

**CITY OF WARRENSVILLE HEIGHTS, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2003**

ISSUED BY THE DEPARTMENT OF FINANCE

RUBIN K. MOULTRIE, CPA,

FINANCE DIRECTOR





**Auditor of State  
Betty Montgomery**

Members of City Council and Mayor  
City of Warrensville Heights  
Warrensville Heights, Ohio

We have reviewed the Independent Auditor's Report of the City of Warrensville Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

October 5, 2004

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*For the Year Ended December 31, 2003*  
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**Marcia L. Fudge**  
Mayor

# City of Warrensville Heights

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

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

July 15, 2004

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

We are pleased to present the Comprehensive Annual Financial Report of the City of Warrensville Heights for the year ended December 31, 2003. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The introductory section includes a table of contents, this transmittal letter, the City's organizational chart, and a list of elected and appointed City officials.
2. The financial section begins with the Independent Accountants' Report, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

## Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Warrensville Heights (the primary government) and its potential component units.

The Warrensville Heights City School District and the Warrensville Heights Regional Branch of the Cuyahoga County Public Library have not been included in the accompanying financial statements because none have boards appointed by the City and none are fiscally dependent on the City.



## **The City and Form of Government**

The City of Warrensville Heights, Ohio, is located in the southeast portion of Cuyahoga County, 8 miles from downtown Cleveland. The City was incorporated as a village in 1927, and became a city in 1958. The City has 15,109 residents, according to the most recent data from the United States Census Bureau.

The City is in the Cleveland Primary Metropolitan Statistical Area, comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. The City is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area which is the 11th most populous of 20 in the country.

The City is served by diversified transportation facilities, including two State and U.S. highways and interstate highways I-271 and I-480. It is adjacent to areas served by Conrail and Amtrak, and is served by passenger air services at Cleveland Hopkins International Airport and Burke Lakefront Airport located in nearby Cleveland, and Cuyahoga County Airport located in nearby Richmond Heights. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority. Banking and financial services are provided to the City area by local offices of commercial banks and loan associations, all of which have their principal offices elsewhere.

One daily, one weekly and one monthly newspaper serve the City. The City is within the broadcast area of multiple television and radio stations. Multi-channel cable TV service, including educational, governmental and public access channels, is provided by Adelphia Inc.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Baldwin-Wallace College, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Notre Dame College, Meyers College, The University of Akron, Ursuline College, Cleveland Institute of Art and the Cleveland Institute of Music. Nearby hospitals serving the City include the Cleveland Clinic, Marymount Hospital, Meridia South Pointe and University Hospital.

The City operates under and is governed by its Charter which voters first adopted in 1958 and which has been amended from time to time. The last amendment was made in 2002, effective 2003. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter also establishes certain administrative departments. The Charter provides for a mayor-council form of government.

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

The City's chief executive and administrative officer is the Mayor who is elected by the voters specifically to that office for a four-year term. The Mayor presides at all meetings of Council.

The Mayor appoints all of the directors of the City departments, including the Chief of Staff, Directors of Finance, Service, Economic Development, Community Liaison, Personnel, Civic and Senior Center, the City Engineer and the Building Commissioner. The Mayor also appoints the Chiefs of Police and Fire and Police and Fire personnel after competitive civil service examinations. The Mayor also appoints members to a

number of boards and commissions, and in accordance with civil service requirements, may remove all appointed officials and employees, except Council officers and employees. The Mayor may veto any legislation passed by Council, but Council may override a veto by a two-third vote of all members of the Council.

The Mayor also serves as the City's Safety Director.

The City provides basic services to its residents including police and fire protection, planning, zoning, street maintenance and repair, refuse collection, and general administrative services. The City of Cleveland provides water and sewer services to the City's residents.

### **Economic Condition and Outlook**

The City is primarily a residential community of beautifully maintained neighborhoods and a thriving and engaging business community. One of the most technologically advanced hospitals in Northeast Ohio; South Pointe, which is an affiliate of the renowned Cleveland Clinic, provides quality health care to Warrensville Heights residents as well as to our neighboring communities. The following industries are vital to the City's financial condition and contribute to the stable economic condition of the City: Sherwin-Williams Automotive Finishes Corporation's Research and Development facility and training center; Heinen's Incorporated, a retail food chain, headquarters and warehouse facility; Henkel Loctite Corporation manufactures and markets a broad range of high-performance adhesives, sealants and coatings; Marcus Thomas, a leading advertising firm, has its headquarters in our friendly City.

The City has a number of fully developed residential neighborhoods and is anticipating the addition of several new residential developments beginning in spring 2004. The homeowners carefully maintain their property, which increases property value and enhances the appearance of the City's neighborhoods. To encourage individual upkeep, the City continues to administer Cuyahoga County's exterior maintenance federally funded program. This program assists homeowners who may not be able to afford the cost of keeping their homes at minimum standards governing the maintenance of dwelling structures. This program allows the City to work to create neighborhoods that are enjoyable to inhabit. The Building department selects areas in the City to inspect with a goal to inspect the entire City every three years. During the past year, 173 permits were issued and residents have improved their homes by alterations and additions valued at \$604,452. In addition, 30 commercial permits for additions or improvements totaling \$2,424,452 were issued. Equal emphasis is also given to enforcement of the maintenance standards on the population of rental housing in the City.

The year 2003 brought the groundbreaking for the Newport Square Apartment project, a 72 unit cluster style gated community for senior citizens. The City is committed to creating affordable housing for seniors. Occupancy will commence early fall 2004.

During 2003, the City of Warrensville Heights created its first Planned Unit Development (PUD). This PUD is a mix use area that consists of an office park and a residential cluster home development. Stone's Throw development will offer 38 cluster homes when completed and will be marketed to individuals looking for a community with maintenance free living such as professionals and empty nesters. Groundbreaking will commence summer 2004. The office park development portion of the PUD will commence spring 2005. The City will issue notes in anticipation of the levy and collection of special assessments, to pay the cost of constructing the infrastructure.

The Chateaux of Emery Woods, an upscale development of 50 single and 20 cluster homes, will commence summer 2004. This development sits on 30 wooded acres of land that borders the City of Orange. The subdivision is designed by the renowned Cleveland architectural firm, City Architecture. It is modeled in a French European motif. The development will have amenities such as a community clubhouse that can be used by the members of The Chateaux of Emery Woods Home Owners Association. The City will issue notes in anticipation of the levy and collection of special assessments, to pay the cost of constructing the infrastructure.

To continue to meet the growing healthcare needs of the community, South Pointe Hospital completed construction of a 100,000 square foot addition. The 25 million dollar construction project, designed by Van Dijk Pace Westlake Architects, is transformational on a number of levels. The first floor is now the hospital's main entrance with a medical library, education center, and a 150-seat auditorium funded by a donation from the Brentwood Foundation. The second floor houses a 12-suite surgical pavilion with a family waiting area overlooking the northern landscape through a two-story glass atrium. A 24-bed intensive care unit fills the third floor.

Winegardner & Hammond Inc., a full service hotel management company, will commence construction of a 402-room, full service Marriott Hotel and conference center in spring 2004. The hotel will be located in Chagrin Highland on Harvard Road just west of Interstate 271. The eight story hotel will feature a restaurant, meeting space with executive boardroom, comprehensive audio and visual services, and guest rooms specially designed for business travelers. The estimated completion time is approximately eighteen months.

In its 2001 Master Plan, the City targeted the corner of Miles and Richmond Roads for redevelopment. With the construction of Get-Go, a self-serve gas station with a convenient food mart, the plan has become a reality. Get-Go partnered with Giant Eagle Supermarket to construct a facility that is open 24 hours per day and features a brushless car wash. This area will also see the construction of a Dunkin Donuts/Baskin Robbins Ice Cream store in 2004. Dunkin Donuts features a wide assortment of doughnuts, coffee, juice and pastries. Baskin Robbins will feature 31 flavors of ice cream and other fine desserts. There will be dining inside and outside the store to accommodate any size family.

In 2003, the Highland Business Park community saw the arrival of a new health care provider. The Highland Dental Associates opened a 4,000 square foot dental facility that offers the latest in technology available to serve the dental treatment needs of the community.

Cuyahoga Community College will commence construction of an 110,000 square foot "Corporate College" in spring 2004. The college will offer professional courses, certification programs and customized training that prepare a highly skilled workforce for the business and industry needs in North Eastern Ohio.

## **Major Initiatives**

*For the Year* In 2003, the City of Warrensville Heights continued its commitment to provide quality services and facilities to the City's residents. Emphasis continued to be placed on the maintenance and improvement of the City's infrastructure, specifically the streets. The residential community saw the replacement of pavement on Country Lane and the repair and resurfacing of eleven additional streets. The commercial district saw the replacement of pavement on South Miles. During the last four years, the City has received grant funding for its Sidewalk Program. The City's street improvement projects add to the quality of life of our residents and business community who travel them.

The City's Building department has been given its certification by the Ohio Board of Building Standards. The City is able to perform locally certain commercial inspections. Previously, inspection of commercial buildings was the responsibility of the State of Ohio. Inspections of commercial structures are now performed on a timely basis.

Through the Mayor's Neighborhood Pride and Child Development Initiative, the City was able to partner with our corporate community to donate over \$100,000 worth of playground equipment to the Warrensville Heights City School District. Our corporate citizens play an integral part of the quality of life in our community.

The City negotiated a lease and transfer agreement with the County of Cuyahoga starting January 2004 for a building that is currently used by the City's Service department. The building is almost twice as large as the previous service garage. The additional space allows the City to store major equipment out of inclement weather.

Warrensville Heights is one of the first cities in Cuyahoga County to establish an emergency preparedness program for its citizens. Ongoing discussions with residents concerning safety issues, shelter locations in the City and survival kit supply take place regularly. The preparedness plan was developed by the City's Police and Fire departments.

The City of Warrensville Heights erected its first salt dome in 2002. This structure will benefit the City and its residents in a number of ways. It will allow the environmentally safe storage of approximately 5,700 tons of salt. By having this capacity, the City is able to take advantage of not only buying salt in quantity, but also having it on hand when weather conditions demand.

For the past two years, the City has been a recipient of grants from the Federal Emergency Management Agency (FEMA). The grants allow the City to better train and equip firefighters for the rapid changing firefighting life safety demands confronting our communities. The grants have been used for turnout clothing, fire hose, and hose testing equipment.

The division of police began the Warrensville Heights Senior Police Academy. This ten week course is a crime prevention informational program designed to meet the interest of senior citizens. The participant will be given an inside look at the Police department.

Communication continues to be a priority issue. The City has installed its first telephone and computer network system. All of City Hall has been wired for the Internet, allowing residents to electronically interface by use of e-mail at [www.cityofwarrensville.com](http://www.cityofwarrensville.com).

***For the Future*** The Administration is committed to working with the business community and residents to assure Warrensville Heights provides a high quality of life.

Redevelopment of the Zayres's and Helig Meyers properties continues to be a primary focus. The City submitted a winning application for Clean Ohio Revitalization Funds and received a grant in the amount of \$1,637,000. With these funds the City will remediate the environmental hazards located at the sites, after which the building will be demolished and the site prepared for redevelopment. The redevelopment project has been designated as the "Town Center Project" since it is in the center of the City.

South Pointe Hospital has plans to construct a 50,000 square foot medical office building for the doctors of the hospital. This project reflects the hospital's strong commitment to the City.

### **Internal Accounting and Budgetary Controls**

In developing the City's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of the financial records for preparing financial statements and maintaining accountability over assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

***Budgetary Controls*** Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. With the assistance of the Finance Director, the Mayor is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds, of the City for the next succeeding year by the first Council meeting in July. The legislative body is required to adopt the budget by July 15 and to submit it to the County Budget Commission by July 20 of each year. Based on the tax budget, the Finance Director submits to Council an appropriation ordinance for the next succeeding year.

Within ninety days of the beginning of the year covered by such ordinance, Council is required to adopt the appropriation ordinance (the budget) in its original form, or with those revisions it may find proper. The City maintains budgetary control on a non-GAAP basis at the department level for the general fund and at the fund level for all others.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are first reviewed by the department head and then forwarded electronically to the finance department for preparation of a purchase order and certification. Requisitions for the expenditure of monies exceeding a certain dollar amount are submitted to the Mayor for approval. Encumbrances which would exceed the available appropriation are not approved or recorded until City Council authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year. The accounting system used by the City provides interim financial reports which detail year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. The reports permit the Finance Director and other City officials to ascertain the status of a department's appropriations at any time during the year.

The basis of accounting and the various funds utilized by the City of Warrensville Heights are fully described in Note 2 of the basic financial statements. Additional information on the City's budgetary accounting can also be found in Note 2.

**Financial Condition** The City has prepared its financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates basic financial statements for reporting on the City's financial activities as follows:

**Government-wide financial statements** These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The City has no business-type activities.

**Fund financial statements** These statements present information for individual major funds rather than by fund type. Non major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting. The City has no proprietary funds.

**Statements of budgetary comparisons** These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. The discussion follows the independent accountants' report in the financial section of this report and provides an assessment of the City's finances for 2003.

## **Cash Management**

Cash management is a vital component of the City's overall financial strategy. The Finance Director maintains a conservative cash management program. Major considerations are the safety of investment, liquidity, yield and cash flows necessary to pay City liabilities. As City funds become available, they are invested immediately in short-term certificates of deposit or other securities authorized by State statute. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution, State statute and City Charter.

Interest earnings for 2003 totaled \$60,835 for governmental funds. This represents an increase of \$31,563 from 2002. All deposits are covered by pooled collateral with a market value equal to at least 105 percent of deposits.

## **Risk Management**

The City participates in the Ohio Association of Public Treasurers (OAPT) risk reduction group rating program for workers' compensation premiums. See note 19 of the basic financial statements for more information on the OAPT.

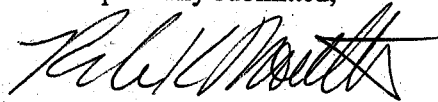
## **Other Information**

**Independent Audit** Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2003 by Ciuni & Panichi, Inc., a Certified Public Accountants and Business Consulting Firm. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

**Awards** The Government Finance Officers Association (GFOA) of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an informative and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. We believe that this report will conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA for consideration.

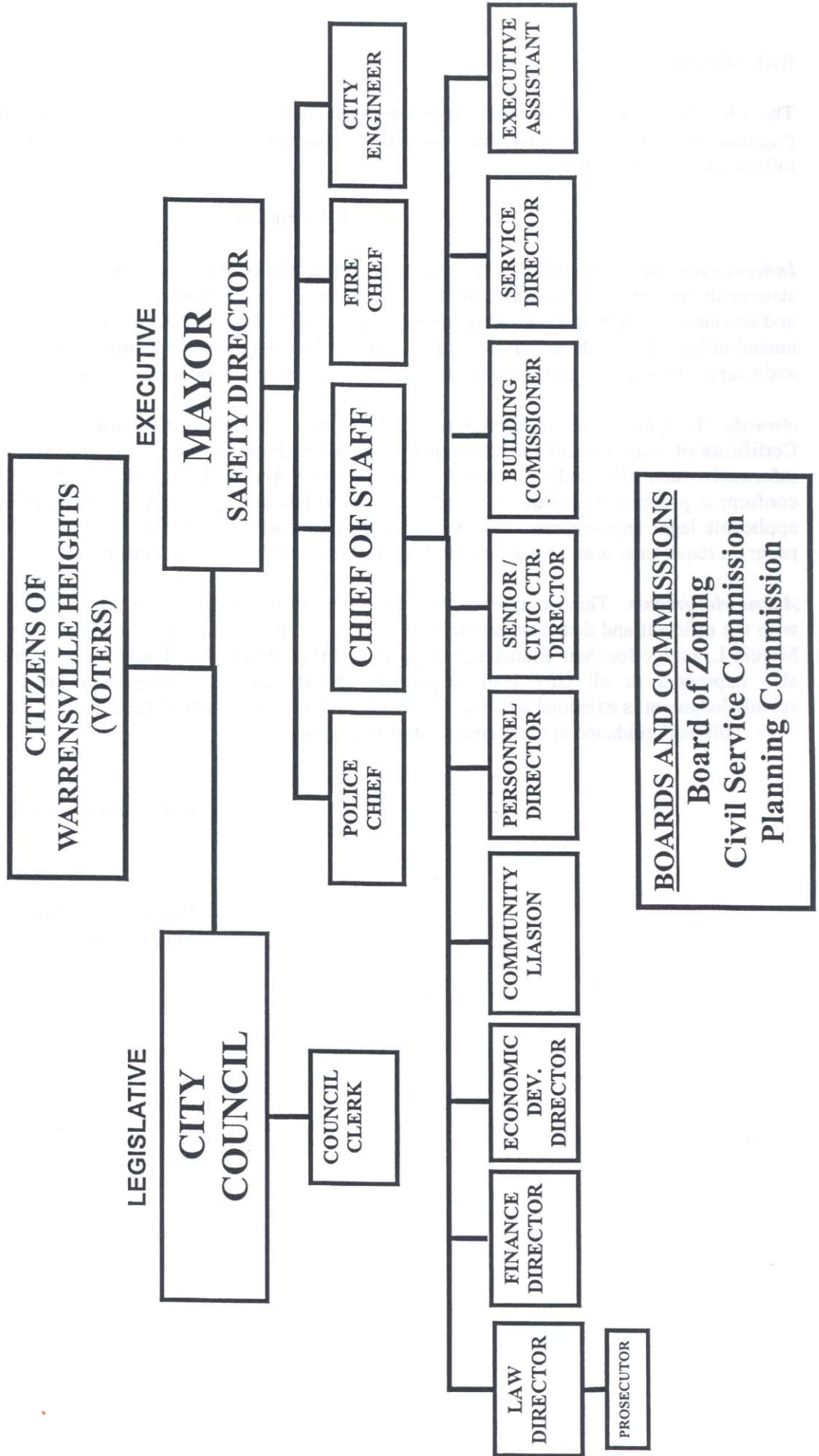
**Acknowledgments** This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to Council and to Mayor Marcia L. Fudge for their enthusiastic support and their granting of funds for this project.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

Respectfully submitted,



Rubin K. Moultrie CPA  
Finance Director

# CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART



*The Boards and Commissions are appointed by the Mayor*

**CITY OF WARRENSVILLE HEIGHTS**

**ELECTED AND APPOINTED CITY OFFICIALS**

**HONORABLE MAYOR MARCIA L. FUDGE**

**CITY COUNCIL**

Kimberly Hodge-Edwards, President, Ward 7

Dorise Thompson, Ward 1

Deborah A. Hill, Ward 2

Elona C. White, Ward 3

Ruby Nelson, Ward 4

Clinton Hall, Ward 5

Pauline Goode, Ward 6

**APPOINTED OFFICIALS**

Barbara L. Walker, Chief of Staff

Rubin K. Moultrie, Director of Finance

A. C. Williams, Director of Service

Frank Bova, Chief of Police

Stanley Martin, Chief of Fire

Carolyn Patrick, Personnel Director

Farris Williams, Economic Development Director

Bradley Sellers, Community Liaison Director

Melvin Lester, Building Commissioner

Brenda Wade, Director Civic and Senior Center

Lee Courtney, City Engineer



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## Independent Auditors' Report

Members of the City Council  
Warrensville Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Warrensville Heights' management. Our responsibility is to express 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, as of December 31, 2003, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statements No. 34.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2004 on our consideration of the City of Warrensville Heights'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 Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

*Ciuni & Panichi, Inc.*

Cleveland, Ohio  
July 15, 2004

**City of Warrensville Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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The discussion and analysis of the City of Warrensville Heights's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

***Financial Highlights***

- The assets of the City of Warrensville Heights exceed its liabilities at December 31, 2003 by \$2,163,378.
- Total assets increased by \$4,685,296 which represents an increase of 27.7 percent from 2002. This was primarily due to an increase of \$2,983,721 in capital assets and \$2,034,157 increase in cash and cash equivalents.
- Total liabilities increased by \$4,483,048 which represents an increase of 29.9 percent. This was primarily due to an increase of \$4,500,000 in notes payable.
- In total, net assets of governmental activities increased \$245,448 during 2003. This represents an increase of 12.8 percent increase from 2002.

***Using this Annual Financial Report***

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

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

***The City of Warrensville Heights as a Whole***

***Statement of Net Assets and the Statement of Activities***

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

**City of Warrensville Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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

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

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

***Reporting the City of Warrensville Heights's Most Significant Funds***

*Fund Financial Statements*

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

*Governmental Funds*

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

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

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2003 compared to 2002.

**City of Warrensville Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
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**Table 1**  
*Net Assets*

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Current and Other Assets	\$10,959,155	\$9,214,380
Capital Assets, Net	<u>10,675,776</u>	<u>7,692,055</u>
Total Assets	<u>21,634,931</u>	<u>16,906,435</u>
<b>Liabilities</b>		
Current Liabilities	4,506,384	4,242,616
Long-Term Liabilities		
Due Within One Year	1,700,477	1,526,829
Due in More Than One Year	<u>13,264,692</u>	<u>9,219,060</u>
<i>Total Liabilities</i>	<u>19,471,553</u>	<u>14,988,505</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	3,349,635	3,511,082
Restricted for:		
Capital Projects	52,718	508,439
Debt Service	1,245,626	1,455,196
Streets	202,700	185,477
Police	200,209	164,553
Fire	68,363	17,187
Other Purposes	84,299	133,377
Unrestricted	<u>(3,040,172)</u>	<u>(4,057,381)</u>
<i>Total Net Assets</i>	<u>\$2,163,378</u>	<u>\$1,917,930</u>

Total assets increased by \$4,685,296 from 2002 to 2003. Of that increase, equity in pooled cash and cash equivalents and depreciable capital assets were the most significant, increasing by \$2,034,157 and \$2,983,721 respectively. The primary factor for this increase is the City's continuing commitment to invest in its infrastructure. The City issued bond anticipation notes, the primary reason for the increase in cash and cash equivalents, to pay the cost of the major infrastructure improvements.

Total liabilities increased by \$4,483,048. The majority of the increase resulted from the City issuing \$4,500,000 in new notes benefiting the note retirement debt service fund and the capital project funds.

During 2003, net assets of the City's governmental activities increased by \$245,448. The following factors were partly responsible for this increase:

- The City's acquisition of real property for municipal and economic purposes contributed to capital assets increasing by \$1,850,000. The City acquired properties situated on approximately 16 acres of land.

**City of Warrensville Heights, Ohio**  
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*Unaudited*

- Construction of the South Miles Road and Country Lane Road Improvement projects contributed \$961,546 to capital assets. State grants paid for the construction cost of South Miles Road project and note issuance financed the Country Lane Road project.
- The installation of the City's Voice and Data Network System was completed in 2003. The system consists of computer servers, personal computers, software, inside cabling, fiber termination and a Call Manager Solution. This project contributed \$382,167 to capital assets.

Table 2 shows the change in net assets for the year ended December 31, 2003.

**Table 2**  
*Change in Net Assets*

	Governmental Activities 2003
<b>Revenues</b>	
Program Revenues	
Charges for Services	\$846,937
Operating Grants and Contributions	967,325
Capital Grants and Contributions	475,087
Total Program Revenues	2,289,349
General Revenues	
Property Taxes	2,152,172
Income Taxes	9,860,864
Grants and Entitlements	1,258,968
Investment Earnings	60,835
Miscellaneous	301,129
Total General Revenues	13,633,968
<i>Total Revenues</i>	15,923,317
<b>Program Expenses</b>	
General Government	2,721,824
Security of Persons and Property:	
Police	4,653,737
Fire	3,003,340
Public Health Services	40,420
Leisure Time Activities	323,941
Community Development	960,744
Transportation	3,096,239
Basic Utility Services	499,304
Interest and Fiscal Charges	378,320
Total Program Expenses	15,677,869
Increase in Net Assets	245,448
Net Assets Beginning of Year	1,917,930
Net Assets End of Year	\$2,163,378

**City of Warrensville Heights, Ohio**  
*Management's Discussion and Analysis*  
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***Governmental Activities***

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. Under the accrual basis of accounting, the City's income tax accounted for \$9,860,864 or 61.9 percent of total revenues. The City has an income tax rate of 2.0 percent. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their City tax for Warrensville Heights. In recent history, the City has experienced consistent growth in income tax collections. The electorates of the City voted to change the income tax rate from 1.75 percent to 2.0 percent in 2001, which took effect in January 2002.

The City has enjoyed consistent growth in its income tax collection despite the downturn in the national economy. The new office development and expansion has continued to increase the City's tax base. The catalyst behind its historical growth has been the policy of the City's economic development programs. The City has taken an aggressive approach in meeting some of the needs of its corporate citizens.

The City remains committed to collecting all taxes due to it and in 2003 worked in conjunction with the Central Collection Agency to identify and assess individuals who were delinquent in filing their income tax returns. The City has hired part-time employees who work exclusively with delinquent income taxpayers.

Public safety, including the police and fire departments, accounted for program expenses of \$7,657,077, which is 48.7 percent of total City expenses for the 2003. The transportation expenses, primarily the Service department, accounted for 19.7 percent of total expenses.

Our police and fire departments continue to add to its equipment to better serve our community and at the same time provide extra safety for our officers and firefighters.

***The City's Funds***

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$15,832,148 and expenditures of \$20,935,612. The most significant fund is our General Fund with an unreserved fund balance at year end of \$932,055. With the factoring in of other financing sources, mainly the issuance of \$6,475,000 in notes, the net effect for all governmental funds was a fund balance \$3,620,027.

The City refunded \$2,625,000 par value various improvement bonds in 2003 for a net present value savings of \$321,944.

***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and after a discussion at a Finance Committee meeting, which is open to the public; the budget is adopted at the department level by City Council at a regularly held council meeting. Council must approve any revisions in the budget that alter the total appropriations for any department or fund.



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

Both the original revenue and expenditure budget is designed to be very conservative requiring additional spending requests to be approved by Council throughout the year. During the course of 2003, the City amended its general fund budget numerous times, in response to conservative revenue projections being surpassed. The final budgeted revenue amount exceeded the original budget by \$486,411. The majority of this was due to the receipt of increased income and property tax collections.

***Capital Assets and Debt Administration***

*Capital Assets*

At the end of 2003, the City of Warrensville Heights had \$10,675,776 invested in land, buildings, improvements, machinery and equipment, vehicles, furniture and fixtures, infrastructure and construction in progress. Table 3 shows 2003 balances of Capital Assets as compared to 2002.

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

	Governmental Activities	
	2003	2002
Land	\$1,952,110	\$983,700
Buildings	2,601,462	1,485,331
Land Improvements	90,213	100,472
Machinery and Equipment	584,261	178,931
Vehicles	1,461,273	1,733,689
Furniture and Fixtures	700	900
Infrastructure		
Roads	2,563,206	1,724,144
Sanitary Sewers	528,584	552,090
Waterlines	483,097	502,818
Storm Sewers	410,870	429,980
Total Capital Assets	\$10,675,776	\$7,692,055

Capital assets increased by \$2,983,721 in 2003. The City purchased two blighted structures for \$1,850,000 to be used for municipal purposes and future economic development. The City received a grant award of \$1,637,017 from the Clean Ohio Revitalization Fund for demolition and remediation of hazardous substances at the property.

**City of Warrensville Heights, Ohio**  
*Management's Discussion and Analysis*  
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In 2003, the City completed the South Miles Road Pavement Reconstruction Project for \$751,770 and the Country Lane road for \$211,839. The Ohio Public Works Commission and the Ohio Department of Development awarded grants of \$451,062 and \$283,687, respectively, to pay the cost of the South Miles Road project. The Country Lane road project was constructed utilizing the proceeds of notes.

The City is committed to improve service to the community and to become more cost effective and efficient. City Council and the Administration have determined that the use of modern technology would provide the resources to accomplish this goal. In 2003, a new IP-based voice, data and video network communication system was installed to service all City owned buildings. Additionally, the City purchased specialized municipal application software designed for integrating the functional and financial interaction between City employees, residents and the general public. The City's web-site will be fully developed in the spring of 2004.

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

For 2003, infrastructure capital assets were calculated without inclusion of the traffic light inventory. These will be added in 2004 to complete the infrastructure capital assets. For more information about the City's capital assets, see Note 10 to the basic financial statements.

**Long-Term Obligations**

At December 31, 2003, the City of Warrensville Heights had \$14,965,169 in outstanding long-term obligations, of which \$5,098,571 was in General Obligation Bonds and \$6,475,000 in various purpose Notes. Table 4 summarizes the long-term obligations outstanding.

**Table 4**  
*Outstanding Long-Term Obligations at Year End*

	Governmental Activities	
	2003	2002
General Obligation Bonds	\$5,098,571	\$4,853,546
Special Assessment Bonds	683,553	1,171,446
Notes Payable	6,475,000	1,975,000
Compensated Absences	1,767,308	1,653,157
Capital Leases	940,737	1,092,740
Total	\$14,965,169	\$10,745,889

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

**City of Warrensville Heights, Ohio**  
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In 2003, the City refunded the 1990 various improvement bonds and the 1992 capital improvement bonds. The 1990 bonds were issued primarily for street improvements and the 1992 bonds were issued for the Civic Center construction project and street improvements. The City refunding bonds total \$2,625,000.

The Special Assessment Bonds were issued in 1986, 1988 and 1990 for neighborhood street improvement projects. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor.

The City of Warrensville Heights' overall legal debt margin was \$15,937,578 with an unvoted debt margin of \$2,890,977 on December 31, 2003. For more information about the City's long-term obligations, see Note 12 to the basic financial statements.

***Current Financial Related Activities***

Despite the continued downturn of the national and local economy, 2003 was one in which the City fared well. The Administration provided strong fiscal management, holding general operating expenses in check while maintaining City services at a high level. The Administration continues toward its goal of keeping all residents and other interested parties fully informed as to the financial status of the City of Warrensville Heights.

***Contacting the City of Warrensville Heights's Financial Management***

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

## **Basic Financial Statements**

**City of Warrensville Heights, Ohio**

*Statement of Net Assets*

*December 31, 2003*

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$3,754,137
Materials and Supplies Inventory	58,189
Accounts Receivable	184,852
Intergovernmental Receivable	980,989
Prepaid Items	74,576
Income Taxes Receivable	2,035,139
Property Taxes Receivable	2,681,101
Special Assessments Receivable	1,088,472
Unamortized Bond Issuance Costs	101,700
Nondepreciable Capital Assets	1,952,110
Depreciable Capital Assets	8,723,666
	<hr/>
<i>Total Assets</i>	21,634,931
	<hr/>
<b>Liabilities</b>	
Accounts Payable	463,931
Accrued Wages	170,324
Contracts Payable	799,898
Intergovernmental Payable	709,082
Accrued Interest Payable	100,610
Deferred Revenue	2,262,539
Long-Term Liabilities:	
Due Within One Year	1,700,477
Due In More Than One Year	13,264,692
	<hr/>
<i>Total Liabilities</i>	19,471,553
	<hr/>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	3,349,635
Restricted for:	
Capital Projects	52,718
Debt Service	1,245,626
Streets	202,700
Police	200,209
Fire	68,363
Other Purposes	84,299
Unrestricted (Deficit)	(3,040,172)
	<hr/>
<i>Total Net Assets</i>	\$2,163,378
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See accompanying notes to the basic financial statements

**City of Warrensville Heights, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2003

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
<b>Governmental Activities:</b>					
General Government	\$2,721,824	\$150,756	\$0	\$45,813	(\$2,525,255)
Security of Persons and Property:					
Police	4,653,737	319,549	156,790	77,000	(4,100,398)
Fire	3,003,340	158,352	78,811	49,258	(2,716,919)
Public Health Services	40,420	2,312	0	660	(37,448)
Leisure Time Activities	323,941	16,224	16,720	4,906	(286,091)
Community Development	960,744	26,513	286,294	15,920	(632,017)
Transportation	3,096,239	149,413	428,710	274,723	(2,243,393)
Basic Utility Services	499,304	23,818	0	6,807	(468,679)
Interest and Fiscal Charges	378,320	0	0	0	(378,320)
<i>Total Governmental Activities</i>	<u>\$15,677,869</u>	<u>\$846,937</u>	<u>\$967,325</u>	<u>\$475,087</u>	<u>(13,388,520)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
					957,923
					512,457
					681,792
					9,860,864
					1,258,968
					60,835
					<u>301,129</u>
					<u>Total General Revenues</u>
					<u>13,633,968</u>
					Change in Net Assets
					245,448
					<i>Net Assets Beginning of Year - See Note 3</i>
					<u>1,917,930</u>
					<i>Net Assets End of Year</i>
					<u>\$2,163,378</u>

See accompanying notes to the basic financial statements



**City of Warrensville Heights, Ohio**

*Balance Sheet  
Governmental Funds  
December 31, 2003*

	General	General Obligation Bond Retirement	Street Improvement	Snively Project
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$74,995	\$216,163	\$1,480,601	\$769,556
Materials and Supplies Inventory	58,189	0	0	0
Accounts Receivable	184,852	0	0	0
Interfund Receivable	33,009	0	0	0
Intergovernmental Receivable	671,715	26,864	16,898	0
Prepaid Items	74,576	0	0	0
Income Taxes Receivable	2,035,139	0	0	0
Property Taxes Receivable	1,163,412	666,988	0	0
Special Assessments Receivable	0	1,088,472	0	0
<i>Total Assets</i>	<u>\$4,295,887</u>	<u>\$1,998,487</u>	<u>\$1,497,499</u>	<u>\$769,556</u>
<b>Liabilities</b>				
Accounts Payable	\$214,168	\$0	\$17,388	\$6,289
Accrued Wages	169,939	0	0	0
Contracts Payable	0	0	184,131	0
Intergovernmental Payable	325,078	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	2,619,167	1,782,324	16,898	0
<i>Total Liabilities</i>	<u>3,328,352</u>	<u>1,782,324</u>	<u>218,417</u>	<u>6,289</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	35,480	0	0	0
Unreserved				
Undesignated (Deficit), Reported in:				
General Fund	932,055	0	0	0
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	216,163	0	0
Capital Projects Funds	0	0	1,279,082	763,267
<i>Total Fund Balances</i>	<u>967,535</u>	<u>216,163</u>	<u>1,279,082</u>	<u>763,267</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,295,887</u>	<u>\$1,998,487</u>	<u>\$1,497,499</u>	<u>\$769,556</u>

See accompanying notes to the basic financial statements



**City of Warrensville Heights, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2003*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Funds Balance:</b>	<b>\$3,620,027</b>
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$1,212,822	\$3,754,137	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,675,776
0	58,189		
0	184,852		
0	33,009		
265,512	980,989	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
0	74,576	Property Taxes	418,562
0	2,035,139	Income Tax	854,570
850,701	2,681,101	Intergovernmental	752,601
0	1,088,472	Charges for Services	100,062
		Special Assessments	<u>1,088,472</u>
<u>\$2,329,035</u>	<u>\$10,890,464</u>	Total	3,214,267
\$226,086	\$463,931	Intergovernmental Payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(382,613)
385	170,324		
615,767	799,898	In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	101,700
1,391	326,469		
33,009	33,009	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(100,610)
1,058,417	5,476,806		
<u>1,935,055</u>	<u>7,270,437</u>	Long-term liabilities, including bonds, notes and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:	
150,024	185,504	General Obligation Bonds	(5,098,571)
0	932,055	Special Assessment Bonds	(683,553)
191,374	191,374	Notes Payable	(6,475,000)
0	216,163	Compensated Absences	(1,767,308)
52,582	2,094,931	Capital Leases	<u>(940,737)</u>
<u>393,980</u>	<u>3,620,027</u>	Total	<u>(14,965,169)</u>
<u>\$2,329,035</u>	<u>\$10,890,464</u>	<i>Net Assets of Governmental Activities</i>	<u><u>\$2,163,378</u></u>

**City of Warrensville Heights, Ohio**

*Statement of Revenues, Expenditures and Changes in Fund Balances*

*Governmental Funds*

*For the Year Ended December 31, 2003*

	General	General Obligation Bond Retirement	Note Retirement	Street Improvement
<b>Revenues</b>				
Property and Other Taxes	\$952,473	\$509,333	\$0	\$0
Income Taxes	9,997,534	0	0	0
Special Assessments	0	231,652	0	0
Intergovernmental	970,911	53,727	0	208,189
Interest	41,231	19,443	0	0
Fees, Licenses and Permits	161,633	0	0	0
Fines and Forfeitures	319,506	0	0	0
Charges for Services	327,610	0	0	0
Other	301,129	0	0	0
<i>Total Revenues</i>	<u>13,072,027</u>	<u>814,155</u>	<u>0</u>	<u>208,189</u>
<b>Expenditures</b>				
Current:				
General Government	2,566,682	0	0	0
Security of Persons and Property:				
Police	4,139,001	0	0	0
Fire	2,542,885	0	0	0
Public Health Services	39,132	0	0	0
Leisure Time Activities	277,760	0	0	0
Community Development	451,817	0	0	0
Transportation	2,525,987	0	0	0
Basic Utility Services	338,356	0	0	0
Capital Outlay	0	0	0	387,791
Debt Service:				
Principal Retirement	232,462	370,000	1,975,000	0
Payment to Refunded Bond Escrow Agent	0	3,017	0	0
Interest and Fiscal Charges	65,439	238,155	35,550	0
Bond Issuance Costs	0	113,000	0	0
<i>Total Expenditures</i>	<u>13,179,521</u>	<u>724,172</u>	<u>2,010,550</u>	<u>387,791</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(107,494)</u>	<u>89,983</u>	<u>(2,010,550)</u>	<u>(179,602)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	15,475	0	0	0
Inception of Capital Lease	80,459	0	0	0
Bond Anticipation Notes Issued	0	0	2,010,550	1,011,450
General Obligation Bonds Issued	0	2,625,000	0	0
Payment to Refunded Bond Escrow Agent	0	(2,506,282)	0	0
Transfers In	0	0	0	0
Transfers Out	(13,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>82,934</u>	<u>118,718</u>	<u>2,010,550</u>	<u>1,011,450</u>
<i>Net Change in Fund Balances</i>	<u>(24,560)</u>	<u>208,701</u>	<u>0</u>	<u>831,848</u>
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>992,095</u>	<u>7,462</u>	<u>0</u>	<u>447,234</u>
<i>Fund Balances End of Year</i>	<u><u>\$967,535</u></u>	<u><u>\$216,163</u></u>	<u><u>\$0</u></u>	<u><u>\$1,279,082</u></u>

See accompanying notes to the basic financial statements

**City of Warrensville Heights, Ohio**

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2003*

Snavelly Project	Other Governmental Funds	Total Governmental Funds
\$0	\$677,809	\$2,139,615
0	0	9,997,534
0	0	231,652
0	984,072	2,216,899
0	161	60,835
0	750	162,383
0	0	319,506
0	74,985	402,595
0	0	301,129
0	1,737,777	15,832,148
0	174,714	2,741,396
0	441,860	4,580,861
0	259,786	2,802,671
0	0	39,132
0	15,748	293,508
0	494,884	946,701
0	413,569	2,939,556
0	0	338,356
394,733	2,438,284	3,220,808
0	0	2,577,462
0	0	3,017
0	0	339,144
0	0	113,000
394,733	4,238,845	20,935,612
(394,733)	(2,501,068)	(5,103,464)
0	0	15,475
0	0	80,459
1,158,000	2,295,000	6,475,000
0	0	2,625,000
0	0	(2,506,282)
0	13,000	13,000
0	0	(13,000)
1,158,000	2,308,000	6,689,652
763,267	(193,068)	1,586,188
0	587,048	2,033,839
\$763,267	\$393,980	\$3,620,027

**Net Change in Fund Balances - Total Governmental Funds** \$1,586,188

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

Governmental funds report capital outlays as expenditures.

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

Capital Outlay	3,632,808
Depreciation	(638,887)

Total 2,993,921

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

(10,200)

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

Property Taxes	12,557
Income Tax	(136,670)
Intergovernmental	273,628
Charges for Services	(76,694)
Special Assessments	(231,652)

Total (158,831)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

5,086,761

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.

113,000

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

Accrued Interest on Bonds	(16,445)
Amortization of Issuance Costs	(11,300)
Amortization of Accounting Loss	(11,431)

Total (39,176)

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

Compensated Absences	(114,151)
Pension Obligation	(31,605)

Total (145,756)

Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

General Obligation Bonds Issued	(2,625,000)
Bond Anticipation Notes Issued	(6,475,000)
Capital Leases Payable	(80,459)

Total (9,180,459)

*Change in Net Assets of Governmental Activities*

\$245,448

**City of Warrensville Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$950,673	\$987,161	\$952,473	(\$34,688)
Income Taxes	9,752,101	10,126,398	9,796,430	(329,968)
Intergovernmental	1,198,257	1,244,247	1,200,526	(43,721)
Interest	55,371	57,496	55,476	(2,020)
Fees, Licenses and Permits	164,908	171,237	165,220	(6,017)
Fines and Forfeitures	275,549	286,125	276,071	(10,054)
Charges for Services	354,366	367,967	355,037	(12,930)
Other	324,681	321,686	309,822	(11,864)
<i>Total Revenues</i>	<u>13,075,906</u>	<u>13,562,317</u>	<u>13,111,055</u>	<u>(451,262)</u>
<b>Expenditures</b>				
Current:				
General Government	2,426,271	2,670,619	2,568,893	101,726
Security of Persons and Property:				
Police	4,093,025	4,309,025	4,168,488	140,537
Fire	2,727,687	2,887,687	2,739,821	147,866
Public Health Services	45,000	47,000	46,838	162
Leisure Time Activities	397,796	307,796	298,233	9,563
Community Development	583,843	526,843	515,444	11,399
Transportation	2,519,101	2,688,920	2,687,211	1,709
Basic Utility Services	230,756	231,237	231,237	0
<i>Total Expenditures</i>	<u>13,023,479</u>	<u>13,669,127</u>	<u>13,256,165</u>	<u>412,962</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>52,427</u>	<u>(106,810)</u>	<u>(145,110)</u>	<u>(38,300)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	15,475	15,475	0
Advances In	50,000	50,000	50,000	0
Advances Out	0	(5,700)	(5,700)	0
Transfers Out	(165,000)	(19,000)	(13,000)	6,000
<i>Total Other Financing Sources (Uses)</i>	<u>(115,000)</u>	<u>40,775</u>	<u>46,775</u>	<u>6,000</u>
<i>Net Change in Fund Balance</i>	<u>(62,573)</u>	<u>(66,035)</u>	<u>(98,335)</u>	<u>(32,300)</u>
<i>Fund Balance Beginning of Year</i>	21,794	21,794	21,794	0
Prior Year Encumbrances Appropriated	47,145	47,145	47,145	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$6,366</u>	<u>\$2,904</u>	<u>(\$29,396)</u>	<u>(\$32,300)</u>

See accompanying notes to the basic financial statements

**City of Warrensville Heights, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2003*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$150,448</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	\$128,856
Due to Other Governments	<u>21,592</u>
<i>Total Liabilities</i>	<u>\$150,448</u>

See accompanying notes to the basic financial statements

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Note 1 – Description of the City and Reporting Entity**

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

***Reporting Entity***

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

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

The City is associated with one jointly governed organization and one insurance purchasing pool. These organizations are the First Suburbs Consortium of Northeast Ohio Council of Governments and the Ohio Association of Public Treasurers Group Rating Program. These organizations are presented in Notes 18 and 19 to the basic financial statements.

**Note 2 – Summary of Significant Accounting Policies**

The financial statements of the City of Warrensville Heights have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The City has no business-type activities. The most significant of the City's accounting policies are described below.

***A. Basis of Presentation***

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***Government-wide Financial Statements***

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

***Fund Financial Statements***

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

***B. Fund Accounting***

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

***Governmental Funds***

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

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

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Note Retirement Fund** – The Note Retirement Fund accounts for the proceeds of notes and the payment of principal, interest and all related costs of retiring the City’s note debt.

**Street Improvement Fund** – The Street Improvement Fund accounts for local government reimbursements and the proceeds of notes used for the improvement of streets and curbs within the City.

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

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

***Fiduciary Funds***

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

***C. Measurement Focus***

***Government-wide Financial Statements***

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

***Fund Financial Statements***

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

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



**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statement for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***E. Cash and Cash Equivalents***

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

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

STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on December 31, 2003.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund, the bureau of justice grant special revenue fund and the general obligation bond retirement fund. Interest revenue credited to the general fund during 2003 amounted to \$41,231, which includes \$40,439 assigned from other City funds.

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

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***G. Inventory***

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

***H. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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

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

The City's infrastructure consists of roads, sewers and waterlines.

***I. Interfund Balances***

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

***J. Compensated Absences***

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

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

***K. Accrued Liabilities and Long-Term Obligations***

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

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***L. Fund Balance Reserves***

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

***M. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Other purposes include street lighting, building levy and the community development block grant.

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

***N. Interfund Activity***

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

***O. Bond Issuance Costs***

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

***P. Deferred Loss on Refunding***

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

***Q. Extraordinary and Special Items***

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

***R. Estimates***

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***S. Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level in the general fund and at the fund level for all other funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund. Budgetary modifications may only be made by ordinance of the City Council.

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

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

**Note 3 - Change in Accounting Principles and Restatement of Prior Year Fund Equity**

***A. Changes in Accounting Principles***

For 2003, the City has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the City not being able to present budgetary comparisons for the general and each major special revenue fund. The implementation of Statement No. 41 did not affect the presentation of the budgetary statements of the City.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

***B. Restatement of Net Assets/Fund Balance***

The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	General Obligation Bond Retirement	
Fund Balances, December 31, 2002	\$553,814	\$7,462	
Fund Reclassification	313,226	0	
GASB Interpretation No. 6	125,055	0	
Adjusted Fund Balances, December 31, 2002	\$992,095	\$7,462	
		(continued)	
	Street Improvement	Nonmajor	Total
Fund Balances, December 31, 2002	\$447,234	\$554,048	\$1,562,558
Fund Reclassification	0	33,000	346,226
GASB Interpretation No. 6	0	0	125,055
Adjusted Fund Balances, December 31, 2002	\$447,234	\$587,048	2,033,839
GASB 34 Adjustments:			
Capital Assets			7,692,055
Long-Term Liabilities:			
Compensated Absences			(1,653,157)
Pension Obligations			(351,008)
Bonds and Notes			(7,999,992)
Capital Leases			(1,092,740)
Accrued Interest			(84,165)
Long-Term (Deferred) Assets			3,373,098
Governmental Activities Net Assets, December 31, 2002			\$1,917,930

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Note 4 – Compliance and Accountability**

**A. Accountability**

The following funds had deficit fund balances as of December 31, 2003:

<b>Nonmajor Funds:</b>	
Police Salary and Equipment	\$508
Community Development Block Grant	42,206
Community Navigator Service Award Grant	4,766
Ohio Department of Development Grant	26,249
Land Acquisition	11,777

The special revenue funds' deficits are caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

The land acquisition capital projects fund's deficit is the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once the notes are retired or the bonds are issued, the deficit will be eliminated.

**B. Compliance**

Contrary to Ohio Revised Code Section 5705.10, the City had a negative cash balance of \$26,309 in the Community Development Block Grant special revenue fund indicating that revenues from other sources were used to pay obligations of this fund.

The following funds had original appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Estimated Resources Plus Carryover Balances	Original Appropriations	Excess
General Obligation Bond Retirement	\$873,841	\$913,825	\$39,984
<i>Special Revenue Funds:</i>			
Street Construction, Maintenance and Repair	396,632	398,500	1,868
Street Lighting	196,842	245,610	48,768
Law Enforcement Trust	102,063	114,427	12,364

The information technology capital projects fund had final appropriations in excess of estimated resources plus carryover balances in the amount of \$154,388, in violation of Section 5705.39, Ohio Revised Code.

The building levy special revenue fund had expenditures plus encumbrances in excess of final appropriations in the amount of \$14,219, contrary to Section 5705.41, Ohio Revised Code.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Note 5 - Budgetary Basis of Accounting**

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

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

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

Net Change in Fund Balance	
GAAP Basis	(\$24,560)
Net Adjustment for Revenue Accruals	(37,756)
Ending Unrecorded Cash	(3,675)
Advances In	50,000
Advances Out	(5,700)
Net Adjustment for Expenditures Accruals	50,381
Encumbrances	<u>(127,025)</u>
Budget Basis	<u><u>(\$98,335)</u></u>

**Note 6 - Deposits and Investments**

State statutes classify monies held by the City into three categories.

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

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



**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies reported with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2003

**Deposits** At year end, the carrying amount of the City's deposits was \$1,666,779 and the bank balance was \$1,234,017. Of the bank balance:

1. \$301,609 was covered by federal depository insurance.
2. \$932,408 was uncollateralized and uninsured. Although the securities were held by the pledging financial institution's trust department or agent in the financial institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**Investments** The City's investments are required to be categorized to give an indication of the level of risk assumed by the City 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 and 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.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$2,234,425	\$2,234,425	\$2,234,425
STAROhio		3,381	3,381
Total Investments	\$2,234,425	\$2,237,806	\$2,237,806

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with maturities of three months or less at the time of their purchase by the City.

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement No. 9</i>	\$3,904,585	\$0
Investments:		
Repurchase Agreements	(2,234,425)	2,234,425
STAROhio	(3,381)	3,381
<i>GASB Statement No. 3</i>	\$1,666,779	\$2,237,806

**Note 7 - Receivables**

Receivables at December 31, 2003, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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Special assessments expected to be collected in more than one year amount to \$953,850 in the general obligation bond retirement fund. At December 31, 2003 the amount of delinquent special assessments was \$45,062.

***A. Property Taxes***

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes which became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2003, was \$13.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property	\$210,580,170
Public Utility Property	13,379,180
Tangible Personal Property	<u>36,972,668</u>
Total Assessed Values	<u><u>\$260,932,018</u></u>

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Warrensville Heights. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, the police levy, fire levy, street lighting, building levy, fire pension and police pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2003 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

**B. Income Taxes**

The City levies a two percent income tax on substantially all income earned within the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the general fund.

**C. Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

<b>Governmental Activities</b>	<b>Amounts</b>
Local Government and Local Government	
Revenue Assistance	\$564,186
Homestead and Rollback	97,729
Highway Distribution Tax	83,367
Auto Registration Tax	48,783
Gasoline and Excise Tax	39,341
Franchise Fees	39,147
Permissive Motor Vehicle License Tax	30,837
Exterior Maintenance Grant	25,000
Estate Tax	19,567
Issue II Grant	16,898
Zone Tax	7,614
Communtiy Navigator Grant	5,700
Motel Tax	2,109
Juvenile Accountability Grant	711
Total	\$980,989

**Note 8 - Interfund Balances**

Interfund Balances at December 31, 2003 consist of an interfund receivable in the general fund for \$33,009 and interfund payables from the Street Lighting, Community Development Block Grant and Community Navigator Service Award Grant special revenue funds for \$1,000, \$26,309 and \$5,700 respectively.

The loan to the Street Lighting fund was made to support programs and projects in this fund. The loan to the Community Development Block Grant fund was made to cover a deficit cash balance in the fund at year end. The loan to the Community Navigator Service Award Grant fund was made to cover the year end projected cash deficit in the fund.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2003

**Note 9 - Interfund Transfers**

The only transfer made during 2003 was for \$13,000 to the DARE Grant special revenue fund from the General fund. This transfer represents the City's required matching fund obligation.

**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2003, was as follows:

<b>Governmental Activities</b>	Balance 12/31/2002	Additions	Deductions	Balance 12/31/2003
<b><i>Capital Assets not being Depreciated:</i></b>				
Land	\$983,700	\$968,410	\$0	\$1,952,110
<b><i>Capital Assets being Depreciated:</i></b>				
Buildings	2,365,500	1,181,590	0	3,547,090
Land Improvements	363,668	0	0	363,668
Machinery and Equipment	733,009	538,512	0	1,271,521
Furniture and Fixtures	38,720	0	0	38,720
Vehicles	3,947,739	42,400	(20,400)	3,969,739
Infrastructure:				
Roads	4,291,411	901,896	0	5,193,307
Sanitary Sewers	1,762,649	0	0	1,762,649
Waterlines	1,479,055	0	0	1,479,055
Storm Sewers	1,433,255	0	0	1,433,255
Total Capital Assets being Depreciated	<u>16,415,006</u>	<u>2,664,398</u>	<u>(20,400)</u>	<u>19,059,004</u>
Less Accumulated Depreciation:				
Buildings	(880,169)	(65,459)	0	(945,628)
Land Improvements	(263,196)	(10,259)	0	(273,455)
Machinery and Equipment	(554,078)	(133,182)	0	(687,260)
Furniture and Fixtures	(37,820)	(200)	0	(38,020)
Vehicles	(2,214,050)	(304,616)	10,200	(2,508,466)
Infrastructure:				
Roads	(2,567,267)	(62,834)	0	(2,630,101)
Sanitary Sewers	(1,210,559)	(23,506)	0	(1,234,065)
Waterlines	(976,237)	(19,721)	0	(995,958)
Storm Sewers	(1,003,275)	(19,110)	0	(1,022,385)
Total Accumulated Depreciation	<u>(9,706,651)</u>	<u>(638,887) *</u>	<u>10,200</u>	<u>(10,335,338)</u>
Total Capital Assets being Depreciated, Net	<u>6,708,355</u>	<u>2,025,511</u>	<u>(10,200)</u>	<u>8,723,666</u>
Governmental Activities Capital Assets, Net	<u><u>\$7,692,055</u></u>	<u><u>\$2,993,921</u></u>	<u><u>(\$10,200)</u></u>	<u><u>\$10,675,776</u></u>

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

\* Depreciation expense was charged to governmental activities as follows:

General Government	\$90,872
Security of Persons and Property:	
Police	96,688
Fire	107,548
Public Health Services	1,346
Leisure Time Activities	32,946
Community Development	18,158
Transportation	195,733
Basic Utility Services	95,596
Total Depreciation Expense	\$638,887

**Note 11 – Contractual Commitments**

The City had the following contractual commitments outstanding at December 31, 2003:

Project	Contractor	Contract Amount Outstanding
Town Center Project	Northfield Trust	\$590,277
South Miles Road	Vandra Brothers Construction Inc.	63,724
Resurfacing of Various Streets in the City	C.A. Agresta Construction Co. Inc.	14,853
	Total	\$668,854

**Note 12 - Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
<i>General Obligation Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05% - 3.125%	\$2,131,447	2012
1999 Street Improvement	3.90% - 5.40%	4,155,000	2014
<i>Special Assessment Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05% - 3.125%	493,553	2012
1986 Street Improvement	6.20% - 7.65%	790,000	2006
1988 Street Improvement	7.625%	1,730,000	2008

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2003

A schedule of changes in bonds and other long-term obligations of the City during 2003 follows:

	Amount Outstanding 12/31/2002	Additions	Deletions	Amount Outstanding 12/31/2003	Amount Due In One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds</i>					
2003 Various Purpose					
Improvement Refunding Bonds	\$0	\$2,131,447	\$0	\$2,131,447	\$205,378
Unamortized Loss	0	(114,307)	(11,431)	(102,876)	0
<b>Total Refunding Bonds</b>	<b>0</b>	<b>2,017,140</b>	<b>(11,431)</b>	<b>2,028,571</b>	<b>205,378</b>
1990 Street Improvement	83,546	0	83,546	0	0
1992 Civic Center	1,385,000	0	1,385,000	0	0
1999 Street Improvement	3,385,000	0	315,000	3,070,000	340,000
<b>Total General Obligation Bonds</b>	<b>4,853,546</b>	<b>2,017,140</b>	<b>1,772,115</b>	<b>5,098,571</b>	<b>545,378</b>
<i>Special Assessment Bonds</i>					
2003 Various Purpose					
Improvement Refunding Bonds	0	493,553	0	493,553	79,622
1990 Street Improvement	516,446	0	516,446	0	0
1992 Street Improvement	410,000	0	410,000	0	0
1986 Street Improvement	95,000	0	15,000	80,000	15,000
1988 Street Improvement	150,000	0	40,000	110,000	40,000
<b>Total Special Assessment Bonds</b>	<b>1,171,446</b>	<b>493,553</b>	<b>981,446</b>	<b>683,553</b>	<b>134,622</b>
<i>Long-Term Notes</i>					
2002 Bond Anticipation Notes	1,975,000	0	1,975,000	0	0
2003 Bond Anticipation Notes	0	4,180,000	0	4,180,000	0
2003 Bond Anticipation Notes	0	2,295,000	0	2,295,000	0
<b>Total Long-Term Notes</b>	<b>1,975,000</b>	<b>6,475,000</b>	<b>1,975,000</b>	<b>6,475,000</b>	<b>0</b>
<i>Other Long-Term Obligations</i>					
Compensated Absences	1,653,157	864,481	750,330	1,767,308	802,141
Capital Leases	1,092,740	80,459	232,462	940,737	218,336
<b>Total Governmental Activities</b>	<b>\$10,745,889</b>	<b>\$9,930,633</b>	<b>\$5,711,353</b>	<b>\$14,965,169</b>	<b>\$1,700,477</b>

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
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The \$1,975,000 various purpose improvement bond anticipation note issued July 17, 2002 at 1.80 percent and outstanding at December 31, 2002, was rolled over into the \$4,180,000 various purpose improvement bond anticipation note, issued July 16, 2003 at 1.25 percent and maturing July 15, 2004. The note is backed by the full faith of the City of Warrensville Heights.

In 2003, the City issued \$2,295,000 in Various Purpose Improvement Notes for the upkeep of City roads, for the Emery Road Office Park Project and the Cranwood Parkway Project. The notes are backed by full faith and credit of the City of Warrensville Heights.

Compensated absences reported in the “compensated absences payable” account will be paid from the general fund.

On May 15, 2003, the City of Warrensville Heights issued \$2,625,000 in general obligation and special assessment bonds at interest rates varying from 1.05 percent to 3.125 percent. A portion of the general obligation and special assessment bond proceeds were used to refund the following issues:

	Amount Refunded
General Obligation Bonds:	
1990 Street Improvement	\$83,546
1992 Civic Center	1,385,000
Special Assessment Bonds:	
1990 Street Improvement	516,446
1992 Street Improvement	410,000
Total	\$2,394,992

Proceeds of \$2,509,299 (after the underwriting fees, accrued interest and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunding portion of the 1990 street improvement and the 1992 Civic Center and street improvement bonds. As a result, \$2,394,992 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the basic financial statements.

The City decreased its total debt service payments by \$329,303 as a result of the advance refunding. The City also incurred an economic gain (the difference between the present values of the old and new debt service payments) of \$321,944.

As of December 31, 2003, the City's overall legal debt margin was \$15,937,578 and the unvoted legal debt margin was \$2,890,977.



**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2003

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2003 are as follows:

	General Obligation Bonds		Special Assessment Bonds		Totals
	Principal	Interest	Principal	Interest	
2004	\$545,378	\$181,025	\$134,622	\$45,306	\$906,331
2005	597,341	165,683	92,659	37,243	892,926
2006	611,645	147,047	93,355	30,755	882,802
2007	630,948	127,105	64,052	24,133	846,238
2008	660,252	105,298	69,748	19,882	855,180
2009-2013	1,985,883	231,141	229,117	35,869	2,482,010
2014-2018	170,000	9,180	0	0	179,180
Total	<u>\$5,201,447</u>	<u>\$966,479</u>	<u>\$683,553</u>	<u>\$193,188</u>	<u>\$7,044,667</u>

**Note 13 – Capital Leases**

During 2003, the City entered into a lease agreement for copiers. The City also has existing leases for copiers, vehicles, a street sweeper, a fire truck, police equipment and a postage meter. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, "Accounting for Leases," and have been recorded on the government-wide statements. The machinery and equipment and vehicles have been capitalized in the amount of \$1,590,405, the present value of the minimum lease payments at the inception of the lease.

The assets acquired through capital leases are as follows:

<i>Asset:</i>	Governmental Activities
Machinery and Equipment	\$158,076
Vehicles	1,432,329
Historical Cost	1,590,405
Less: Accumulated Depreciation	(609,090)
Total Book Value as of December 31, 2003	<u>\$981,315</u>

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

Year Ending December 31,	
2004	\$271,353
2005	244,894
2006	218,947
2007	108,555
2008	91,739
2009-2010	176,752
Total Minimum Lease Payments	1,112,240
Less: Amount Representing Interest	(171,503)
Present Value of Minimum Lease	\$940,737

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

**Note 14 - Risk Management**

***A. Property and Liability***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2003, the City contracted with Arch Insurance Company and Travelers Property Casualty Insurance Company for various types of insurance as follows:

Company	Coverage	Amount
Arch Insurance Company	Comprehensive Municipal Liability Coverage:	
	Combined Single Limit (Per Occurrence)/Aggregate	\$1,000,000 / \$3,000,000
	Property Legal Liability (Fire Damage)	50,000
	Premises Medical Payments (Per Person)	10,000
	Employee Benefits Liability (Per Occurrence)/Aggregate	1,000,000 / 3,000,000
	Ohio Stop Gap	1,000,000
	Automobile Liability and Physical Damage Coverage:	
	Combined Bodily Injury and Property Damage	1,000,000
	Public Officials Errors and Omissions:	
	Per Occurrence	1,000,000
	Aggregate	1,000,000
	Police Professional Liability:	
	Per Occurrence	1,000,000
	Aggregate	1,000,000
	Property (Building and Contents) Coverage	13,043,199
	Inland Marine Coverage	1,083,910
Travelers Property Casualty	Boiler and Machinery Coverage	1,000,000

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

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***B. Worker's Compensation***

The City participates in the Ohio Association of Public Treasurers (OAPT) risk reduction group rating program for workers' compensation premiums (Note 19). The OAPT uses a shared savings pool option to equalize the savings on workers' compensation premiums for all members. Participants benefit from reduced premiums, cost effective claims management, legal representation and consulting services. Each entity within the group pays its workers' compensation premium to the State of Ohio based on the rate for the OAPT, and total group savings are calculated and distributed based on each participant's performance as compared to the overall savings of the group. Each entity must then either contribute money to or receive money from the shared savings pool based on performance in order to equalize the savings for all members. Member participation in the OAPT group risk reduction program is open to those public entities that meet the group's selection requirements. Integrated Consulting Services, LTD provides administrative, cost containment and actuarial services for the group members.

**Note 15 - Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$322,873, \$502,807, and \$433,567 respectively; 73.2 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$4,065 made by the City and \$2,550 made by the plan members.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***B. Ohio Police and Fire Pension Fund***

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$277,139 and \$298,672 for the year ended December 31, 2003, \$399,616 and \$463,958 for the year ended December 31, 2002, and \$396,660 and \$452,512 for the year ended December 31, 2001. The full amount has been contributed for 2002 and 2001. 73.3 percent for police and 72.2 percent for firefighters has been contributed for 2003 with the remainder being reported as a liability.

**Note 16 - Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

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

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$188,814. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

***B. Police and Firemen's Disability and Pension Fund***

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

The 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 the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. 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. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$182,794 for police and \$142,444 for firefighters. The OP&F's total health care expense for the year ended December 31, 2002 (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

**Note 17 - Compensated Absences**

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

General administration employees not covered by a collecting bargaining agreement earn sick leave of 120 hours annually without limit. General administration employees may carry forward a maximum of 336 hours of vacation leave unless the employee's department head certifies to the Mayor that the employee has exceeded the maximum vacation hours allowed as a result of the employee's inability to use vacation leave due to staffing requirements. Upon separation from the City, a maximum of 25 percent of accumulated sick leave or no more than 190 hours and 336 hours of vacation leave shall be paid.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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

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

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

**Note 18 - Jointly Governed Organization**

***First Suburbs Consortium of Northeast Ohio Council of Governments*** The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 12 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2003, the City of Warrensville Heights contributed \$7,500 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

**Note 19 – Insurance Purchasing Pool**

***Ohio Association of Public Treasurers Group Rating Program*** The City is a participant in the Ohio Association of Public Treasurers (OAPT) Group Rating Program, an insurance purchasing pool. The business and affairs of the OAPT are conducted by a nine member board of trustees consisting of active members as elected by the general membership at the annual conference for staggered three year terms. The Group Rating Program is administered through a committee specifically established for this purpose. The committee reports directly to the board of trustees. Each year, the participants pay an enrollment fee to the Program to cover the costs of administration.

**City of Warrensville Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Note 20 - Contingencies**

***A. Litigation***

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

***B. Grants***

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2003.

**Note 21 - Subsequent Event**

On February 19, 2004 the City refinanced the 2003 general obligation bond anticipation notes for \$2,295,000 at 1.35 percent. The notes will mature February 9, 2005.

On July 15, 2004 the City refinanced the 2003 general obligation bond anticipation notes for \$4,180,000 at 2.10 percent. The notes will mature July 14, 2005.

## ***Combining Statements and Individual Fund Schedules***

### **Combining Statements – Nonmajor Governmental Funds**

#### ***Nonmajor Special Revenue Funds***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***(continued)***



## Combining Statements – Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

***Community Navigator Service Award Grant Fund*** The Community Navigator Service Award Grant Fund accounts for monies to provide services in the community to grandparents and other kinship caregivers.

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

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

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

***Juvenile Accountability Grant Fund*** The Juvenile Accountability Grant Fund accounts for revenues and expenditures for the young leaders program.

***Ohio Department of Development Grant Fund*** The Ohio Department of Development Grant Fund accounts for monies used for road reconstruction.

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

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

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

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

### *Nonmajor Capital Projects Funds*

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

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

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

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

**City of Warrensville Heights, Ohio**

*Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$337,434	\$875,388	\$1,212,822
Intergovernmental Receivable	265,512	0	265,512
Property Taxes Receivable	850,701	0	850,701
<i>Total Assets</i>	<u>\$1,453,647</u>	<u>\$875,388</u>	<u>\$2,329,035</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$103,896	\$122,190	\$226,086
Accrued Wages	385	0	385
Contracts Payable	25,490	590,277	615,767
Intergovernmental Payable	1,391	0	1,391
Interfund Payable	33,009	0	33,009
Deferred Revenue	1,058,417	0	1,058,417
<i>Total Liabilities</i>	<u>1,222,588</u>	<u>712,467</u>	<u>1,935,055</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	39,685	110,339	150,024
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	191,374	0	191,374
Capital Projects Funds	0	52,582	52,582
<i>Total Fund Balances</i>	<u>231,059</u>	<u>162,921</u>	<u>393,980</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,453,647</u>	<u>\$875,388</u>	<u>\$2,329,035</u>

**City of Warrensville Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property and Other Taxes	\$677,809	\$0	\$677,809
Intergovernmental	984,072	0	984,072
Interest	161	0	161
Fees, Licenses and Permits	750	0	750
Charges for Services	74,985	0	74,985
<i>Total Revenues</i>	<u>1,737,777</u>	<u>0</u>	<u>1,737,777</u>
<b>Expenditures</b>			
Current:			
General Government	174,714	0	174,714
Security of Persons and Property:			
Police	441,860	0	441,860
Fire	259,786	0	259,786
Leisure Time Activities	15,748	0	15,748
Community Development	494,884	0	494,884
Transportation	413,569	0	413,569
Capital Outlay	0	2,438,284	2,438,284
<i>Total Expenditures</i>	<u>1,800,561</u>	<u>2,438,284</u>	<u>4,238,845</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(62,784)</u>	<u>(2,438,284)</u>	<u>(2,501,068)</u>
<b>Other Financing Sources</b>			
Bond Anticipation Notes Issued	0	2,295,000	2,295,000
Transfers In	13,000	0	13,000
<i>Total Other Financing Sources</i>	<u>13,000</u>	<u>2,295,000</u>	<u>2,308,000</u>
<i>Net Change in Fund Balances</i>	(49,784)	(143,284)	(193,068)
<i>Fund Balances Beginning of Year</i>	<u>280,843</u>	<u>306,205</u>	<u>587,048</u>
<i>Fund Balances End of Year</i>	<u><u>\$231,059</u></u>	<u><u>\$162,921</u></u>	<u><u>\$393,980</u></u>

**City of Warrensville Heights, Ohio**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*December 31, 2003*

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment	Street Lighting
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$29,451	\$11,875	\$4,072	\$786	\$21,063
Intergovernmental Receivable	187,154	15,174	4,752	4,752	11,675
Property Taxes Receivable	0	0	151,850	151,852	274,956
<i>Total Assets</i>	<u>\$216,605</u>	<u>\$27,049</u>	<u>\$160,674</u>	<u>\$157,390</u>	<u>\$307,694</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$40,291	\$0	\$4,580	\$0	\$17,886
Accrued Wages	0	0	0	0	0
Contracts Payable	0	0	0	0	0
Intergovernmental Payable	663	0	0	0	0
Interfund Payable	0	0	0	0	1,000
Deferred Revenue	135,645	10,998	156,602	156,604	286,631
<i>Total Liabilities</i>	<u>176,599</u>	<u>10,998</u>	<u>161,182</u>	<u>156,604</u>	<u>305,517</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	594	0	0	0	0
Unreserved, Undesignated (Deficit)	39,412	16,051	(508)	786	2,177
<i>Total Fund Balances (Deficit)</i>	<u>40,006</u>	<u>16,051</u>	<u>(508)</u>	<u>786</u>	<u>2,177</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$216,605</u>	<u>\$27,049</u>	<u>\$160,674</u>	<u>\$157,390</u>	<u>\$307,694</u>

<u>Building Levy</u>	<u>Law Enforcement Trust</u>	<u>Bureau of Justice Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>DARE Grant</u>	<u>Community Development Block Grant</u>
\$56,060	\$80,603	\$4,022	\$6,803	\$8,556	\$15,878	\$0
3,585	0	0	3,504	3,505	0	25,000
98,045	0	0	86,999	86,999	0	0
<u>\$157,690</u>	<u>\$80,603</u>	<u>\$4,022</u>	<u>\$97,306</u>	<u>\$99,060</u>	<u>\$15,878</u>	<u>\$25,000</u>
\$9,792	\$2,069	\$0	\$0	\$0	\$0	\$15,897
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	26,309
101,630	0	0	90,503	90,504	0	25,000
<u>111,422</u>	<u>2,069</u>	<u>0</u>	<u>90,503</u>	<u>90,504</u>	<u>0</u>	<u>67,206</u>
33,010	3,000	0	0	0	0	0
13,258	75,534	4,022	6,803	8,556	15,878	(42,206)
46,268	78,534	4,022	6,803	8,556	15,878	(42,206)
<u>\$157,690</u>	<u>\$80,603</u>	<u>\$4,022</u>	<u>\$97,306</u>	<u>\$99,060</u>	<u>\$15,878</u>	<u>\$25,000</u>

(continued)

**City of Warrensville Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2003*

	Juvenile Diversion Program	Community Navigator Service Award Grant	Fire Department Child Safety Grant	EMS Computer Grant	Local Law Enforcement Block Grant
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$5,189	\$3	\$808	\$788	\$26,393
Intergovernmental Receivable	0	5,700	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$5,189</u>	<u>\$5,703</u>	<u>\$808</u>	<u>\$788</u>	<u>\$26,393</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages	0	162	0	0	0
Contracts Payable	0	0	0	0	0
Intergovernmental Payable	0	307	0	0	0
Interfund Payable	0	5,700	0	0	0
Deferred Revenue	0	4,300	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>10,469</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	281	2,800	0
Unreserved, Undesignated (Deficit)	5,189	(4,766)	527	(2,012)	26,393
<i>Total Fund Balances (Deficit)</i>	<u>5,189</u>	<u>(4,766)</u>	<u>808</u>	<u>788</u>	<u>26,393</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,189</u>	<u>\$5,703</u>	<u>\$808</u>	<u>\$788</u>	<u>\$26,393</u>

Juvenile Accountability Grant	Ohio Department of Development Grant	COPS Grant	FEMA Grant	Cleveland Browns Foundation	CRA Monitoring Fee	Total Nonmajor Special Revenue Funds
\$1,290	\$0	\$24,336	\$33,708	\$5,000	\$750	\$337,434
711	0	0	0	0	0	265,512
0	0	0	0	0	0	850,701
<u>\$2,001</u>	<u>\$0</u>	<u>\$24,336</u>	<u>\$33,708</u>	<u>\$5,000</u>	<u>\$750</u>	<u>\$1,453,647</u>
\$159	\$759	\$0	\$12,463	\$0	\$0	\$103,896
223	0	0	0	0	0	385
0	25,490	0	0	0	0	25,490
421	0	0	0	0	0	1,391
0	0	0	0	0	0	33,009
0	0	0	0	0	0	1,058,417
803	26,249	0	12,463	0	0	1,222,588
0	0	0	0	0	0	39,685
1,198	(26,249)	24,336	21,245	5,000	750	191,374
1,198	(26,249)	24,336	21,245	5,000	750	231,059
<u>\$2,001</u>	<u>\$0</u>	<u>\$24,336</u>	<u>\$33,708</u>	<u>\$5,000</u>	<u>\$750</u>	<u>\$1,453,647</u>

**City of Warrensville Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2003*

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment	Street Lighting
<b>Revenues</b>					
Property and Other Taxes	\$0	\$0	\$122,654	\$122,654	\$219,185
Intergovernmental	379,822	31,404	9,504	9,503	23,350
Interest	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	0	0
<i>Total Revenues</i>	<u>379,822</u>	<u>31,404</u>	<u>132,158</u>	<u>132,157</u>	<u>242,535</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	0	0	136,466	0	0
Fire	0	0	0	134,111	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	0	0	165,590
Transportation	391,730	21,839	0	0	0
<i>Total Expenditures</i>	<u>391,730</u>	<u>21,839</u>	<u>136,466</u>	<u>134,111</u>	<u>165,590</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(11,908)	9,565	(4,308)	(1,954)	76,945
<b>Other Financing Sources</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(11,908)	9,565	(4,308)	(1,954)	76,945
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>51,914</u>	<u>6,486</u>	<u>3,800</u>	<u>2,740</u>	<u>(74,768)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$40,006</u>	<u>\$16,051</u>	<u>(\$508)</u>	<u>\$786</u>	<u>\$2,177</u>



Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension	DARE Grant	Community Development Block Grant
\$78,968	\$0	\$0	\$66,299	\$68,049	\$0	\$0
7,158	0	5,850	7,008	7,008	14,196	0
0	0	161	0	0	0	0
0	0	0	0	0	0	0
0	74,315	0	0	0	0	0
86,126	74,315	6,011	73,307	75,057	14,196	0
174,714	0	0	0	0	0	0
0	85,844	22,636	0	68,000	26,441	0
0	0	0	68,000	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	41,751
0	0	0	0	0	0	0
174,714	85,844	22,636	68,000	68,000	26,441	41,751
(88,588)	(11,529)	(16,625)	5,307	7,057	(12,245)	(41,751)
0	0	0	0	0	13,000	0
(88,588)	(11,529)	(16,625)	5,307	7,057	755	(41,751)
134,856	90,063	20,647	1,496	1,499	15,123	(455)
\$46,268	\$78,534	\$4,022	\$6,803	\$8,556	\$15,878	(\$42,206)

(continued)

**City of Warrensville Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2003*

	Juvenile Diversion Program	Community Navigator Service Award Grant	Fire Department Child Safety Grant	EMS Computer Grant	Local Law Enforcement Block Grant
<b>Revenues</b>					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	18,615	7,420	0	14,783	16,181
Interest	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0
Charges for Services	670	0	0	0	0
<i>Total Revenues</i>	<u>19,285</u>	<u>7,420</u>	<u>0</u>	<u>14,783</u>	<u>16,181</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	21,973	0	0	0	2,748
Fire	0	0	397	14,495	0
Leisure Time Activities	0	15,748	0	0	0
Community Development	0	0	0	0	0
Transportation	0	0	0	0	0
<i>Total Expenditures</i>	<u>21,973</u>	<u>15,748</u>	<u>397</u>	<u>14,495</u>	<u>2,748</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,688)	(8,328)	(397)	288	13,433
<b>Other Financing Sources</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(2,688)	(8,328)	(397)	288	13,433
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>7,877</u>	<u>3,562</u>	<u>1,205</u>	<u>500</u>	<u>12,960</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$5,189</u>	<u>(\$4,766)</u>	<u>\$808</u>	<u>\$788</u>	<u>\$26,393</u>

Juvenile Accountability Grant	Ohio Department of Development Grant	COPS Grant	FEMA Grant	Cleveland Browns Foundation	CRA Monitoring Fee	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$677,809
9,636	261,294	92,312	64,028	5,000	0	984,072
0	0	0	0	0	0	161
0	0	0	0	0	750	750
0	0	0	0	0	0	74,985
9,636	261,294	92,312	64,028	5,000	750	1,737,777
0	0	0	0	0	0	174,714
9,776	0	67,976	0	0	0	441,860
0	0	0	42,783	0	0	259,786
0	0	0	0	0	0	15,748
0	287,543	0	0	0	0	494,884
0	0	0	0	0	0	413,569
9,776	287,543	67,976	42,783	0	0	1,800,561
(140)	(26,249)	24,336	21,245	5,000	750	(62,784)
0	0	0	0	0	0	13,000
(140)	(26,249)	24,336	21,245	5,000	750	(49,784)
1,338	0	0	0	0	0	280,843
\$1,198	(\$26,249)	\$24,336	\$21,245	\$5,000	\$750	\$231,059

**City of Warrensville Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2003*

	Building Repair and Improvement	Information Technology System	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$47,275	\$249,613	\$578,500	\$875,388
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$122,190	\$0	\$122,190
Contracts Payable	0	0	590,277	590,277
<i>Total Liabilities</i>	0	122,190	590,277	712,467
<b>Fund Balances</b>				
Reserved for Encumbrances	0	110,339	0	110,339
Unreserved, Undesignated	47,275	17,084	(11,777)	52,582
<i>Total Fund Balances</i>	47,275	127,423	(11,777)	162,921
<i>Total Liabilities and Fund Balances</i>	\$47,275	\$249,613	\$578,500	\$875,388

**City of Warrensville Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2003*

	Building Repair and Improvement	Information Technology System	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	8,130	818,377	1,611,777	2,438,284
<i>Excess of Revenues Under Expenditures</i>	(8,130)	(818,377)	(1,611,777)	(2,438,284)
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	0	695,000	1,600,000	2,295,000
<i>Net Change in Fund Balances</i>	(8,130)	(123,377)	(11,777)	(143,284)
<i>Fund Balances Beginning of Year</i>	55,405	250,800	0	306,205
<i>Fund Balances End of Year</i>	<u>\$47,275</u>	<u>\$127,423</u>	<u>(\$11,777)</u>	<u>\$162,921</u>

## Combining Statements - Agency Funds

### *Agency Funds*

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

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

***Bedford Sewers Fund*** The Bedford Sewers Fund accounts for monies from the City of Cleveland held as custodian for the city of Bedford. Monies are paid by residents of Warrensville Heights who live in a certain section of the City that are serviced by the Bedford Sanitary Sewer system.

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

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

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

**City of Warrensville Heights, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2003*

	Beginning Balance 12/31/02	Additions	Deductions	Ending Balance 12/31/03
<b><i>Developers Deposits Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$42,618	\$98,128	\$75,408	\$65,338
<b>Liabilities</b>				
Deposits Held and Due to Others	\$42,618	\$98,128	\$75,408	\$65,338
<b><i>Bedford Sewers Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$21,592	\$0	\$0	\$21,592
<b>Liabilities</b>				
Due to Other Governments	\$21,592	\$0	\$0	\$21,592
<b><i>Senior Civic Center Rental Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,450	\$5,100	\$5,165	\$1,385
<b>Liabilities</b>				
Deposits Held and Due to Others	\$1,450	\$5,100	\$5,165	\$1,385
<b><i>Payroll Clearing Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$52,518	\$1,304,678	\$1,295,063	\$62,133
<b>Liabilities</b>				
Deposits Held and Due to Others	\$52,518	\$1,304,678	\$1,295,063	\$62,133

(continued)

**City of Warrensville Heights, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds (continued)*  
*For the Year Ended December 31, 2003*

	Beginning Balance 12/31/02	Additions	Deductions	Ending Balance 12/31/03
<b><i>Exterior Maintenance Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$6,995	\$6,995	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$6,995	\$6,995	\$0
<b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$118,178	\$1,414,901	\$1,382,631	\$150,448
<b>Liabilities</b>				
Deposits Held and Due to Others	\$96,586	\$1,414,901	\$1,382,631	\$128,856
Due to Other Governments	21,592	0	0	21,592
<i>Total Liabilities</i>	\$118,178	\$1,414,901	\$1,382,631	\$150,448



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

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$950,673	\$987,161	\$952,473	(\$34,688)
Income Taxes	9,752,101	10,126,398	9,796,430	(329,968)
Intergovernmental	1,198,257	1,244,247	1,200,526	(43,721)
Interest	55,371	57,496	55,476	(2,020)
Fees, Licenses and Permits	164,908	171,237	165,220	(6,017)
Fines and Forfeitures	275,549	286,125	276,071	(10,054)
Charges for Services	354,366	367,967	355,037	(12,930)
Other	324,681	321,686	309,822	(11,864)
<i>Total Revenues</i>	<u>13,075,906</u>	<u>13,562,317</u>	<u>13,111,055</u>	<u>(451,262)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Council				
Personal Services	148,340	148,340	114,230	34,110
Materials and Supplies	19,549	19,549	15,638	3,911
Contractual Services	1,883	1,883	1,449	434
Total Council	<u>169,772</u>	<u>169,772</u>	<u>131,317</u>	<u>38,455</u>
Mayor				
Personal Services	246,455	235,224	235,031	193
Materials and Supplies	11,724	11,190	11,190	0
Contractual Services	5,142	4,908	4,902	6
Other	19	18	18	0
Total Mayor	<u>263,340</u>	<u>251,340</u>	<u>251,141</u>	<u>199</u>
Finance Department				
Personal Services	371,668	359,024	355,732	3,292
Materials and Supplies	51,786	50,059	49,802	257
Contractual Services	10,194	9,847	9,735	112
Capital Outlay	8,281	7,999	7,908	91
Total Finance Department	<u>441,929</u>	<u>426,929</u>	<u>423,177</u>	<u>3,752</u>
Income Tax				
Personal Services	11,073	19,860	19,628	232
Materials and Supplies	2,119	3,762	3,721	41
Contractual Services	84,163	181,081	176,478	4,603
Total Income Tax	<u>97,355</u>	<u>204,703</u>	<u>199,827</u>	<u>4,876</u>
Legal				
Personal Services	246,979	162,108	157,536	4,572
Materials and Supplies	9,696	6,370	5,708	662
Contractual Services	7,002	5,199	3,355	1,844
Total Legal	<u>\$263,677</u>	<u>\$173,677</u>	<u>\$166,599</u>	<u>\$7,078</u>

(continued)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (continued)  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Resources				
Personal Services	\$90,517	\$88,630	\$84,471	\$4,159
Materials and Supplies	4,648	4,558	4,039	519
Contractual Services	258	253	241	12
Other	860	842	803	39
Total Human Resources	96,283	94,283	89,554	4,729
Boards and Commissions				
Personal Services	20,893	8,630	8,360	270
Materials and Supplies	6,305	2,604	1,801	803
Contractual Services	63	27	27	0
Total Boards and Commissions	27,261	11,261	10,188	1,073
Engineering				
Personal Services	40,000	23,000	22,040	960
Lands and Buildings				
Materials and Supplies	40,241	48,363	45,697	2,666
Contractual Services	250,360	301,400	286,500	14,900
Other	4,056	4,894	4,615	279
Total Lands and Buildings	294,657	354,657	336,812	17,845
Other Government				
Personal Services	300,943	397,962	390,723	7,239
Materials and Supplies	90,245	119,339	117,249	2,090
Contractual Services	318,831	421,618	417,044	4,574
Other	21,978	22,078	13,222	8,856
Total Other Government	731,997	960,997	938,238	22,759
Total General Government	2,426,271	2,670,619	2,568,893	101,726
Security of Persons and Property Police:				
Police Department				
Personal Services	3,492,108	3,772,389	3,644,419	127,970
Materials and Supplies	166,905	180,372	180,372	0
Contractual Services	148,882	161,123	156,192	4,931
Other	127	138	133	5
Total Police Department	3,808,022	4,114,022	3,981,116	132,906
Traffic Waiver				
Salaries and Wages				0
Personal Services	57,233	39,157	37,633	1,524
Materials and Supplies	3,578	2,462	2,323	139
Contractual Services	224,192	153,384	147,416	5,968
Total Traffic Waiver	285,003	195,003	187,372	7,631
Total Police	\$4,093,025	\$4,309,025	\$4,168,488	\$140,537

(continued)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Department				
Personal Services	\$2,560,360	\$2,710,809	\$2,571,349	\$139,460
Materials and Supplies	74,862	79,185	75,946	3,239
Contractual Services	88,528	93,553	89,075	4,478
Capital Outlay	2,192	2,322	2,201	121
Other	1,745	1,818	1,250	568
Total Fire	<u>2,727,687</u>	<u>2,887,687</u>	<u>2,739,821</u>	<u>147,866</u>
Total Security of Persons and Property	<u>6,820,712</u>	<u>7,196,712</u>	<u>6,908,309</u>	<u>288,403</u>
Public Health Services:				
Health and Human Services				
Contractual Services	45,000	47,000	46,838	162
Leisure Time Activities:				
Community Activities				
Personal Services	15,609	10,372	9,339	1,033
Materials and Supplies	14,452	9,618	8,621	997
Contractual Services	129,026	86,498	81,622	4,876
Other	1,194	793	714	79
Total Community Activities	<u>160,281</u>	<u>107,281</u>	<u>100,296</u>	<u>6,985</u>
Civic Center				
Personal Services	210,600	177,730	175,772	1,958
Materials and Supplies	19,398	16,441	15,891	550
Contractual Services	7,517	6,344	6,274	70
Total Civic Center	<u>237,515</u>	<u>200,515</u>	<u>197,937</u>	<u>2,578</u>
Total Leisure Time Activities	<u>397,796</u>	<u>307,796</u>	<u>298,233</u>	<u>9,563</u>
Community Development				
Economic Development				
Personal Services	67,656	66,718	63,764	2,954
Materials and Supplies	3,436	3,395	2,856	539
Contractual Services	1,498	1,477	1,412	65
Total Economic Development	<u>72,590</u>	<u>71,590</u>	<u>68,032</u>	<u>3,558</u>
Community Liaison				
Personal Services	63,541	62,610	61,415	1,195
Materials and Supplies	2,572	2,535	2,485	50
Contractual Services	2,174	2,142	2,100	42
Total Community Liaison	<u>68,287</u>	<u>67,287</u>	<u>66,000</u>	<u>1,287</u>
Building Department				
Personal Services	393,901	344,897	339,365	5,532
Materials and Supplies	27,875	24,515	23,677	838
Contractual Services	15,769	13,807	13,718	89
Capital Outlay	2,363	2,069	2,028	41
Other	3,058	2,678	2,624	54
Total Building Department	<u>442,966</u>	<u>387,966</u>	<u>381,412</u>	<u>6,554</u>
Total Community Development	<u>\$583,843</u>	<u>\$526,843</u>	<u>\$515,444</u>	<u>\$11,399</u>

(continued)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (continued)  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation:				
Service Department				
Personal Services	\$1,905,497	\$2,022,164	\$2,021,549	\$615
Materials and Supplies	479,704	523,781	523,299	482
Contractual Services	127,812	136,474	135,904	570
Capital Outlay	3,967	4,236	4,209	27
Other	2,121	2,265	2,250	15
Total Transportation	2,519,101	2,688,920	2,687,211	1,709
Basic Utility Services:				
Solid Waste				
Contractual Services	219,433	219,914	219,914	0
Other	11,323	11,323	11,323	0
Total Basic Utility Services	230,756	231,237	231,237	0
<i>Total Expenditures</i>	13,023,479	13,669,127	13,256,165	412,962
<i>Excess of Revenues Over (Under) Expenditures</i>	52,427	(106,810)	(145,110)	(38,300)
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	15,475	15,475	0
Advances In	50,000	50,000	50,000	0
Advances Out	0	(5,700)	(5,700)	0
Transfers Out	(165,000)	(19,000)	(13,000)	6,000
<i>Total Other Financing Sources (Uses)</i>	(115,000)	40,775	46,775	6,000
<i>Net Change in Fund Balance</i>	(62,573)	(66,035)	(98,335)	(32,300)
<i>Fund Balance Beginning of Year</i>	21,794	21,794	21,794	0
Prior Year Encumbrances Appropriated	47,145	47,145	47,145	0
<i>Fund Balance (Deficit) End of Year</i>	\$6,366	\$2,904	(\$29,396)	(\$32,300)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$508,639	\$567,419	\$509,333	(\$58,086)
Special Assessments	218,500	213,000	231,652	18,652
Intergovernmental	51,396	41,156	53,727	12,571
Interest	0	0	19,443	19,443
<i>Total Revenues</i>	778,535	821,575	814,155	(7,420)
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	315,000	370,008	370,000	8
Payment to Refunded Bond Escrow Agent	0	3,017	3,017	0
Interest and Fiscal Charges	598,825	241,968	238,155	3,813
Bond Issuance Costs	0	113,000	113,000	0
<i>Total Expenditures</i>	913,825	727,993	724,172	3,821
<i>Excess of Revenues Over (Under) Expenditures</i>	(135,290)	93,582	89,983	(3,599)
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	2,324,856	2,625,000	300,144
Payment to Refunded Bond Escrow Agent	0	(2,506,282)	(2,506,282)	0
Transfers In	87,844	87,844	0	(87,844)
<i>Total Other Financing Sources (Uses)</i>	87,844	(93,582)	118,718	212,300
<i>Net Change in Fund Balance</i>	(47,446)	0	208,701	208,701
<i>Fund Balance Beginning of Year</i>	7,462	7,462	7,462	0
<i>Fund Balance (Deficit) End of Year</i>	(\$39,984)	\$7,462	\$216,163	\$208,701

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Note Retirement Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	1,975,000	1,975,000	1,975,000	0
Interest and Fiscal Charges	35,550	35,550	35,550	0
<i>Total Expenditures</i>	2,010,550	2,010,550	2,010,550	0
<i>Excess of Revenues Under Expenditures</i>	(2,010,550)	(2,010,550)	(2,010,550)	0
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	2,010,550	2,010,550	2,010,550	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Improvement Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$234,597	\$234,597	\$208,189	(\$26,408)
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	782,588	2,131,588	742,208	1,389,380
<i>Excess of Revenues Under Expenditures</i>	(547,991)	(1,896,991)	(534,019)	1,362,972
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	1,011,450	1,011,450	1,011,450	0
<i>Net Change in Fund Balance</i>	463,459	(885,541)	477,431	1,362,972
<i>Fund Balance Beginning of Year</i>	1,003,170	1,003,170	1,003,170	0
<i>Fund Balance End of Year</i>	<u>\$1,466,629</u>	<u>\$117,629</u>	<u>\$1,480,601</u>	<u>\$1,362,972</u>



**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Snavelly Project Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$25,073	\$25,073	\$0	(\$25,073)
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	1,158,000	1,158,000	388,444	769,556
<i>Excess of Revenues Under Expenditures</i>	(1,132,927)	(1,132,927)	(388,444)	744,483
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	1,158,000	1,158,000	1,158,000	0
<i>Net Change in Fund Balance</i>	25,073	25,073	769,556	744,483
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$25,073</u>	<u>\$25,073</u>	<u>\$769,556</u>	<u>\$744,483</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Construction, Maintenance and Repair Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$395,000	\$398,500	\$380,706	(\$17,794)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Maintenance				
Personal Services	139,210	139,210	138,762	448
Materials and Supplies	20,748	20,748	20,373	375
Contractual Services	5,896	5,896	5,221	675
Total Street Maintenance	165,854	165,854	164,356	1,498
Snow and Ice Removal				
Personal Services	118,007	118,007	116,500	1,507
Materials and Supplies	116	116	103	13
Contractual Services	3,393	3,393	3,005	388
Capital Outlay	9,177	9,177	8,127	1,050
Total Snow and Ice Removal	130,693	130,693	127,735	2,958
Traffic Control				
Personal Services	72,700	72,700	72,379	321
Contractual Services	29,253	29,253	28,711	542
Total Traffic Control	101,953	101,953	101,090	863
<i>Total Expenditures</i>	398,500	398,500	393,181	5,319
<i>Net Change in Fund Balance</i>	(3,500)	0	(12,475)	(12,475)
<i>Fund Balance Beginning of Year</i>	1,632	1,632	1,632	0
<i>Fund Balance (Deficit) End of Year</i>	(\$1,868)	\$1,632	(\$10,843)	(\$12,475)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$51,000	\$37,000	\$30,868	(\$6,132)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Maintenance				
Personal Services	51,724	51,724	21,839	29,885
Materials and Supplies	1,776	1,776	750	1,026
<i>Total Expenditures</i>	53,500	53,500	22,589	30,911
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,500)	(16,500)	8,279	24,779
<b>Other Financing Sources</b>				
Transfers In	0	16,500	0	(16,500)
<i>Net Change in Fund Balance</i>	(2,500)	0	8,279	8,279
<i>Fund Balance Beginning of Year</i>	3,596	3,596	3,596	0
<i>Fund Balance End of Year</i>	\$1,096	\$3,596	\$11,875	\$8,279

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Salary and Equipment Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$124,931	\$126,380	\$122,654	(\$3,726)
Intergovernmental	9,680	9,300	9,504	204
<i>Total Revenues</i>	134,611	135,680	132,158	(3,522)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Personal Services	86,304	86,304	86,015	289
Materials and Supplies	37,055	37,055	36,843	212
Other	13,753	13,753	13,608	145
<i>Total Expenditures</i>	137,112	137,112	136,466	646
<i>Net Change in Fund Balance</i>	(2,501)	(1,432)	(4,308)	(2,876)
<i>Fund Balance Beginning of Year</i>	3,800	3,800	3,800	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,299	\$2,368	(\$508)	(\$2,876)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Salary and Equipment Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$124,931	\$126,380	\$122,654	(\$3,726)
Intergovernmental	9,680	9,300	9,503	203
<i>Total Revenues</i>	134,611	135,680	132,157	(3,523)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	137,112	137,112	134,111	3,001
<i>Net Change in Fund Balance</i>	(2,501)	(1,432)	(1,954)	(522)
<i>Fund Balance Beginning of Year</i>	2,740	2,740	2,740	0
<i>Fund Balance End of Year</i>	<u>\$239</u>	<u>\$1,308</u>	<u>\$786</u>	<u>(\$522)</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Lighting Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$200,305	\$246,749	\$219,185	(\$27,564)
Intergovernmental	21,338	24,802	23,350	(1,452)
<i>Total Revenues</i>	221,643	271,551	242,535	(29,016)
<b>Expenditures</b>				
Current:				
Community Development:				
Street Lighting				
Materials and Supplies	317	242	212	30
Contractual Services	220,293	168,368	147,492	20,876
<i>Total Expenditures</i>	220,610	168,610	147,704	20,906
<i>Excess of Revenues Over Expenditures</i>	1,033	102,941	94,831	(8,110)
<b>Other Financing Sources (Uses)</b>				
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers In	23,967	23,967	0	(23,967)
<i>Total Other Financing Sources (Uses)</i>	(1,033)	(1,033)	(25,000)	(23,967)
<i>Net Change in Fund Balance</i>	0	101,908	69,831	(32,077)
<i>Fund Deficit Beginning of Year</i>	(48,768)	(48,768)	(48,768)	0
<i>Fund Balance (Deficit) End of Year</i>	(\$48,768)	\$53,140	\$21,063	(\$32,077)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Building Levy Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$79,495	\$79,626	\$78,968	(\$658)
Intergovernmental	7,207	8,100	7,158	(942)
<i>Total Revenues</i>	86,702	87,726	86,126	(1,600)
<b>Expenditures</b>				
Current:				
General Government:				
Building Levy				
Materials and Supplies	151,112	131,343	119,659	11,684
Contractual Services	61,946	53,715	79,618	(25,903)
<i>Total Expenditures</i>	213,058	185,058	199,277	(14,219)
<i>Net Change in Fund Balance</i>	(126,356)	(97,332)	(113,151)	(15,819)
<i>Fund Balance Beginning of Year</i>	132,535	132,535	132,535	0
Prior Year Encumbrances Appropriated	2,321	2,321	2,321	0
<i>Fund Balance End of Year</i>	\$8,500	\$37,524	\$21,705	(\$15,819)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Trust Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$12,000	\$114,427	\$74,315	(\$40,112)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	61,575	61,575	48,081	13,494
Capital Outlay	52,852	52,852	38,694	14,158
<i>Total Expenditures</i>	114,427	114,427	86,775	27,652
<i>Net Change in Fund Balance</i>	(102,427)	0	(12,460)	(12,460)
<i>Fund Balance Beginning of Year</i>	70,636	70,636	70,636	0
Prior Year Encumbrances Appropriated	19,427	19,427	19,427	0
<i>Fund Balance (Deficit) End of Year</i>	(\$12,364)	\$90,063	\$77,603	(\$12,460)



**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Bureau of Justice Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$2,500	\$5,000	\$5,850	\$850
Interest	0	0	161	161
<i>Total Revenues</i>	2,500	5,000	6,011	1,011
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	22,000	25,000	22,636	2,364
<i>Net Change in Fund Balance</i>	(19,500)	(20,000)	(16,625)	3,375
<i>Fund Balance Beginning of Year</i>	20,647	20,647	20,647	0
<i>Fund Balance End of Year</i>	\$1,147	\$647	\$4,022	\$3,375

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$66,714	\$68,846	\$66,299	(\$2,547)
Intergovernmental	7,051	5,200	7,008	1,808
<i>Total Revenues</i>	73,765	74,046	73,307	(739)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	73,765	80,765	80,000	765
<i>Net Change in Fund Balance</i>	0	(6,719)	(6,693)	26
<i>Fund Balance Beginning of Year</i>	13,496	13,496	13,496	0
<i>Fund Balance End of Year</i>	<u>\$13,496</u>	<u>\$6,777</u>	<u>\$6,803</u>	<u>\$26</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Pension Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$66,714	\$68,846	\$68,049	(\$797)
Intergovernmental	7,051	5,200	7,008	1,808
<i>Total Revenues</i>	73,765	74,046	75,057	1,011
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Personal Services	73,765	80,765	80,000	765
<i>Net Change in Fund Balance</i>	0	(6,719)	(4,943)	1,776
<i>Fund Balance Beginning of Year</i>	13,499	13,499	13,499	0
<i>Fund Balance End of Year</i>	<u>\$13,499</u>	<u>\$6,780</u>	<u>\$8,556</u>	<u>\$1,776</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
DARE Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$26,000	\$26,630	\$28,194	\$1,564
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Personal Services	26,000	26,000	26,000	0
Materials and Supplies	630	630	441	189
<i>Total Expenditures</i>	26,630	26,630	26,441	189
<i>Excess of Revenues Over (Under) Expenditures</i>	(630)	0	1,753	1,753
<b>Other Financing Sources</b>				
Transfers In	0	0	13,000	13,000
<i>Net Change in Fund Balance</i>	(630)	0	14,753	14,753
<i>Fund Balance Beginning of Year</i>	1,125	1,125	1,125	0
<i>Fund Balance End of Year</i>	\$495	\$1,125	\$15,878	\$14,753

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Development Block Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$51,110	\$51,110	\$23,435	(\$27,675)
<b>Expenditures</b>				
Current:				
Community Development:				
Community Development Block Grant				
Contractual Services	27,220	27,220	25,854	1,366
<i>Excess of Revenues Over (Under) Expenditures</i>	23,890	23,890	(2,419)	(26,309)
<b>Other Financing Uses</b>				
Advances Out	(25,000)	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	(1,110)	(1,110)	(27,419)	(26,309)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	1,110	1,110	1,110	0
<i>Fund Deficit End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>(\$26,309)</u>	<u>(\$26,309)</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Juvenile Diversion Program Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$24,000	\$24,000	\$18,000	(\$6,000)
Charges for Services	0	0	670	670
<i>Total Revenues</i>	24,000	24,000	18,670	(5,330)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Personal Services	731	813	601	212
Patrol				
Personal Services	25,523	28,369	20,874	7,495
Materials and Supplies	877	975	722	253
Total Patrol	26,400	29,344	21,596	7,748
<i>Total Expenditures</i>	27,131	30,157	22,197	7,960
<i>Net Change in Fund Balance</i>	(3,131)	(6,157)	(3,527)	2,630
<i>Fund Balance Beginning of Year</i>	8,585	8,585	8,585	0
Prior Year Encumbrances Appropriated	131	131	131	0
<i>Fund Balance End of Year</i>	\$5,585	\$2,559	\$5,189	\$2,630

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Navigator Service Award Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$27,000	\$32,000	\$9,940	(\$22,060)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Community Navigator Service Grant				
Personal Services	13,000	15,387	15,387	0
<i>Excess of Revenues Over (Under) Expenditures</i>	14,000	16,613	(5,447)	(22,060)
<b>Other Financing Sources</b>				
Advances In	0	0	5,700	5,700
<i>Net Change in Fund Balance</i>	14,000	16,613	253	(16,360)
<i>Fund Deficit Beginning of Year</i>	(250)	(250)	(250)	0
<i>Fund Balance End of Year</i>	<u>\$13,750</u>	<u>\$16,363</u>	<u>\$3</u>	<u>(\$16,360)</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Department Child Safety Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$50	\$50	\$0	(\$50)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire				
Materials and Supplies	1,205	1,205	678	527
<i>Net Change in Fund Balance</i>	(1,155)	(1,155)	(678)	477
<i>Fund Balance Beginning of Year</i>	1,205	1,205	1,205	0
<i>Fund Balance End of Year</i>	<u>\$50</u>	<u>\$50</u>	<u>\$527</u>	<u>\$477</u>



**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
EMS Computer Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$11,500	\$22,000	\$14,783	(\$7,217)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	4,547	8,293	8,293	0
Materials and Supplies	7,453	9,128	9,002	126
<i>Total Expenditures</i>	12,000	17,421	17,295	126
<i>Net Change in Fund Balance</i>	(500)	4,579	(2,512)	(7,091)
<i>Fund Balance Beginning of Year</i>	500	500	500	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$5,079	(\$2,012)	(\$7,091)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Local Law Enforcement Block Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$9,524	\$25,023	\$16,181	(\$8,842)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	26,649	28,251	8,485	19,766
<i>Net Change in Fund Balance</i>	(17,125)	(3,228)	7,696	10,924
<i>Fund Balance Beginning of Year</i>	18,697	18,697	18,697	0
<i>Fund Balance End of Year</i>	<u>\$1,572</u>	<u>\$15,469</u>	<u>\$26,393</u>	<u>\$10,924</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Juvenile Accountability Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$4,300	\$13,000	\$8,925	(\$4,075)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	539	1,327	1,096	231
Contractual Services	5,293	11,707	8,929	2,778
Other	66	162	134	28
<i>Total Expenditures</i>	5,898	13,196	10,159	3,037
<i>Net Change in Fund Balance</i>	(1,598)	(196)	(1,234)	(1,038)
<i>Fund Balance Beginning of Year</i>	1,626	1,626	1,626	0
Prior Year Encumbrances Appropriated	898	898	898	0
<i>Fund Balance End of Year</i>	\$926	\$2,328	\$1,290	(\$1,038)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Ohio Department of Development Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$300,000	\$300,000	\$261,294	(\$38,706)
<b>Expenditures</b>				
Current:				
Community Development:				
Ohio Department of Development Grant				
Contractual Services	151,219	262,551	261,294	1,257
<i>Net Change in Fund Balance</i>	148,781	37,449	0	(37,449)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$148,781	\$37,449	\$0	(\$37,449)

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
COPS Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$120,000	\$120,000	\$92,312	(\$27,688)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police				
Contractual Services	120,000	120,000	67,976	52,024
<i>Net Change in Fund Balance</i>	0	0	24,336	24,336
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$24,336</u>	<u>\$24,336</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
FEMA Grant Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$64,000	\$64,000	\$64,028	\$28
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire				
Contractual Services	64,000	64,000	42,783	21,217
<i>Net Change in Fund Balance</i>	0	0	21,245	21,245
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$21,245</u>	<u>\$21,245</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Cleveland Browns Foundation Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	5,000	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,000</u></u>	<u><u>\$5,000</u></u>	<u><u>\$5,000</u></u>	<u><u>\$0</u></u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
CRA Monitoring Fee Fund  
For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, Licenses and Permits	\$750	\$750	\$750	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	750	750	750	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$750</u></u>	<u><u>\$750</u></u>	<u><u>\$750</u></u>	<u><u>\$0</u></u>



**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Repair and Improvement Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Materials and Supplies	55,405	55,405	8,130	47,275
<i>Net Change in Fund Balance</i>	(55,405)	(55,405)	(8,130)	47,275
<i>Fund Balance Beginning of Year</i>	55,405	55,405	55,405	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$47,275</u>	<u>\$47,275</u>

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Information Technology System Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$15,048	\$15,048	\$0	(\$15,048)
<b>Expenditures</b>				
Capital Outlay:				
Materials and Supplies	5,500	13,347	12,281	1,066
Contractual Services	264,043	640,730	436,356	204,374
Capital Outlay	217,625	528,091	441,121	86,970
<i>Total Expenditures</i>	487,168	1,182,168	889,758	292,410
<i>Excess of Revenues Under Expenditures</i>	(472,120)	(1,167,120)	(889,758)	277,362
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	695,000	695,000	695,000	0
<i>Net Change in Fund Balance</i>	222,880	(472,120)	(194,758)	277,362
<i>Fund Balance Beginning of Year</i>	210,564	210,564	210,564	0
Prior Year Encumbrances Appropriated	107,168	107,168	107,168	0
<i>Fund Balance (Deficit) End of Year</i>	\$540,612	(\$154,388)	\$122,974	\$277,362

**City of Warrensville Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Land Acquisition Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$34,644	\$34,644	\$0	(\$34,644)
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	33,676	33,676	21,500	12,176
Capital Outlay	1,566,324	1,566,324	1,000,000	566,324
<i>Total Expenditures</i>	1,600,000	1,600,000	1,021,500	578,500
<i>Excess of Revenues Under Expenditures</i>	(1,565,356)	(1,565,356)	(1,021,500)	543,856
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	1,600,000	1,600,000	1,600,000	0
<i>Net Change in Fund Balance</i>	34,644	34,644	578,500	543,856
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$34,644	\$34,644	\$578,500	\$543,856

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## **Statistical Section**

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

**City of Warrensville Heights, Ohio**

*General Fund Revenues by Source*

*and Expenditures by Function (1)*

*Last Ten Years*

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<b>Revenues</b>				
Property and Other Taxes	\$952,473	\$1,094,761	\$1,007,746	\$958,084
Income Taxes	9,997,534	8,513,212	8,761,300	8,417,674
Intergovernmental	970,911	1,057,408	1,421,909	1,525,396
Interest	41,231	29,080	117,874	115,602
Fees, Licenses and Permits	161,633	704,382	360,992	282,576
Fines and Forfeitures	319,506	0	0	0
Charges for Services	327,610	348,075	297,684	150,567
Other	301,129	373,022	435,145	146,830
<b>Total</b>	<b><u>\$13,072,027</u></b>	<b><u>\$12,119,940</u></b>	<b><u>\$12,402,650</u></b>	<b><u>\$11,596,729</u></b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	\$2,566,682	\$2,190,392	\$3,567,560	\$3,171,393
Security of Persons and Property: (2)		7,153,698	6,206,449	5,616,406
Police	4,139,001	n/a	n/a	n/a
Fire	2,542,885	n/a	n/a	n/a
Public Health Services	39,132	44,572	46,448	21,650
Leisure Time Activities	277,760	355,284	131,235	252,675
Community Development	451,817	503,977	793,769	605,174
Transportation	2,525,987	2,725,972	1,236,255	1,001,471
Basic Utility Services	338,356	71,193	100,261	88,540
Capital Outlay	0	26,945	0	0
Debt Service	297,901	0	0	0
<b>Total</b>	<b><u>\$13,179,521</u></b>	<b><u>\$13,072,033</u></b>	<b><u>\$12,081,977</u></b>	<b><u>\$10,757,309</u></b>

Source: City financial records

(1) Information is based on modified accrual. Information for full accrual will be presented when there are enough years of information to make comparisons.

(2) 2003 was the first year a subcategory was identified for security of persons and property.

1999	1998	1997	1996	1995	1994
\$1,170,753	\$1,200,479	\$1,149,547	\$1,108,032	\$1,099,063	\$1,060,295
7,825,593	8,262,995	8,052,879	7,520,478	6,698,236	6,999,433
1,575,045	893,905	846,585	776,353	760,668	686,350
82,824	78,471	79,192	69,809	74,200	51,370
309,540	77,508	46,646	43,971	45,417	40,813
0	331,297	187,009	264,292	175,381	249,123
132,326	14,187	19,501	45,925	14,786	41,999
101,200	475,565	177,507	870,086	248,174	1,204,561
<u>\$11,197,281</u>	<u>\$11,334,407</u>	<u>\$10,558,866</u>	<u>\$10,698,946</u>	<u>\$9,115,925</u>	<u>\$10,333,944</u>
\$3,116,977	\$2,004,286	\$1,766,276	\$1,880,259	\$2,364,430	\$1,548,126
6,132,210	4,619,491	5,289,604	5,119,566	4,618,156	4,510,987
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
23,230	22,655	20,311	39,768	1,125	0
230,122	207,042	299,935	286,331	286,212	243,546
531,688	64,480	60,642	61,552	62,071	61,129
795,318	2,242,597	2,300,574	2,437,709	1,652,641	2,627,628
179,628	70,891	21,821	608,334	190,524	229,197
0	0	0	0	0	0
277,923	0	4,127	0	0	48,373
<u>\$11,287,096</u>	<u>\$9,231,442</u>	<u>\$9,763,290</u>	<u>\$10,433,519</u>	<u>\$9,175,159</u>	<u>\$9,268,986</u>

**City of Warrensville Heights, Ohio**  
*Property Tax Levies and Collections - Real and Public Utility Taxes*  
*Last Ten Years*

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Current Tax Collections	Percentage of Collections to Current Tax Levy
2003	\$1,836,463	\$276,793	\$2,113,256	\$1,683,703	99.74%
2002	1,792,383	250,939	2,043,322	1,640,147	99.16
2001	1,697,931	246,125	1,944,056	1,555,185	98.55
2000	1,593,582	268,469	1,862,051	1,488,411	101.79
1999	1,579,516	255,895	1,835,411	1,465,919	97.52
1998	1,583,225	266,860	1,850,085	1,470,503	98.92
1997	1,536,270	315,810	1,852,080	1,421,391	95.43
1996	1,578,393	327,792	1,906,185	1,455,845	96.46
1995	1,661,406	277,758	1,939,164	1,493,019	93.92
1994	1,584,622	205,902	1,790,524	1,464,078	98.47

Source: Cuyahoga County Auditor

- (1) State Reimbursement of Rollback and Homestead Exemptions are included.
- (2) Amounts listed include penalties and interest.



<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Tax Levy</u>
\$147,942	\$1,831,645	86.67%	\$272,042	12.87%
137,149	1,777,296	86.98	255,877	12.52
118,162	1,673,347	86.08	258,664	13.31
133,635	1,622,046	87.11	230,670	12.39
74,438	1,540,357	83.92	271,370	14.79
95,561	1,566,064	84.65	244,205	13.20
44,603	1,465,994	79.15	254,335	13.73
66,702	1,522,547	79.87	331,770	17.40
67,422	1,560,441	80.47	260,069	13.41
29,863	1,493,941	87.15	233,221	13.03

**City of Warrensville Heights, Ohio**  
*Property Tax Levies and Collections - Tangible Personal Property Taxes*  
*Last Ten Years*

<u>Year</u>	<u>Current Tax Levy</u>	<u>Delinquent Tax Levy</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percentage of Current Collections to Current Tax Levy</u>
2003	\$483,996	\$73,573	\$557,569	\$473,730	97.88%
2002	545,700	91,929	637,629	526,588	96.50
2001	570,654	71,821	642,475	537,628	94.21
2000	523,034	86,852	609,886	504,104	96.38
1999	541,932	63,017	604,949	526,863	97.22
1998	537,274	47,756	585,030	517,099	96.24
1997	549,131	51,272	600,403	534,271	97.29
1996	560,143	69,067	629,210	555,340	99.14
1995	532,866	107,098	639,964	521,175	97.81
1994	614,821	120,640	735,461	611,940	99.53

Source: Cuyahoga County Auditor

(1) \$10,000 personal property exemption is included.

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Tax Levy</u>
\$9,738	\$483,468	86.71%	\$77,257	13.86%
16,071	542,659	85.11	92,688	14.54
13,531	551,159	85.79	88,884	13.83
32,877	536,981	88.05	81,469	13.36
22,548	549,411	90.82	47,015	7.77
101	517,200	88.41	60,504	10.34
16,585	550,856	91.75	50,991	8.49
26,311	581,651	92.44	49,196	7.82
5,556	526,731	82.31	100,340	15.86
14,762	626,702	85.21	103,559	14.08

**City of Warrensville Heights, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2003	\$210,580,170	\$601,657,629	\$13,379,180	\$15,203,614
2002	195,400,720	558,287,771	11,690,000	13,284,091
2001	190,912,760	545,465,029	13,150,000	14,943,182
2000	164,676,100	470,503,143	12,230,000	13,897,727
1999	163,911,060	468,317,314	9,250,000	10,511,364
1998	163,421,610	466,918,886	9,320,000	10,590,909
1997	154,031,100	440,088,857	8,570,000	9,738,636
1996	154,331,460	440,947,029	7,090,000	8,056,818
1995	154,374,290	441,069,400	9,030,000	10,261,364
1994	150,756,410	430,732,600	5,850,000	6,647,727

Source: Cuyahoga County Auditor

- (1) This amount is calculated based on the following percentages:  
 Real property is assessed at thirty-five percent of actual value.  
 Public utility is assessed at various notes from twenty-five to eighty-eight percent of actual value.  
 Tangible personal is assessed at twenty-five percent of actual value for capital assets and twenty-three percent for inventory.

Tangible Personal Property		Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	Ratio
\$36,972,668	\$147,890,672	\$260,932,018	\$764,751,914	34.12%
55,035,241	220,140,964	262,125,961	791,712,826	33.11
54,383,385	217,533,540	258,446,145	777,941,750	33.22
55,281,342	221,125,368	232,187,442	705,526,238	32.91
55,680,991	222,723,964	228,842,051	701,552,642	32.62
56,324,058	225,296,232	229,065,668	702,806,027	32.59
56,582,657	226,330,628	219,183,757	676,158,122	32.42
57,584,837	230,339,348	219,006,297	679,343,195	32.24
63,996,080	255,984,320	227,400,370	707,315,084	32.15
61,727,637	246,910,548	218,334,047	684,290,875	31.91

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

Year	General Fund	Special Funds (1)	Debt Service	Capital Projects	Total Levy	Warrensville Heights School District
2003	\$6.80	\$3.60	\$2.30	\$0.50	\$13.20	\$80.30
2002	6.80	3.60	2.30	0.50	13.20	79.80
2001	6.80	3.60	2.30	0.50	13.20	79.80
2000	6.80	3.60	2.30	0.50	13.20	80.60
1999	7.20	3.60	1.90	0.50	13.20	74.70
1998	7.20	3.60	1.90	0.50	13.20	74.70
1997	7.20	3.60	1.90	0.50	13.20	74.90
1996	7.20	3.60	1.90	0.50	13.20	75.00
1995	7.20	3.60	1.90	0.50	13.20	65.20
1994	7.20	3.60	1.90	0.50	13.20	65.20

(1) Police and Fire Pension Special Revenue Funds

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

Source: Cuyahoga County Auditor

<u>Orange School District</u>	<u>Cuyahoga County</u>	<u>Special (2) Taxing Districts</u>	<u>Warrensville Heights Total Tax Levy</u>
\$81.10	\$11.72	\$5.88	\$111.10
81.10	11.72	5.88	110.60
81.10	11.72	5.88	110.60
71.50	10.82	5.88	110.50
71.50	10.82	5.88	104.60
68.20	12.12	5.88	105.90
68.20	12.12	5.88	106.10
68.20	12.12	5.88	106.20
62.60	12.32	5.88	96.60
62.60	12.32	5.48	96.20

**City of Warrensville Heights, Ohio**  
*Special Assessments Billed and Collected*  
*Last Ten Years*

Year	City Assessments			County Assessments (a)
	Special Assessments Billings	Special Assessments Collected	Special Assessments Certified	Special Assessments Billings
2003	\$232,315	\$231,652	\$663	\$652,951
2002	232,315	210,968	21,347	585,013
2001	232,315	216,664	15,651	570,570
2000	232,315	230,293	2,022	570,570
1999	232,577	202,528	30,049	543,863
1998	264,561	250,719	13,842	528,760
1997	264,561	244,410	20,151	513,391
1996	264,561	258,804	5,757	516,049
1995	264,561	258,804	5,757	514,357
1994	264,561	257,888	6,673	514,500

Source: Cuyahoga County Auditor

(a) The County assessments include debt service assessments.



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Amount Delinquent	Percentage of Collections to Amount Billed	Total Assessments Collected
\$45,062	96.27%	\$860,245
58,315	84.03	702,535
32,169	84.95	701,361
55,458	91.12	750,197
48,750	90.81	696,418
46,755	91.96	736,980
34,558	92.76	720,642
36,667	93.84	743,054
28,655	97.81	761,878
32,657	97.50	759,538

**City of Warrensville Heights, Ohio**  
*Ratio of Net General Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita  
Last Ten Years*

Year	Net General Bonded Debt (1)	Assessed Value	Population (2)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2003	\$4,985,284	\$260,932,018	15,109	1.91%	\$329.95
2002	4,846,084	262,125,961	15,109	1.85	320.74
2001	5,347,900	258,446,145	15,109	2.07	353.95
2000	5,679,670	232,187,442	15,109	2.45	375.91
1999	6,065,499	228,842,051	15,745	2.65	385.23
1998	2,372,154	229,065,668	15,745	1.04	150.66
1997	2,857,444	219,183,757	15,745	1.30	181.48
1996	3,455,934	219,006,297	15,745	1.58	219.49
1995	3,977,759	227,400,370	15,745	1.75	252.64
1994	4,454,777	218,334,047	15,745	2.04	282.93

(1) - Net general bonded debt equals the amount of general obligation bonds outstanding minus the debt service fund balance available to pay general obligation debt.

(2) - Source: "Population Estimates and Projections ", published by the U.S. Department of Commerce, Bureau of the Census.

**City of Warrensville Heights, Ohio**  
*Ratio of Annual Debt Service Expenditures for  
 General Bonded Debt to Total General Fund Expenditures  
 Last Ten Years*

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Debt Service on General Obligation Bonded Debt</u>	<u>General Fund Expenditures</u>	<u>Ratio</u>
2003	\$315,000	\$286,155	\$601,155	\$13,179,521	4.56%
2002	556,266	331,360	887,626	12,615,868	7.04
2001	456,266	301,471	757,737	12,544,967	6.04
2000	330,569	147,365	477,934	11,545,155	4.14
1999	300,569	168,094	468,663	11,730,630	4.00
1998	485,308	200,900	686,208	10,231,441	6.71
1997	807,361	247,016	1,054,377	9,763,289	10.80
1996	550,221	339,151	889,372	10,433,518	8.52
1995	534,345	328,625	862,970	9,175,160	9.41
1994	503,538	330,223	833,761	9,268,985	9.00

Source: City of Warrensville Heights

**City of Warrensville Heights, Ohio**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2003*

<u>Political Subdivision</u>	<u>General Obligation Bonded Debt Outstanding (1)</u>	<u>Percentage Applicable To County (2)</u>	<u>Amount Applicable to City of Warrensville Heights</u>
Direct:			
City of Warrensville Heights	\$4,985,284	100.00%	\$4,985,284
Overlapping:			
Warrensville Heights City School District	25,247,575	100.00	25,247,575
Orange Local School District	29,393,221	3.90	1,146,336
Cuyahoga County	183,239,636	0.87	1,594,185
Regional Transit Authority	<u>130,795,000</u>	0.87	<u>1,137,917</u>
Total Overlapping	<u>368,675,432</u>		<u>29,126,013</u>
Totals	<u><u>\$373,660,716</u></u>		<u><u>\$34,111,297</u></u>

(1) Net debt outstanding equals the amount of general obligation bonds outstanding minus the debt service fund balance available to pay non-special assessment general obligation debt.

(2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

Source: Cuyahoga County Auditor

## City of Warrensville Heights, Ohio

### *Demographic Statistics*

#### *Last Ten Years*

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<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>
2003	15,109	\$18,611	2,876	6.8%
2002	15,109	18,611	2,841	6.6
2001	15,109	18,611	3,024	4.6
2000	15,109	18,611	3,099	4.2
1999	15,745	13,301	3,228	4.5
1998	15,745	13,301	2,993	4.5
1997	15,745	13,301	3,155	4.5
1996	15,745	13,301	3,180	5.0
1995	15,745	13,301	3,081	5.0
1994	15,745	13,301	3,043	5.8

Sources: (1) "Population Estimates and Projections", published by  
the Department of Commerce, Bureau of the Census.

(2) Warrensville Heights City School District

(3) Ohio Bureau of Employment Services,  
Division of Labor Force Research and Statistics.

**City of Warrensville Heights, Ohio**  
*Property Value, Construction and Bank Deposits (1)*  
*Last Ten Years*

Year	Real Property Value			Residential	
	Agricultural/ Residential	Commercial/ Industrial	Total Value	Number of Units	Construction Value (2)
2003	\$268,739,543	\$290,439,829	\$559,179,372	173	\$604,452
2002	268,821,771	289,499,400	558,321,171	501	3,550,000
2001	269,124,571	276,378,029	545,502,600	361	1,087,543
2000	229,420,400	241,117,686	470,538,086	412	1,036,723
1999	229,182,800	239,160,943	468,343,743	523	1,105,000
1998	228,009,943	238,935,571	466,945,514	851	1,776,942
1997	207,128,543	232,984,800	440,113,343	751	1,886,365
1996	206,850,114	234,117,171	440,967,285	313	1,232,543
1995	206,786,914	234,308,286	441,095,200	465	2,895,455
1994	201,608,000	229,141,314	430,749,314	368	2,175,000

Sources: (1) Cuyahoga County Auditor

(2) City of Warrensville Heights Building Department

(3) Federal Reserve Bank of Cleveland, Ohio (shown in thousands of dollars)

Commercial		Domestic Bank
Number of Units	Construction Value (2)	Deposits in County (3)
30	\$2,424,452	\$97,238,973
49	36,450,000	95,760,917
22	1,354,406	63,893,769
34	1,233,526	61,942,764
52	1,370,005	57,816,942
25	1,020,350	58,904,596
31	2,020,649	53,941,971
18	2,887,543	27,068,211
36	3,675,546	22,885,453
31	2,650,000	20,885,453

**City of Warrensville Heights, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2003*

<hr style="border-top: 3px double #000;"/>	
Total assessed valuation	\$260,932,018
Overall debt limitation - 10.5% of assessed valuation	27,397,862
Gross indebtedness	12,360,000
Less debt outside limitation:	<u>683,553</u>
Debt within 10.5% limitation	11,676,447
Less amount available in debt service fund	<u>216,163</u>
Net debt within 10.5% limitation	<u>11,460,284</u>
Overall debt margin within 10.5% limitation	<u><u>\$15,937,578</u></u>
Unvoted debt limitation - 5.5% of assessed valuation	\$14,351,261
Gross indebtedness	12,360,000
Less debt outside limitation:	<u>683,553</u>
Special Assessment Debt	<u>683,553</u>
Debt within 5.5% limitation	11,676,447
Less amount available in debt service fund	<u>216,163</u>
Net debt within 5.5% limitation	<u>11,460,284</u>
Unvoted debt margin within 5.5% limitation	<u><u>\$2,890,977</u></u>

Source: City of Warrensville Heights



**City of Warrensville Heights, Ohio**

*Principal Property Taxpayers*

*December 31, 2003*

<u>Taxpayers</u>	<u>Type of Business</u>	<u>Real Estate Assessed Valuation</u>	<u>Tangible Personal Property Assessed Valuation</u>	<u>Total Assessed Valuation</u>	<u>Percent of Total City Assessed Valuation</u>
Alltel Ohio	Telephone	\$5,409,460	\$0	\$5,409,460	2.07%
Heinen's Inc.	Commercial Warehouse	2,570,380	2,798,140	5,368,520	2.06
Clarkwood Apartment, Ltd.	Apartments	4,883,310	0	4,883,310	1.87
Dalebridge Renaissance	Condominiums	4,561,210	0	4,561,210	1.75
Cleveland Illuminating Company	Utility	4,149,500	0	4,149,500	1.59
Sherwin-Williams	Automotive Paint	2,854,500	1,382,810	4,237,310	1.62
Loctite Corporation	Adhesive Products	0	3,603,570	3,603,570	1.38
BJ's Wholesale Club	Wholesale Club	0	2,784,120	2,784,120	1.07
Granada Apartments Company	Apartments	2,771,060	0	2,771,060	1.06
Highland Business Park LLC.	Real Estate Management	2,071,580	0	2,071,580	0.79
<i>Total Top Ten Taxpayers</i>		<u>\$29,271,000</u>	<u>\$10,568,640</u>	<u>\$39,839,640</u>	

Source: Cuyahoga County Auditor

**City of Warrensville Heights, Ohio**

*Miscellaneous Statistics*

*December 31, 2003*

Date of Incorporation:	1927	Education: Warrensville Heights	
Effective Date of Charter:	1958	City School District	
Form of Government:	Mayor/Council	Elementary Schools	3
Area:	4.3 Square Miles	Upper Elementary Schools	2
Miles of Streets:	51.71 Mile Lanes	Secondary Schools	1
Number of Street Lights:	1,521	Number of Teachers	
Number of Traffic Signs:	3,225	Elementary Instructors	154
Number of Traffic Lights:	21	Secondary Instructors	<u>62</u>
Miles of Sanitary Sewers:	23.75 Miles	Total Teachers	216
Miles of Storm Sewers:	21.09 Miles	Number of Teachers with	
Miles of Water Distribution:	24.33 Miles	Master's degree or Above	149
Fire Protection:		2003/04 Student Enrollment	
Number of Stations	2	Elementary Enrollment	1,523
Number of Firemen and Officers	32	Secondary Enrollment	<u>1,353</u>
Number of Paramedics	0	Total Enrollment	2,876
Hours of Training	1,348	Teacher/Student Ratio	1 to 13.3
Number of Alarms	2,349	Recreation and Culture:	
Total Fire Loss	\$1,300,000	Number of Parks	6
Police Protection		Number of Playgrounds	1
Number of Stations	1	Number of Swimming Pools	0
Number of Policemen and Officers	37	Number of Tennis Courts	0
Number of School Guards	7	Number of Community Centers	1
Hours of Training	995	Acreage of Parks	9
Persons Arrested	1,651	Public Libraries	1
Traffic Violations	3,652	Public Transportation:	
Parking Violations - Arrest	2,080	Cuyahoga Regional Transit Authority	
City Employees			
Number of Full Time Employees	154		
Number of Part Time Employees	49		
Number of Seasonal Part Time Employees	36		

Municipal Water Department: Served by the City of Cleveland

# **City of Warrensville Heights, Ohio**

**December 31, 2003**

**City of Warrensville Heights, Ohio**

**For The Year Ended December 31, 2003**

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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  
Warrensville Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio (the "City") as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 15, 2004 wherein we noted the City adopted Government Accounting Standards Board Statement No. 34. 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'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 03-01 and 03-02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City'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 over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated July 15, 2004.

Members of the City Council  
City of Warrensville Heights, Ohio

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

*Cini & Panichi, Inc.*

Cleveland, Ohio  
July 15, 2004

# City of Warrensville Heights

## Schedule of Findings

December 31, 2003

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### 1. Summary of Auditor's Results

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

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

03-01 Per ORC Section 5705.41(D), no orders or contracts involving the expenditure of money are to be made unless there is attached a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

During our review of expenditures, Ciuni & Panichi, Inc. noted several instances where purchase orders were issued after the City received the invoice.

03-02 Per ORC Section 5705.39 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.

In 2003, the General Obligation Bond Retirement Fund, the Street Construction, Maintenance and Repair Special Revenue Fund, the Street Lighting Special Revenue Fund and the Law Enforcement Trust Special Revenue Fund had original appropriations greater than the original Certificate of Estimated Resources by \$39,984, \$1,868, \$48,768, and \$12,364, respectfully.

Also, the Information Technology Capital Projects Fund had final appropriations greater than the final Certificate of Estimated Resources by \$154,388.

### 3. Other Findings

None.

# **City of Warrensville Heights**

## **Schedule of Prior Audit Findings**

**December 31, 2003**

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Ohio Revised Code Section 5705.41(D) states no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. It was noted that 68 percent of the expenditures tested, the purchase orders were dated after the invoice date and the instances noted did not fall within any exceptions to the Code Section.

The City is in noncompliance again in the current year.



## City of Warrensville Heights

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

Response to Findings Associated With  
Audit Conducted In Accordance With  
*Government Auditing Standards*  
For The Year Ended December 31, 2003

Finding Number	Planned Correction Action	Anticipated Completion Date	Responsible Contact Person
03-01	The City will monitor expenditures to ensure that they have been properly encumbered.	December 31, 2004	Rubin K. Moultrie, Director of Finance
03-02	The City will monitor appropriations to ensure that they do not exceed estimated resources.	December 31, 2004	Rubin K. Moultrie, Director of Finance





**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**CITY OF WARRENSVILLE HEIGHTS**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 4, 2004**