629,338	(321,642)	307,696	1,331,396
Retained Earnings at Beginning of Year	<u>20,247,209</u>	<u>772,188</u>	<u>21,019,397</u>	<u>19,688,001</u>
Retained Earnings at End of Year	\$ <u>20,876,547</u>	\$ <u>450,546</u>	\$ <u>21,327,093</u>	\$ <u>21,019,397</u>

The accompanying notes are an integral part of these combined financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2001	2000
Operating Activities:				
Cash Received from				
Customers	\$ 11,044,325	\$ -	\$ 11,044,325	\$ 10,715,967
Cash Payments to Suppliers	(8,076,071)	-	(8,076,071)	(8,180,927)
Cash Payments to Employees	(1,438,569)	(624,631)	(2,063,200)	(1,595,463)
Other Operating Receipts	<u>201,206</u>	<u>409,956</u>	<u>611,162</u>	<u>59,029</u>
Net Cash Provided by (Used for) Operating Activities	<u>1,730,891</u>	<u>(214,675)</u>	<u>1,516,216</u>	<u>998,606</u>
Noncapital Financing Activities:				
Operating Transfers – In	38,293	-	38,293	-
Operating Transfers – Out	<u>(249,530)</u>	<u>-</u>	<u>(249,530)</u>	<u>(1,721,000)</u>
Net Cash Used for Noncapital Financing Activities	<u>(211,237)</u>	<u>-</u>	<u>(211,237)</u>	<u>(1,721,000)</u>
Capital and Related Financing Activities:				
Issue II Loan Proceeds	132,780	-	132,780	15,441
Acquisition and Construction of Capital Assets	(1,195,129)	-	(1,195,129)	(1,023,837)
Principal Paid on Loan	(55,564)	-	(55,564)	(55,564)
Proceeds from Sale of Fixed Assets	50,000	-	50,000	-
Other Financing Sources	<u>-</u>	<u>1,715,000</u>	<u>1,715,000</u>	<u>-</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,067,913)</u>	<u>1,715,000</u>	<u>647,087</u>	<u>(1,063,960)</u>
Investing Activities:				
Interest Earned on Investments	<u>289,332</u>	<u>133,452</u>	<u>422,784</u>	<u>366,901</u>
Net Increase (Decrease) in Cash and Cash Equivalents	741,073	1,633,777	2,374,850	(1,419,453)
Cash and Cash Equivalents at Beginning of Year	<u>5,284,492</u>	<u>290,957</u>	<u>5,575,449</u>	<u>6,994,902</u>
Cash and Cash Equivalents at End of Year	\$ <u>6,025,565</u>	\$ <u>1,924,734</u>	\$ <u>7,950,299</u>	\$ <u>5,575,449</u>

Continued

The accompanying notes are an integral part of these combined financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</u>				
Operating Income (Loss)	\$ 471,963	\$ (457,659)	\$ 14,304	\$ 959,613
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:				
Depreciation	807,325	-	807,325	815,853
Change in Operating Assets and Liabilities:				
Receivables	(208,467)	-	(208,467)	(268,250)
Inventory	(50,829)	-	(50,829)	14,599
Due from Other Governments	-	-	-	17,337
Vouchers and Accounts Payable	694,952	-	694,952	(380,857)
Accrued Wages and Benefits Payable	38,529	242,984	281,513	(144,578)
Customer Deposits	(22,582)	-	(22,582)	(15,111)
Total Adjustments	<u>1,258,928</u>	<u>242,984</u>	<u>1,501,912</u>	<u>38,993</u>
Net Cash Provided by (Used For) Operating Activities	\$ <u>1,730,891</u>	\$ <u>(214,675)</u>	\$ <u>1,516,216</u>	\$ <u>998,606</u>

Noncash Investing, Capital and Financing Activities

In 2000, the Utilities Enterprise Fund recorded contributed capital of \$325,000 which consisted of C.D.B.G. funding of \$150,000 for Caledonia Road water lines and \$175,000 for North Coventry Road water lines.

In 2001, the Utilities Enterprise Fund recorded contributed capital of \$25,880 for acquired fixed assets via governmental contributions.

The accompanying notes are an integral part of these combined financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2001

NOTE 1 – THE REPORTING ENTITY

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989 to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements.

A. BASIS OF PRESENTATION – FUND ACCOUNTING

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. BASIS OF PRESENTATION – FUND ACCOUNTING (CONTINUED)

The accounts of the City are organized on the basis of funds and 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. Individual funds and account groups which are used by the City and are summarized in the accompanying combined financial statements are classified as follows:

Governmental Funds

General Fund – To account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the Charter and legislation of the City of Cleveland Heights and/or the general laws of the State of Ohio.

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital Projects Funds – To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust Funds).

Proprietary Funds

Enterprise Funds – To account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund – To account for the financing of services provided by one department to other departments of the City on a cost reimbursement basis.

Fiduciary Funds

Trust And Agency Funds – To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's Trust Funds are all considered to be expendable. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. BASIS OF PRESENTATION – FUND ACCOUNTING (CONTINUED)

Fiduciary Funds (continued)

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

Account Groups

General Fixed Assets Account Group – To account for all fixed assets of the City except those accounted for in the Proprietary Funds.

General Long-Term Obligations Account Group – To account for all unmatured long-term obligations of the City except those accounted for in the Proprietary and Trust Funds.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. 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. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

All governmental fund types, expendable trust funds, and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is sixty days after year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, state-levied locally shared taxes, fines and forfeitures, and income taxes.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise 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. Current and delinquent property taxes measurable as of December 31, 2001, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

Levied special assessments are measurable and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expense. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The proprietary fund types utilize the accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year-end.

C. BUDGETARY PROCESS

Tax Budget

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

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BUDGETARY PROCESS (CONTINUED)

Estimated Resources

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

Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures must be legally enacted on or about January 1. The ordinance may be temporary in nature in that its effectiveness applies from the date on which it is enacted to the date on which a permanent appropriation ordinance must be passed. Ohio law requires the permanent appropriation ordinance to be passed no later than April 1 of the fiscal year for which it applies. Amendments to the 2001 appropriation ordinance were approved by City Council as provided by the City Charter. Amendments to the 2001 appropriation ordinance by fund type were immaterial in nature.

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

Lapsing of Appropriations

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

Encumbrances

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

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. CASH AND CASH EQUIVALENTS

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

Investments at December 31, 2001, amounted to \$26,592,355 and are stated at fair value which equals the carrying amount. None of the investments are reported at amortized cost.

The cash resources of all funds are combined and invested to the extent available in the State of Ohio's Investment Pool, treasury notes, and other authorized instruments. Interest earned is first distributed on a pro rata basis to all restricted funds with the remainder being distributed to the General Fund. The total interest earned during the year ended December 31, 2001, was \$2,071,331.

A summary of interest earned by the various fund categories is as follows:

	<u>Amount</u>	<u>Percentage of Total</u>
General Fund	\$ 1,328,792	64.15%
Special Revenue Funds	69,216	3.34
Capital Projects Funds	226,964	10.96
Enterprise Funds	305,067	14.73
Internal Service Fund	136,017	6.57
Trust and Agency Funds	<u>5,275</u>	<u>0.25</u>
Total	\$ <u>2,071,331</u>	<u>100.0%</u>

E. INVENTORY

Inventories are stated at cost in the Governmental Funds and at the lower of cost or market in the Proprietary Funds, on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the Governmental and Expendable Trust Funds when purchased and expenses in the Proprietary Funds when used.

F. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which it was consumed. At December 31, 2001, the amount of the prepaid items was not material.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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 are accounted for in the General Fixed Assets Account Group.

Infrastructure fixed assets such as streets, sidewalks, curbs and gutters are not capitalized by the City and are not reported as part of the General Fixed Assets Account Group.

Fixed assets in the Proprietary Funds are capitalized in the individual funds in which they are utilized.

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

Depreciation on fixed assets used in Proprietary Funds is computed and recorded using the straight-line method. Accumulated depreciation on fixed assets used in Governmental Funds is not recorded in the Governmental Funds, but instead is recorded in the General Fixed Assets Account Group also utilizing the straight-line method.

Depreciation recognized on assets acquired or constructed with contributed capital is closed to the appropriate contributed capital account. Net income or loss, adjusted by the amount of depreciation on fixed assets acquired with contributed capital, is closed to retained earnings.

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

Buildings	30-50 years
Improvements	10-50 years
Equipment	3-10 years

H. INTERGOVERNMENTAL REVENUES

In governmental funds, federal grants awarded on a non-reimbursement basis and federal entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Federal reimbursable-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

I. INTERFUND ASSETS AND LIABILITIES

Receivables and payables resulting from transactions between funds for services provided or goods received and agency funds assets due to operating funds are classified as “due from other funds” and “due to other funds” on the combined balance sheet. Short-term interfund loans are classified as “interfund receivables/payables.”

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. COMPENSATED ABSENCES

The current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “accrued wages and benefits” in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group in the account “accrued compensated absences.”

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

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. It is the policy of the City that an employee with at least two consecutive years’ of service who terminates employment or whose employment is terminated with the City (for other than disciplinary reasons) is entitled to receive payment for accumulated sick leave according to various formulae to a maximum of between 347 to 565 hours.

K. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year end are generally considered not to have been paid with current available financial resources. Bonds, long-term notes and loans are recognized as a liability of the general long-term obligations account group until due.

Bond anticipation notes that are rolled over prior to the issuance of the financial statements and have a maturity date more than 12 months subsequent to the end of the fiscal year are reported in the general long-term obligations account group.

L. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets, and service debt. The accompanying combined financial statements generally reflect such transactions as operating transfers. To the extent that certain transactions between funds had not been paid or received as of December 31, 2001, interfund amounts receivable or payable have been recorded.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. FUND EQUITY

Reservations of fund balances are established to identify the existence of assets that, because of their nonmonetary nature or lack of liquidity, represent financial resources not available for current appropriations or expenditures, including amounts legally segregated for future use. Designations represent tentative plans for future use of financial resources. Fund balances are reserved for encumbrances and inventory. A portion of the fund balance of the general fund has been designated for the payment of accrued compensated absences.

N. ESTIMATES

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

O. TOTAL COLUMNS ON COMBINED STATEMENTS – OVERVIEW

Total columns on the Combined Statements – Overview are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles, nor are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. COMPARATIVE DATA

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City’s financial position and results of operations. The December 31, 2000 balances have been restated to reflect the change in accounting principles detailed in Note 20.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

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

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

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

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

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis (as reported)	\$ (720,473)	\$ (496,102)	\$ (87,425)	\$ (5,708,810)
Increase (decrease) due to:				
Revenue Accruals	(1,025,062)	751,093	2,893,397	(632,742)
Expenditure Accruals	1,164,339	(1,051,272)	(2,937,478)	(2,206,375)
Encumbrances:				
Current year charges against prior Years cash fund balance reserved for encumbrances	358,752	229,273	-	9,236,831
Encumbered at December 31, 2001, but recorded as the equivalent of cash expenditures for budgetary purposes	<u>(236,142)</u>	<u>(1,699,412)</u>	<u>-</u>	<u>(515,788)</u>
Non-GAAP Budget Basis	<u>\$ (458,586)</u>	<u>\$ (2,266,420)</u>	<u>\$ (131,506)</u>	<u>\$ 173,116</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

The captions on the combined balance sheet related to cash and investments and the amounts in the total (memorandum only) column are as follows:

	Total (Memorandum Only)
Cash	\$ 2,000,528
Investments	<u>26,592,355</u>
Total Deposits And Investments	28,592,883
Less:	
Restricted Assets: Deposits	<u>(926,558)</u>
Equity In City Treasury Cash	<u>\$ 27,666,325</u>

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits

All deposits are in the financial institutions noted below and are carried at cost.

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Fund</u>
<u>Insured</u>			
(FDIC) Key Bank	\$ (488,197)	\$ 100,000	Pool
(FDIC) Fifth Third Bank	100,000	100,000	Muni Court
(FDIC) Fifth Third Bank	1,769	1,170	Utility
(FDIC) Fifth Third Bank	70,769	70,041	Utility
(FDIC) Fifth Third Bank	3,011	3,011	General
(FDIC) Fifth Third Bank	69,403	69,403	General
(FDIC) Firststar	100,000	100,000	General
(FDIC) National City Bank	100,000	100,000	General
(FDIC) Third Federal Savings and Loan	100,000	100,000	General
(FDIC) Bank One	8,997	8,997	General
<u>Uninsured</u>			
Collateral Held By City's Agent in the Financial Institution's Name:			
Key Bank	-	297,204	Pool
Fifth Third Bank	97,196	127,540	Muni Court
Third Federal Savings and Loan	1,775,000	1,775,000	General
Firststar	<u>62,580</u>	<u>57,927</u>	General
Total Deposits	\$ <u>2,000,528</u>	\$ <u>2,910,293</u>	
<u>Investments</u>			
Held By City's Counterparty:			
Centennial Tax Exempt Fund	\$ 42,400	\$ 42,400	Nelson Trust/Pool
Held By The City Or Its Agent In The City's Name:			
U.S. Treasury Notes	2,026,100	2,026,100	Pool
U.S. Government Agencies	19,190,702	19,190,702	Pool
State Treasury Asset Reserve Of Ohio	<u>5,333,153</u>	<u>5,333,153</u>	Pool
Total Investments	\$ <u>26,592,355</u>	\$ <u>26,592,355</u>	

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 City Treasury Cash".

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits – At year end, the carrying amount of the City’s deposits were \$2,000,529 and the bank balance was \$2,910,293. Of the bank balance, \$652,622 was covered by federal depository insurance and \$2,257,671 was covered by collateral held by third party trustees in collateral pools in the name of the respective depository institutions securing all public funds on deposit.

Investments – The City’s ordinances authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, bonds and notes of the State of Ohio, bonds and notes of any municipal corporation, including city, county, township or other political subdivisions of Ohio, certificates of deposit and the State Treasury Asset Reserve of Ohio fund (STAR Ohio).

The City of Cleveland Heights has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2001. 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.

The City’s investments are categorized to give an indication of the level of risk assumed by the entity at year-end. 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 uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City’s name.

	<u>Category 2</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Government Securities	\$ 21,216,802	\$ 21,216,802	\$ 21,216,802
Centennial Tax Exempt Fund	-	42,400*	42,400
State Treasury Asset Reserve of Ohio	-	<u>5,333,153*</u>	<u>5,333,153</u>
Total Investments	\$ <u>21,216,802</u>	\$ <u>26,592,355</u>	\$ <u>26,592,355</u>

* Non-Categorized

NOTE 5 – RECEIVABLES

A. INTERGOVERNMENTAL RECEIVABLES

Federal grants awarded on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlements occur. All other federal reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 5 – RECEIVABLES (CONTINUED)

A. INTERGOVERNMENTAL RECEIVABLES (CONTINUED)

Amounts due from other governments through cooperative agreements and grants receivable at December 31, 2001, are as follows:

<u>Fund Type</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Special Revenue	\$ 151,429	\$ 15,039	\$ 1,120,958	\$ 1,287,426
Enterprise	-	-	42,913	42,913
Total	\$ <u>151,429</u>	\$ <u>15,039</u>	\$ <u>1,163,871</u>	\$ <u>1,330,339</u>

B. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible (used in business) personal property located in the City. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Tangible personal property taxes attach as a lien and are levied on January 1 of the current year.

Real property is assessed at 35% of true (market) value. The County Auditor is required to reappraise all real estate once every six years. Equalization adjustments are then made in the third year following reappraisal. The true value of personal property is based on composite annual allowances and is assessed at 25%, except electric utility distribution and transmission equipment which is assessed at 88% of true value, the personal property of rural electric companies which is assessed at 50% of true value, and the personal property of railroads which is assessed at 25% of true value. Effective in tax year 1995, all interexchange telephone personal property is assessed at 25%. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88%. All other tangible personal property used in a business is assessed at 25% of true value.

The assessed valuation upon which the 2001 levy [fourteen and eight-tenths mills (\$.0148) on each dollar of tax valuation] was based is as follows:

	<u>Assessed Value</u>
Real property (other than public utility)	\$ 729,924,820
Public utility real and personal tangible property	17,405,910
Tangible personal property (other than public utility)	<u>20,182,093</u>
Total Assessed Valuation	\$ <u>767,512,823</u>

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

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

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 5 – RECEIVABLES (CONTINUED)

C. INCOME TAXES

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

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

NOTE 6 – FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 2001, were as follows:

<u>Class</u>	<u>Balance</u> <u>December 31</u> <u>2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31</u> <u>2001</u>
Land	\$ 3,644,138	\$ 1,166,761	\$ 409,879	\$ 4,401,020
Buildings	19,840,448	816,167	586,497	20,070,118
Improvements	9,290,543	47,720	204,222	9,134,041
Equipment	11,953,456	1,838,902	483,221	13,309,137
Construction in Progress	10,171,835	11,487,083	933,980	20,724,938
	54,900,420	\$ 15,356,633	\$ 2,617,799	67,639,254
Accumulated Depreciation	(18,146,765)			(19,481,328)
Net of Accumulated Depreciation	\$ 36,753,655			\$ 48,157,926

A. PROPRIETARY FUNDS FIXED ASSETS

Proprietary Funds fixed assets at December 31, 2001, were as follows:

<u>Class</u>	<u>Total</u> <u>Proprietary</u>
Land	\$ 1,714,494
Buildings	4,786,228
Improvements/Infrastructure	14,318,093
Machinery And Equipment	5,832,059
	26,650,874
Less Accumulated Depreciation	(6,196,529)
Fixed Assets, Net Of Accumulated Depreciation	\$ 20,454,345

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 7 – OUTSTANDING DEBT

Long-term obligations of the City at December 31, 2001, are as follows:

<u>Year</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Balance December 31, 2000</u>	<u>Additions (Reductions)</u>	<u>Balance December 31, 2001</u>
	Capital Lease Commitments		\$ <u>376,021</u>	\$ <u>(56,016)</u>	\$ <u>320,005</u>
General Obligation Bonds					
Voted Issues:					
1992	Recreational Facilities Improvements – Refunding due 2004	3.000-5.800%	4,210,000	(970,000)	3,240,000
1997	Recreational Facilities Improvements due 2017	3.850-6.375%	<u>13,685,000</u>	<u>(525,000)</u>	<u>13,160,000</u>
	Total Voted Issues		<u>17,895,000</u>	<u>(1,495,000)</u>	<u>16,400,000</u>
Unvoted Issues:					
1986	City Hall Construction due 2009	6.250%	2,475,000	(275,000)	2,200,000
1992	Off-Street Parking Facilities due 2012	3.000-6.200%	2,190,000	(2,190,000)	-
1999	Pension Fund due 2013	3.050-4.500%	1,795,000	(110,000)	1,685,000
2001	Refund Off-Street Parking Facilities due 2012	3.300-4.400%	-	2,195,000	2,195,000
2001	Recreation Facilities Improvements due 2017	3.300-4.900%	-	<u>3,885,000</u>	<u>3,885,000</u>
	Total Unvoted Issues		<u>6,460,000</u>	<u>3,505,000</u>	<u>9,965,000</u>
	Total General Obligation Bonds		<u>24,355,000</u>	<u>2,010,000</u>	<u>26,365,000</u>
	Accrued Compensated Absences		<u>2,278,765</u>	<u>813,009</u>	<u>3,091,774</u>
Economic Development Revenue Bonds					
2001	Zagara TIF Project due 2011	2.900-4.100%	-	<u>1,995,000</u>	<u>1,995,000</u>
	Total General Long-Term Obligations		<u>\$27,009,786</u>	\$ <u>2,766,993</u>	\$ <u>29,776,779</u>
	Enterprise Fund Long-Term Obligations OPWC Loans		\$ <u>1,055,721</u>	\$ <u>(55,564)</u>	\$ <u>1,000,157</u>

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 7 – OUTSTANDING DEBT (CONTINUED)

In 1999, the City defeased the unfunded pension liability by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old liability. In addition, the City defeased a HUD Section 108 loan by depositing State and Local Government Securities (SLGS) into an escrow account for the sole purpose of satisfying the future debt service payments.

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

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

Description of Defeased Bonds	Interest Rate	Date Issued	Date Defeased	Redemption Or Call Date	Original Amount	Amount Retired or not Subject to Refunding	Amount Refunded	Defeased Amount Redeemed	Amount Outstanding at December 31, 2001
Unfunded Pension Liability	4.25%	11/15/1973	01/11/1999	12/31/2034	\$ 3,576,502	\$ 1,596,802	\$ 1,979,700	\$ 294,700	\$ 1,685,000
HUD Section 108 Loan	7.14%	12/15/1992	09/30/1999	08/01/2002	700,000	-	700,000	-	700,000
Off-Street Parking Facility	3.00%-6.20%	10/01/1992	04/05/2001	12/01/2012	3,000,000	615,000	2,385,000	190,000	<u>2,195,000</u>
									<u>\$ 4,580,000</u>

As of December 31, 2001, the City's legal debt margin (the ability to issue additional principal amounts of general obligation bonded debt) was approximately \$53 million. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001, are:

	Capital Lease Obligations	General Obligation Bonds	Special Revenue Bonds	OPWC Loan	Total
2002	\$ 154,013	\$ 3,640,051	\$ 258,075	\$ 62,203	\$ 4,114,342
2003	132,672	3,621,324	233,360	62,203	4,049,559
2004	48,624	3,604,126	235,630	62,203	3,950,583
2005	11,033	2,389,764	237,938	62,203	2,700,938
2006	-	2,362,395	238,690	62,203	2,663,288
2007-2011	-	11,043,375	1,217,615	311,016	12,572,006
2012-2016	-	8,551,868	-	311,016	8,862,884
2017-2021	-	<u>1,589,890</u>	-	<u>227,670</u>	<u>1,817,560</u>
Total	\$ <u>346,342</u>	\$ <u>36,802,793</u>	\$ <u>2,421,308</u>	\$ <u>1,160,717</u>	\$ <u>40,731,160</u>

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 7 – OUTSTANDING DEBT (CONTINUED)

A. SHORT-TERM DEBT

Notes payable at December 31, 2001, consist of the bond anticipatory note issues listed below. Each of the motorized equipment and real estate acquisition notes is dated August 23, 2001, and due on August 23, 2002, at an interest rate of 2.88%. A summary of all short-term debt activity for the year ended December 31, 2001, follows:

<u>Year</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Balance December 31, 2000</u>	<u>Additions (Reductions)</u>	<u>Balance December 31, 2001</u>
1996	Motorized Equipment Note	4.45%	\$ 135,000	\$ (135,000)	\$ -
1997	Motorized Equipment Note	4.45%	253,000	(253,000)	-
1998	Motorized Equipment Note	4.45%	405,000	(405,000)	-
2000	Motorized Equipment Note	4.45%	473,000	(473,000)	-
2001	Motorized Equipment Note	4.45%	587,000	(587,000)	-
2001	Real Estate Acquisition Note	4.55%	1,000,000	(1,000,000)	-
1999	Motorized Equipment Note	2.88%	-	362,000	362,000
2000	Motorized Equipment Note	2.88%	-	474,000	474,000
2000	Real Estate Acquisition Note	2.88%	-	804,000	804,000
2001	Motorized Equipment Note	2.88%	-	705,000	705,000
	TOTALS		<u>\$ 2,853,000</u>	<u>\$ (508,000)</u>	<u>\$ 2,345,000</u>

NOTE 8 – COMPENSATED ABSENCES

In accordance with Governmental Accounting Standards Board (GASB) Statement 16, the City has accrued a liability for compensated absences (vacation and sick leave) at December 31, 2001, along with any salary-related payments associated with the payment of compensated absences. For governmental and similar trust funds, the City recognized the current portion of this liability at December 31, 2001, that is expected to be liquidated with expendable available financial resources. The remainder of the compensated absences liability for governmental and similar trust funds is reported in the general long-term debt account group. Proprietary funds report the entire liability for compensated absences calculated at December 31, 2001.

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

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 8 – COMPENSATED ABSENCES (CONTINUED)

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. It is the policy of the City that an employee with at least two consecutive years' of service who terminates employment or whose employment is terminated with the City (for other than disciplinary reasons) is entitled to receive payment for accumulated sick leave according to various formulae to a maximum of between 347 to 565 hours.

As of December 31, 2001, the total estimated liability for all unpaid compensated absences was \$4,848,523 for all funds and account groups. Of this balance, \$3,091,774 is recorded in the General Long-Term Obligations Account Group. The remaining balance is recorded in Accrued Wages and Benefits within the individual Funds.

NOTE 9 – DEFINED BENEFIT PENSION PLANS

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The City of Cleveland Heights contributes to the Public Employees Retirement System of Ohio (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. The System provides 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. The System issues a stand-alone financial report. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4042 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. Law enforcement employees are required to contribute 9 percent of their annual covered salary to fund pension obligations. The 2001 employer contribution rate for local governments was 13.55 percent of covered payroll. The law enforcement employer rate was 16.70 percent of covered payroll. The City's contributions to the System for the years ended December 31, 2001, 2000 and 1999 were \$2,073,750, \$1,786,468, and \$1,888,571, respectively, equal to the required contributions for each year.

B. OHIO POLICE AND FIRE PENSION FUND

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

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 9 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. OHIO POLICE AND FIRE PENSION FUND (CONTINUED)

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City of Cleveland Heights' contributions to OP&F for the years ending December 31, 2001, 2000 and 1999 were \$1,873,293, \$1,774,764, and \$1,664,933, respectively, equal to the required contributions for each year.

NOTE 10 – POSTEMPLOYMENT BENEFITS

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate was 13.55 percent of covered payroll; 4.30 percent was the portion used to fund health care for the year. During 2001, the City's portion that was used to fund health care was \$658,090, representing 4.3 percent of covered payroll.

The postretirement 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 percent; 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 percent of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.75 percent compounded annually, with no change in the number of active employees; annual pay increases over and above the 4.75 percent base increase were assumed to range from 0.54 percent to 5.1 percent; and health care costs are assumed to increase 4.75 percent annually. The actuarially accrued postretirement 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 participants was 411,076.

B. OHIO POLICE AND FIRE PENSION FUND

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

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 10 – POSTEMPLOYMENT BENEFITS (CONTINUED)

B. OHIO POLICE AND FIRE PENSION FUND (CONTINUED)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (“OPEB”) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer’s contribution rate. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll. The Ohio Revised Code provides the statutory authority allowing the Ohio Police and Fire Pension Fund’s Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.25 percent and 7.50 percent of covered payroll in 2000 and 2001, respectively. The allocation is 7.75 percent in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

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 for police and 10,037 for firefighters. The City’s actual contributions for 2001 that were used to fund post-employment benefits were \$271,056 for police and \$357,577 for firefighters. OP&F’s total health care expenses for the year ending December 31, 2000, the date of the last actuarial valuation available, was \$106,160,054, which was net of member contributions of \$5,657,431.

NOTE 11 – RISK MANAGEMENT

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

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

<u>Coverage</u>	Self-Insured Retention (per Occurrence)	<u>Liability Limits</u>	
		<u>Per Occurrence</u>	<u>Annual Aggregate</u>
General Liability	\$ 100,000	\$ 10,000,000	\$ 14,000,000
Property	\$ 50,000	(1)	Unlimited
Auto	\$ 100,000	\$ 10,000,000	Unlimited
Law Enforcement Professional	\$ 100,000	\$ 12,000,000	\$ 12,000,000
Public Official	\$ 100,000	\$ 10,000,000	\$ 11,000,000

(1) Estimated Actual Value

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 11 – RISK MANAGEMENT (CONTINUED)

The City accounts for its property and liability insurance premiums as well as its deductibles in the General Fund. The claims liability of \$110,507 reported in the General Fund at December 31, 2001, is based on the requirements of Government Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

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

The City maintains two hospitalization plans for its full-time employees and their dependents. Some City employees choose to belong to an HMO whereby the City makes a premium payment to the HMO and all risk is effectively transferred. Most City employees are enrolled in the City's self-funded program which is reinsured through a commercial insurance company. The City carries a \$80,000 specific stop/loss policy for catastrophic coverage, plus an aggregate policy set at 125% of expected claims. All full-time City employees receive dental benefits through the City's self-funded employee benefits program. Employee health and dental benefits are charged to the various funds of the City in accordance to where an employee's salary is charged. Based on historical estimates, a total of \$269,637 has been accrued at year end in the various funds of the City as a component of accrued wages and benefits.

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

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

At December 31, 2001, \$1,075,765 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims based upon the current available information.

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

	Property And Casualty		Employee Benefits		Workers' Compensation	
	2001	2000	2001	2000	2001	2000
Beginning of Fiscal Year Liability	\$ 73,713	\$ 102,863	\$ 296,334	\$ 365,448	\$ 757,781	\$ 962,505
Current Year Claims and Changes						
in Estimates	107,634	131,961	2,923,894	2,846,562	942,615	(67,311)
Claim Payments	(70,840)	(161,111)	(2,950,591)	(2,915,676)	(624,631)	(137,413)
Balance at Fiscal Year End	\$ <u>110,507</u>	\$ <u>73,713</u>	\$ <u>269,637</u>	\$ <u>296,334</u>	\$ <u>1,075,765</u>	\$ <u>757,781</u>

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 12 – CONSTRUCTION COMMITMENTS

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

<u>Description</u>	<u>Remaining Construction Committed</u>
Community Center	\$ 1,390,169
Street Improvements	1,316,369
Street Resurfacing	329,885
Off Street Parking	402
Sewer/Waterline Improvements/Infrastructure	374,868
Fire Station Renovations	186,975
Parks	<u>70,898</u>
Total	\$ <u><u>3,669,566</u></u>

NOTE 13 – LEASE COMMITMENTS

Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. Assets acquired under capital leases totaled \$718,958 as of December 31, 2001. The following is a schedule by years of the future minimum lease payments for capital leases together with the present value of the net minimum lease payments as of December 31, 2001:

<u>Year Ending December 31</u>	<u>Amounts</u>
2002	\$ 154,013
2003	132,672
2004	48,624
2005	<u>11,033</u>
Minimum lease payments for all capital leases	346,342
Less: amount representing interest	<u>(26,337)</u>
Present value of net minimum lease payments	\$ <u><u>320,005</u></u>

Operating Leases

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City's account groups.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 13 – LEASE COMMITMENTS (CONTINUED)

Operating Leases (Continued)

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2001:

<u>Year Ending December 31</u>	<u>Amounts</u>
2002	\$ 105,933
2003	71,133
2004	4,509
2005	4,509
2006	4,509
2007	<u>4,133</u>
Total minimum payments required	\$ <u>194,726</u>

NOTE 14 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City which are financed primarily by user charges are delivery of water, collection and disposal of sewage, off-street parking facilities, and ambulance services. The key financial information for the year ended December 31, 2001, for these enterprise activities is as follows:

	<u>Utilities</u>	<u>Off-Street Parking</u>	<u>Ambulance Services</u>	<u>Totals</u>
Operating Revenues	\$ 10,023,294	\$ 675,785	\$ 754,919	\$ 11,453,998
Operating Expenses				
Before Depreciation	9,288,530	597,397	288,783	10,174,710
Depreciation	<u>533,390</u>	<u>181,151</u>	<u>92,784</u>	<u>807,325</u>
Operating Income (Loss)	201,374	(102,763)	373,352	471,963
Net Non-Operating Revenue (Expense)	<u>234,464</u>	<u>58,372</u>	<u>(23,117)</u>	<u>269,719</u>
Net Income (Loss) Before Transfers	435,838	(44,391)	350,235	741,682
Operating Transfers – Out	<u>(241,500)</u>	<u>-</u>	<u>(8,030)</u>	<u>(249,530)</u>
Net Income (Loss)	\$ <u>194,338</u>	\$ <u>(44,391)</u>	\$ <u>342,205</u>	\$ <u>492,152</u>
Current Contributed Capital	\$ <u>25,880</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>25,880</u>
Property, Plant and Equipment				
Additions	\$ <u>634,980</u>	\$ <u>354,787</u>	\$ <u>205,362</u>	\$ <u>1,195,129</u>
Net Working Capital	\$ <u>5,648,024</u>	\$ <u>818,320</u>	\$ <u>966,711</u>	\$ <u>7,433,055</u>
Total Assets	\$ <u>20,720,845</u>	\$ <u>6,896,309</u>	\$ <u>2,302,505</u>	\$ <u>29,919,659</u>
Loans Payable	\$ <u>1,132,937</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,132,937</u>
Total Fund Equity	\$ <u>17,677,268</u>	\$ <u>6,746,644</u>	\$ <u>2,302,418</u>	\$ <u>26,726,330</u>

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 15 – INTERFUND ACTIVITY

A. INTERFUND ACTIVITY

Individual fund interfund receivable and payable balances at December 31, 2001, are as follows:

<u>Fund</u>	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
<u>Current</u>		
General	\$ <u>103,468</u>	\$ <u>1,004,396</u>
Special Revenue Funds:		
Street Maintenance	-	1,112,266
Communications System Operating	16,039	-
CDBG Resource	-	40,548
CDBG Program	-	1,857
Earned Benefits	988,357	-
Indigent DUI Treatment	30	-
Municipal Court Computerization	571	-
Municipal Court Special Projects	13,482	-
Local Programming	1,263,696	-
HOME Program	-	<u>110,882</u>
Total Special Revenue Funds	<u>2,282,175</u>	<u>1,265,553</u>
Debt Service Funds:		
General Obligation Bond Retirement	<u>-</u>	<u>43,482</u>
Capital Projects Funds:		
Capital Improvements	<u>43,482</u>	<u>-</u>
Trust And Agency Funds:		
Municipal Court	<u>-</u>	<u>115,694</u>
Total Current Interfund Receivables/Payables At December 31, 2001	\$ <u>2,429,125</u>	\$ <u>2,429,125</u>

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 15 – INTERFUND ACTIVITY (CONTINUED)

B. OPERATING TRANSFERS

The City's Combined Statement of Revenues, Expenditures, and Changes in Fund Equity for all governmental fund types and expendable trust funds and the Statement of Revenues, Expenses, and Changes in Retained Earnings for all proprietary fund types display the total of operating transfers in and out for the fiscal year ended December 31, 2001. A reconciliation of these operating transfers is detailed as follows:

<u>Fund</u>	<u>Operating Transfers – In</u>	<u>Operating Transfers – Out</u>
General Fund	\$ <u>28,964</u>	\$ <u>2,649,921</u>
Special Revenue Funds:		
C.D.B.G. Resource	307,414	-
C.D.B.G. Program Income	-	307,414
Communications System Operating	215,463	-
Cain Park	120,209	-
Street Lighting	14,914	-
Tree	10,903	-
Police Pension	303,000	-
Fire Pension	721,030	-
Earned Benefits	807,432	-
Section 108 Loan Guarantee	-	28,964
Total Special Revenue Funds	<u>2,500,365</u>	<u>336,378</u>
Debt Service Fund	329,062	43,482
Capital Projects Funds:		
Capital Improvements	<u>465,000</u>	<u>44,080</u>
Enterprise Funds:		
Utilities	-	241,500
Ambulance Services	-	8,030
Total Enterprise Funds	<u>-</u>	<u>249,530</u>
Totals	\$ <u>3,323,391</u>	\$ <u>3,323,391</u>

NOTE 16 – CLAIMS AND JUDGMENTS

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

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 16 – CLAIMS AND JUDGMENTS (CONTINUED)

In addition, there are several unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 2001.

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

NOTE 17 – ACCOUNTABILITY AND COMPLIANCE

A. ACCOUNTABILITY

The following funds had a deficit balance at December 31, 2001:

Special Revenue Funds	
C.D.B.G. Resource	\$ 74,872
Communications System Operating	8,895
Cain Park	1,742
Street Lighting	56,550
HOME Program	55,382
Capital Projects Funds	
Capital Improvements	1,568,205

The deficit fund balances in the CDBG Resource, Communications System Operating, Cain Park, and Street Lighting Special Revenue Funds are a result of the application of generally accepted accounting principles, namely the accruing of wages and accounts payable at year end. These deficits will be eliminated with intergovernmental revenues in the next accounting period.

The deficit fund balance in the HOME Program Special Revenue Fund is the result of the recording of a liability to another fund in accordance with generally accepted accounting principles. This liability will be eliminated with intergovernmental revenue received in the next accounting period.

The primary revenue source of the Street Lighting Fund is the ongoing collection of a service type special assessment fee which is collected by the County Auditor and remitted to the City semi-annually in June and December of each year. The special assessment fee receivable for street lighting due the City at year end is measurable; however, it does not meet our available criteria, and, therefore, has been offset as deferred revenue at year end. This treatment of the year end receivable as well as the recognition of expenditures on the modified accrual basis of accounting caused the fund deficit.

The deficit in the Capital Improvements Fund arises from the issuance of short-term bond anticipation notes which are used to finance capital expenses until bonds are issued. Once bonds are issued and the liability is reported in the General Long-Term Debt Account Group rather than in the Capital Projects Fund, the deficit will be eliminated.

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 17 – ACCOUNTABILITY AND COMPLIANCE (CONTINUED)

B. COMPLIANCE

Contrary to Section 5705.39, Ohio Revised Code, the following fund had appropriations in excess of estimated revenues and carryover balances:

<u>Fund</u>	<u>Estimated Revenue Plus Carryover Balances</u>	<u>Appropriations</u>	<u>Excess</u>
Capital Projects Fund: Zagara TIF	\$ -	\$ 2,337,220	\$ 2,337,220

Contrary to Section 5705.41B, Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

<u>Fund/Function</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
Special Revenue Funds:			
C.D.B.G. Program Income	\$ 491,415	\$ 497,831	\$ 6,416
Communications System Operating	377,979	378,793	814
Local T.V. Programming	142,950	1,365,613	1,222,663
Debt Service Fund:			
General Obligation Bond Retirement	\$ 6,250,000	\$ 9,142,235	\$ 2,892,235

NOTE 18 – CONTRIBUTED CAPITAL

During the year, changes in contributed capital were as follows:

	<u>Utilities</u>	<u>Off-Street Parking</u>	<u>Ambulance Services</u>
Contributed Capital Additions	\$ 25,880	\$ -	\$ -
Depreciation On Fixed Assets Acquired By Contribution	(52,491)	(84,695)	-
Contributed Capital, January 1, 2001	<u>2,310,094</u>	<u>3,636,919</u>	<u>14,076</u>
Contributed Capital, December 31, 2001	\$ <u>2,283,483</u>	\$ <u>3,552,224</u>	\$ <u>14,076</u>

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 19 – SOLID WASTE

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Cleveland Heights executed the final closure financial assurance instrument for the solid waste transfer station by the required September 30, 2001 deadline. The sum of post-closure cost estimate assured by the financial test was \$200,000 and the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. The City does not currently accrue a liability for this cost. This treatment is in accordance with the Governmental Accounting Standards Board.

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR YEAR FUND BALANCES

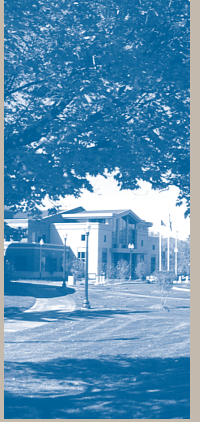
For 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In order to recognize the prior year balances for the change in accounting principle, the prior year end of the year fund balances were restated as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Fund Balances, December 31, 2000	\$ 8,767,842	\$ 5,844,994
GASB 33 Adjustment:		
Municipal Income Taxes	1,146,359	-
State Levied Shared Taxes	61,998	-
Intergovernmental Revenue	-	128,658
Adjusted Fund Balances, December 31, 2000	\$ <u>9,976,199</u>	\$ <u>5,973,652</u>

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Deferred Revenue, December 31, 2000	\$ 5,884,862	\$ 1,806,998
GASB 33 Adjustments:		
Taxes Receivable	<u>2,852,866</u>	<u>324,674</u>
Restated Deferred Revenue, December 31, 2000	\$ <u>8,737,728</u>	\$ <u>2,131,672</u>

FINANCIAL STATEMENT OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS



2001





CLEVELAND HEIGHTS

CITY OF CLEVELAND HEIGHTS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in a separate fund.

CITY OF CLEVELAND HEIGHTS, OHIO

COMPARATIVE BALANCE SHEET – GENERAL FUND

DECEMBER 31, 2001 AND 2000

	<u>Totals</u>	
	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Equity in City Treasury Cash	\$ 8,571,283	\$ 9,008,497
Receivables (Net of Allowance for Uncollectibles):		
Taxes	11,128,040	11,135,917
Accounts	210,207	82,652
Accrued Interest	246,274	244,176
Due from Other Funds	103,468	173,316
Inventory of Supplies	<u>184,135</u>	<u>267,556</u>
Total Assets	\$ <u>20,443,407</u>	\$ <u>20,912,114</u>
<u>Liabilities and Fund Balances</u>		
<u>Liabilities:</u>		
Vouchers and Accounts Payable	\$ 750,585	\$ 624,651
Accrued Wages and Benefits	1,498,895	1,263,998
Due to Other Funds	1,004,396	235,826
Deferred Revenue	7,906,719	8,737,728
Accrued General Liability Reserve	<u>110,507</u>	<u>73,712</u>
Total Liabilities	<u>11,271,102</u>	<u>10,935,915</u>
<u>Fund Balance:</u>		
Reserved for Encumbrances	148,649	210,895
Reserved for Inventory of Supplies	184,135	267,556
Unreserved; Undesignated	<u>8,839,521</u>	<u>9,497,748</u>
Total Fund Balance	<u>9,172,305</u>	<u>9,976,199</u>
 Total Liabilities and Fund Balance	 \$ <u>20,443,407</u>	 \$ <u>20,912,114</u>

CITY OF CLEVELAND HEIGHTS, OHIO

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GENERAL FUND**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 AND 2000

	<u>Totals</u>	
	<u>2001</u>	<u>2000</u>
<u>Revenues</u>		
Property Taxes	\$ 4,906,303	\$ 4,481,708
Municipal Income Taxes	19,835,782	21,281,470
Other Local Taxes	455,701	186,459
State Levied Shared Taxes	5,559,347	4,728,605
Intergovernmental Grants and Contracts	755,909	657,585
Charges for Services	1,317,992	1,186,295
Fees, Licenses, and Permits	860,712	941,980
Interest Earnings	1,328,792	1,415,494
Fines and Forfeitures	1,976,035	2,082,131
All Other Revenue	<u>616,862</u>	<u>680,213</u>
Total Revenues	<u>37,613,435</u>	<u>37,641,941</u>
<u>Expenditures</u>		
Current:		
Public Safety	13,130,206	12,692,494
Public Health	446,732	381,495
Culture and Recreation	1,965,501	1,569,774
Community Development	2,604,284	2,725,883
Sanitation	2,921,629	2,863,542
Transportation	2,792,305	2,737,375
General Government	<u>11,878,068</u>	<u>11,191,191</u>
Total Expenditures	<u>35,738,725</u>	<u>34,161,754</u>
Excess of Revenues Over (Under) Expenditures	<u>1,874,710</u>	<u>3,480,187</u>
<u>Other Financing Sources (Uses)</u>		
Operating Transfers – In	28,964	-
Operating Transfers – Out	(2,649,921)	(2,942,150)
Proceeds from Sale of Fixed Assets	<u>25,774</u>	<u>3,826</u>
Total Other Financing Sources (Uses)	<u>(2,595,183)</u>	<u>(2,938,324)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(720,473)	541,863
Fund Balance at Beginning of Year	9,976,199	9,421,329
Decrease in Reserve for Inventory	<u>(83,421)</u>	<u>13,007</u>
Fund Balance at End of Year	\$ <u>9,172,305</u>	\$ <u>9,976,199</u>

CITY OF CLEVELAND HEIGHTS, OHIO

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGET) – GENERAL FUND

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	General Fund		
	Budget	Actual	Variance
<u>Revenues</u>			
Property Taxes	\$ 5,781,106	\$ 4,906,303	\$ (874,803)
Municipal Income Taxes	19,175,143	18,941,501	(233,642)
Other Local Taxes	215,968	213,015	(2,953)
State Levied Shared Taxes	5,954,609	5,873,182	(81,427)
Intergovernmental Grants and Contracts	766,389	755,909	(10,480)
Charges for Services	1,281,630	1,264,104	(17,526)
Fees, Licenses, and Permits	872,646	860,712	(11,934)
Interest Earnings	1,199,110	1,182,713	(16,397)
Fines and Forfeitures	1,874,727	1,849,091	(25,636)
Other Revenue	625,414	616,862	(8,552)
Total Revenues	37,746,742	36,463,392	(1,283,350)
<u>Expenditures</u>			
Current:			
Public Safety	12,836,217	12,729,215	107,002
Public Health	429,627	443,604	(13,977)
Culture and Recreation	1,971,319	1,867,751	103,568
Community Development	2,772,686	2,661,800	110,886
Sanitation	3,005,175	2,954,715	50,460
Transportation	2,901,358	2,784,008	117,350
General Government	12,338,188	11,777,396	560,792
Total Expenditures	36,254,570	35,218,489	1,036,081
Excess of Revenues Over (Under) Expenditures	1,492,172	1,244,903	(247,269)
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	-	67,800	67,800
Operating Transfers – In	28,966	28,964	(2)
Operating Transfers – Out	(2,434,300)	(1,881,350)	552,950
Other Financing Sources	-	82,955	82,955
Other Financing Uses	(2,000)	(1,858)	142
Total Other Financing Sources (Uses)	(2,407,334)	(1,703,489)	703,845
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(915,162)	(458,586)	456,576
Cash Fund Balance at Beginning of Year	8,946,576	8,946,576	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	-	(358,752)	(358,752)
Cash Fund Balance at End of Year	8,031,414	8,129,238	97,824
Reserved for Encumbrances	-	236,142	236,142
Total Cash Fund Balance at End of Year	\$ 8,031,414	\$ 8,365,380	\$ 333,966

CITY OF CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

SPECIAL REVENUE FUNDS

STREET CONSTRUCTION, MAINTENANCE AND REPAIR – Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for repair and maintenance of streets within the City.

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

C.D.B.G. PROGRAM INCOME – To account for monies generated by C.D.B.G. programs, such as interest on low-income loans, resale of rehabilitated homes, and other housing programs where the City receives revenue.

COMMUNICATION SYSTEM OPERATING – To account for the operations of the fire department dispatch office serving Cleveland Heights and a neighboring community.

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

DRUG LAW ENFORCEMENT TRUST – To account for monies received from confiscated property to be used solely for drug law enforcement purposes.

LOCAL TELEVISION (T.V.) PROGRAMMING – To account for monies received pursuant to the franchise agreement with the local cable T.V. network and used for programming of local events.

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

STREET LIGHTING – To account for monies received from the levy of special assessments for the purpose of paying the cost of street lighting.

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

POLICE PENSION TRUST – To account for property taxes levied for the partial payment of the current and accrued liability for police disability and pension due the State pension agency.

FIRE PENSION TRUST – To account for property taxes levied for the partial payment of the current and accrued liability for fire disability and pension due the State pension agency.

CITY OF CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

SPECIAL REVENUE FUNDS (CONTINUED)

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

OHIO DEPARTMENT OF NATURAL RESOURCES (ODNR) RECYCLING GRANTS – To account for monies received from the Ohio Department of Natural Resources (ODNR) for recycling programs.

EARNED BENEFITS – To account for the accumulation of resources for those employees eligible to retire.

INDIGENT (DUI) DRIVER'S ALCOHOL TREATMENT – To account for the City's portion of fines collected by the State of Ohio to pay for the cost of an alcohol and other drug addiction treatment program for those unable to pay for such attendance.

SECTION 108 LOAN GUARANTEE – To account for receipts and disbursements made as an agency for the HUD Section 108 loan program financed by the issuance of \$700,000 in U.S. Government Guaranteed Notes.

MUNICIPAL COURT CLERK COMPUTERIZATION – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for computer-related expenditures.

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

MUNICIPAL COURT SPECIAL PROJECTS – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for identified projects.

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

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CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Street Construction Maintenance, And Repair	C.D.B.G. Resource	C.D.B.G. Program Income	Communi- cations System Operating
<u>Assets</u>				
Equity in City Treasury Cash	\$ 1,649,571	\$ -	\$ -	\$ 74
Receivables (Net of Allowance for Uncollectibles):				
Taxes	497,296	-	-	-
Deferred Special Assessments	-	-	-	-
Accrued Interest	-	-	-	-
Loans	-	-	1,390,717	-
Due from Other Governments	1,112,266	40,548	-	8,691
Due from Other Funds	-	-	-	16,039
Total Assets	<u>\$ 3,244,133</u>	<u>\$ 40,548</u>	<u>\$ 1,390,717</u>	<u>\$ 24,804</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Vouchers and Accounts Payable	\$ 64,663	\$ 45,014	\$ -	\$ 3,321
Accrued Wages and Benefits	-	27,591	-	21,687
Contracts Payable – Retainage				
Percentage	38,406	-	-	-
Due to Other Funds	1,112,266	40,547	1,858	-
Deferred Revenue	<u>1,434,792</u>	<u>2,268</u>	<u>-</u>	<u>8,691</u>
Total Liabilities	<u>2,650,127</u>	<u>115,420</u>	<u>1,858</u>	<u>33,699</u>
Fund Balance:				
Reserved for Encumbrances	1,546,503	-	-	60
Reserved for Loans	-	-	1,390,717	-
Unreserved (Deficit); Undesignated	<u>(937,497)</u>	<u>(74,872)</u>	<u>(1,858)</u>	<u>(8,955)</u>
Total Fund Balance	<u>609,006</u>	<u>(74,872)</u>	<u>1,388,859</u>	<u>(8,895)</u>
 Total Liabilities and Fund Balance	 <u>\$ 3,259,133</u>	 <u>\$ 40,548</u>	 <u>\$ 1,390,717</u>	 <u>\$ 24,804</u>

<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>Local T.V. Programming</u>	<u>Cain Park</u>	<u>Street Lighting</u>	<u>Tree</u>
\$ 3,007	\$ 254,709	\$ 337,674	\$ 2,455	\$ -	\$ 65,352
-	-	64,409	-	-	-
-	-	-	-	2,056,796	1,553,212
41	2,798	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,263,696	-	-	-
<u>\$ 3,048</u>	<u>\$ 257,507</u>	<u>\$ 1,665,779</u>	<u>\$ 2,455</u>	<u>\$ 2,056,796</u>	<u>\$ 1,618,564</u>
\$ -	\$ 22,306	\$ 7,953	\$ 2,796	\$ 56,551	\$ 2,100
-	80	3,173	1,401	-	21,761
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,056,795	1,553,212
<u>-</u>	<u>22,386</u>	<u>11,126</u>	<u>4,197</u>	<u>2,113,346</u>	<u>1,577,073</u>
-	7,560	300	1,117	-	23
-	-	-	-	-	-
<u>3,048</u>	<u>227,561</u>	<u>1,654,353</u>	<u>(2,859)</u>	<u>(56,550)</u>	<u>41,468</u>
<u>3,048</u>	<u>235,121</u>	<u>1,654,653</u>	<u>(1,742)</u>	<u>(56,550)</u>	<u>41,491</u>
<u>\$ 3,048</u>	<u>\$ 257,507</u>	<u>\$ 1,665,779</u>	<u>\$ 2,455</u>	<u>\$ 2,056,796</u>	<u>\$ 1,618,564</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Police Pension Trust	Fire Pension Trust	Foundation Grants
<u>Assets</u>			
Equity in City Treasury Cash	\$ 333,415	\$ 657,636	\$ 1,464
Receivables (Net of Allowance for Uncollectibles):			
Taxes	236,717	236,717	-
Deferred Special Assessments	-	-	-
Accrued Interest	-	-	-
Loans	-	-	-
Due from Other Governments	-	-	-
Due from Other Funds	-	-	-
Total Assets	\$ <u>570,132</u>	\$ <u>894,353</u>	\$ <u>1,464</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Vouchers and Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages and Benefits	176,376	292,569	-
Contracts Payable – Retainage Percentage	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue	<u>236,717</u>	<u>236,717</u>	<u>-</u>
Total Liabilities	<u>413,093</u>	<u>529,286</u>	<u>-</u>
Fund Balance:			
Reserved for Encumbrances	-	-	-
Reserved for Loans	-	-	-
Unreserved (Deficit); Undesignated	<u>157,039</u>	<u>365,067</u>	<u>1,464</u>
Total Fund Balance	<u>157,039</u>	<u>365,067</u>	<u>1,464</u>
Total Liabilities and Fund Balance	\$ <u>570,132</u>	\$ <u>894,353</u>	\$ <u>1,464</u>

<u>ODNR Recycling Grants</u>	<u>Earned Benefits</u>	<u>Indigent Drivers' Alcohol Treatment</u>	<u>Section 108 Loan Guarantee</u>	<u>Municipal Court Clerk Computeriz- ation</u>	<u>DUI Enforce- ment and Education</u>
\$ 9,706	\$ 271,584	\$ 32,569	\$ -	\$ 1,013,554	\$ 24,837
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,039	-	-	-	-	-
-	988,357	30	-	-	571
<u>\$ 24,745</u>	<u>\$ 1,259,941</u>	<u>\$ 32,599</u>	<u>\$ -</u>	<u>\$ 1,013,554</u>	<u>\$ 25,408</u>
\$ 1,870	\$ -	\$ -	\$ -	\$ 1,496	\$ -
-	1,259,939	-	-	2,200	-
-	-	-	-	-	-
-	-	-	-	-	-
15,039	-	-	-	-	-
<u>16,909</u>	<u>1,259,939</u>	<u>-</u>	<u>-</u>	<u>3,696</u>	<u>-</u>
6,129	-	-	-	1,677	-
-	-	-	-	-	-
1,707	2	32,599	-	1,008,181	25,408
<u>7,836</u>	<u>2</u>	<u>32,599</u>	<u>-</u>	<u>1,009,858</u>	<u>25,408</u>
<u>\$ 24,745</u>	<u>\$ 1,259,941</u>	<u>\$ 32,599</u>	<u>\$ -</u>	<u>\$ 1,013,554</u>	<u>\$ 25,408</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Municipal Court Special Projects	HOME Program	Totals	
			2001	2000
<u>Assets</u>				
Equity in City Treasury Cash	\$ 130,058	\$ -	\$ 4,787,665	\$ 5,585,275
Receivables (Net of Allowance for Uncollectibles):				
Taxes	-	-	1,035,139	1,030,263
Deferred Special Assessments	-	-	3,610,008	1,329,846
Accrued Interest	-	-	2,839	11,925
Loans	-	-	1,390,717	1,121,075
Due from Other Governments	-	110,882	1,287,426	86,371
Due from Other Funds	13,482	-	2,282,175	781,398
Total Assets	\$ <u>143,540</u>	\$ <u>110,882</u>	\$ <u>14,395,969</u>	\$ <u>9,946,153</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Vouchers and Accounts Payable	\$ -	\$ -	\$ 208,070	\$ 299,489
Accrued Wages and Benefits	-	-	1,806,777	1,335,739
Contracts Payable – Retainage Per- centage	-	-	38,406	54,993
Due to Other Funds	-	110,882	1,265,553	82,955
Deferred Revenue	-	55,382	5,599,613	2,131,672
Total Liabilities	<u>-</u>	<u>166,264</u>	<u>8,918,419</u>	<u>3,904,848</u>
Fund Balance:				
Reserved for Encumbrances	-	-	1,563,369	290,928
Reserved for Loans	-	-	1,390,717	1,121,075
Unreserved (Deficit); Undesignated	143,540	(55,382)	2,523,464	4,561,648
Total Fund Balance	<u>143,540</u>	<u>(55,382)</u>	<u>5,477,550</u>	<u>5,973,651</u>
Total Liabilities and Fund Bal- ance	\$ <u>143,540</u>	\$ <u>110,882</u>	\$ <u>14,395,969</u>	\$ <u>9,878,499</u>



CLEVELAND HEIGHTS

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Street Construction Maintenance, And Repair</u>	<u>C.D.B.G. Resource</u>	<u>C.D.B.G. Program Income</u>	<u>Communi- cations System Operating</u>
<u>Revenues</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	180,811	-	-	-
State Levied Shared Taxes	1,054,092	-	-	-
Intergovernmental Grants and Contracts	64,870	2,193,165	-	158,665
Charges for Services	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Interest Earnings	53,007	-	-	-
Special Assessments	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	43,470	444	762,165	194
Total Revenues	1,396,250	2,193,609	762,165	158,859
<u>Expenditures</u>				
Current:				
Public Safety	-	-	-	377,053
Public Health	-	-	-	-
Culture and Recreation	-	-	-	-
Community Development	-	2,511,293	190,417	-
Sanitation	-	-	-	-
Transportation	1,679,350	-	-	-
General Government	9,166	-	-	-
Capital Outlay	38,406	-	-	-
Total Expenditures	1,726,922	2,511,293	190,417	377,053
Excess of Revenues Over (Under) Expenditures	(330,672)	(317,684)	571,748	(218,194)
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Debt	-	-	-	-
Operating Transfers – In	-	307,414	-	215,463
Operating Transfers – Out	-	-	(307,414)	-
Inception of Capital Lease	-	-	-	-
Total Other Financing Sources (Uses)	-	307,414	(307,414)	215,463
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(330,672)	(10,270)	264,334	(2,731)
Fund Balance (Deficit) at Beginning of Year	939,678	(64,602)	1,124,525	(6,164)
Fund Balance (Deficit) at End of Year	\$ 609,006	\$ (74,872)	\$ 1,388,859	\$ (8,895)

<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>Local T.V. Programming</u>	<u>Cain Park</u>	<u>Street Lighting</u>	<u>Tree</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	122,313	-	-	-
-	-	-	-	-	-
-	-	117,774	24,856	-	18,887
-	-	-	380,837	-	-
-	-	-	-	-	280
231	15,978	-	-	-	-
-	-	-	-	638,366	405,228
742	83,092	-	-	-	-
-	<u>86,057</u>	-	<u>9,463</u>	-	<u>90</u>
<u>973</u>	<u>185,127</u>	<u>240,087</u>	<u>415,156</u>	<u>638,366</u>	<u>424,485</u>
5,312	189,192	-	-	678,639	-
-	-	-	-	-	-
-	-	-	628,905	-	-
-	-	102,440	-	-	526,345
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,312</u>	<u>189,192</u>	<u>102,440</u>	<u>628,905</u>	<u>678,639</u>	<u>526,345</u>
<u>(4,339)</u>	<u>(4,065)</u>	<u>137,647</u>	<u>(213,749)</u>	<u>(40,273)</u>	<u>(101,860)</u>
-	-	-	-	-	-
-	-	-	120,209	14,914	10,903
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>120,209</u>	<u>14,914</u>	<u>10,903</u>
(4,339)	(4,065)	137,647	(93,540)	(25,359)	(90,957)
<u>7,387</u>	<u>239,186</u>	<u>1,517,006</u>	<u>91,798</u>	<u>(31,191)</u>	<u>132,448</u>
\$ <u>3,048</u>	\$ <u>235,121</u>	\$ <u>1,654,653</u>	\$ <u>(1,742)</u>	\$ <u>(56,550)</u>	\$ <u>41,491</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS
FOR DECEMBER 31, 2000**

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Foundation Grants</u>
<u>Revenues</u>			
Property Taxes	\$ 198,905	\$ 198,904	\$ -
Other Local Taxes	-	-	-
State Levied Shared Taxes	-	-	-
Intergovernmental Grants and Contracts	27,178	27,178	20,000
Charges for Services	-	-	-
Fees, Licenses, and Permits	-	-	-
Interest Earnings	-	-	-
Special Assessments	-	-	-
Fines and Forfeitures	-	-	-
All Other Revenue	-	-	-
Total Revenues	<u>226,083</u>	<u>226,082</u>	<u>20,000</u>
<u>Expenditures</u>			
Current:			
Public Safety	694,957	1,130,805	-
Public Health	-	-	19,999
Culture and Recreation	-	-	-
Community Development	-	-	-
Sanitation	-	-	-
Transportation	-	-	-
General Government	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>694,957</u>	<u>1,130,805</u>	<u>19,999</u>
Excess of Revenues Over (Under) Expenditures	<u>(468,874)</u>	<u>(904,723)</u>	<u>1</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	-	-	-
Operating Transfers – In	303,000	721,030	-
Operating Transfers – Out	-	-	-
Inception of Capital Lease	-	-	-
Total Other Financing Sources (Uses)	<u>303,000</u>	<u>721,030</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(165,874)	(183,693)	1
Fund Balance (Deficit) at Beginning of Year	<u>322,913</u>	<u>548,760</u>	<u>1,463</u>
Fund Balance (Deficit) at End of Year	\$ <u>157,039</u>	\$ <u>365,067</u>	\$ <u>1,464</u>

<u>ODNR Recycling Grants</u>	<u>Earned Benefits</u>	<u>Indigent Drivers' Alcohol Treatment</u>	<u>Section 108 Loan Guarantee</u>	<u>Municipal Court Clerk Computeriz- ation</u>	<u>DUI Enforce- ment and Education</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
39,614	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	29,933	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,745	-	-	4,412
-	-	-	-	-	-
<u>39,614</u>	<u>-</u>	<u>2,745</u>	<u>-</u>	<u>29,933</u>	<u>4,412</u>
-	608,234	-	-	-	-
-	4,327	-	-	-	-
-	15,654	-	-	-	-
34,382	25,220	-	-	-	-
-	14,473	-	-	-	-
-	1,046	-	-	-	-
-	138,476	-	-	88,102	-
-	-	-	-	-	-
<u>34,382</u>	<u>807,430</u>	<u>-</u>	<u>-</u>	<u>88,102</u>	<u>-</u>
<u>5,232</u>	<u>(807,430)</u>	<u>2,745</u>	<u>-</u>	<u>(58,169)</u>	<u>4,412</u>
-	-	-	-	-	-
-	807,432	-	-	-	-
-	-	-	(28,964)	-	-
-	-	-	-	-	-
<u>-</u>	<u>807,432</u>	<u>-</u>	<u>(28,964)</u>	<u>-</u>	<u>-</u>
5,232	2	2,745	(28,964)	(58,169)	4,412
<u>2,604</u>	<u>-</u>	<u>29,854</u>	<u>28,964</u>	<u>1,068,027</u>	<u>20,996</u>
\$ <u>7,836</u>	\$ <u>2</u>	\$ <u>32,599</u>	\$ <u>-</u>	\$ <u>1,009,858</u>	\$ <u>25,408</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Municipal Court Special Projects	HOME Program	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Revenues</u>				
Property Taxes	\$ -	\$ -	\$ 397,809	\$ 363,381
Other Local Taxes	-	-	303,124	303,640
State Levied Shared Taxes	-	-	1,054,092	1,087,928
Intergovernmental Grants and Contracts	-	54,913	2,747,100	2,819,806
Charges for Services	-	-	380,837	338,676
Fees, Licenses, and Permits	-	-	30,213	223,176
Interest Earnings	-	-	69,216	86,396
Special Assessments	-	-	1,043,594	1,073,912
Fines and Forfeitures	143,540	-	234,531	141,820
All Other Revenue	-	-	901,883	1,518,778
Total Revenues	<u>143,540</u>	<u>54,913</u>	<u>7,162,399</u>	<u>7,957,513</u>
<u>Expenditures</u>				
Current:				
Public Safety	-	-	3,684,192	3,208,534
Public Health	-	-	24,326	4,362
Culture and Recreation	-	-	644,559	586,110
Community Development	-	110,295	3,500,392	3,827,814
Sanitation	-	-	14,473	8,489
Transportation	-	-	1,680,396	1,743,366
General Government	-	-	235,744	165,662
Capital Outlay	-	-	38,406	36,880
Total Expenditures	<u>-</u>	<u>110,295</u>	<u>9,822,488</u>	<u>9,581,217</u>
Excess of Revenues Over (Under) Expenditures	<u>143,540</u>	<u>(55,382)</u>	<u>(2,660,089)</u>	<u>(1,623,704)</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Debt	-	-	-	67,910
Operating Transfers – In	-	-	2,500,365	2,448,090
Operating Transfers – Out	-	-	(336,378)	(399,940)
Inception of Capital Lease	-	-	-	115,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,163,987</u>	<u>2,231,060</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	143,540	(55,382)	(496,102)	607,356
Fund Balance (Deficit) at Beginning of Year	<u>-</u>	<u>-</u>	<u>5,973,652</u>	<u>5,366,296</u>
Fund Balance (Deficit) at End of Year	\$ <u>143,540</u>	\$ <u>(55,382)</u>	\$ <u>5,477,550</u>	\$ <u>5,973,652</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Street Construction, Maintenance, and Repair</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Other Local Taxes	\$ 199,998	\$ 178,500	\$ (21,498)
State Levied Shared Taxes	1,200,817	1,071,744	(129,073)
Interest Earnings	73,579	65,670	(7,909)
Other Revenue	<u>48,705</u>	<u>43,470</u>	<u>(5,235)</u>
Total Revenues	<u>1,523,099</u>	<u>1,359,384</u>	<u>(163,715)</u>
<u>Expenditures</u>			
Current:			
Transportation	3,340,771	3,318,354	22,417
General Government	<u>9,229</u>	<u>9,166</u>	<u>63</u>
Total Expenditures	<u>3,350,000</u>	<u>3,327,520</u>	<u>22,480</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,826,901)</u>	<u>(1,968,136)</u>	<u>(141,235)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	72,682	64,870	(7,812)
Other Financing Sources	<u>1,246,219</u>	<u>1,112,266</u>	<u>(133,953)</u>
Total Other Financing Sources (Uses)	<u>1,318,901</u>	<u>1,177,136</u>	<u>(141,765)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(508,000)	(791,000)	(283,000)
Cash Fund Balance at Beginning of Year	968,662	968,662	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(177,664)</u>	<u>(177,664)</u>
Cash Fund Balance at End of Year:			
Unreserved	460,662	(2)	(460,664)
Reserved for Encumbrances	<u>-</u>	<u>1,649,573</u>	<u>1,649,573</u>
Total Cash Fund Balance at End of Year	<u>\$ 460,662</u>	<u>\$ 1,649,571</u>	<u>\$ 1,188,909</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>C.D.B.G. Resource</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 3,615,447	\$ 2,154,885	\$ (1,460,562)
Other Revenue	745	444	(301)
Total Revenues	<u>3,616,192</u>	<u>2,155,329</u>	<u>(1,460,863)</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>4,200,000</u>	<u>2,503,291</u>	<u>1,696,709</u>
Excess of Revenues Over (Under) Expenditures	<u>(583,808)</u>	<u>(347,962)</u>	<u>235,846</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	515,777	307,414	(208,363)
Other Financing Sources	<u>68,031</u>	<u>40,548</u>	<u>(27,483)</u>
Total Other Financing Sources (Uses)	<u>583,808</u>	<u>347,962</u>	<u>(235,846)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-
Cash Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>C.D.B.G. Program Income</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Other Revenue	\$ <u>798,000</u>	\$ <u>492,523</u>	\$ <u>(305,477)</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>187,963</u>	<u>190,417</u>	<u>(2,454)</u>
Excess of Revenues Over (Under) Expenditures	<u>610,037</u>	<u>302,106</u>	<u>(307,931)</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – Out	(303,452)	(307,414)	(3,962)
Other Financing Sources	<u>2,000</u>	<u>1,858</u>	<u>(142)</u>
Total Other Financing Sources (Uses)	<u>(301,452)</u>	<u>(305,556)</u>	<u>(4,104)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	308,585	(3,450)	(312,035)
Cash Fund Balance at Beginning of Year	<u>3,450</u>	<u>3,450</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>312,035</u>	\$ <u>-</u>	\$ <u>(312,035)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Communications System Operating</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 150,333	\$ 162,081	\$ 11,748
Other Revenue	452	194	(258)
Total Revenues	<u>150,785</u>	<u>162,275</u>	<u>11,490</u>
<u>Expenditures</u>			
Current:			
Public Safety	<u>377,979</u>	<u>378,793</u>	<u>(814)</u>
Excess of Revenues Over (Under) Expenditures	(227,194)	(216,518)	10,676
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>227,000</u>	<u>216,030</u>	<u>(10,970)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(194)	(488)	(294)
Cash Fund Balance at Beginning of Year	<u>502</u>	<u>502</u>	<u>-</u>
Cash Fund Balance at End of Year:			
Unreserved	308	14	(294)
Reserved for Encumbrances	<u>-</u>	<u>60</u>	<u>60</u>
Total Cash Fund Balance at End of Year	\$ <u>308</u>	\$ <u>74</u>	\$ <u>(234)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Law Enforcement Trust</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Interest Earnings	\$ 2,030	\$ 261	\$ (1,769)
Fines and Forfeitures	<u>5,770</u>	<u>742</u>	<u>(5,028)</u>
Total Revenues	<u>7,800</u>	<u>1,003</u>	<u>(6,797)</u>
<u>Expenditures</u>			
Current:			
Public Safety	<u>8,173</u>	<u>5,312</u>	<u>2,861</u>
Excess of Revenues Over (Under) Expenditures	(373)	(4,309)	(3,936)
Cash Fund Balance at Beginning of Year	<u>7,282</u>	<u>7,282</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>6,909</u>	\$ <u>2,973</u>	\$ <u>(3,936)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Drug Law Enforcement Trust</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Charges for Services	\$ 303	\$ 351	\$ 48
Interest Earnings	11,839	13,701	1,862
Fines and Forfeitures	71,800	83,092	11,292
Other Revenue	<u>74,058</u>	<u>85,706</u>	<u>11,648</u>
Total Revenues	<u>158,000</u>	<u>182,850</u>	<u>24,850</u>
<u>Expenditures</u>			
Current:			
Public Safety	<u>399,092</u>	<u>198,444</u>	<u>200,648</u>
Excess of Revenues Over (Under) Expenditures	(241,092)	(15,594)	225,498
Cash Fund Balances at Beginning of Year	<u>241,364</u>	<u>241,364</u>	<u>-</u>
Cash Fund Balance at End of Year:			
Unreserved	272	225,770	225,498
Reserved for Encumbrances	<u>-</u>	<u>26,600</u>	<u>26,600</u>
Total Cash Fund Balance at End of Year	\$ <u>272</u>	\$ <u>252,370</u>	\$ <u>252,098</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Local T.V. Programming</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Other Local Taxes	\$ 25,731	\$ 96,228	\$ 70,497
Other Revenue	<u>31,492</u>	<u>117,774</u>	<u>86,282</u>
Total Revenues	<u>57,223</u>	<u>214,002</u>	<u>156,779</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>10,668</u>	<u>101,917</u>	<u>(91,249)</u>
Excess of Revenues Over (Under) Expenditures	<u>46,555</u>	<u>112,085</u>	<u>65,530</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	152,777	571,362	418,585
Other Financing Uses	<u>(132,281)</u>	<u>(1,263,696)</u>	<u>(1,131,415)</u>
Total Other Financing Sources (Uses)	<u>20,496</u>	<u>(692,334)</u>	<u>(712,830)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	67,051	(580,249)	(647,300)
Cash Fund Balance at Beginning of Year	<u>910,018</u>	<u>910,018</u>	<u>-</u>
Cash Fund Balance at End of Year:			
Unreserved	977,069	329,769	(647,300)
Reserved for Encumbrances	<u>-</u>	<u>7,905</u>	<u>7,905</u>
Total Cash Fund Balance at End of Year	<u>\$ 977,069</u>	<u>\$ 337,674</u>	<u>\$ (639,395)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

		Cain Park	
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 20,356	\$ 24,856	\$ 4,500
Charges for Services	311,894	380,837	68,943
Other Revenue	<u>7,750</u>	<u>9,463</u>	<u>1,713</u>
Total Revenues	<u>340,000</u>	<u>415,156</u>	<u>75,156</u>
<u>Expenditures</u>			
Current:			
Culture and Recreation	<u>635,000</u>	<u>629,384</u>	<u>5,616</u>
Excess of Revenues Over (Under) Expenditures	(295,000)	(214,228)	80,772
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>210,000</u>	<u>120,209</u>	<u>(89,791)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(85,000)	(94,019)	(9,019)
Cash Fund Balance at Beginning of Year	95,567	95,567	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(1,548)</u>	<u>(1,548)</u>
Cash Fund Balance at End of Year:			
Unreserved	10,567	-	(10,567)
Reserved for Encumbrances	<u>-</u>	<u>2,455</u>	<u>2,455</u>
Total Cash Fund Balance at End of Year	\$ <u>10,567</u>	\$ <u>2,455</u>	\$ <u>(8,112)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Street Lighting</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Special Assessments	\$ <u>645,000</u>	\$ <u>638,367</u>	\$ <u>(6,633)</u>
<u>Expenditures</u>			
Current:			
Public Safety	<u>684,000</u>	<u>678,828</u>	<u>5,172</u>
Excess of Revenues Over (Under) Expenditures	(39,000)	(40,461)	(1,461)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>15,000</u>	<u>14,914</u>	<u>(86)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(24,000)	(25,547)	(1,547)
Cash Fund Balance at Beginning of Year	<u>25,547</u>	<u>25,547</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>1,547</u>	\$ <u>-</u>	\$ <u>(1,547)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Tree		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 18,243	\$ 18,887	\$ 644
Fees, Licenses, and Permits	270	280	10
Special Assessments	380,400	405,228	24,828
Other Revenue	87	90	3
Total Revenues	<u>399,000</u>	<u>424,485</u>	<u>25,485</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>565,770</u>	<u>545,117</u>	<u>20,653</u>
Excess of Revenues Over (Under) Expenditures	(166,770)	(120,632)	46,138
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>11,000</u>	<u>10,903</u>	<u>(97)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(155,770)	(109,729)	46,041
Cash Fund Balance at Beginning of Year	220,569	220,569	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(47,611)</u>	<u>(47,611)</u>
Cash Fund Balance at End of Year:			
Unreserved	64,799	63,229	(1,570)
Reserved for Encumbrances	<u>-</u>	<u>2,123</u>	<u>2,123</u>
Total Cash Fund Balance at End of Year	\$ <u>64,799</u>	\$ <u>65,352</u>	\$ <u>553</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Police Pension Trust</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Property Taxes	\$ 234,369	\$ 198,905	\$ (35,464)
Intergovernmental Grants and Contracts	50,000	27,178	(22,822)
Total Revenues	<u>284,369</u>	<u>226,083</u>	<u>(58,286)</u>
<u>Expenditures</u>			
Current:			
Public Safety	<u>730,000</u>	<u>728,676</u>	<u>1,324</u>
Excess of Revenues Over (Under) Expenditures	(445,631)	(502,593)	(56,962)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>530,000</u>	<u>303,000</u>	<u>(227,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	84,369	(199,593)	(283,962)
Cash Fund Balance at Beginning of Year	<u>533,008</u>	<u>533,008</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>617,377</u>	\$ <u>333,415</u>	\$ <u>(283,962)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Fire Pension Trust</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Property Taxes	\$ 234,369	\$ 198,904	\$ (35,465)
Intergovernmental Grants and Contracts	75,000	27,178	(47,822)
Total Revenues	<u>309,369</u>	<u>226,082</u>	<u>(83,287)</u>
<u>Expenditures</u>			
Current:			
Public Safety	<u>1,145,000</u>	<u>1,144,506</u>	<u>494</u>
Excess of Revenues Over (Under) Expenditures	(835,631)	(918,424)	(82,793)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>949,000</u>	<u>721,030</u>	<u>(227,970)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	113,369	(197,394)	(310,763)
Cash Fund Balance at Beginning of Year	<u>855,030</u>	<u>855,030</u>	<u>-</u>
Cash Fund Balance at End of Year	\$ <u>968,399</u>	\$ <u>657,636</u>	\$ <u>(310,763)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Foundation Grants</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ <u>50,000</u>	\$ <u>20,000</u>	\$ <u>(30,000)</u>
<u>Expenditures</u>			
Current:			
Public Health	<u>20,000</u>	<u>19,999</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	30,000	1	(29,999)
Cash Fund Balance at Beginning of Year	<u>1,463</u>	<u>1,463</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>31,463</u>	\$ <u>1,464</u>	\$ <u>(29,999)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>ODNR Recycling Grants</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ <u>48,000</u>	\$ <u>39,614</u>	\$ <u>(8,386)</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>49,495</u>	<u>40,512</u>	<u>8,983</u>
Excess of Revenues Over (Under) Expenditures	(1,495)	(898)	597
Cash Fund Balance at Beginning of Year	5,054	5,054	-
Current Year Charges Against Prior Years Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(2,450)</u>	<u>(2,450)</u>
Cash Fund Balance at End of Year:			
Unreserved	3,559	1,706	(1,853)
Reserved for Encumbrances	<u>-</u>	<u>8,000</u>	<u>8,000</u>
Total Cash Fund Balance at End of Year	\$ <u>3,559</u>	\$ <u>9,706</u>	\$ <u>6,147</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Earned Benefits		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Expenditures</u>			
Current:			
Public Safety	\$ 255,169	\$ 208,716	\$ 46,453
Culture and Recreation	11,131	9,105	2,026
Community Development	23,405	19,143	4,262
Sanitation	9,620	7,869	1,751
Transportation	381	312	69
General Government	<u>75,294</u>	<u>61,587</u>	<u>13,707</u>
Total Expenditures	<u>375,000</u>	<u>306,732</u>	<u>68,268</u>
Excess of Revenues Over (Under) Expenditures	(375,000)	(306,732)	68,268
Cash Fund Balance at Beginning of Year	<u>578,316</u>	<u>578,316</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>203,316</u>	\$ <u>271,584</u>	\$ <u>68,268</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Indigent Driver's Alcohol Treatment</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Fines and Forfeitures	\$ <u> -</u>	\$ <u> 2,715</u>	\$ <u> 2,715</u>
<u>Expenditures</u>			
Current:			
Public Safety	<u> 14,000</u>	<u> -</u>	<u> 14,000</u>
Excess of Revenues Over (Under) Expenditures	(14,000)	2,715	16,715
Cash Fund Balance at Beginning of Year	<u> 29,854</u>	<u> 29,854</u>	<u> -</u>
Total Cash Fund Balance at End of Year	\$ <u> 15,854</u>	\$ <u> 32,569</u>	\$ <u> 16,715</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Section 108 Loan Guarantee</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Other Revenue	\$ <u>28,000</u>	\$ <u>-</u>	\$ <u>(28,000)</u>
Excess of Revenues Over (Under) Expenditures	28,000	-	(28,000)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – Out	<u>(55,000)</u>	<u>(28,964)</u>	<u>26,036</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(27,000)	(28,964)	(1,964)
Cash Fund Balance at Beginning of Year	<u>28,964</u>	<u>28,964</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u><u>1,964</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(1,964)</u></u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Municipal Court Clerk Computerization</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Fees, Licenses, and Permits	\$ <u>100,000</u>	\$ <u>42,436</u>	\$ <u>(57,564)</u>
<u>Expenditures</u>			
Current:			
General Government	<u>134,000</u>	<u>87,505</u>	<u>46,495</u>
Excess of Revenues Over (Under) Expenditures	(34,000)	(45,069)	(11,069)
Cash Fund Balance at Beginning of Year	<u>1,055,927</u>	<u>1,055,927</u>	<u>-</u>
Cash Fund Balance at End of Year:			
Unreserved	1,021,927	1,010,858	(11,069)
Reserved for Encumbrances	<u>-</u>	<u>2,696</u>	<u>2,696</u>
Total Cash Fund Balance at End of Year	\$ <u>1,021,927</u>	\$ <u>1,013,554</u>	\$ <u>(8,373)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>DUI Enforcement and Education</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Fines and Forfeitures	\$ <u> -</u>	\$ <u> 3,841</u>	\$ <u> 3,841</u>
Excess of Revenues Over (Under) Expenditures	-	3,841	3,841
Cash Fund Balance at Beginning of Year	<u> 20,996</u>	<u> 20,996</u>	<u> -</u>
Total Cash Fund Balance at End of Year	\$ <u> 20,996</u>	\$ <u> 24,837</u>	\$ <u> 3,841</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Municipal Court Special Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Fines and Forfeitures	\$ <u> -</u>	\$ <u> 130,058</u>	\$ <u> 130,058</u>
Excess of Revenues Over (Under) Expenditures	-	130,058	130,058
Cash Fund Balance at Beginning of Year	<u> -</u>	<u> -</u>	<u> -</u>
Cash Fund Balance at End of Year	\$ <u> -</u>	\$ <u> 130,058</u>	\$ <u> 130,058</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>HOME Program</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ <u>187,539</u>	\$ <u>82,368</u>	\$ <u>(105,171)</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>251,052</u>	<u>110,295</u>	<u>140,757</u>
Excess of Revenues Over (Under) Expenditures	<u>(63,513)</u>	<u>(27,927)</u>	<u>35,586</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	252,461	110,882	(141,579)
Other Financing Uses	<u>(188,821)</u>	<u>(82,955)</u>	<u>105,866</u>
Total Other Financing Sources (Uses)	<u>63,640</u>	<u>27,927</u>	<u>(35,713)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	127	-	(127)
Cash Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u><u>127</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(127)</u></u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Totals		
	Budget	Actual	Variance
<u>Revenues</u>			
Property Taxes	\$ 468,738	\$ 397,809	\$ (70,929)
Other Local Taxes	225,729	274,728	48,999
State Levied Shared Taxes	1,200,817	1,071,744	(129,073)
Intergovernmental Grants and Contracts	4,214,918	2,557,047	(1,657,871)
Charges for Services	312,197	381,188	68,991
Fees, Licenses, and Permits	100,270	42,716	(57,554)
Interest Earnings	87,448	79,632	(7,816)
Special Assessments	1,025,400	1,043,595	18,195
Fines and Forfeitures	77,570	220,448	142,878
Other Revenue	<u>989,289</u>	<u>749,664</u>	<u>(239,625)</u>
Total Revenues	<u>8,702,376</u>	<u>6,818,571</u>	<u>(1,883,805)</u>
<u>Expenditures</u>			
Current:			
Public Safety	3,613,413	3,343,275	270,138
Public Health	20,000	19,999	1
Culture and Recreation	646,131	638,489	7,642
Community Development	5,288,353	3,510,692	1,777,661
Sanitation	9,620	7,869	1,751
Transportation	3,341,152	3,318,666	22,486
General Government	<u>218,523</u>	<u>158,258</u>	<u>60,265</u>
Total Expenditures	<u>13,137,192</u>	<u>10,997,248</u>	<u>2,139,944</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,434,816)</u>	<u>(4,178,677)</u>	<u>256,139</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	72,682	64,870	(7,812)
Operating Transfers – In	2,457,777	1,693,500	(764,277)
Operating Transfers – Out	(358,452)	(336,378)	22,075
Other Financing Sources	1,721,488	1,836,916	115,428
Other Financing Uses	<u>(321,102)</u>	<u>(1,346,651)</u>	<u>(1,025,549)</u>
Total Other Financing Sources (Uses)	<u>3,572,393</u>	<u>1,912,257</u>	<u>(1,660,136)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) –
ALL SPECIAL REVENUE FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Totals</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(862,423)	(2,266,420)	(1,403,997)
Cash Fund Balance at Beginning of Year	5,581,573	5,581,573	-
Current Year Charges Against Prior Years Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(229,273)</u>	<u>(229,273)</u>
Cash Fund Balance at End of Year:			
Unreserved	4,719,150	3,085,880	(1,663,270)
Reserved for Encumbrances	<u>-</u>	<u>1,699,412</u>	<u>1,699,412</u>
Total Cash Fund Balance at End of Year	\$ <u>4,719,150</u>	\$ <u>4,785,292</u>	\$ <u>66,142</u>



CLEVELAND HEIGHTS

CITY OF CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

CAPITAL PROJECTS FUNDS

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

ECONOMIC DEVELOPMENT – To account for transactions relative to the economic development of the City.

CITY HALL MAINTENANCE AND REPAIR – To account for the costs of major maintenance and repair of City Hall.

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

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

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING BALANCE SHEET – CAPITAL PROJECTS FUNDS

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Capital Improvements</u>	<u>Economic Development</u>	<u>City Hall Maintenance And Repair</u>	<u>Recreation Improvements</u>
<u>Assets</u>				
Equity in City Treasury Cash	\$ 832,223	\$ 256,245	\$ 62,671	\$ 1,981,323
Accrued Interest	1,116	3,018	-	-
Due from Other Funds	43,482	-	-	-
Total Assets	<u>\$ 876,821</u>	<u>\$ 259,263</u>	<u>\$ 62,671</u>	<u>\$ 1,981,323</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Vouchers and Accounts Payable	\$ 32,084	\$ -	\$ 11,541	\$ 661,286
Contracts Payable – Retainage Percentage	24,460	-	-	1,023,613
Due to Other Funds	-	-	-	-
Bond Anticipation Notes Pay- able	2,345,000	-	-	-
Accrued Interest Payable	43,482	-	-	-
Total Liabilities	<u>2,445,026</u>	<u>-</u>	<u>11,541</u>	<u>1,684,899</u>
Fund Balances:				
Reserved for Encumbrances	322,770	-	7,580	1
Unreserved (Deficit); Undesignated	<u>(1,890,975)</u>	<u>259,263</u>	<u>43,550</u>	<u>296,423</u>
Total Fund Balances	<u>(1,568,205)</u>	<u>259,263</u>	<u>51,130</u>	<u>296,424</u>
Total Liabilities and Fund Balances	<u>\$ 876,821</u>	<u>\$ 259,263</u>	<u>\$ 62,671</u>	<u>\$ 1,981,323</u>

<u>Zagara TIF</u>	<u>Totals</u>	
	<u>2001</u>	<u>2000</u>
\$ -	\$ 3,132,462	\$ 11,719,320
-	4,134	11,902
-	43,482	87,562
\$ <u>-</u>	\$ <u>3,180,078</u>	\$ <u>11,818,784</u>
\$ -	\$ 704,911	\$ 1,104,925
-	1,048,073	739,513
-	-	2,286,362
-	2,345,000	2,853,000
-	43,482	87,562
<u>-</u>	<u>4,141,466</u>	<u>7,071,362</u>
-	330,351	8,381,212
-	(1,291,739)	(3,633,790)
-	(961,388)	4,747,422
\$ <u>-</u>	\$ <u>3,180,078</u>	\$ <u>11,818,784</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Capital Improvements</u>	<u>Economic Development</u>	<u>City Hall Maintenance And Repair</u>	<u>Recreation Improvements</u>
<u>Revenues</u>				
Property Taxes	\$ 1,340,959	\$ -	\$ -	\$ -
Intergovernmental Grants	-	-	-	-
Interest Earnings	31,546	16,236	-	179,182
Other Revenue	<u>60,500</u>	<u>38,667</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,433,005</u>	<u>54,903</u>	<u>-</u>	<u>179,182</u>
<u>Expenditures</u>				
Current:				
Culture and Recreation	-	-	-	9,421,509
Community Development	-	646,601	-	-
Sanitation	106,844	-	-	-
Transportation	239,152	-	-	-
General Government	87,687	40,097	33,652	-
Capital Outlay	1,156,012	-	-	287,724
Debt Service:				
Interest and Fiscal Charges	<u>83,879</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,673,574</u>	<u>686,698</u>	<u>33,652</u>	<u>9,709,233</u>
Excess of Revenues Over (Under) Expenditures	<u>(240,569)</u>	<u>(631,795)</u>	<u>(33,652)</u>	<u>(9,530,051)</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Debt	-	-	-	4,000,000
Operating Transfers – In	465,000	-	-	-
Operating Transfers – Out	(44,080)	-	-	-
Sale of Fixed Assets	<u>2,036</u>	<u>304,301</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>422,956</u>	<u>304,301</u>	<u>-</u>	<u>4,000,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	182,387	(327,494)	(33,652)	(5,530,051)
Fund Balance (Deficit) at Beginning of Year	<u>(1,750,592)</u>	<u>586,757</u>	<u>84,782</u>	<u>5,826,475</u>
Fund Balance (Deficit) at End of Year	\$ <u>(1,568,205)</u>	\$ <u>259,263</u>	\$ <u>51,130</u>	\$ <u>296,424</u>

<u>Zagara TIF</u>	<u>Totals</u>	
	<u>2001</u>	<u>2000</u>
\$ -	\$ 1,340,959	\$ 883,074
480,738	480,738	-
-	226,964	965,354
-	99,167	34,820
<u>480,738</u>	<u>2,147,828</u>	<u>1,883,248</u>
-	9,421,509	9,501,627
2,337,219	2,983,820	748,925
-	106,844	349,333
-	239,152	256,434
-	161,436	130,952
-	1,443,736	2,269,030
<u>138,519</u>	<u>222,398</u>	<u>138,906</u>
<u>2,475,738</u>	<u>14,578,895</u>	<u>13,395,207</u>
<u>(1,995,000)</u>	<u>(12,431,067)</u>	<u>(11,511,959)</u>
1,995,000	5,995,000	-
-	465,000	959,832
-	(44,080)	-
-	306,337	-
<u>1,995,000</u>	<u>6,722,257</u>	<u>959,832</u>
-	(5,708,810)	(10,552,127)
-	4,747,422	15,299,549
\$ <u>-</u>	\$ <u>(961,388)</u>	\$ <u>4,747,422</u>

CITY OF CLEVELAND HEIGHTS, OHIO

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Capital Improvements		
	Budget	Actual	Variance
<u>Revenues</u>			
Interest Earnings	\$ 42,400	\$ 46,024	\$ 3,624
Other Revenue	57,600	62,536	4,936
Total Revenues	100,000	108,560	8,560
<u>Expenditures</u>			
Current:			
Sanitation	268,051	261,590	6,461
Transportation	214,754	209,578	5,176
General Government	97,457	95,110	2,347
Capital Outlay	1,219,738	1,190,335	29,403
Total Expenditures	1,800,000	1,756,613	43,387
Excess of Revenues Over (Under) Expenditures	(1,700,000)	(1,648,053)	51,947
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	487,000	705,000	218,000
Operating Transfers – In	465,000	465,000	-
Total Other Financing Sources (Uses)	952,000	1,170,000	218,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(748,000)	(478,053)	269,947
Cash Fund Balance at Beginning of Year	1,185,434	1,185,434	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	-	(238,604)	(238,604)
Cash Fund Balance at End of Year:			
Unreserved	437,434	468,777	31,343
Reserved for Encumbrances	-	362,513	362,513
Total Cash Fund Balance at End of Year	\$ 437,434	\$ 831,290	\$ 393,856

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL CAPITAL PROJECTS FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Economic Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Interest Earnings	\$ 15,851	\$ 11,229	\$ (4,622)
Other Revenue	<u>484,149</u>	<u>342,968</u>	<u>(141,181)</u>
Total Revenues	<u>500,000</u>	<u>354,197</u>	<u>(145,803)</u>
<u>Expenditures</u>			
Current:			
Community Development	659,336	650,147	9,189
General Government	<u>40,664</u>	<u>40,097</u>	<u>567</u>
Total Expenditures	<u>700,000</u>	<u>690,244</u>	<u>9,756</u>
Excess of Revenues Over (Under) Expenditures	(200,000)	(336,047)	(136,047)
Cash Fund Balance at Beginning of Year	<u>589,768</u>	<u>589,768</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>389,768</u>	\$ <u>253,721</u>	\$ <u>(136,047)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>City Hall Maintenance and Repair</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Expenditures</u>			
Current:			
General Government	\$ <u>50,000</u>	\$ <u>41,132</u>	\$ <u>8,868</u>
Excess of Revenues Over (Under) Expenditures	(50,000)	(41,132)	8,868
Cash Fund Balance at Beginning of Year	<u>84,782</u>	<u>84,782</u>	<u>-</u>
Cash Fund Balance at End of Year:			
Unreserved	34,782	43,650	8,868
Reserved for Encumbrances	<u>-</u>	<u>19,021</u>	<u>19,021</u>
Total Cash Fund Balance at End of Year	\$ <u>34,782</u>	\$ <u>62,671</u>	\$ <u>27,889</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL CAPITAL PROJECTS FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Recreation Improvements</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Interest Earnings	\$ <u>184,772</u>	\$ <u>216,410</u>	\$ <u>31,638</u>
<u>Expenditures</u>			
Current:			
Culture and Recreation	<u>933,360</u>	<u>901,700</u>	<u>31,660</u>
Excess of Revenues Over (Under) Expenditures	<u>(748,588)</u>	<u>(685,290)</u>	<u>63,298</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	3,415,228	4,000,000	584,772
Other Financing Uses	<u>(2,366,640)</u>	<u>(2,286,362)</u>	<u>80,278</u>
Total Other Financing Sources (Uses)	<u>1,048,588</u>	<u>1,713,638</u>	<u>665,050</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	300,000	1,028,348	728,348
Cash Fund Balance at Beginning of Year	9,816,948	9,816,948	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(8,998,227)</u>	<u>(8,998,227)</u>
Cash Fund Balance at End of Year:			
Unreserved	10,116,948	1,847,069	(8,269,879)
Reserved for Encumbrances	<u>-</u>	<u>134,254</u>	<u>134,254</u>
Total Cash Fund Balance at End of Year	\$ <u>10,116,948</u>	\$ <u>1,981,323</u>	\$ <u>(8,135,625)</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Zagara TIF Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ <u>-</u>	\$ <u>480,738</u>	\$ <u>480,738</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>2,337,220</u>	<u>2,337,219</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	(2,337,220)	(1,856,481)	480,739
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	<u>-</u>	<u>1,856,481</u>	<u>1,856,481</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,337,220)	-	2,337,220
Cash Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Fund Balance at End of Year	\$ <u>(2,337,220)</u>	\$ <u>-</u>	\$ <u>2,337,220</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGET) – ALL CAPITAL PROJECTS FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Totals		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ -	\$ 480,738	\$ 480,738
Interest Earnings	243,023	273,663	30,640
Other Revenue	<u>541,748</u>	<u>405,504</u>	<u>(136,244)</u>
Total Revenues	<u>784,771</u>	<u>1,159,905</u>	<u>375,134</u>
<u>Expenditures</u>			
Current:			
Culture and Recreation	933,360	901,700	31,660
Community Development	2,996,556	2,987,366	9,190
Sanitation	268,051	261,590	6,461
Transportation	214,754	209,578	5,176
General Government	188,121	176,339	11,782
Capital Outlay	<u>1,219,738</u>	<u>1,190,335</u>	<u>29,403</u>
Total Expenditures	<u>5,820,580</u>	<u>5,726,908</u>	<u>93,672</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,035,809)</u>	<u>(4,567,003)</u>	<u>468,806</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	3,902,228	6,561,481	2,659,253
Operating Transfers – In	465,000	465,000	-
Other Financing Uses	<u>(2,366,640)</u>	<u>(2,286,362)</u>	<u>80,278</u>
Total Other Financing Sources (Uses)	<u>2,000,588</u>	<u>4,740,119</u>	<u>2,739,531</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,035,221)	173,116	3,208,337
Cash Fund Balance at Beginning of Year	11,676,932	11,676,932	-
Current Year Charges Against Prior Years			
Cash Fund Balance:			
Reserved for Encumbrances	<u>-</u>	<u>(9,236,831)</u>	<u>(9,236,831)</u>
Cash Fund Balance at End of Year:			
Unreserved	8,641,711	2,613,217	(6,028,494)
Reserved for Encumbrances	<u>-</u>	<u>515,788</u>	<u>515,788</u>
Total Cash Fund Balances at End of Year	\$ <u>8,641,711</u>	\$ <u>3,129,005</u>	\$ <u>(5,512,706)</u>

CITY OF CLEVELAND HEIGHTS, OHIO

ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001

ENTERPRISE FUNDS

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

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

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

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING BALANCE SHEET – ENTERPRISE FUNDS

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Utilities</u>	<u>Off-Street Parking</u>	<u>Ambulance Services</u>	<u>Totals</u>	
	2001	2000		2001	2000
<u>Assets</u>					
Current Assets:					
Equity in City Treasury					
Cash	\$ 3,450,610	\$ 877,909	\$ 770,488	\$ 5,099,007	\$ 4,313,181
Receivables (Net of Allowance for Uncollectibles):					
Accounts	2,884,626	-	153,370	3,037,996	2,829,530
Accrued Interest	43,111	9,960	-	53,071	37,334
Due from Other Governments	-	-	42,913	42,913	40,698
Due from Other Funds	-	-	-	-	38,293
Inventory of Supplies	<u>160,317</u>	<u>80,116</u>	<u>-</u>	<u>240,433</u>	<u>189,604</u>
Total Current Assets	<u>6,538,664</u>	<u>967,985</u>	<u>966,771</u>	<u>8,473,420</u>	<u>7,448,640</u>
Restricted Assets:					
Deposits	<u>926,558</u>	<u>-</u>	<u>-</u>	<u>926,558</u>	<u>971,311</u>
Property, Plant, and Equipment:					
Land	-	1,699,694	14,800	1,714,494	1,393,655
Buildings	-	4,304,350	481,878	4,786,228	4,651,832
Improvements/ Infrastructure	12,221,768	2,038,142	55,246	14,315,156	13,783,387
Machinery and Equipment	<u>4,124,761</u>	<u>61,810</u>	<u>1,645,489</u>	<u>5,832,060</u>	<u>5,794,475</u>
	16,346,529	8,103,996	2,197,413	26,647,938	25,623,349
Less: Accumulated Depreciation					
Depreciation	<u>(3,090,906)</u>	<u>(2,175,672)</u>	<u>(861,679)</u>	<u>(6,128,257)</u>	<u>(5,429,788)</u>
Net Property, Plant, and Equipment					
Net Property, Plant, and Equipment	<u>13,255,623</u>	<u>5,928,324</u>	<u>1,335,734</u>	<u>20,519,681</u>	<u>20,193,561</u>
Total Assets	\$ <u>20,720,845</u>	\$ <u>6,896,309</u>	\$ <u>2,302,505</u>	\$ <u>29,919,659</u>	\$ <u>28,613,512</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING BALANCE SHEET – ENTERPRISE FUNDS (CONTINUED)

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Utilities</u>	<u>Off-Street Parking</u>	<u>Ambulance Services</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
Liabilities and Equity					
Liabilities:					
Current Liabilities (Payable from Current Assets):					
Vouchers and Accounts Payable	\$ 636,469	\$ 127,858	\$ -	\$ 764,327	\$ 69,375
Accrued Wages and Benefits	254,171	21,807	60	276,038	237,509
Contracts Payable – Retainage Percentage	-	-	-	-	22,582
Total Current Liabilities	<u>890,640</u>	<u>149,665</u>	<u>60</u>	<u>1,040,365</u>	<u>329,466</u>
Current Liabilities (Payable from Restricted Assets):					
Restricted Deposits	1,020,000	-	27	1,020,027	1,020,027
Long-Term Liabilities:					
Issue II Loans Payable	<u>1,132,937</u>	<u>-</u>	<u>-</u>	<u>1,132,937</u>	<u>1,055,721</u>
Total Liabilities	<u>3,043,577</u>	<u>149,665</u>	<u>87</u>	<u>3,193,329</u>	<u>2,405,214</u>
Equity:					
Contributed Capital:					
Contributed from Special Assessments	-	32,963	-	32,963	32,963
Contributed from Governments	2,258,552	51,940	14,076	2,324,568	2,376,110
Contributed from Other Funds	24,931	3,425,859	-	3,450,790	3,509,430
Capital Grants (Net of Accumulated Amortization)	-	41,462	-	41,462	42,586
Retained Earnings:					
Unreserved	<u>15,393,785</u>	<u>3,194,420</u>	<u>2,288,342</u>	<u>20,876,547</u>	<u>20,247,209</u>
Total Equity	<u>17,677,268</u>	<u>6,746,644</u>	<u>2,302,418</u>	<u>26,726,330</u>	<u>26,208,298</u>
Total Liabilities and Equity	\$ <u>20,720,845</u>	\$ <u>6,896,309</u>	\$ <u>2,302,505</u>	\$ <u>29,919,659</u>	\$ <u>28,613,512</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS – ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Utilities</u>	<u>Off-Street Parking</u>	<u>Ambulance Services</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
<u>Operating Revenues</u>					
Charges for Services	\$ 10,022,569	\$ 624,725	\$ 605,498	\$ 11,252,792	\$ 10,984,216
Other Income	<u>725</u>	<u>51,060</u>	<u>149,421</u>	<u>201,206</u>	<u>98,404</u>
Total Operating Revenues	<u>10,023,294</u>	<u>675,785</u>	<u>754,919</u>	<u>11,453,998</u>	<u>11,082,620</u>
<u>Operating Expenses</u>					
Personal Services	1,032,435	82,333	35,418	1,150,186	1,149,053
Fringe Benefits	308,501	17,937	474	326,912	294,143
Contractual Services	7,706,745	14,172	182,953	7,903,870	7,180,606
Materials and Supplies	189,230	10,066	22,697	221,993	191,373
Utilities	-	87,140	-	87,140	80,370
Other Operating	51,619	385,749	47,241	484,609	405,243
Depreciation	<u>533,390</u>	<u>181,151</u>	<u>92,784</u>	<u>807,325</u>	<u>815,853</u>
Total Operating Expenses	<u>9,821,920</u>	<u>778,548</u>	<u>381,567</u>	<u>10,982,035</u>	<u>10,116,641</u>
Operating Income (Loss)	201,374	(102,763)	373,352	471,963	965,979
<u>Non-Operating Revenues (Expenses)</u>					
Interest Income	244,207	60,860	-	305,067	230,499
Intergovernmental Grants	-	-	2,215	2,215	-
Loss on Sale of Assets	<u>(9,743)</u>	<u>(2,488)</u>	<u>(25,332)</u>	<u>(37,563)</u>	<u>(140,351)</u>
Total Non-Operating Revenues (Expenses)	<u>234,464</u>	<u>58,372</u>	<u>(23,117)</u>	<u>269,719</u>	<u>90,148</u>
Net Income (Loss) Before Operating Transfers	435,838	(44,391)	350,235	741,682	1,056,127
Operating Transfers – Out	<u>(241,500)</u>	<u>-</u>	<u>(8,030)</u>	<u>(249,530)</u>	<u>(6,000)</u>
Net Income (Loss)	194,338	(44,391)	342,205	492,152	1,050,127
Add Depreciation on Fixed Assets Acquired by Contribution	<u>52,491</u>	<u>84,695</u>	<u>-</u>	<u>137,186</u>	<u>159,024</u>
Increase in Retained Earnings	246,829	40,304	342,205	629,338	1,209,151
Retained Earnings at Beginning of Year	<u>15,146,956</u>	<u>3,154,116</u>	<u>1,946,137</u>	<u>20,247,209</u>	<u>19,038,058</u>
Retained Earnings at End of Year	\$ <u>15,393,785</u>	\$ <u>3,194,420</u>	\$ <u>2,288,342</u>	\$ <u>20,876,547</u>	\$ <u>20,247,209</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMPARATIVE COMBINING STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

	<u>Utilities</u>	<u>Off-Street Parking</u>	<u>Ambulance Services</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
Operating Activities:					
Cash Received from					
Customers	\$ 9,777,028	\$ 624,725	\$ 642,572	\$ 11,044,325	\$ 10,715,967
Cash Payments to Suppliers	(7,377,742)	(424,464)	(273,865)	(8,076,071)	(8,180,927)
Cash Payments to Employees	(1,303,114)	(99,604)	(35,851)	(1,438,569)	(1,458,050)
Other Operating Receipts	<u>725</u>	<u>51,060</u>	<u>149,421</u>	<u>201,206</u>	<u>57,706</u>
Net Cash Provided by Operating Activities	<u>1,096,897</u>	<u>151,717</u>	<u>482,277</u>	<u>1,730,891</u>	<u>1,134,696</u>
Noncapital Financing Activities:					
Operating Transfers – In	38,293	-	-	38,293	-
Operating Transfers – Out	(241,500)	-	(8,030)	(249,530)	(6,000)
Total Noncapital Financing Activities	<u>(203,207)</u>	<u>-</u>	<u>(8,030)</u>	<u>(211,237)</u>	<u>(6,000)</u>
Capital and Related Financing Activities:					
Issue II Loan Proceeds	132,780	-	-	132,780	15,441
Acquisition and Construction of Capital Assets	(634,980)	(354,787)	(205,362)	(1,195,129)	(1,023,837)
Principal Paid on Loan	(55,564)	-	-	(55,564)	(55,564)
Sale of Fixed Assets	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net Cash Used for Capital and Related Financing Activities	<u>(557,764)</u>	<u>(304,787)</u>	<u>(205,362)</u>	<u>(1,067,913)</u>	<u>(1,063,960)</u>
Investing Activities:					
Interest Earned on Investments	<u>228,924</u>	<u>60,408</u>	<u>-</u>	<u>289,332</u>	<u>235,070</u>
Net Increase (Decrease)					
Cash and Cash Equivalents	564,850	(92,662)	268,885	741,073	299,806
Cash and Cash Equivalents at Beginning of Year	<u>3,812,318</u>	<u>970,571</u>	<u>501,603</u>	<u>5,284,492</u>	<u>4,984,686</u>
Cash and Cash Equivalents at End of Year	\$ <u>4,377,168</u>	\$ <u>877,909</u>	\$ <u>770,488</u>	\$ <u>6,025,565</u>	\$ <u>5,284,492</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMPARATIVE COMBINING STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS (CONTINUED) FOR THE FISCAL YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

	<u>Utilities</u>	<u>Off-Street Parking</u>	<u>Ambulance Services</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
<u>Reconciliation of Operating</u>					
<u>Income to Net Cash From</u>					
<u>Operating Activities</u>					
Operating Income (Loss)	\$ 201,374	\$ (102,763)	\$ 373,352	\$ 471,963	\$ 965,979
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:					
Depreciation	533,390	181,151	92,784	807,325	815,853
Change in Operating Assets and Liabilities:					
Receivables	(245,541)	-	37,074	(208,467)	(268,250)
Inventory	(7,808)	(43,021)	-	(50,829)	14,599
Due from Other Govern- ments	-	-	-	-	17,337
Vouchers and Accounts Payable	600,242	115,684	(20,974)	694,952	(380,857)
Accrued Wages and Benefits Payable	37,822	666	41	38,529	(14,854)
Customer Deposits	(22,582)	-	-	(22,582)	(15,111)
Total Adjustments	<u>895,523</u>	<u>254,480</u>	<u>108,925</u>	<u>1,258,928</u>	<u>168,717</u>
Net Cash Provided by Operating Activities	\$ <u>1,096,897</u>	\$ <u>151,717</u>	\$ <u>482,277</u>	\$ <u>1,730,891</u>	\$ <u>1,134,696</u>

Noncash Investing, Capital and Financing Activities

In 2000, the Utilities Enterprise Fund recorded contributed capital of \$325,000 which consisted of C.D.B.G. funding of \$150,000 for Caledonia Road water lines and \$175,000 for North Coventry Road water lines.

In 2001, the Utilities Enterprise Fund recorded contributed capital of \$25,880 for acquired fixed assets via governmental contributions.



CLEVELAND HEIGHTS

CITY OF CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

TRUST AND AGENCY FUNDS

OFFICE ON AGING DONATION – To account for the Martin bequest and other donations and their related expenditures.

JAMES A. NELSON TRUST – To account for the proceeds and disbursements of a Charitable Remainder Annuity Trust.

ANIMAL ADOPTION TRUST – To account for a donation made to facilitate the adoption of animals by needy individuals.

GENERAL LIABILITY CONTINGENCY – To account for the accumulation of resources to pay for extraordinary losses which may arise as a result of legal action against the City.

YOUTH RECREATION DONATION – To account for donations made to benefit Youth Recreation.

CLEVELAND HEIGHTS MUNICIPAL COURT AGENCY – To account for assets received and disbursed by the Cleveland Heights Municipal Court pursuant to the laws of the State.

CONSTRUCTION DEPOSIT AGENCY – To account for the receipt of refundable construction deposits required for the issuance of certain building permits.

SALES TAX AGENCY – To account for any sales tax collected by the City and due the State Department of Taxation.

MISCELLANEOUS AGENCY – To account for miscellaneous receipts received in an agency capacity by the City.

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

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING BALANCE SHEET – FIDUCIARY FUNDS

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Expendable Trust Funds			
	<u>Office On Aging Donation</u>	<u>James A. Nelson Trust</u>	<u>Animal Adoption</u>	<u>General Liability</u>
<u>Assets</u>				
Equity in City Treasury Cash	\$ 62,875	\$ 30,872	\$ 292	\$ 244,756
Accrued Interest	750	-	-	-
Total Assets	<u>\$ 63,625</u>	<u>\$ 30,872</u>	<u>\$ 292</u>	<u>\$ 244,756</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Restricted /Refundable Deposits	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Revenue	<u>63,625</u>	<u>30,872</u>	<u>292</u>	<u>244,756</u>
Total Liabilities and Fund Balances	<u>\$ 63,625</u>	<u>\$ 30,872</u>	<u>\$ 292</u>	<u>\$ 244,756</u>

Agency Funds							
Youth Recreation Donation	Municipal Court	Construction Deposit	Sales Tax	Miscellane- ous Agency	NEORSD	Total	
						2001	2000
\$ 3,689	\$ 197,197	\$ 142,599	\$ 28	\$ 162,981	\$ 126,052	\$ 971,341	\$ 899,208
-	-	-	-	-	-	750	580
<u>\$ 3,689</u>	<u>\$ 197,197</u>	<u>\$ 142,599</u>	<u>\$ 28</u>	<u>\$ 162,981</u>	<u>\$ 126,052</u>	<u>\$ 972,091</u>	<u>\$ 899,788</u>
\$ -	\$ 103,619	\$ -	\$ -	\$ -	\$ -	\$ 103,619	\$ 102,864
-	-	-	-	-	126,052	126,052	98,373
<u>3,689</u>	<u>93,578</u>	<u>142,599</u>	<u>28</u>	<u>162,981</u>	<u>-</u>	<u>402,875</u>	<u>360,158</u>
<u>3,689</u>	<u>197,197</u>	<u>142,599</u>	<u>28</u>	<u>162,981</u>	<u>126,052</u>	<u>632,546</u>	<u>561,395</u>
-	-	-	-	-	-	339,545	338,393
<u>\$ 3,689</u>	<u>\$ 197,197</u>	<u>\$ 142,599</u>	<u>\$ 28</u>	<u>\$ 162,981</u>	<u>\$ 126,052</u>	<u>\$ 972,091</u>	<u>\$ 899,788</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – EXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Office On Aging Donations	James A. Nelson Trust	Animal Adoption	General Liability	Totals	
					2001	2000
Revenues						
Interest Earnings \$	4,415	\$ 860	\$ -	\$ -	\$ 5,275	\$ 5,111
Other Revenue	<u>6,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,892</u>	<u>5,196</u>
Total Revenues	<u>11,307</u>	<u>860</u>	<u>-</u>	<u>-</u>	<u>12,167</u>	<u>10,307</u>
Expenditures						
Public Health	7,515	-	-	-	7,515	842
General Government	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>16,266</u>
Total Expenditures	<u>7,515</u>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>11,015</u>	<u>17,108</u>
Excess of Revenues Over (Under) Ex- penditures	3,792	(2,640)	-	-	1,152	(6,801)
Fund Balance at Beginning of Year	<u>59,833</u>	<u>33,512</u>	<u>292</u>	<u>244,756</u>	<u>338,393</u>	<u>345,194</u>
Fund Balance at End of Year	\$ <u>63,625</u>	\$ <u>30,872</u>	\$ <u>292</u>	\$ <u>244,756</u>	\$ <u>339,545</u>	\$ <u>338,393</u>

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Balance December 31, <u>2000</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2001</u>
<u>MUNICIPAL COURT</u>				
<u>Assets</u>				
Equity in City Treasury Cash	\$ <u>196,448</u>	\$ <u>2,554,388</u>	\$ <u>2,553,639</u>	\$ <u>197,197</u>
Total Assets	\$ <u>196,448</u>	\$ <u>2,554,388</u>	\$ <u>2,553,639</u>	\$ <u>197,197</u>
<u>Liabilities</u>				
Due to Other Funds	\$ 102,864	\$ 2,253,557	\$ 2,252,802	\$ 103,619
Restricted Deposits	<u>93,584</u>	<u>300,831</u>	<u>300,837</u>	<u>93,578</u>
Total Liabilities	\$ <u>196,448</u>	\$ <u>2,554,388</u>	\$ <u>2,553,639</u>	\$ <u>197,197</u>
<u>CONSTRUCTION DEPOSITS</u>				
<u>Assets</u>				
Equity in City Treasury Cash	\$ <u>148,056</u>	\$ <u>1,530</u>	\$ <u>6,987</u>	\$ <u>142,599</u>
Total Assets	\$ <u>148,056</u>	\$ <u>1,530</u>	\$ <u>6,987</u>	\$ <u>142,599</u>
<u>Liabilities</u>				
Restricted Deposits	\$ <u>148,056</u>	\$ <u>1,530</u>	\$ <u>6,987</u>	\$ <u>142,599</u>
Total Liabilities	\$ <u>148,056</u>	\$ <u>1,530</u>	\$ <u>6,987</u>	\$ <u>142,599</u>
<u>N.E.O.R.S.D. FUND</u>				
<u>Assets</u>				
Equity in City Treasury Cash	\$ <u>98,373</u>	\$ <u>5,264,248</u>	\$ <u>5,236,569</u>	\$ <u>126,052</u>
Total Assets	\$ <u>98,373</u>	\$ <u>5,264,248</u>	\$ <u>5,236,569</u>	\$ <u>126,052</u>
<u>Liabilities</u>				
Due to Other Governments	\$ <u>98,373</u>	\$ <u>5,264,248</u>	\$ <u>5,236,569</u>	\$ <u>126,052</u>
Total Liabilities	\$ <u>98,373</u>	\$ <u>5,264,248</u>	\$ <u>5,236,569</u>	\$ <u>126,052</u>
<u>OTHER AGENCY FUNDS</u>				
<u>Assets</u>				
Equity in City Treasury Cash	\$ <u>118,518</u>	\$ <u>168,505</u>	\$ <u>120,325</u>	\$ <u>166,698</u>
Total Assets	\$ <u>118,518</u>	\$ <u>168,505</u>	\$ <u>120,325</u>	\$ <u>166,698</u>
<u>Liabilities</u>				
Restricted Deposits	\$ <u>118,518</u>	\$ <u>168,505</u>	\$ <u>120,325</u>	\$ <u>166,698</u>
Total Liabilities	\$ <u>118,518</u>	\$ <u>168,505</u>	\$ <u>120,325</u>	\$ <u>166,698</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Balance December 31, <u>2000</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2001</u>
<u>TOTALS – ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Equity in City Treasury Cash	\$ <u>561,395</u>	\$ <u>7,988,671</u>	\$ <u>7,917,520</u>	\$ <u>632,546</u>
Total Assets	\$ <u>561,395</u>	\$ <u>7,988,671</u>	\$ <u>7,917,520</u>	\$ <u>632,546</u>
<u>Liabilities</u>				
Due to Other Funds	\$ 102,864	\$ 2,253,557	\$ 2,252,802	\$ 103,619
Due to Other Governments	98,373	5,264,248	5,236,569	126,052
Restricted Deposits	<u>360,158</u>	<u>470,866</u>	<u>428,149</u>	<u>402,875</u>
Total Liabilities	\$ <u>561,395</u>	\$ <u>7,988,671</u>	\$ <u>7,917,520</u>	\$ <u>632,546</u>

CITY OF CLEVELAND HEIGHTS, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for all general fixed assets of the City, except those accounted for in the Proprietary Funds.

CITY OF CLEVELAND HEIGHTS, OHIO

COMPARATIVE SCHEDULE OF FIXED ASSETS – BY SOURCE

DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>General Fixed Assets</u>		
Land	\$ 4,401,020	\$ 3,644,138
Buildings	20,070,118	19,840,448
Improvements other than Buildings	9,134,041	9,290,543
Equipment	13,309,137	11,953,456
Construction in Progress	<u>20,724,938</u>	<u>10,171,835</u>
Total General Fixed Assets	67,639,254	54,900,420
Less Accumulated Depreciation	<u>19,481,328</u>	<u>18,146,765</u>
Net General Fixed Assets	\$ <u>48,157,926</u>	\$ <u>36,753,655</u>
 <u>Investment In General Fixed Assets By Source</u>		
General Fund Revenues	\$ 11,926,730	\$ 11,239,927
Special Revenue Funds Revenue	2,372,540	1,808,830
Bond Retirement Funds Revenue	39,000	39,000
Capital Projects Funds Revenue	52,770,824	41,412,595
Trust and Agency Funds Revenue	97,243	173,453
Donated from Proprietary Fund	<u>432,917</u>	<u>226,615</u>
Total Investment in General Fixed Assets	67,639,254	54,900,420
Less Accumulated Depreciation	<u>19,481,328</u>	<u>18,146,765</u>
Net Investment in General Fixed Assets	\$ <u>48,157,926</u>	\$ <u>36,753,655</u>

CITY OF CLEVELAND HEIGHTS, OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

DECEMBER 31, 2001

Function And Activity	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>
Public Safety					
Traffic Sign & Signals	\$ 196,583	\$ -	\$ -	\$ 19,655	\$ 176,928
Police Administration	3,239,218	13,886	15,605	24,969	3,184,758
Drug Law Enforcement	222,074	-	-	5,220	216,854
Police Academy	553,823	128,925	355,904	60,739	8,255
Fire Administration	2,833,153	164,890	2,200,280	86,720	381,263
Joint Dispatch	291,377	-	193,473	-	97,904
Heights Area Search & Rescue	<u>212,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,262</u>
Total Public Safety	<u>7,548,490</u>	<u>307,701</u>	<u>2,765,262</u>	<u>197,303</u>	<u>4,278,224</u>
Public Health					
Office on Aging	<u>91,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,599</u>
Culture & Recreation					
Parks & Recreation	667,115	389,280	-	207,235	70,600
Playgrounds	197,140	6,295	-	12,489	178,356
Swimming Pools	918,341	-	420,799	299,040	198,502
Cain Park	669,059	105,930	485,014	65,405	12,710
Soccer Facility	1,396,642	-	-	1,396,642	-
Community Center	51,364	-	-	-	51,364
Superior Road Schoolhouse	592,294	-	592,294	-	-
Veterans Memorial	275,672	-	275,672	-	-
Recreation Pavilion	799,462	-	761,267	31,050	7,145
Forest Hill Park	<u>177,243</u>	<u>-</u>	<u>177,243</u>	<u>-</u>	<u>-</u>
Total Culture & Recreation	<u>5,744,332</u>	<u>501,505</u>	<u>2,712,289</u>	<u>2,011,861</u>	<u>518,677</u>
Community Development					
Planning & Development	754,878	592,230	130,085	12,080	20,483
Housing Preservation	50,200	50,200	-	-	-
Inspectional Services	6,705	-	6,705	-	-
Building Services	10,548	-	-	-	10,548
Forestry	501,546	-	-	-	501,546
Cable TV Admin	430,554	-	-	-	430,554
Rec Impro	12,000	-	-	-	12,000
Commercial Area Impr	194,164	52,676	-	141,488	-
Other Parks Renov	<u>10,027,566</u>	<u>59,859</u>	<u>4,038,474</u>	<u>5,833,119</u>	<u>96,114</u>
Total Comm. Devel.	<u>11,988,161</u>	<u>754,965</u>	<u>4,175,264</u>	<u>5,986,687</u>	<u>1,071,245</u>
Sanitation					
Refuse Collection	1,568,670	-	-	-	1,568,670
Recycling	226,643	-	-	-	226,643
Transfer Station	1,364,543	-	666,548	87,242	610,753
Sewer Maintenance	<u>95,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,983</u>
Total Sanitation	<u>3,255,839</u>	<u>-</u>	<u>666,548</u>	<u>87,242</u>	<u>2,502,049</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY (CONTINUED)

DECEMBER 31, 2001

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>
Transportation					
Vehicle Maintenance	1,807,437	-	1,360,332	195,092	252,013
Street Maintenance	<u>2,077,030</u>	<u>-</u>	<u>44,460</u>	<u>-</u>	<u>2,032,570</u>
Total Transportation	<u>3,884,467</u>	<u>-</u>	<u>1,404,792</u>	<u>195,092</u>	<u>2,284,583</u>
General Government					
City Manager's Office	41,961	-	-	-	41,961
MIS	509,527	-	-	-	509,527
Finance	180,812	-	20,079	150,185	10,548
Central Services	131,293	-	-	-	131,293
Service Admin	232,734	-	170,600	-	62,134
Comm. Services	10,548	-	-	-	10,548
Public Prop	5,491,704	1,791,839	1,984,342	365,707	1,349,816
Park Maint	342,866	-	7,596	89,954	245,316
Muni Court	132,758	-	-	-	132,758
Noble Nela Acquisition	58,204	30,400	27,804	-	-
General Operations	478,360	364,610	88,141	-	25,609
City Hall Construction	<u>6,790,661</u>	<u>650,000</u>	<u>6,047,401</u>	<u>50,010</u>	<u>43,250</u>
Total General Govt	<u>14,401,428</u>	<u>2,836,849</u>	<u>8,345,963</u>	<u>655,856</u>	<u>2,562,760</u>
Construction-In-Progress	<u>20,724,938</u>	<u>375,068</u>	<u>20,349,870</u>	<u>-</u>	<u>-</u>
Total General Fixed Asset	\$ <u>67,639,254</u>	\$ <u>4,776,088</u>	\$ <u>40,419,988</u>	\$ <u>9,134,041</u>	\$ <u>13,309,137</u>

CITY OF CLEVELAND HEIGHTS, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

Function and Activity	General Fixed Assets December 31, <u>2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	General Fixed Assets December 31, <u>2001</u>
Public Safety					
Traffic Sign & Signals	\$ 209,144	\$ -	\$ 12,561	\$ -	\$ 196,583
Police Administration	2,631,342	587,937	12,963	32,902	3,239,218
Drug Law Enforcement	222,074	-	-	-	222,074
Police Academy	542,498	11,325	-	-	553,823
Fire Administration	2,839,115	-	-	(5,962)	2,833,153
Joint Dispatch	291,377	-	-	-	291,377
Heights Area Search & Rescue	-	206,300	-	5,962	212,262
Animal Control	19,329	-	-	(19,329)	-
Total Public Safety	<u>6,754,879</u>	<u>805,562</u>	<u>25,524</u>	<u>13,573</u>	<u>7,548,490</u>
Public Health					
Office on Aging	<u>58,344</u>	<u>61,224</u>	<u>-</u>	<u>(27,969)</u>	<u>91,599</u>
Culture & Recreation					
Parks & Recreation	631,462	7,684	-	27,969	667,115
Playgrounds	93,452	103,688	-	-	197,140
Swimming Pools	592,127	326,214	-	-	918,341
Cain Park	823,969	-	154,910	-	669,059
Soccer Field	1,396,642	-	-	-	1,396,642
Community Center	-	51,364	-	-	51,364
Superior Road Schoolhouse	592,294	-	-	-	592,294
Veterans Memorial	-	275,672	-	-	275,672
Recreation Pavilion	799,462	-	-	-	799,462
Forest Hill Park	-	177,243	-	-	177,243
Total Culture & Recreation	<u>4,929,408</u>	<u>941,865</u>	<u>154,910</u>	<u>27,969</u>	<u>5,744,332</u>
Community Development					
Planning & Development	356,178	400,200	1,500	-	754,878
Housing Preservation	50,200	-	-	-	50,200
Inspectional Services	-	6,705	-	-	6,705
Building Services	10,548	-	-	-	10,548
Forestry	441,957	107,078	5,226	(42,263)	501,546
Cable TV Admin	430,554	-	-	-	430,554
Public Rel. Admin	12,413	-	12,413	-	-
Rec Impro	12,000	-	-	-	12,000
Forest Hill Park Imp.	42,000	-	42,000	-	-
Commercial Area Impr	194,164	-	-	-	194,164
Other Parks Renov	10,027,566	-	-	-	10,027,566
Total Comm. Development	<u>11,577,580</u>	<u>513,983</u>	<u>61,139</u>	<u>(42,263)</u>	<u>11,988,161</u>
Sanitation					
Refuse Collection	1,736,144	-	232,226	64,752	1,568,670
Recycling	226,643	-	-	-	226,643
Transfer Station	1,369,588	169,951	174,996	-	1,364,543
Sewer Maintenance	62,517	-	-	33,466	95,983
Total Sanitation	<u>3,394,892</u>	<u>169,951</u>	<u>407,222</u>	<u>98,218</u>	<u>3,255,839</u>

Continued

CITY OF CLEVELAND HEIGHTS, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY (CONTINUED) FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	General Fixed Assets December 31, <u>2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	General Fixed Assets December 31, <u>2001</u>
Transportation					
Vehicle Maintenance	1,768,744	38,693	-	-	1,807,437
Street Maintenance	<u>1,972,671</u>	<u>222,648</u>	<u>10,225</u>	<u>(108,064)</u>	<u>2,077,030</u>
Total Transportation	<u>3,741,415</u>	<u>261,341</u>	<u>10,225</u>	<u>(108,064)</u>	<u>3,884,467</u>
General Government					
City Manager's Office	66,082	-	10,548	(13,573)	41,961
MIS	451,936	57,591	-	-	509,527
Finance	180,812	-	-	-	180,812
Central Services	131,293	-	-	-	131,293
Service Admin	212,592	20,142	-	-	232,734
Comm. Services	10,548	-	-	-	10,548
Public Property	5,475,374	971,160	1,006,939	52,109	5,491,704
Park Maint	342,866	-	-	-	342,866
Muni Court	112,706	20,052	-	-	132,758
Noble Nela Acquisition	30,400	27,804	-	-	58,204
General Operations	478,360	-	-	-	478,360
City Hall Construction	<u>6,779,098</u>	<u>18,875</u>	<u>7,312</u>	<u>-</u>	<u>6,790,661</u>
Total General Govt	<u>14,272,067</u>	<u>1,115,624</u>	<u>1,024,799</u>	<u>38,536</u>	<u>14,401,428</u>
Construction-In-Progress	<u>10,171,835</u>	<u>11,487,083</u>	<u>933,980</u>	<u>-</u>	<u>20,724,938</u>
Total General Fixed Assets	\$ <u>54,900,420</u>	\$ <u>15,356,633</u>	\$ <u>2,617,799</u>	\$ <u>-</u>	\$ <u>67,639,254</u>

STATISTICAL SECTION

BEAUTIFUL VIEWS, LIVE ORGAN MUSIC AND FUN FOR EVERYONE ARE GUARANTEED AT THE NEW COMMUNITY CENTER OLYMPIC-SIZED ICE RINK, WHICH OPENED IN SEPTEMBER, 2001. THE CENTER'S EXPANDED, TWO-RINK SCHEDULE ENABLES THE CITY TO OFFER ADDITIONAL LEARN-TO-SKATE LESSONS; MORE FAMILY AND PUBLIC SKATING SESSIONS; INSTRUCTIONAL HOCKEY; AND SPECIAL PROGRAMS, LIKE SPEED AND SYNCHRONIZED SKATING, SPECIAL OLYMPICS, AND ICE SHOWS, FEATURING THE PAVILION SKATING CLUB AND LEARN-TO-SKATE PARTICIPANTS.

2001





CLEVELAND HEIGHTS

CITY OF CLEVELAND HEIGHTS, OHIO

STATISTICAL TABLES

DECEMBER 31, 2001

STATISTICAL TABLES

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

CITY OF CLEVELAND HEIGHTS, OHIO

GENERAL FUND REVENUES BY SOURCE

LAST TEN FISCAL YEARS

TABLE 1

<u>Year</u>	<u>Taxes (a)</u>	<u>Inter-Governmental Revenues</u>	<u>Charges for Services</u>	<u>Licenses and Permits</u>	<u>Interest Revenue</u>	<u>Fines and Forfeitures</u>	<u>Other Revenue</u>	<u>Total</u>
1992	21,701,238	539,616	1,278,390	614,437	674,400	1,311,913	508,865	26,628,859
1993	24,517,579	543,094	1,258,786	733,686	451,864	1,351,019	461,016	29,317,044
1994	22,172,749	542,034	1,310,535	748,534	743,491	1,244,594	439,629	27,201,566
1995	23,884,536	603,220	1,367,070	743,416	876,412	1,370,099	480,789	29,325,542
1996	23,996,891	719,248	1,391,770	783,425	1,103,000	2,071,687	399,757	30,465,778
1997	26,098,341	658,498	1,419,925	911,559	1,189,767	1,902,163	395,667	32,575,920
1998	27,630,331	714,016	1,406,238	842,090	1,267,841	2,013,851	528,916	34,403,283
1999	29,429,027	614,922	1,318,896	978,009	1,219,641	1,987,761	597,969	36,146,225
2000	30,678,243	657,585	1,186,295	941,980	1,415,494	2,082,131	680,213	37,641,941
2001	30,757,133	755,909	1,317,992	860,712	1,328,792	1,976,035	616,862	37,613,435

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

SOURCE: City of Cleveland Heights, Finance Department

CITY OF CLEVELAND HEIGHTS, OHIO

GENERAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

TABLE 2

<u>Year</u>	<u>Public Safety</u>	<u>Public Health</u>	<u>Culture and Recreation</u>	<u>Community Development</u>	<u>Sanitation</u>	<u>Transportation</u>	<u>General Government</u>	<u>Total</u>
1992	9,685,985	269,166	1,096,466	1,998,201	2,456,488	2,225,056	6,014,351	23,745,713
1993	8,972,647	293,327	1,115,610	1,995,663	2,408,223	2,181,468	8,868,617	25,835,555
1994	9,306,577	279,000	1,109,892	1,834,469	2,288,295	2,030,139	8,760,536	25,608,908
1995	9,822,017	280,958	1,232,996	1,939,734	2,383,654	2,281,047	8,653,584	26,593,990
1996	10,979,749	310,003	1,339,726	2,075,300	2,474,798	2,243,557	8,173,437	27,596,570
1997	11,260,137	319,063	1,430,290	2,152,006	2,549,230	2,213,505	9,748,274	29,672,505
1998	11,470,408	321,010	1,416,539	2,200,943	2,577,468	2,114,355	9,367,305	29,468,028
1999	11,861,707	359,111	1,432,760	2,361,960	2,756,424	2,457,930	10,752,575	31,982,467
2000	12,692,494	381,495	1,569,774	2,725,883	2,863,542	2,737,375	11,191,191	34,161,754
2001	13,130,206	446,732	1,965,501	2,604,284	2,921,629	2,792,305	11,878,068	35,738,725

SOURCE: City of Cleveland Heights, Finance Department

CITY OF CLEVELAND HEIGHTS, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

TABLE 3

Tax Year/ Collection Year	Real Property		Personal Property Assessed Value	Public Utilities Assessed Value	Total Assessed Value
	Assessed Value	Estimated Actual Value (a)			
1992/1993	517,199,460	1,477,712,743	17,330,625	29,346,390	563,876,475
1993/1994	517,506,450	1,478,589,857	16,553,408	28,317,970	562,377,828
1994/1995	589,889,570	1,685,398,771	17,021,062	29,618,460	636,529,092
1995/1996	587,116,490	1,677,475,686	17,916,634	26,488,890	631,522,014
1996/1997	586,912,820	1,676,893,771	19,364,921	25,795,560	632,073,301
1997/1998	625,688,610	1,787,681,743	20,006,001	24,891,160	670,585,771
1998/2000	625,224,870	1,786,356,771	17,799,923	25,053,540	668,078,333
2000/2001	635,943,320	1,816,980,914	17,814,173	23,144,800	676,902,293
2001/2001	726,866,140	2,076,760,400	29,093,694	27,071,690	783,031,524
2001/2002	729,924,820	2,085,499,486	20,182,093	17,405,910	767,512,823

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

SOURCE: Cuyahoga County Auditor

CITY OF CLEVELAND HEIGHTS, OHIO

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

LAST TEN FISCAL YEARS

TABLE 4

Tax Year/ Collection Year	City of Cleveland Heights				Cleveland Heights School District (a)	Cuyahoga County	Total
	General Fund	Pension Trust Funds	Debt Service Funds	Total			
1992/1993	7.40	.60	6.40	14.40	100.70	16.80	131.90
1993/1994	7.40	.60	5.90	13.90	108.10	16.80	138.80
1994/1995	7.40	.60	5.40	13.40	106.10	16.80	136.30
1995/1996	7.40	.60	5.00	13.00	106.10	16.60	135.70
1996/1997	7.40	.60	5.00	13.00	115.00	16.60	144.60
1997/1998	7.40	.60	6.80	14.80	115.00	16.60	146.40
1998/2000	7.40	.60	6.80	14.80	115.00	15.30	145.10
2000/2001	7.40	.60	6.80	14.80	115.00	15.30	145.10
2001/2001	7.40	.60	6.10	14.10	120.40	22.10	156.60
2001/2002	7.40	.60	6.00	14.00	121.10	22.10	157.20

(a) Includes Metroparks and Library Millage

SOURCE: Cuyahoga County Auditor

CITY OF CLEVELAND HEIGHTS, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS – REAL AND PUBLIC UTILITY

LAST TEN FISCAL YEARS

TABLE 5

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Collection Including Deficiencies</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Accumulated Delinquency</u>
1991/1992	7,920,355	7,737,577	97.7	7,940,334	100.3	375,414
1992/1993	7,866,795	7,690,391	97.8	7,879,078	100.1	396,853
1993/1994	7,559,491	7,337,943	97.1	7,519,818	99.5	406,460
1994/1995	8,270,939	7,998,778	96.7	8,158,566	98.8	454,893
1995/1996	7,973,014	7,771,157	97.5	8,042,842	100.9	441,489
1996/1997	7,962,696	7,634,915	95.9	7,846,977	98.5	526,354
1997/1998	9,616,713	9,178,450	95.4	9,475,890	98.5	678,710
1998/2000	9,635,501	9,172,322	95.1	9,711,046	100.7	716,147
2000/2001	9,743,195	9,252,309	94.9	9,767,024	100.2	699,950
2001/2002	10,625,214	9,943,816	93.6	10,421,735	98.1	934,936

SOURCE: Cuyahoga County Auditor

CITY OF CLEVELAND HEIGHTS, OHIO

SPECIAL ASSESSMENT COLLECTIONS

LAST TEN FISCAL YEARS

TABLE 6

<u>Fiscal Year</u>	<u>Current Assessments Due</u>	<u>Total Collection Including Delinquencies</u>	<u>Total Collections As Percent of Current Assessments</u>	<u>Cumulative Delinquency</u>
1992	1,007,733	1,013,920	100.6	60,863
1993	1,065,656	1,053,001	98.8	59,344
1994	1,053,026	1,034,452	98.2	116,613
1995	1,000,014	1,000,379	100.0	86,409
1996	1,050,219	1,049,510	99.9	72,614
1997	1,050,118	1,028,681	97.9	93,902
1998	1,324,209	1,324,415	100.0	338,061
1999	1,417,172	1,531,880	100.0	380,705
2000	1,444,773	1,678,829	100.0	367,476
2001	1,487,745	1,581,917	100.0	514,989

SOURCE: Cuyahoga County Auditor

CITY OF CLEVELAND HEIGHTS, OHIO

COMPUTATION OF LEGAL DEBT MARGIN

DECEMBER 31, 2001

TABLE 7

Total Assessed Valuation		\$ <u>767,512,823</u>
Overall Debt Limitation – 10-½% of assessed valuation		\$ 80,588,846
Gross Indebtedness	\$ 30,705,000	
Less: Debt outside limitations	<u>-</u>	
Debt within 10-½% limitation	30,705,000	
Less: Bond Retirement Fund Balance	<u>3,136,351</u>	
Net debt within 10-½% limitation		<u>27,568,649</u>
Legal debt margin within 10-½% limitation		\$ <u>53,020,197</u>
Unvoted Debt Limitation – 5-½% of assessed valuation		\$ 42,213,205
Gross indebtedness authorized by Council	\$ 12,310,000	
Less: Debt outside limitations	<u>-</u>	
Debt within 5-½% limitation	12,310,000	
Less: Bond Retirement Fund Balance	<u>1,257,400</u>	
Net debt within 5-½% limitation		<u>11,052,600</u>
Legal debt margin within 5-½% limitation		\$ <u>31,160,605</u>

SOURCE: City of Cleveland Heights, Finance Department

CITY OF CLEVELAND HEIGHTS, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2001

TABLE 8

	<u>Debt Outstanding</u>	<u>Percentage Applicable To City of Cleveland Heights</u>	<u>Amount Applicable To City of Cleveland Heights</u>
City of Cleveland Heights	\$ 30,705,000(a)	100.00%	\$ 30,705,000
Cleveland Heights – University Heights School District	6,580,000(b)	78.70	5,178,460
Cuyahoga County	216,544,636(b)	2.67	5,781,742
Greater Cleveland Regional Transit	<u>123,915,000(b)</u>	2.67	<u>3,308,531</u>
Total Overlapping Debt	<u>347,039,636</u>		<u>14,268,733</u>
Total Debt	\$ <u>377,744,636</u>		\$ <u>44,973,733</u>

(a) Net General Obligation Debt Outstanding

(b) Gross General Obligation Debt Outstanding

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

(b) Cuyahoga County Auditor's Office

CITY OF CLEVELAND HEIGHTS, OHIO

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

LAST TEN FISCAL YEARS

TABLE 9

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service on General Bonded Debt</u>	<u>General Fund Expenditures</u>	<u>Ratio of Tax Supported Debt Service To General Fund Expenditures</u>
1992	1,800,000	1,417,976	3,217,976	23,745,713	13.6
1993	1,895,000	1,364,105	3,259,105	25,835,555	12.6
1994	1,905,000	1,170,544	3,075,544	25,608,908	12.0
1995	1,935,000	1,067,850	3,002,850	26,593,990	11.3
1996	1,975,000	959,897	2,934,897	27,596,570	10.6
1997	1,635,000	847,653	2,482,653	29,672,505	8.4
1998	1,730,000	1,671,949	3,401,949	29,468,028	11.5
1999	2,040,000	1,515,039	3,555,039	31,982,467	11.1
2000	2,115,000	1,422,183	3,537,183	34,161,754	10.4
2001	2,185,000	1,362,126	3,547,126	35,738,725	9.9

SOURCE: City of Cleveland Heights, Finance Department

CITY OF CLEVELAND HEIGHTS, OHIO

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION
AND NET BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

TABLE 10

<u>Year</u>	<u>Population</u>	<u>Assessed Value (b)</u>	<u>Gross General Bonded Debt</u>	<u>Less Balance In Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1992	54,052	563,876,475	22,585,000	3,959,821	18,625,179	3.30	344.58
1993	54,052	562,377,828	20,690,000	4,222,788	16,467,212	2.93	304.65
1994	54,052	636,529,092	18,785,000	3,412,511	15,372,489	2.42	284.40
1995	54,052	631,522,014	16,850,000	3,374,719	13,475,281	2.13	249.30
1996	54,540	632,074,301	14,875,000	3,289,091	11,585,909	1.83	212.43
1997	54,540	670,585,771	28,240,000	3,181,982	25,058,018	3.74	459.44
1998	54,540	668,078,333	26,510,000	3,160,459	23,349,541	3.50	428.12
1999	54,540	676,902,293	26,470,000	3,067,926	23,402,074	3.46	429.08
2000	49,958	783,031,524	24,355,000	3,223,776	21,131,224	2.70	422.98
2001	50,769 ^(a)	767,512,823	26,365,000	3,136,351	23,228,649	3.03	457.54

(a) SOURCE: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census.

(b) SOURCE: Cuyahoga County Auditor

CITY OF CLEVELAND HEIGHTS, OHIO

DEMOGRAPHIC STATISTICS

DECEMBER 31, 2001

TABLE 11

	<u>1980</u>	<u>1990</u>	<u>2000</u>
Population	56,438	54,540	50,769
Per capita income (in 1996 dollars)	\$ 20,118	\$ 22,584	\$ 25,804
Number of dwelling units	21,405	21,862	21,828
Persons per household	2.64	2.52	2.38
Median age	31.00	33.70	35.20
Percentage owner-occupied dwelling units	62.6%	62.6%	62.1%
Median family income	\$ 25,397	\$ 43,541	\$ 58,028
Family income distribution:			
\$0 – \$9,999	1,526	684	712
\$10,000 – \$14,999	1,316	451	252
\$15,000 – \$24,999	4,003	1,663	970
over \$25,000	<u>7,153</u>	<u>10,407</u>	<u>10,370</u>
Total families	<u>13,998</u>	<u>13,205</u>	<u>12,304</u>
Education distribution/grade years completed:			
0-8	7.2%	3.6%	1.9%
9-11	9.4%	8.3%	6.5%
12	25.4%	18.1%	15.6%
13-15	18.4%	24.9%	26.0%
16 or more	39.6%	45.1%	50.0%
High school graduates	83.4%	88.1%	91.6%

SOURCE: Federal 2000 Census, U.S. Department of Commerce, Bureau of the Census.

CITY OF CLEVELAND HEIGHTS, OHIO

EMPLOYMENT DISTRIBUTION BY OCCUPATION

DECEMBER 31, 2001

TABLE 12

	<u>Number Employed</u>	<u>Percentage of Total</u>
<u>Residents' employment distribution by occupation:</u>		
Management, professional, and related occupations	14,225	53.5%
Service occupations	3,180	12.0
Sales and office occupations	6,022	22.6
Farming, fishing, and forestry occupations	11	0.0
Construction, extraction, and maintenance occupations	880	3.3
Productions, transportation, and material moving occupations	<u>2,284</u>	<u>8.6</u>
Total employment	<u>26,602</u>	<u>100.0%</u>
<u>Residents' employment distribution by industry:</u>		
Agricultural, forestry, fishing and hunting, and mining	18	0.1%
Construction	683	2.6
Manufacturing	2,601	9.8
Wholesale trade	706	2.6
Retail trade	2,246	8.4
Transportation and warehousing, and utilities	1,063	4.0
Information	982	3.7
Finance, insurance, real estate, and rental and leasing	2,187	8.2
Professional, scientific, management, administrative, and waste management services	3,167	11.9
Educational, health and social services	8,836	33.2
Arts, entertainment, recreation, accommodation and food services	2,046	7.7
Other services (except public administration)	1,057	4.0
Public administration	<u>1,010</u>	<u>3.8</u>
Total employment	<u>26,602</u>	<u>100.0%</u>

SOURCE: Federal 2000 Census, U.S. Department of Commerce, Bureau of the Census

CITY OF CLEVELAND HEIGHTS, OHIO

PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

TABLE 13

<u>Year Calendar/ Collection</u>	<u>Commercial/ Industrial Construction (a)</u>	<u>Residential Construction (a)</u>	<u>Cuyahoga County Bank Deposits (b) (In Thousands)</u>	<u>Total Assessed Value (a)</u>	
				<u>Commercial</u>	<u>Residential</u>
1992/1993	521,934	470,336	19,379,280	85,628,670	431,570,790
1993/1994	984,140	458,880	21,009,421	86,093,950	431,412,500
1994/1995	772,050	358,330	20,885,453	89,409,600	500,479,970
1995/1996	1,572,754	638,966	22,458,573	88,586,160	498,530,330
1996/1997	411,930	604,850	27,068,211	88,619,930	498,292,890
1997/1998	1,566,920	643,090	53,941,971	92,988,980	532,699,630
1998/2000	900,680	426,820	58,904,596	92,643,810	532,581,060
1999/2000	8,942,790	681,830	57,816,942	103,265,710	532,677,610
2000/2001	4,332,580	475,420	61,942,764	121,304,650	605,561,490
2001/2002	2,240,210	1,003,440	63,893,769	124,836,080	605,388,740

(a) SOURCE: Cuyahoga County Auditor

(b) SOURCE: Federal Reserve Bank of Cleveland (total demand, time, and savings deposits) for Cuyahoga County, Ohio Banks

CITY OF CLEVELAND HEIGHTS, OHIO

PRINCIPAL TAXPAYERS

DECEMBER 31, 2001

TABLE 14

<u>Taxpayer</u>	<u>Assessed Valuation (a)</u>	<u>Percentage of Total Assessed Valuation</u>
SCIT Incorporated	\$ 12,684,760	1.65%
Kaiser Foundation Health Plan of Ohio	7,791,840	1.02%
The Cleveland Electric Illuminating Company	7,234,170	0.94%
Ohio Bell Telephone Company	6,801,430	0.89%
American Retirement Corporation	3,866,590	0.50%
Concord Company	2,290,930	0.30%
Lancashire Towers Associates Limited Partnership	2,173,640	0.28%
Waldorf Partners Limited Partnership	2,143,020	0.28%
S.A.A. Inc.	2,055,940	0.27%
Severance Housing Corporation	<u>2,026,990</u>	<u>0.26%</u>
Total	\$ <u>49,069,310</u>	<u>6.39%</u>
Total Assessed Valuation of City	\$ <u>767,512,823</u>	

(a) Property assessed at 35% of Fair Market Value

SOURCE: Cuyahoga County Auditor

CITY OF CLEVELAND HEIGHTS, OHIO

OTHER STATISTICS

DECEMBER 31, 2001

TABLE 15

Date of incorporation as a village	May 1903
Date of incorporation as a city	February 1921
City Charter adopted	August 1921
Form of government	Council/Manager
Area.....	8.11 square miles
Miles of streets.....	132
Number of street lights.....	4,660
Fire protection:	
Number of stations	2
Number of firemen and officers	78
Police protection:	
Number of stations	1
Number of policemen and officers	104
Sewers:	
Miles of storm sewers.....	150
Miles of sanitary sewers	150
Building:	
2001 Permits issued.....	1,953
2001 Valuation of construction	\$ 28,678,819
Parks and recreation:	
Number of parks	6
Number of pools.....	2
Number of ice rinks	2
Number of tennis courts	18
Number of baseball diamonds	9
Number of multi-purpose fields	3
Number of basketball courts.....	5

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



CLEVELAND HEIGHTS

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City Of Cleveland Heights, Ohio

SINGLE AUDIT REPORTS

DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

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800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

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

We have reviewed the Independent Auditor's Report of the City of Cleveland Heights, Cuyahoga County, prepared by 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 Cleveland 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

June 27, 2002

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CITY OF CLEVELAND 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 Cleveland Heights, Ohio

We have audited the financial statements of the City of Cleveland Heights, as of and for the year ended December 31, 2001, wherein we noted that the City reclassified certain assets to the General and Special Revenue Fund Types. 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 Cleveland Heights, Ohio's 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 01-1 and 01-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cleveland Heights, Ohio's 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.

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

April 12, 2002

This report is intended solely for the information and use of the City Council, Finance Committee, Management, Auditor of State's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cimini & Partners Inc". The signature is written in a cursive, flowing style.

Cleveland, Ohio
April 12, 2002

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Cleveland Heights with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The City of Cleveland Heights, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Cleveland Heights, Ohio's management. Our responsibility is to express an opinion on the City of Cleveland Heights, Ohio's compliance based on our audit.

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

In our opinion, the City of Cleveland Heights complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

Internal Control Over Compliance

The management of the City of Cleveland Heights is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cleveland Heights, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance 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 of noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the City of Cleveland Heights as of and for the year ended December 31, 2001., and have issued our report there dated April 12, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. 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.

This report is intended solely for the information and use of the City Council, Finance Committee, Management, Auditor of State, Ohio's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cleveland, Ohio
April 12, 2002

CITY OF CLEVELAND HEIGHTS, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2001

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:			
Community Development Block Grant Subtotal Direct Program	14.218	N/A	\$ <u>2,629,105</u> 2,629,105
Pass-Through Program From: Cuyahoga County Housing Consortium: HOME Investment Partnership Program	14.239	N/A	<u>193,250</u>
Total U.S. Department of Housing and Urban Development			<u>2,822,355</u>
U.S. Department of Health and Human Services:			
Pass-Through Program From: State Department of Aging and the Western Reserve Area Agency on Aging: Title III-B of the Older Americans Act	93.044	N/A	<u>35,806</u>
Total U.S. Department of Health and Human Services			<u>35,806</u>
Total Expenditures of Federal Awards			\$ <u>2,858,161</u>

The accompanying notes are an integral part of this schedule

CITY OF CLEVELAND HEIGHTS, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Cleveland Heights, Ohio and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the City of Cleveland Heights provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant Entitlement Grants	14.218	\$ 576,752

NOTE 3 - LOANS OUTSTANDING

In 1992 the City received and in 1993 the City expended a \$700,000 loan from HUD under Section 108 of Title I of the Housing and Community Development Act, as amended. The funds were repaid to the City during 1999 and placed into an escrow account until the balloon principal payment is due on August 1, 2002. Interest is being paid annually at a rate of 7.14%. The loan and related activities have not been reflected in this schedule of federal financial assistance. The outstanding loan balance as of December 31, 2001 was \$700,000. Because there were no significant continuing compliance requirements, the loan balance was not included in determining the amount of federal awards expended for 2001 and was not considered a major program.

CITY OF CLEVELAND HEIGHTS, OHIO

SCHEDULE OF FINDINGS OMB CIRCULAR A-133 SECTION .505

DECEMBER 31, 2001

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)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Community Development Block Grant CFDA No. 14.218
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A:>\$300,000 Type B:>All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

0-01 Ohio Rev. Code Section 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded the amended official certificate of estimated resources in the Zagara TIF Capital Projects Fund by \$2,337,220.

CITY OF CLEVELAND HEIGHTS, OHIO

SCHEDULE OF FINDINGS OMB CIRCULAR A-133 SECTION .505

DECEMBER 31, 2001

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

01-2 Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Expenditures plus encumbrances exceeded appropriations in the following funds:

<u>Special Revenue Funds</u>	<u>Excess</u>
• C.D.B.G. Program Income	\$ 6,416
• Communications System Operating	814
• Local T.V. Programming	1,222,663

<u>Debt Service Fund</u>	<u>Excess</u>
• General Obligation Bond Retirement	\$ 2,892,235

3. FINDINGS FOR FEDERAL AWARDS

There were no findings for federal awards to report in 2001.

CITY OF CLEVELAND HEIGHTS, OHIO

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 SECTION .315(b)**

DECEMBER 31, 2001

There were no prior audit findings or questioned costs for federal awards reported in 2000.

**CITY OF CLEVELAND HEIGHTS, OHIO
40 SEVERANCE CIRCLE
CLEVELAND HEIGHTS, OHIO 44118
(216) 291-4444**

**Response To Findings Associated With Audit Conducted
In Accordance With *Government Auditing Standards*
For The Year Ended December 31, 2001**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
01-1	The City will monitor appropriations to ensure that they do not exceed estimated resources.	Not Applicable	Thomas K. Malone, Finance Director
01-2	The City will monitor expenditures and encumbrances to ensure that they do not exceed appropriations.	Not Applicable	Thomas K. Malone, Finance Director



STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF CLEVELAND HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 18, 2002**