

**City of Cleveland Heights
Cuyahoga County, Ohio**

* * * *

Report Letters

December 31, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Cleveland Heights, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 21, 2010

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO**

Report Letters

December 31, 2009

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 25, 2010

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of and for the year ended December 31, 2009, which collectively comprise the City of Cleveland Heights' basic financial statements and have issued our report thereon dated June 25, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses as defined above.

Compliance and Other Matters

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 grant agreements, 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 one instance of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as item 2009-01.

The City of Cleveland Heights' response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the City of Cleveland Heights' responses and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the City of Cleveland Heights' in a separate letter dated June 25, 2010.

This report is intended solely for the information and use of the management, others within the city and, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Hea & Associates, Inc.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 25, 2010

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

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

Compliance

We have audited the compliance of the City of Cleveland Heights with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City of Cleveland Heights' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Cleveland Heights' management. Our responsibility is to express an opinion on the City of Cleveland Heights' compliance based on our audit.

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

In our opinion, the City of Cleveland Heights complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of The City of Cleveland Heights' is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of The City of Cleveland Heights' as of and for the year ended December 31, 2009, and have issued our report thereon dated June 25, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management, others within the city and, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Hea & Associates, Inc.

City of Cleveland Heights
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2009

Federal Grantor/ Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Thru Entity Ident. Number	Federal Expenditures
U.S.. Department of Housing and Urban Development:			
Community Development Block Grant - Subtotal Direct Program	14.218	N/A	\$ 1,845,422
Community Development Block Grant - Revolving Loans - Direct Program	14.218	N/A	167,490
ARRA Community Development Block Grant - ARRA Entitlement Grant (CDGB-R)	14.253	N/A	411,843
Total Community Development Block Grants Cluster			2,424,755
ARRA Homeless Prevention and Rapid Re-Housing Program	14.257	N/A	1,802
Pass-Through Program From: Ohio Department of Development: Neighborhood Stabilization Program	14.256	2009	74,500
Pass-Through Program From: Cuyahoga County Housing Consortium: HOME Investment Partnership Program	14.239	2009	322,581
Pass-Through Program From: Cuyahoga County Dept. of Development: Lead Safe Cuyahoga Program	14.900	2009	221,101
Sub-Total Pass-Through Programs			618,182
Total U.S. Dept. of Housing and Urban Development			3,044,739
U.S. Dept. of Health and Human Services:			
Pass-Through Program From: State Dept. of Aging and the Western Reserve Area Agency on Aging: Title III-B of the Older Americans Act	93.044	2009	26,735
Total U.S. Dept. of Health and Human Services			26,735
U.S. Department of Transportation:			
Pass Through Ohio Department of Transportation Diesel Emissions Reduction Program Grant	20.205	2009	56,500
Total U.S. Environmental Protection Agency:			56,500

Total Expenditures of Federal Awards \$ 3,127,974

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note A – Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the City’s federal award programs. The schedule has been prepared on the cash basis of accounting.

Note B – Community Development Block Grants (CDBG) Revolving Loan Program

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants the money for these loans to the City. The initial loan of this money is recorded as a disbursement on the Schedule of Expenditures of Federal Awards. Loans repaid, including interest, are used to make additional loans. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans; and therefore, are reported as federal expenditures in the year of disbursement. Prior year outstanding balances are reported in the schedule below.

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2009 is as follows:

Beginning loans receivables balance as of January 1, 2009:	\$1,770,776
Loans Made:	145,680
Loan principal repaid on loans issued prior to 2009:	(198,952)
Loan principal repaid on 2009 loans issued:	<u>0</u>
Ending loans receivable balances as of December 31, 2009:	\$1,717,504
Cash balance on hand in the revolving loan fund as of December 31, 2009:	<u>\$ 0</u>
Total value of revolving loan fund portion of the CDBG 14.218 program	\$1,717,504
Other grants administered through the 14.218 program	<u>1,845,422</u>
Total CDBG 14.218 program	<u>\$3,562,926</u>

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS
 OMB CIRCULAR A-133, Section .505
 DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	CDBG Entitlement CFDA # 14.218 & ARRA CDBG Entitlement CFDA # 14.253
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS, (Cont.)
OMB CIRCULAR A-133, Section .505
DECEMBER 31, 2009**

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

FINDING NUMBER 2009-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) states, in part, no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by the statute:

- A. Then and Now Certificate – This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is not legal liability on the part of the subdivision or taxing district.

- B. Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the taxing authority.

During testing, we noted that 10 invoices out of 23 were dated before the required purchase order was generated, implying that the City’s purchase order procedures are not being adhered to by the City’s staff.

Management Response:

Management concurs and has sent memos to department heads about this in the past and will implement procedures to ensure that purchase orders are dated prior to invoices, implement use of purchasing cards to better control invoices, and that purchase orders are utilized for all checks issued to prevent future citations.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None were noted.

**CITY OF CLEVELAND HEIGHTS
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain
2008-001	Invoices dated prior to purchase order issuance.	No	Reissued as Finding 2009-01

CAFER

Comprehensive Annual Financial Report

for the fiscal year ended
December 31, 2009



CLEVELAND HEIGHTS, OHIO



CLEVELAND HEIGHTS, OHIO



Comprehensive Annual Financial Report

for the fiscal year ended December 31, 2009

*Prepared by
The Department of Finance*

Thomas K. Malone, director
Nicholas Vitalone, assistant director



CLEVELAND HEIGHTS, OHIO

Introductory Section

Cleveland Heights has over 135 acres of parkland and excellent recreational facilities, including the Community Center, a state-of-the-art recreation complex. It is equipped with an Olympic-sized ice rink, a field house with a fitness center and gymnasium, a senior center, rooms for special events and more.

INTRO





CLEVELAND HEIGHTS, OHIO

City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2009

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City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2009

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CITY OF
CLEVELAND
HEIGHTS 

June 25, 2010

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

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2009. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

Management's discussion and analysis may be referenced to gain a better understanding of the City's financial activities. The management discussion and analysis serves to introduce the City's basic financial statements and gives the reader, management's analysis and explanation of the City's financial position.

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

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

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2009, have been audited by the firm of Rea & Associates, Inc., Certified Public Accountants. The auditor's unqualified opinion has been included in this report.

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

PROFILE OF THE GOVERNMENT

The City of Cleveland Heights, located in northeastern Ohio immediately east of Cleveland, is a residential community, which covers 8.11 square miles. The City's population according to the 2000 Federal Census was 50,769. The City, incorporated under Ohio law in February 1921, operates under its own charter, which was adopted in August 1921. The Charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven members elected Council, is the chief administrative officer of the City.

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

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

The City of Cleveland Heights maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The City maintains its legal level of budgetary control at the department level for the General Fund and those funds paying wages and at the fund level for all other funds. The City Manager is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each fund does not exceed that of the Council approved appropriation. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

ECONOMIC CONDITIONS

The City's unemployment rate in March 2010 was 7.0% as compared to a Cuyahoga County rate of 9.8%, a State of Ohio rate of 11%, and a national rate of 9.7%. The City of Cleveland Heights has felt the effects of the same economic downturn that stalled the economy of the State of Ohio and the nation as a whole in the earlier years of this decade. The City is optimistic that the next few years will bring closure to this period of downturn. The City is currently budgeting 2010 using the same conservative approach of the past few years. The State of Ohio intends to continue reducing financial support to cities. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources. Expenditures are being closely monitored at the department level as well as the City Manager level. City Council reviews the budget and financial status of the City on a regular basis.

The assessed value of commercial property in the city has increased 20% since 2000. The assessed value of residential property has increased 27% in the same period. This is a key indicator of this City's economic health and stability where the primary "industry" is its housing. All indications are that the City will continue to be a highly desirable place in which to live in the coming years. The 2009 income tax collections remained relatively strong and accounted for almost 49.6% of all General Fund receipts.

MAJOR INITIATIVES

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

The Yellowstone Road rehabilitation project was completed in November 2009. The project cost \$312,033 and was funded primarily with CDBG-R funds. The Euclid Heights Boulevard rehabilitation project was administered through the Ohio Department of Transportation. The project was completed in late 2009 at a cost of \$331,609. The Lee Road rehabilitation project was completed in March 2009 at a cost of \$978,184. The project was being funded via 50 percent Ohio Public Works Commission grant and 50 percent local contribution. The Cain Park and Denison Park path improvement project was also completed in late 2009 at a cost of \$222,333 and was funded with local sources.

The first phase of the Monticello Boulevard resurfacing project is estimated to cost \$1.3 million. This project will be funded with 30 percent local sources and 70 percent through the Ohio Public Works Commission. The OPWC portion will consist of 50 percent grant and 20 percent no-interest loan over 20 years. The project was in the planning stages at the end of 2009. The Cleveland Heights Boulevard waterline project will commence in the summer 2010 with an estimated cost of \$580,000. This waterline project will be paid for utilizing CDBG funds. The Runnymede Boulevard waterline project will commence in late summer 2010 at an estimated cost of \$347,900. The project is expected to be funded with a 15 year OWDA loan. In late summer 2010 the City will replace the Denison Park soccer field with an artificial surface. The field is expected to cost \$900,000 and will be paid for using local sources.

The annual street resurfacing program involves removal of the asphalt street surface to its base, making base repairs, replacing curbs, catch basin and manhole castings as needed, setting all castings flush to the new street level and placing a new asphalt surface which is crowned and graded for proper drainage. The primary sources of funding for this program are motor vehicle license fees and gasoline excise tax, which generate about \$1.6 million per year. An additional \$631,368 of CDBG funds were used on streets, water and sewer lines in low/moderate income districts. The annual street surface treatment program extends the life of the road's surface by application of crack fillers, chip sealing, and single pass asphalt recycling, a method of reclaiming the top inch of loose asphalt.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

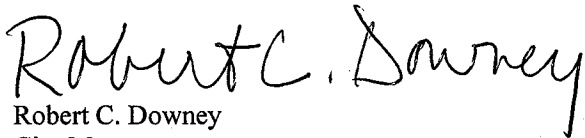
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last twenty-five (25) consecutive years (fiscal years ended December 31, 1984 through December 31, 2008). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

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

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

Respectfully submitted,



Robert C. Downey
City Manager



Thomas K. Malone
Director of Finance



CLEVELAND HEIGHTS, OHIO

City of Cleveland Heights, Ohio

Listing of Principal City Officials

December 31, 2009

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

City Manager	Robert C. Downey
Vice City Manager/Director of Community Services.....	Susanna Niermann O'Neil
Assistant to the City Manager.....	Eddie L. Carter
Assistant to the City Manager.....	Carl Czaga
Director of Finance	Thomas K. Malone
Assistant Director of Finance.....	Nicholas Vitalone
Director of Law	John H. Gibbon
First Assistant Director of Law	Laure A. Wagner
Assistant Director of Law	William R. Hanna
Assistant Director of Law	L. James Juliano, Jr.
Assistant Director of Law	Kim Segebarth
Director of Planning.....	Richard E. Wong
Director of Public Safety	Robert C. Downey
Director of Public Works	Alex Mannarino
Chief of Fire.....	Kevin C. Mohr
Chief of Police	Martin G. Lentz

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cleveland Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



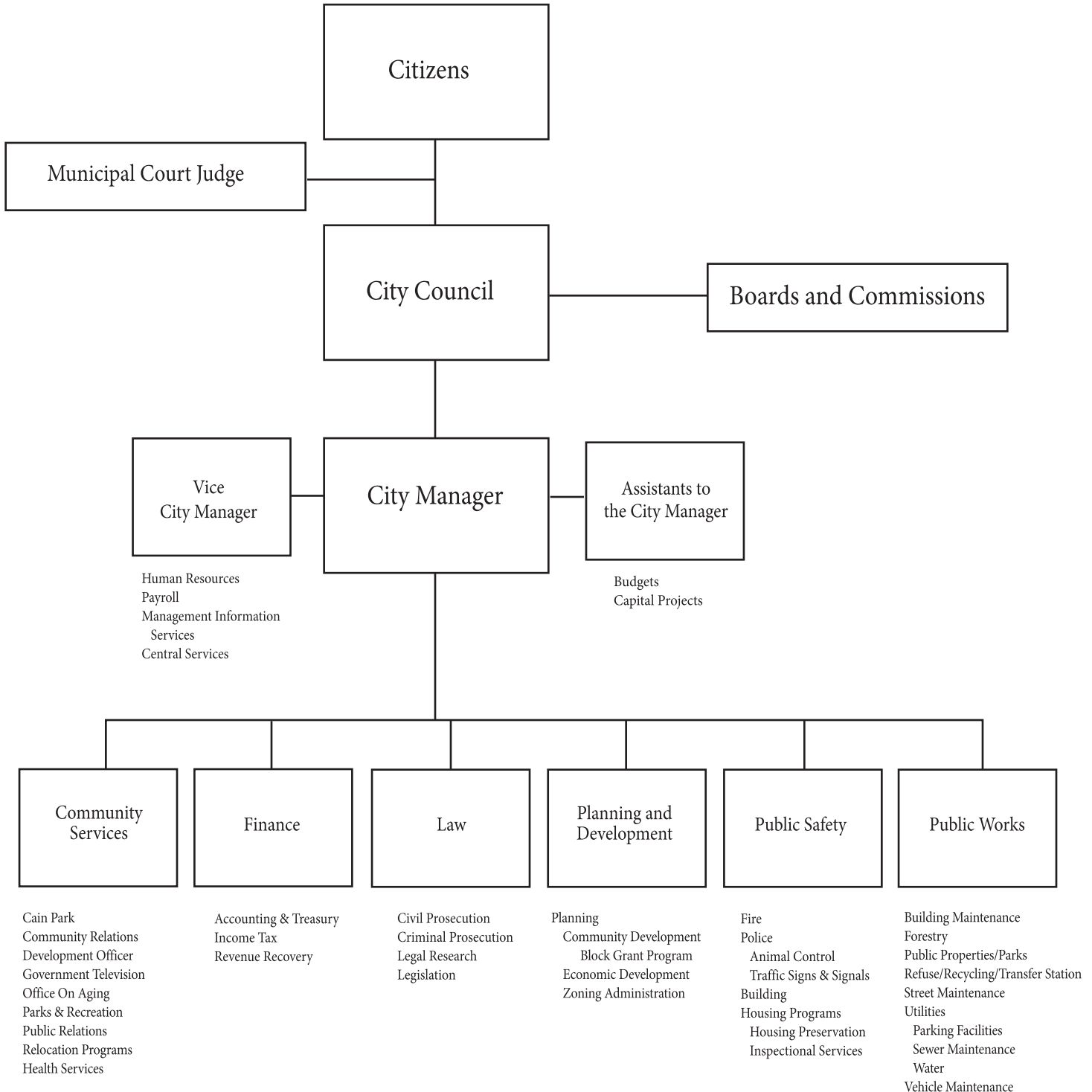
President

Executive Director



CLEVELAND HEIGHTS

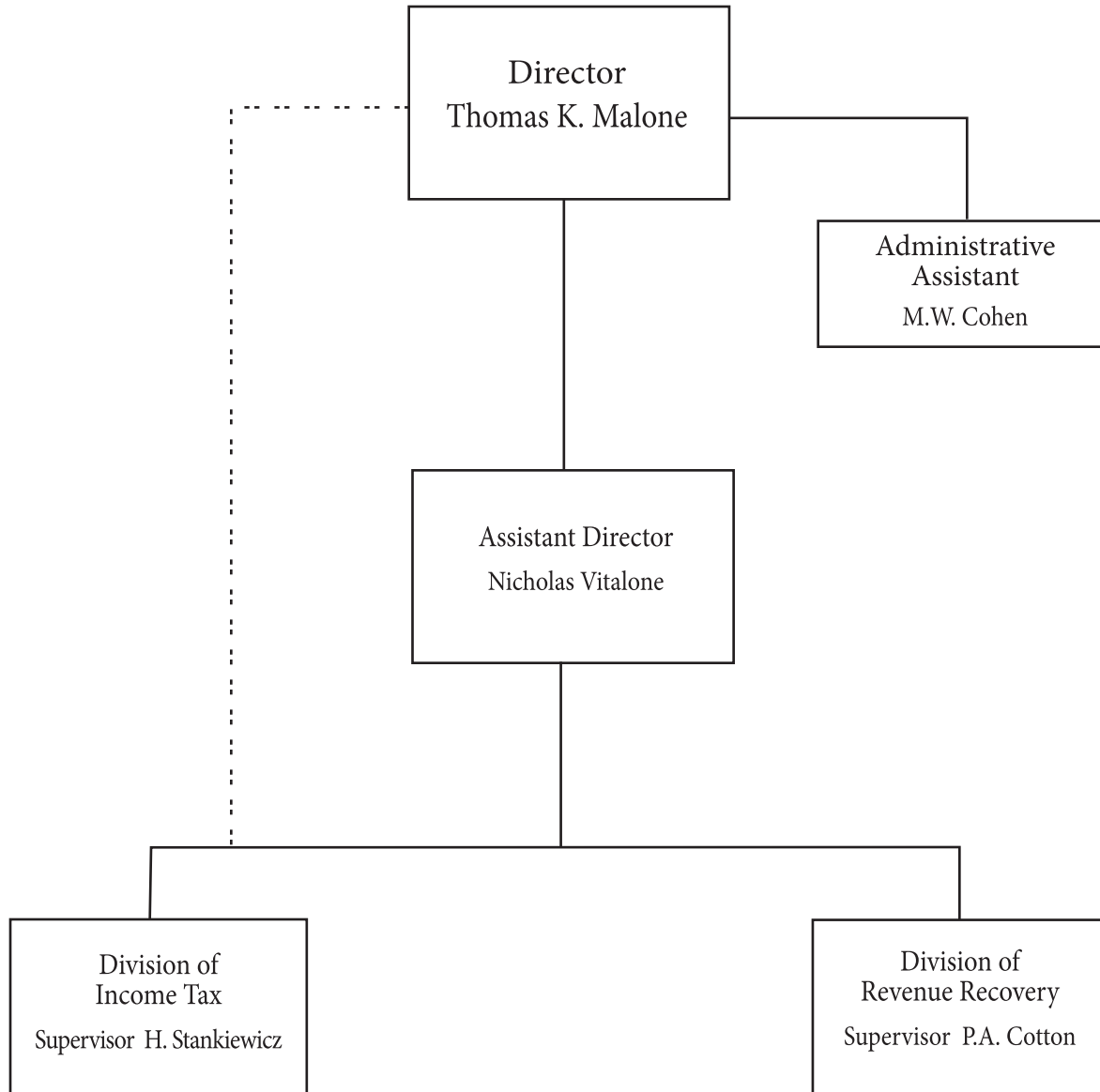
CITY ORGANIZATION AS OF DECEMBER 31, 2009





CLEVELAND HEIGHTS

DEPARTMENT OF FINANCE ORGANIZATION AS OF DECEMBER 31, 2009



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FINANCES

Financial Section

Throughout the year, Cleveland Heights offers a variety of programs and events for residents of all ages and interests. Cain Park's performing art complex offers summer-long entertainment, including a highly-rated, three-day arts festival.





CLEVELAND HEIGHTS, OHIO



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 25, 2010

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cleveland Heights' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, on our consideration of the City of Cleveland Heights' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and

other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 15 is not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cleveland Heights, basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

The discussion and analysis of the City of Cleveland Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2009 are as follows:

- The total assets of the City of Cleveland Heights exceeded its total liabilities at the close of the most recent fiscal year by \$103,543,400.
- Total net assets increased by \$3,302,984 from 2008 levels. Total assets decreased by \$1,456,711 led primarily by decreases of capital assets.
- Total liabilities decreased by approximately \$4.8 million from 2008. There was no additional long-term or short-term debt issued in 2009. Debt service payments of \$2,826,830 in 2009 were the primary reason for the decrease in total liabilities from 2008.
- In total, net assets in governmental activities increased by \$3,626,297 during 2009. This represents an increase of 5.4 percent from 2008.

Using this Annual Financial Report

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

Government-wide financial statements – Reporting the City of Cleveland Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City of Cleveland Heights' assets and liabilities, with the difference between the two reported as net assets. Over time, an increase or decrease in net assets may serve as a useful indicator of whether the financial position of the City of Cleveland Heights is improving or deteriorating. However, in evaluating the overall position of the City, nonfinancial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

In the Statement of Net Assets and the Statement of Activities, we identify two kinds of activities in the City:

- Governmental activities: Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, and state and federal grants finance most of these activities.
- Business-type activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems, off-street parking, and ambulance services are reported here.

Fund Financial Statements - Reporting the City of Cleveland Heights' Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the Governmental Funds 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.

The City of Cleveland Heights maintains 43 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund and Debt Service Fund both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

Proprietary Funds

The City of Cleveland Heights maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utilities operations, off-street parking operations, ambulance services activity and for the Cedar Lee parking deck. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City currently does not maintain an Internal Service fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utilities services, off-street parking, ambulance services and the Cedar Lee parking facility as they are considered major funds.

The basic proprietary fund financial statements can be found starting on page 24 of this report.

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 maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page 30 of this report.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the Notes to the Financial Statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 62 of this report.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

Government-wide Financial Analysis - City of Cleveland Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

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

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

The Statement of Net Assets looks at the City as a whole. The following Table 1 provides a summary of the City's net assets for 2009 as compared to 2008.

Table 1
City of Cleveland Heights' Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	2008	2009	Restated 2008
Current and other assets	\$ 40,223,325	\$ 40,741,266	\$ 5,694,350	\$ 5,569,236	\$ 45,917,675	\$ 46,310,502
Capital assets, net	67,831,928	68,191,468	37,156,347	37,860,691	104,988,275	106,052,159
Total assets	108,055,253	108,932,734	42,850,697	43,429,927	150,905,950	152,362,661
Current and other liabilities	14,224,785	16,432,170	2,062,425	1,877,831	16,287,210	18,310,001
Long-term liabilities:						
Due within one year	4,407,803	4,431,611	655,618	651,237	5,063,421	5,082,848
Due in more than one year	18,231,209	20,503,794	7,780,710	8,225,602	26,011,919	28,729,396
Total liabilities	36,863,797	41,367,575	10,498,753	10,754,670	47,362,550	52,122,245
Invested in capital assets, net of related debt	52,671,861	49,880,927	29,105,885	29,365,271	81,777,746	79,246,198
Restricted for:						
Debt service	3,642,458	3,304,603	-	-	3,642,458	3,304,603
Capital projects	1,677,073	1,466,924	-	-	1,677,073	1,466,924
Community development	1,407,781	1,510,595	-	-	1,407,781	1,510,595
Municipal court special projects	2,340,532	2,190,766	-	-	2,340,532	2,190,766
Streets	624,999	512,857	-	-	624,999	512,857
Public safety	127,450	267,855	-	-	127,450	267,855
Other purposes	218,745	202,228	-	-	218,745	202,228
Unrestricted	8,480,557	8,228,404	3,246,059	3,309,986	11,726,616	11,538,390
Total net assets	\$ 71,191,456	\$ 67,565,159	\$ 32,351,944	\$ 32,675,257	\$ 103,543,400	\$ 100,240,416

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

Total assets exceeded total liabilities for all of Cleveland Heights' activities by \$103,543,400. The net assets have increased by \$3,302,984 from 2008. Over an extended time the pattern of these changes can become a useful indicator of a government's financial position.

The major category of the City's net assets (79.0%) is investment in capital assets such as land, buildings, infrastructure, machinery, and equipment. The amounts reflected in Table 1 are less any related outstanding debt used to acquire those assets. These assets are essential to provide services to the citizens therefore they are not available for future spending. Although the investment in capital assets is reported net of the related debt, note that the funds to repay the debt must come from sources other than the capital assets themselves.

The City's total assets decreased \$1,456,711 from 2008 to 2009 while the total liabilities decreased \$4,759,695 in that period. The decrease in total assets can be attributed to asset extinguishments and depreciation in 2009. Also, the City did not issue additional long-term or short-term debt in 2009. Long term debt service payments of \$2,826,830 and extinguishment of \$905,000 in bond anticipation notes in 2009 were the primary reasons for the decrease in total liabilities from 2008.

The City has made concerted efforts to maximize the return on investments of its cash and cash equivalents and to use these funds to provide liquidity for planned future capital purchases. Due to the decline of interest rates in the past few years, the investments have shifted from mostly government notes and bills to include a greater mix of federal government agency issues. However, even though the State code allows for investments with maturities of five years or less, the City has infrequently invested in an instrument with a maturity of more than two years. The City increased its weighted average maturity to 787 days in its investment portfolio as of December 31, 2009.

Another tool used by the City to reduce its long-term liability is to convert accumulated sick leave to a bonus payment for employees who have a balance in excess of 800 hours of sick time remaining in their account at the end of each year. This bonus is calculated for eligible employees based on the hours accumulated and the hours of sick leave used in the current year. Only employees who have used forty-eight or less hours of sick leave per year are eligible for this conversion to bonus option. Employees who have used forty-eight hours of sick leave during the year are eligible to convert up to eight hours of sick leave to the cash bonus. If the employee has used no sick hours the conversion to bonus could be up to fifty-six hours. This allows the City to buy back accumulated sick hours at the current hourly rate as opposed to paying for it at a higher rate in the future or at the time of retirement of the employee. Every hour that is converted to bonus will reduce the employee's accumulated sick leave hours one for one. The employees benefit by having funds available to them currently with the opportunity to invest them.

The City of Cleveland Heights participates in the Ohio Bureau of Workers' Compensation retrospective rating program. Third party administration of claims is provided by CompManagement Incorporated. Various departments within the City have established safety committees to meet the Bureau guidelines and provide the employees with safety equipment to enable them to perform their tasks efficiently and also, as much as possible, to help keep the City premises an injury-free work place. A random drug testing policy for employees with CDL licenses also affords an added measure toward achieving this goal.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

The City of Cleveland Heights has developed programs and is dedicated to the recycling effort. During 2009, approximately 52.4 percent of all material collected was recycled and/or composed.

The net assets of our business-type activities decreased by 1.0 percent in 2009, which the City generally can only use these net assets to finance the continuing operations of the water and sewer, off-street parking, and ambulance services departments. In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	2008	2009	Restated 2008
Revenues:						
Program revenues:						
Charges for services	\$ 10,091,794	\$ 9,961,791	\$ 13,772,780	\$ 13,039,119	\$ 23,864,574	\$ 23,000,910
Operating grants and contributions	2,321,296	2,709,744	4,990	-	2,326,286	2,709,744
Capital grants and contributions	413,457	268,521	111,469	-	524,926	268,521
Total program revenues	12,826,547	12,940,056	13,889,239	13,039,119	26,715,786	25,979,175
General revenues:						
Property taxes	11,321,707	11,202,353	-	-	11,321,707	11,202,353
Municipal income taxes	19,994,781	21,877,327	-	-	19,994,781	21,877,327
Grants and entitlements	7,829,289	8,310,262	-	-	7,829,289	8,310,262
Interest earnings	112,881	416,225	21,561	86,224	134,442	502,449
Miscellaneous income	1,054,747	1,789,096	69,019	54,156	1,123,766	1,843,252
Total general revenues	40,313,405	43,595,263	90,580	140,380	40,403,985	43,735,643
Total revenues	53,139,952	56,535,319	13,979,819	13,179,499	67,119,771	69,714,818
Program expenses:						
General government	11,671,949	12,147,129	-	-	11,671,949	12,147,129
Public safety	17,823,966	18,628,409	-	-	17,823,966	18,628,409
Public health	374,224	418,430	-	-	374,224	418,430
Culture and recreation	3,721,292	3,947,966	-	-	3,721,292	3,947,966
Community development	6,207,548	6,368,068	-	-	6,207,548	6,368,068
Sanitation	2,365,733	3,439,963	-	-	2,365,733	3,439,963
Transportation	6,532,259	6,881,110	-	-	6,532,259	6,881,110
Interest and fiscal charges	313,546	815,057	-	-	313,546	815,057
Utilities	-	-	12,380,388	12,058,641	12,380,388	12,058,641
Off-street parking	-	-	1,227,804	1,146,271	1,227,804	1,146,271
Ambulance services	-	-	659,336	730,540	659,336	730,540
Cedar Lee parking deck	-	-	538,742	401,136	538,742	401,136
Total program expenses	49,010,517	52,646,132	14,806,270	14,336,588	63,816,787	66,982,720
Excess before transfers	4,129,435	3,889,187	(826,451)	(1,157,089)	3,302,984	2,732,098
Transfers	(503,138)	(283,260)	503,138	283,260	-	-
Change in net assets	3,626,297	3,605,927	(323,313)	(873,829)	3,302,984	2,732,098
Net assets at beginning of year	67,565,159	63,959,232	32,675,257	33,549,086	100,240,416	97,508,318
Net assets at end of year	\$ 71,191,456	\$ 67,565,159	\$ 32,351,944	\$ 32,675,257	\$ 103,543,400	\$ 100,240,416

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1979. The tax was originally instituted in 1966. Residents of the City who work in another community and pay the withholding tax for that community receive a fifty percent tax credit on their City tax up to a maximum of one-half percent. During 2009, this tax generated \$20.0 million in revenues. The continuing recession is responsible for the significant decrease in income tax revenues from the \$21.9 million received in 2008. In spite of this decrease in revenue the City has effectively pared its budget through wage freezes, employee furloughs and other cost cutting measures. The City will continue to collect delinquent accounts via the use of professional collection firms and agencies. In 2003 the City implemented a non-filer letter and the subpoena program to ensure compliance with the local tax laws. In 2004 these efforts resulted in increases in filings and payments. These programs continue to identify and increase our contact with non-filers and new residents. Property tax revenues in 2009 of \$11.3 million remained consistent with the \$11.2 million of revenues in 2008. Investment earnings continued to decrease from 2008 as the Federal Reserve has maintained extremely low short term interest rates through the end of 2009 and for the foreseeable future.

Public safety and transportation are the major activities of the City accounting for 49.7 percent of the governmental expenses. Currently, there are one hundred two full-time sworn officers in the police department operating from one police station.

The fire department consists of seventy-two full-time fire fighters and officers of which fifty-eight are fully trained paramedics. Again, training plays a crucial role in the day-to-day operation of the fire department. Techniques such as practice drills, continuing education classes, and watching training videos help keep the men updated to perform their jobs most efficiently. The department handled 5,227 calls for assistance of which approximately 4,098 were for EMS and the rest for fire and fire-related incidents. The number of calls for assistance made in 2009 were down only slightly from 2008.

The City has an annual road program which entails major and minor resurfacing of the 303 roadway lanes miles in Cleveland Heights on a rotating basis year by year. The resurfacing program is subject to competitive bid. The bid award in 2010 was \$1,514,590. Of this amount \$191,254 was funded through Community Development Block Grant. Several major projects were completed in 2009. The Lee Road rehabilitation project was completed in March 2009 at a cost of \$978,184. Besides a new road surface, curb repairs, and traffic signal upgrades, the project includes a new sewer and water lines for select areas of greatest need. The Lee Road project was funded with a 50 percent Ohio Public Works Commission grant and 50 percent local contribution. The Yellowstone Road rehabilitation project was completed in November of 2009 at a cost of \$312,033 and was primarily funded with CDBG-R funds.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

Business-Type Activities

The Business-Type activities of the City, which include the City's utilities operations, off-street parking operations, ambulance services, and the Cedar Lee Parking Deck, decreased the City's net assets by \$323,313. Program expense exceeded program revenue in the amount of \$917,031 for the operations for 2009. In addition there were general revenues of \$593,718 from interest earnings, other revenues and transfers from governmental funds.

The City's Funds

Governmental Funds

Information about the City's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$54.6 million and expenditures of \$51.0 million. Overall some areas of the revenue base continue to experience reductions such as interest earnings and state funding for local government and estate taxes. Some of these reductions could not be anticipated prior to 2003 since they were the result of new state legislation. Concerted efforts have been made in 2009 to control spending within the reduced streams of revenues which can now be anticipated and budgeted accordingly. The City has been reducing expenditures and implementing revenue enhancement programs to combat the challenges presented in the current and expected future economic climate.

The General Fund revenues decreased 3.4% from 2008 levels. The recession has continued to effect the City and region at large as income tax revenues experienced a significant decline in 2009. The General Fund expenditures decreased 9.5% from 2008 which is a direct result of the fiscal conservation the City has employed over the past several years.

The Debt Service Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2009, the Debt Service Fund had total revenues of \$4,215,450 and expenditures of \$2,446,832 resulting in an increase in fund balance of \$337,855, after consideration of \$1,430,763 in other financing uses, for an ending fund balance at December 31, 2009 of \$3,642,458. The debt service expenditures are set by the bonds and have increased from the prior year due to increased debt service in 2009 relating to the 2008 refunding.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2009
Unaudited

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 for the following fiscal year is legally required to be presented to City Council by the City Manager in June of each year. Council is provided with a detailed General Fund budget by expenditure class for all departments, and, after a discussion at a regularly held Council meeting, which is open to the public, the General Fund budget is adopted at the department level for personal services, capital outlay, and other expenditures for the General Fund and at the fund level for all other funds by City Council. The approved budget is then submitted to the Cuyahoga County Budget Commission. Within a budgeted expenditure class the appropriations can be transferred between line items with the approval of the Assistant to the City Manager for Budget or the City Manager and the respective department head. Council must approve any revisions in the budget that alter the expenditure class totals or the total appropriations for any department or fund. The final budget for the current year must be reviewed and approved during December. The City Manager recommends necessary changes to the budget and provides information as requested by Council. During fiscal year 2009, the City amended its General Fund budget for expenditures and other financing uses by a decrease of \$2,880,625 at the end of the fiscal year. As a result of the continuing recession, revenues were projected to be lower and therefore the budget and expenditures had to be reduced accordingly. The Finance Director provides monthly reports to City Council depicting monthly and year-to-date activity for revenues and expenditures in a comparative format to the approved budget and certificate of estimated resources.

For the General Fund, budget basis revenue was \$45,178 below the original budget estimates of \$40.9 million. The actual property tax receipts were lower than anticipated due to a decline in assessed valuations. The final appropriations of \$39.7 million approximated the actual expenditures for the year, which ended up at \$39.1 million. There were no significant deviations between the final appropriations and the actual expenditures for 2009.

The City's ending unrestricted budgetary fund balance was \$398,983 greater than the final budgeted amount. \$323,375 was reserved for encumbrances and payables at the end of 2009.

Business-Type Funds

The City's major Enterprise Funds consist of the Utilities Fund, the Off-Street Parking Fund, the Ambulance Services Fund, and the Cedar Lee Parking Facility Fund. The basic financial statements for the major funds are included in this report.

The Business-Type activities decreased the City's net total assets by \$323,313. In 2009, the Utilities department continued to aggressively pursue delinquent accounts. Program revenues increased about 6.5% or \$850,120 from 2008 as a result of these collection efforts. However, net assets saw only a minimal increase in the Utilities Fund as expenditures increased about 3% or \$338,700 in 2009. The \$262,358 decrease in net assets of the Off-Street Parking Fund can be attributed to a decrease of 14% in revenues with a corresponding 10% or \$113,711 decrease in expenditures. Although revenues showed modest growth and expenditures declined approximately 12% the net assets of the Ambulance Fund declined by \$71,342 from 2008. The City of Cleveland Heights water rates charged to residents through October 31, 2009 was \$53.53 per thousand cubic feet. The City increased the rate to \$56.60 per thousand cubic feet on November 1, 2009. Since 2003 the water department has been turning off water service in order to collect delinquent accounts.

City of Cleveland Heights, Ohio
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For the Fiscal year Ended December 31, 2009
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This was found to be successful and the practice has been continued in 2009 in an attempt to reduce outstanding delinquent balances and maintain revenues.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the City of Cleveland Heights had \$105.0 million invested in capital assets (net of depreciation) which was a decrease of approximately \$1.1 million from 2008. This investment in capital assets includes land, buildings, improvements, construction in progress, machinery, and equipment as well as infrastructure including roads, sidewalks, bridges, water lines, sanitary sewers, curbs and gutters.

Table 3 shows fiscal year 2009 balances of capital assets (net of depreciation) as compared to 2008:

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 4,104,290	\$ 4,080,187	\$ 1,699,694	\$ 1,699,694	\$ 5,803,984	\$ 5,779,881
Construction in progress	1,919,793	2,281,541	69,198	643,130	1,988,991	2,924,671
Land improvements	1,315,402	1,430,702	287,337	295,715	1,602,739	1,726,417
Buildings and improvements	30,939,010	31,725,566	9,410,957	9,582,866	40,349,967	41,308,432
Machinery and equipment	5,014,398	5,487,977	2,309,716	2,741,680	7,324,114	8,229,657
Infrastructure:						
Streets and sidewalks	24,539,035	23,185,495	-	-	24,539,035	23,185,495
Waterlines	-	-	14,059,946	14,128,399	14,059,946	14,128,399
Sanitary sewer lines	-	-	5,916,290	5,430,510	5,916,290	5,430,510
Storm sewer lines	-	-	2,288,101	2,341,723	2,288,101	2,341,723
Off-street parking lots	-	-	1,115,108	996,974	1,115,108	996,974
Total capital assets	\$ <u>67,831,928</u>	\$ <u>68,191,468</u>	\$ <u>37,156,347</u>	\$ <u>37,860,691</u>	\$ <u>104,988,275</u>	\$ <u>106,052,159</u>

Overall there was a decrease in capital assets from 2008. The City will continue to carry out an aggressive policy in maintaining its assets in excellent condition. Along with the street improvement projects, the City will continue to issue short-term notes to facilitate the purchase of motorized equipment on an annual basis. Vehicles, such as fire trucks, ambulances, rubbish trucks, etc., are planned for well in advance by the respective department heads and a scheduled maintenance and replacement time table is followed to provide peak performance for the maximum time frame. Police cars are replaced on an annual basis with approximately thirteen new cruisers placed in service each year. The older vehicles are either traded in to the dealers or sold to the highest bidder at the City's annual vehicle auction.

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With regards to the infrastructure, the City's public works department maintains a comprehensive listing of all the streets, bridges, culverts and water and sewer lines in the City. The public works department performs in-house maintenance and repairs as a supplement to the road projects that are bid out annually. The City maintains annual street resurfacing and surface treatment programs. As part of the City's annual road maintenance program, the capital projects manager evaluates the condition of each street after the winter and prepares a list of streets to be either resurfaced or crack-sealed, and, in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are competitively bid in early spring to get the best possible pricing from contractors. This program is paid for out of the current operating funds of the City. In the case of a major resurfacing project on one of the main arteries in the City of Cleveland Heights, the City has effectively pursued external funding sources to provide as much as forty to fifty percent of the project. Grants and loan assistance programs are from sources such as Cuyahoga County, State Issue II funds, and Federal highway funds. These awards reduce the total amount that must be borrowed to provide the matching funds in some cases. Additional information concerning the City's capital assets can be found in Note 7 to the financial statements.

Debt

At December 31, 2009, the City of Cleveland Heights had \$31,075,340 in total outstanding debt, of which \$20,676,915 was in general obligation bonds. There is a decrease of 8.1% in total outstanding debt from 2008. Table 4 summarizes the debt outstanding.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	2008	2009	Restated 2008
	General obligation bonds	\$ 14,466,915	\$ 16,268,332	\$ 6,210,000	\$ 6,355,000	\$ 20,676,915
OPWC loans	1,226,097	1,262,887	1,237,667	1,334,567	2,463,764	3,104,496
OWDA loan	-	-	335,792	327,487	335,792	327,487
Economic development bonds	460,000	680,000	-	-	460,000	680,000
Capital leases	122,055	172,280	267,003	478,366	389,058	650,646
Compensated absences	6,363,945	6,551,906	385,866	381,419	6,749,811	6,933,325
Total	\$ 22,639,012	\$ 24,935,405	\$ 8,436,328	\$ 8,876,839	\$ 31,075,340	\$ 33,812,244

At December 31, 2009, the City's overall legal debt margin was \$69,700,945 with an unvoted debt margin of \$23,484,443. The City had an outstanding balance of \$2,463,764 on interest-free loans obtained from the Ohio Public Works Commission for the Cedar Road waterline rehabilitation and sanitary sewer improvement, Taylor Road rehabilitation, Coventry Road rehabilitation and the Meadowbrook Boulevard rehabilitation projects. These loans allowed the City to spread the payments for the improvements over twenty years with no interest costs. The City also had an outstanding balance of \$335,792 from the Ohio Water Development Authority which carries an interest rate of 4.12%. Proceeds from the OWDA loan will be used for the Demington/Fairmount Sanitary Sewer rehabilitation project. Other obligations include accrued vacation pay and sick leave and capital leases. Additional information concerning the City's long-term obligations can be found in Notes 8 and 10 to the financial statements.

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Contacting the City of Cleveland Heights' Financial Management

This financial report is designed to provide our citizens, 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, spends, or invests. If you have questions about this report or need financial information, contact the Finance Director, Thomas K. Malone, at the City of Cleveland Heights, 40 Severance Circle, Cleveland Heights, Ohio 44118, telephone 216-291-3900, or e-mail tmalone@clvhts.com.



CLEVELAND HEIGHTS, OHIO

City of Cleveland Heights, Ohio

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in city treasury cash	\$ 13,024,450	\$ 1,647,799	\$ 14,672,249
Restricted assets: cash	1,982,258	676,629	2,658,887
Accounts receivable	466,567	3,213,642	3,680,209
Special assessment receivable	1,822,400	-	1,822,400
Interest receivable	21,753	2,974	24,727
Loans receivable	1,763,651	-	1,763,651
Intergovernmental receivable	3,227,505	-	3,227,505
Inventory of supplies	263,299	108,619	371,918
Taxes receivable	17,492,107	-	17,492,107
Intrafund Receivable	(44,687)	44,687	-
Unamortized bond issuance costs	204,022	-	204,022
Nondepreciable capital assets	6,024,083	1,768,892	7,792,975
Depreciable capital assets, net	<u>61,807,845</u>	<u>35,387,455</u>	<u>97,195,300</u>
Total assets	<u>108,055,253</u>	<u>42,850,697</u>	<u>150,905,950</u>
Liabilities:			
Vouchers and accounts payable	1,320,474	1,274,811	2,595,285
Accrued wages and benefits	1,523,584	20,878	1,544,462
Due to other governments	1,511,528	40,063	1,551,591
Contracts payable	61,234	-	61,234
Unearned revenue	9,484,528	-	9,484,528
Refundable deposits	-	676,629	676,629
Accrued interest payable	90,000	45,967	135,967
Claims payable	52,159	4,077	56,236
Matured compensated absences	181,278	-	181,278
Long-term liabilities:			
Due within one year	4,407,803	655,618	5,063,421
Due in more than one year	<u>18,231,209</u>	<u>7,780,710</u>	<u>26,011,919</u>
Total liabilities	<u>36,863,797</u>	<u>10,498,753</u>	<u>47,362,550</u>
Net assets:			
Invested in capital assets, net of related debt	52,671,861	29,105,885	81,777,746
Restricted for:			
Debt service	3,642,458	-	3,642,458
Capital projects	1,677,073	-	1,677,073
Community development	1,407,781	-	1,407,781
Municipal court special projects	2,340,532	-	2,340,532
Streets	624,999	-	624,999
Public Safety	127,450	-	127,450
Other purposes	218,745	-	218,745
Unrestricted	<u>8,480,557</u>	<u>3,246,059</u>	<u>11,726,616</u>
Total net assets	<u>\$ 71,191,456</u>	<u>\$ 32,351,944</u>	<u>\$ 103,543,400</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Activities

For the Year Ended December 31, 2009

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 11,671,949	\$ 5,426,842	\$ 194,724	\$ -
Public safety	17,823,966	641,586	100,000	-
Public health	374,224	1,140	33,171	-
Culture and recreation	3,721,292	1,700,627	26,849	-
Community development	6,207,548	824,958	1,958,246	413,457
Sanitation	2,365,733	1,456,358	8,306	-
Transportation	6,532,259	40,283	-	-
Interest and fiscal charges	313,546	-	-	-
Total governmental activities	<u>49,010,517</u>	<u>10,091,794</u>	<u>2,321,296</u>	<u>413,457</u>
Business-type activities:				
Utilities	12,380,388	12,253,910	-	111,469
Off-street parking	1,227,804	936,125	-	-
Ambulance services	659,336	582,745	4,990	-
Cedar Lee parking deck	538,742	-	-	-
Total business-type activities	<u>14,806,270</u>	<u>13,772,780</u>	<u>4,990</u>	<u>111,469</u>
Total	\$ <u>63,816,787</u>	\$ <u>23,864,574</u>	\$ <u>2,326,286</u>	\$ <u>524,926</u>

General revenues:

Property taxes levied for:

General purposes

Debt service

Police and fire pension

Municipal income taxes for general purposes

Grants and entitlements not restricted

to specific programs

Interest earnings

Other revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year, restated see Note 3

Net assets at end of year

The accompanying notes are an integral part of the financial statements.

<u>Net (Expense)/Revenue and Change in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (6,050,383)	\$ -	\$ (6,050,383)
(17,082,380)	-	(17,082,380)
(339,913)	-	(339,913)
(1,993,816)	-	(1,993,816)
(3,010,887)	-	(3,010,887)
(901,069)	-	(901,069)
(6,491,976)	-	(6,491,976)
<u>(313,546)</u>	<u>-</u>	<u>(313,546)</u>
<u>(36,183,970)</u>	<u>-</u>	<u>(36,183,970)</u>
-	(15,009)	(15,009)
-	(291,679)	(291,679)
-	(71,601)	(71,601)
<u>-</u>	<u>(538,742)</u>	<u>(538,742)</u>
<u>-</u>	<u>(917,031)</u>	<u>(917,031)</u>
<u>(36,183,970)</u>	<u>(917,031)</u>	<u>(37,101,001)</u>
7,236,862	-	7,236,862
3,570,713	-	3,570,713
514,132	-	514,132
19,994,781	-	19,994,781
7,829,289	-	7,829,289
112,881	21,561	134,442
1,054,747	69,019	1,123,766
<u>(503,138)</u>	<u>503,138</u>	<u>-</u>
<u>39,810,267</u>	<u>593,718</u>	<u>40,403,985</u>
3,626,297	(323,313)	3,302,984
<u>67,565,159</u>	<u>32,675,257</u>	<u>100,240,416</u>
\$ <u>71,191,456</u>	\$ <u>32,351,944</u>	\$ <u>103,543,400</u>

City of Cleveland Heights, Ohio

Balance Sheet Governmental Funds

December 31, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in city treasury cash	\$ 3,457,711	\$ 3,668,533	\$ 5,898,206	\$ 13,024,450
Restricted cash	1,982,258	-	-	1,982,258
Receivables (net of allowance for uncollectibles):				
Taxes	14,119,008	2,280,814	1,092,285	17,492,107
Accounts	421,169	-	45,398	466,567
Special assessments	-	-	1,822,400	1,822,400
Accrued interest	20,226	-	1,527	21,753
Loans	-	-	1,763,651	1,763,651
Intergovernmental	2,056,690	179,828	990,987	3,227,505
Interfund	-	-	321,854	321,854
Inventory of supplies	<u>263,299</u>	<u>-</u>	<u>-</u>	<u>263,299</u>
 Total assets	 <u>\$ 22,320,361</u>	 <u>\$ 6,129,175</u>	 <u>\$ 11,936,308</u>	 <u>\$ 40,385,844</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 884,295	\$ -	\$ 436,179	\$ 1,320,474
Contracts payable	-	-	61,234	61,234
Accrued wages and benefits	1,480,273	-	43,311	1,523,584
Matured compensated absences	180,417	-	861	181,278
Due to other governments	840,403	-	671,125	1,511,528
Interfund payable	29,778	26,075	310,688	366,541
Deferred revenue	13,049,862	2,460,642	3,431,364	18,941,868
Claims payable	<u>49,082</u>	<u>-</u>	<u>3,077</u>	<u>52,159</u>
 Total liabilities	 <u>16,514,110</u>	 <u>2,486,717</u>	 <u>4,957,839</u>	 <u>23,958,666</u>
Fund balances:				
Reserved for encumbrances	260,845	-	372,144	632,989
Reserved for loans receivable	-	-	1,763,651	1,763,651
Reserved for inventory of supplies	263,299	-	-	263,299
Unreserved, undesignated, reported in:				
General fund	5,282,107	-	-	5,282,107
Special revenue funds	-	-	3,078,106	3,078,106
Debt service fund	-	3,642,458	-	3,642,458
Capital projects funds	<u>-</u>	<u>-</u>	<u>1,764,568</u>	<u>1,764,568</u>
 Total fund balances	 <u>5,806,251</u>	 <u>3,642,458</u>	 <u>6,978,469</u>	 <u>16,427,178</u>
 Total liabilities and fund balances	 <u>\$ 22,320,361</u>	 <u>\$ 6,129,175</u>	 <u>\$ 11,936,308</u>	 <u>\$ 40,385,844</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2009

Total governmental funds balances \$ 16,427,178

*Amounts reported for governmental activities in the Statement
of Net Assets are different because:*

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 67,831,928

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

Property and other taxes	\$ 1,354,289
Municipal income taxes	4,084,045
Special assessments	1,822,400
Intergovernmental	<u>2,196,606</u>

Total 9,457,340

In the Statement of Activities, interest is accrued on outstanding
long-term obligations, whereas in governmental funds an
interest expenditures is reported when due. (90,000)

In the Statement of Activities, bond issuance costs are
amortized over the term of the bonds, whereas in governmental
funds bond issuance expenditures are reported when bonds are
issued. 204,022

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

General obligation bonds	(14,250,000)
Premium on bonds	(216,915)
Economic development bonds	(460,000)
OPWC loans payable	(1,226,097)
Capital leases payable	(122,055)
Compensated absences	<u>(6,363,945)</u>

Total (22,639,012)

Net assets of governmental activities \$ 71,191,456

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Year Ended December 31, 2009

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and other local taxes	\$ 6,369,190	\$ 3,570,713	\$ 1,183,251	\$ 11,123,154
Municipal income taxes	20,282,703	-	-	20,282,703
Intergovernmental	5,689,746	503,423	4,587,374	10,780,543
Charges for services	2,784,577	-	750,998	3,535,575
Fees, licenses, and permits	1,324,218	-	521,248	1,845,466
Interest earnings	95,712	-	17,169	112,881
Special assessments	66,905	141,314	1,296,721	1,504,940
Fines and forfeitures	2,660,476	-	402,404	3,062,880
Reimbursements received	1,238,920	-	276,460	1,515,380
Other revenues	<u>341,567</u>	<u>-</u>	<u>456,325</u>	<u>797,892</u>
Total revenues	<u>40,854,014</u>	<u>4,215,450</u>	<u>9,491,950</u>	<u>54,561,414</u>
Expenditures:				
Current:				
Public safety	14,494,753	-	2,638,026	17,132,779
Public health	384,294	-	2,352	386,646
Culture and recreation	2,095,695	-	837,373	2,933,068
Community development	2,012,666	-	3,242,905	5,255,571
Sanitation	2,085,603	-	34,137	2,119,740
Transportation	2,889,596	-	80,526	2,970,122
General government	12,155,681	1,399	1,675,730	13,832,810
Debt service:				
Principal	16,297	1,790,000	330,570	2,136,867
Interest and fiscal charges	1,409	655,433	50,609	707,451
Capital outlay	<u>355,228</u>	<u>-</u>	<u>3,199,928</u>	<u>3,555,156</u>
Total expenditures	<u>36,491,222</u>	<u>2,446,832</u>	<u>12,092,156</u>	<u>51,030,210</u>
Excess of revenues over (under) expenditures	<u>4,362,792</u>	<u>1,768,618</u>	<u>(2,600,206)</u>	<u>3,531,204</u>
Other financing sources (uses):				
Issuance of debt	-	-	39,852	39,852
Proceeds from sale of assets	17,796	-	-	17,796
Insurance reimbursement	219,783	-	-	219,783
Transfers – in	-	-	3,966,923	3,966,923
Transfers – out	<u>(2,729,589)</u>	<u>(1,430,763)</u>	<u>(309,709)</u>	<u>(4,470,061)</u>
Total other financing sources (uses)	<u>(2,492,010)</u>	<u>(1,430,763)</u>	<u>3,697,066</u>	<u>(225,707)</u>
Net change in fund balances	1,870,782	337,855	1,096,860	3,305,497
Fund balance at beginning of year	<u>3,935,469</u>	<u>3,304,603</u>	<u>5,881,609</u>	<u>13,121,681</u>
Fund balance at end of year	<u>\$ 5,806,251</u>	<u>\$ 3,642,458</u>	<u>\$ 6,978,469</u>	<u>\$ 16,427,178</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland 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, 2009

Net change in fund balances - total governmental funds \$ 3,305,497

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay 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 depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 3,275,341	
Depreciation	<u>(3,572,566)</u>	
Total		(297,225)

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets. (62,315)

Revenue in the Statement of Activities that do not provide current financial resources is not reported as revenue in the funds.

Property and other taxes	198,553	
Municipal income taxes	(287,922)	
Special assessments	(1,334,122)	
Intergovernmental	<u>(181,771)</u>	
Total		(1,605,262)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 2,136,867

Debt proceeds provide current financial resources to governmental funds, but have no effect on net assets. (39,852)

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.

Compensated absences	187,961	
Amortization of premium	11,417	
Amortization of issuance costs	<u>(10,791)</u>	
Total		<u>188,587</u>

Change in net assets of governmental activities \$ 3,626,297

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other local taxes	\$ 6,763,395	\$ 6,763,395	\$ 6,369,189	\$ (394,206)
Municipal income taxes	19,890,383	19,911,381	20,083,588	172,207
Intergovernmental	5,759,930	5,766,011	5,815,879	49,868
Charges for services	2,671,032	2,673,852	2,696,978	23,126
Fees, licenses, and permits	1,311,476	1,312,861	1,324,215	11,354
Interest earnings	155,207	155,371	156,715	1,344
Special assessments	66,261	66,331	66,905	574
Fines and forfeitures	2,672,955	2,675,777	2,698,919	23,142
Reimbursements received	1,227,001	1,228,296	1,238,919	10,623
Other revenues	346,056	346,422	349,418	2,996
Total revenues	40,863,696	40,899,697	40,800,725	(98,972)
Expenditures:				
Current:				
Public safety	15,472,355	14,783,295	14,687,158	96,137
Public health	398,955	389,127	384,933	4,194
Culture and recreation	2,226,033	2,027,002	1,958,817	68,185
Community development	2,114,920	1,899,617	1,859,482	40,135
Sanitation	2,452,995	2,093,620	2,072,579	21,041
Transportation	3,511,855	2,779,185	2,683,305	95,880
General government	13,593,695	12,936,947	12,815,477	121,470
Total expenditures	39,770,808	36,908,793	36,461,751	447,042
Excess of revenues over (under) expenditures	1,092,888	3,990,904	4,338,974	348,070
Other financing sources (uses):				
Transfers – out	(2,777,970)	(2,759,360)	(2,726,240)	33,120
Proceeds from sale of assets	-	-	17,793	17,793
Total other financing sources (uses)	(2,777,970)	(2,759,360)	(2,708,447)	50,913
Net change in fund balance	(1,685,082)	1,231,544	1,630,527	398,983
Cash fund balance at beginning of year	3,053,475	3,053,475	3,053,475	-
Current year charges against prior year cash fund balance:				
Reserved for encumbrances	(70,300)	(70,300)	(70,300)	-
Cash fund balance at end of year				
Unreserved	1,298,093	4,214,719	4,613,702	398,983
Reserved for encumbrances	323,375	323,375	323,375	-
Total cash fund balance at end of year	\$ 1,621,468	\$ 4,538,094	\$ 4,937,077	\$ 398,983

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2009

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Assets:					
Current assets:					
Equity in city treasury cash	\$ 1,180,317	\$ 223,229	\$ 149,178	\$ 95,075	\$ 1,647,799
Restricted assets					
Deposits	676,629	-	-	-	676,629
Receivables (net of allowance for uncollectibles):					
Accounts	3,045,795	-	167,847	-	3,213,642
Accrued interest	2,509	465	-	-	2,974
Interfund	-	-	-	44,687	44,687
Inventory of supplies	14,998	93,621	-	-	108,619
Total current assets	4,920,248	317,315	317,025	139,762	5,694,350
Noncurrent assets:					
Nondepreciable capital assets	69,198	1,699,694	-	-	1,768,892
Depreciable capital assets, net	23,402,235	3,690,173	1,809,888	6,485,159	35,387,455
Total noncurrent assets	23,471,433	5,389,867	1,809,888	6,485,159	37,156,347
Total assets	28,391,681	5,707,182	2,126,913	6,624,921	42,850,697
Liabilities:					
Current liabilities:					
Vouchers and accounts payable	1,021,817	240,341	12,653	-	1,274,811
Accrued wages and benefits	18,478	1,318	1,082	-	20,878
Due to other governments	36,474	3,578	11	-	40,063
Claims payable	3,683	394	-	-	4,077
Accrued interest payable	-	-	-	45,967	45,967
Refundable deposits	676,629	-	-	-	676,629
Due within one year	257,568	17,777	150,273	230,000	655,618
Total current liabilities	2,014,649	263,408	164,019	275,967	2,718,043
Long-term liabilities:					
Capital leases payable	-	-	116,730	-	116,730
Compensated absences	188,776	18,644	-	-	207,420
Bonds payable	-	-	-	5,980,000	5,980,000
OWDA loan payable	335,792	-	-	-	335,792
OPWC loans payable	1,140,768	-	-	-	1,140,768
Total long-term liabilities	1,665,336	18,644	116,730	5,980,000	7,780,710
Total liabilities	3,679,985	282,052	280,749	6,255,967	10,498,753
Net assets:					
Invested in capital assets, net of related debt	21,897,974	5,389,867	1,542,885	275,159	29,105,885
Unrestricted	2,813,722	35,263	303,279	93,795	3,246,059
Total net assets	\$ 24,711,696	\$ 5,425,130	\$ 1,846,164	\$ 368,954	\$ 32,351,944

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For the Year Ended December 31, 2009

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Operating revenues:					
Charges for services	\$ 11,920,260	\$ 936,125	\$ 582,745	\$ -	\$ 13,439,130
Other income	20	29,050	259	-	29,329
Total operating revenues	11,920,280	965,175	583,004	-	13,468,459
Operating expenses:					
Personal services	1,383,360	122,596	131,280	-	1,637,236
Fringe benefits	552,949	33,663	16,351	-	602,963
Contractual services	9,475,680	625,910	173,939	25,965	10,301,494
Materials and supplies	248,714	161,465	12,175	2,167	424,521
Utilities	4,602	106,116	-	-	110,718
Other expenses	5,470	10,020	8,230	-	23,720
Depreciation	671,192	168,034	302,516	168,872	1,310,614
Total operating expenses	12,341,967	1,227,804	644,491	197,004	14,411,266
Operating income (loss)	(421,687)	(262,629)	(61,487)	(197,004)	(942,807)
Non-operating revenues (expenses):					
Intergovernmental	-	-	4,990	39,690	44,680
Interest income	21,290	271	-	-	21,561
Special assessments	333,650	-	-	-	333,650
Interest and fiscal charges	(38,421)	-	(14,845)	(341,738)	(395,004)
Total non-operating revenues (expenses)	316,519	271	(9,855)	(302,048)	4,887
Net income (loss) before transfers	(105,168)	(262,358)	(71,342)	(499,052)	(937,920)
Transfers – in	-	-	-	503,138	503,138
Contributed Capital	111,469	-	-	-	111,469
Change in net assets	6,301	(262,358)	(71,342)	4,086	(323,313)
Net assets (deficit) at beginning of year	24,705,395	5,687,488	1,917,506	364,868	32,675,257
Net assets at end of year	\$ 24,711,696	\$ 5,425,130	\$ 1,846,164	\$ 368,954	\$ 32,351,944

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2009

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Operating activities:					
Cash received from customers	\$ 11,696,589	\$ 936,125	\$ 644,553	\$ -	\$ 13,277,267
Cash payments to suppliers	(9,369,362)	(932,016)	(174,011)	(52,236)	(10,527,625)
Cash payments to employees	(1,948,947)	(175,849)	(147,468)	-	(2,272,264)
Cash payments for other expenses	(6,205)	(10,020)	(8,230)	-	(24,455)
Other operating receipts	20	29,050	259	-	29,329
Net cash provided by (used for) operating activities:	<u>372,095</u>	<u>(152,710)</u>	<u>315,103</u>	<u>(52,236)</u>	<u>482,252</u>
Noncapital financing activities:					
Intergovernmental	-	-	4,990	39,690	44,680
Transfers-in	-	-	-	503,138	503,138
Transfers-out	-	-	-	(44,687)	(44,687)
Net cash provided by noncapital financing activities:	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>498,141</u>	<u>503,131</u>
Capital and related financing activities:					
Acquisition and construction of capital assets	(302,208)	(15,871)	(10,480)	(166,242)	(494,801)
Debt proceeds	33,766	-	-	-	33,766
Principal paid on debt	(122,361)	-	(211,363)	(145,000)	(478,724)
Interest and fiscal charges	(38,421)	-	(14,845)	(358,138)	(411,404)
Special assessments	333,650	-	-	-	333,650
Net cash used for capital and related financing activities	<u>(95,574)</u>	<u>(15,871)</u>	<u>(236,688)</u>	<u>(669,380)</u>	<u>(1,017,513)</u>
Investing activities:					
Interest received	<u>23,724</u>	<u>1,989</u>	<u>-</u>	<u>-</u>	<u>25,713</u>
Net increase (decrease) Cash and cash equivalents	300,245	(166,592)	83,405	(223,475)	(6,417)
Cash and cash equivalents at beginning of year	<u>1,556,701</u>	<u>389,821</u>	<u>65,773</u>	<u>318,550</u>	<u>2,330,845</u>
Cash and cash equivalents at end of year	\$ <u><u>1,856,946</u></u>	\$ <u><u>223,229</u></u>	\$ <u><u>149,178</u></u>	\$ <u><u>95,075</u></u>	\$ <u><u>2,324,428</u></u>

(Continued)

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds (Continued)

For the Year Ended December 31, 2009

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ (421,687)	\$ (262,629)	\$ (61,487)	\$ (197,004)	\$ (942,807)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	671,192	168,034	302,516	168,872	1,310,614
Change in operating assets and liabilities:					
Receivables	(223,671)	-	61,808	-	(161,863)
Inventory	54,416	16,451	-	-	70,867
Vouchers and accounts payable	321,035	(40,323)	12,103	(24,104)	268,711
Accrued wages and benefits payable	4,653	293	163	-	5,109
Contracts payable	-	(14,653)	-	-	(14,653)
Due to other governments	(3,017)	(787)	-	-	(3,804)
Claims payable	(34,346)	(3,471)	-	-	(37,817)
Refundable deposits	(16,552)	-	-	-	(16,552)
Compensated absences	20,072	(15,625)	-	-	4,447
Total adjustments	793,782	109,919	376,590	144,768	1,425,059
Net cash provided by (used for) operating activities	\$ <u>372,095</u>	\$ <u>(152,710)</u>	\$ <u>315,103</u>	\$ <u>(52,236)</u>	\$ <u>482,252</u>

Noncash Capital Financing Activities

Contributions of capital assets from governmental funds - \$111,469

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2009

	Private Purpose <u>Trust</u>		<u>Agency</u>
	James A. Nelson <u>Trust</u>		
Assets:			
Equity in city treasury cash	\$ <u>5,860</u>	\$	<u>923,650</u>
Total assets	<u>5,860</u>	\$	<u>923,650</u>
Liabilities:			
Due to others	-	\$	51,763
Due to other governments	-		64,001
Restricted deposits	<u>-</u>		<u>807,886</u>
Total liabilities	<u>-</u>	\$	<u>923,650</u>
Net assets:			
Held in trust	\$ <u>5,860</u>		

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

**Statement of Changes in Fiduciary Net Assets
Fiduciary Funds**

For the Year Ended December 31, 2009

	<u>Private Purpose Trust</u> <u>James A. Nelson Trust</u>
Additions:	
Interest	\$ 10
Deductions:	
Other	<u>(3,560)</u>
Change in net assets	(3,550)
Net assets beginning of year	<u>9,410</u>
Net assets end of year	\$ <u><u>5,860</u></u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements

December 31, 2009

Note 1: Description of the City and Reporting Entity

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

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 Cleveland Heights this includes Public Safety, Street Maintenance, Refuse Collection, Recreation Programs, Municipal Court, Public Health, Community Development, Public Improvements, Water and Sewer Services, and General Administrative Services. The City's departments include a public safety department, a public service department, a street maintenance department, a water and sewer department, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

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

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

Note 2: Summary of Significant Accounting Policies

The financial statements of the City 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 business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The most significant of the City's accounting policies are described below.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

A. *Basis of Presentation*

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

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

B. *Fund Accounting*

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds

Governmental funds are those through which most governmental functions typically 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 Cleveland Heights and/or the general laws of Ohio.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

Proprietary Funds

Enterprise Funds

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

Utilities

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

Off-Street Parking

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

Ambulance Services

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

Cedar Lee Parking Deck

To account for monies received for the Cedar Lee parking deck.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Fiduciary

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 maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets, except Fiduciary Funds. The Statements of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total 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 are generally included on the balance sheet. The Statements 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.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

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

Revenues – Exchange and Non-Exchange 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. Available period for the City is sixty days after year-end.

Non-exchange 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 period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6).

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 a modified accrual basis, revenue from non-exchange 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), fines and forfeitures, licenses and permits, interest, grants and rentals.

Unearned/Deferred Revenue

Unearned/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, 2009, but which were levied to finance year 2010 operations, have been recorded as unearned/deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned/deferred revenue.

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenditures/Expenses

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.

E. Budgetary Process

Tax Budget

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

Estimated Resources

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

Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures must be legally enacted on or about January 1. The ordinance may be temporary in nature in that its effectiveness applies from the date on which it is enacted to the date on which a permanent appropriation ordinance must be passed. Ohio law requires the permanent appropriation ordinance to be passed no later than April 1 of the fiscal year for which it applies. Amendments to the 2009 appropriation ordinance were approved by City Council as provided by the City Charter.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Appropriations (continued)

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

Lapsing of Appropriations

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

Encumbrances

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

F. 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. Each fund's interest in the pool is presented as "equity in city treasury cash" on the balance sheet.

Investments are reported at fair value, which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City invested in STAR Ohio, an investment pool managed by the State Treasurer's Office. STAR Ohio which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009.

The cash resources of all funds are combined and invested to the extent available in the State of Ohio's Investment Pool, treasury notes, and other authorized instruments. The City's Codified Ordinance Section 179.02 supersedes Ohio Revised Code Section 135.21 as to the allocation of interest. Interest revenue credited to the general fund during 2009 amounted to \$95,712, of which \$49,932 was assigned from other funds.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

The restricted cash in the General Fund of \$1,982,258 represents a certificate of deposit with Third Federal Savings and Loan. The interest from the restricted cash is used to fund a ten year, three percent mortgage subsidy for the Greyton Court Condominium project. The subsidy will phase out in the next two years. For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which it was consumed. At December 31, 2009, the amount of the prepaid items was not material.

I. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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	30 to 50 years
Improvements	10 to 50 years
Equipment and Machinery	3 to 20 years
Infrastructure	15 to 100 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "intergovernmental receivable/payable". 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.

K. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for 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 accumulated unused vacation time when earned for all employees.

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 fiscal year end taking into consideration any limits specified in the City's termination policy.

L. Accrued Liabilities and Long-Term Obligations

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-Term Obligations (continued)

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 regardless of whether they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

M. 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 and expenditure. Fund balances are reserved for encumbrances, loans receivable and inventory.

N. Net Assets

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

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Proprietary Funds. For the City, these revenues are charges for water and sewer services, off-street parking, and ambulance services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Anything not meeting this definition is part of non-operating revenue.

P. Interfund Activity

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

P. Interfund Activity (continued)

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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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. Neither type of transaction occurred during 2009.

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.

S. Comparative Data/Reclassifications

Comparative Data for the prior year are presented in order to provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2008 financial statements in order to conform to the 2009 presentation.

T. Indirect Costs

The General Fund charges the CDBG Resource, Utilities, Off-Street Parking, and Ambulance Services funds throughout the year for services provided for those funds. The functional expenses in those funds include an element of indirect cost.

Note 3: Change in Accounting Principles and Restatement of Net Assets

A. Change in Accounting Principles

For 2009, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change to the financial statements.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 3: Change in Accounting Principles and Restatement of Net Assets (continued)

A. Change in Accounting Principles (continued)

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations and subsequent events from the AICPA literature. The implementation of this statement did not result in any change to the financial statements.

B. Restatement of Net Assets

Overstatement of OPWC loans had the following effect on net assets at December 31, 2008:

	Governmental Activities	Business-Type Activities	Total
Net Assets, December 31, 2008	\$ 67,058,117	\$ 32,675,257	\$ 99,733,374
Restatement of OPWC loan	<u>507,042</u>	<u>-</u>	<u>507,042</u>
Restated net assets, December 31, 2008	<u>\$ 67,565,159</u>	<u>\$ 32,675,257</u>	<u>\$ 100,240,416</u>

The OPWC loan was originally recorded by the City as a loan payable. However, the amount received by the City through December 31, 2008 was a grant and does not have to be repaid.

Note 4: Budgetary Basis of Accounting

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

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

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 4: Budgetary Basis of Accounting (continued)

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

Net Change in Fund Balance	
	<u>General</u>
GAAP basis (as reported)	\$ 1,870,782
Increase (decrease) due to:	
Revenue accruals	(273,071)
Expenditure accruals	(220,259)
Encumbrances:	
Current year charges against prior years cash fund balance reserve for encumbrances	323,375
Encumbered at December 31, 2008, but recorded as the equivalent of cash expenditures for budgetary purposes	<u>(70,300)</u>
Non-GAAP budget basis	\$ <u>1,630,527</u>

Note 5: 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 deposit accounts.

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

Interim 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 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;

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 5: Deposits and Investments (continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Investment grade obligations of state and local governments, and public authorities;
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. Payment for investments may be made only 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.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was \$4,145,420 and the bank balance was \$4,044,766. Of the bank balance \$1,018,455 was covered by Federal depository insurance and \$3,026,311 was covered by collateral held by third party trustees in collateral pools in the name of the respective depository institutions securing all public funds on deposit.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 5: Deposits and Investments (continued)

Investments

Investments are reported at fair value. As of December 31, 2009, the City had the following investments:

	Maturity			Total
	Within six months	More than one year but less than three years	More than three years	
Federal Home Loan Bank Bonds	\$ -	\$ 1,992,310	\$ 994,950	\$ 2,987,260
Federal Home Loan Mortgage Corporation Notes	1,002,090	2,010,750	-	3,012,840
Federal National Mortgage Association	-	1,012,090	-	1,012,090
STAROhio	2,971,440	-	-	2,971,440
Charter One	4,108,474	-	-	4,108,474
Centennial Tax Exempt Money Fund	23,122	-	-	23,122
Total Portfolio	\$ 8,105,126	\$ 5,015,150	\$ 994,950	\$ 14,115,226

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 5: Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2009:

	<u>Fair Value</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank Bonds	\$ 2,987,260	21.2 %
Federal Home Loan Mortgage Corporation Notes	3,012,840	21.3
Federal National Mortgage Association	1,012,090	7.2
STAROhio	2,971,440	21.1
Charter One	4,108,474	29.0
Centennial Tax Exempt Money Fund	<u>23,122</u>	<u>0.2</u>
Total Portfolio	<u>\$ 14,115,226</u>	<u>100.0 %</u>

Note 6: Receivables

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, intergovernmental, loans, and interfund. All receivables are deemed collectible in full.

A. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Local Government	\$ 1,407,414
Homestead & Rollback	773,116
Gasoline Tax	558,813
Estate Tax	74,181
Franchise Fee	126,586
Permissive Tax	18,773
Miscellaneous	140,269
Auto Registration	98,848
City of Shaker Heights	21,479
City of University Heights	<u>8,026</u>
Total	<u>\$ 3,227,505</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 6: Receivables (continued)

B. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible (used in business) personal property located in the City. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Real property is assessed at 35% of true (market) value. The County Auditor is required to reappraise all real estate once every six years. Equalization adjustments are then made in the third year following reappraisal.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. The true value of personal property is based on composite annual allowances and is assessed at 25%, except electric utility distribution and transmission equipment which is assessed at 88% of true value, the personal property of rural electric companies which is assessed at 50% of true value, and the personal property of railroads which is assessed at 25% of true value. Effective in tax year 1995, all interexchange telephone personal property is assessed at 25%. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88%. The tangible personal property tax has been phased out for 2009.

The assessed valuation upon which the 2009 property tax receipts (\$.0129 on each dollar of tax valuation) were based are as follows:

	<u>Assessed Value</u>
Real property (other than public utility)	\$ 968,448,990
Public utility real and personal tangible property	9,840,320
Tangible personal property (other than public utility)	<u>10,222,250</u>
Total Assessed Valuation	\$ <u>988,511,560</u>

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

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

C. Income Taxes

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 6: Receivables (continued)

C. Income Taxes (continued)

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

Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

	<u>Balances</u> <u>12/31/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/09</u>
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 4,080,187	\$ 26,818	\$ (2,715)	\$ 4,104,290
Construction in progress	<u>2,281,541</u>	<u>2,671,855</u>	<u>(3,033,603)</u>	<u>1,919,793</u>
Total nondepreciable capital assets	<u>6,361,728</u>	<u>2,698,673</u>	<u>(3,036,318)</u>	<u>6,024,083</u>
Depreciable capital assets:				
Land improvements	1,729,497	-	-	1,729,497
Building and improvements	50,464,569	340,653	-	50,805,222
Machinery and equipment	16,948,319	618,090	(741,407)	16,825,002
Infrastructure:				
Streets and sidewalks	<u>32,941,017</u>	<u>2,654,243</u>	<u>-</u>	<u>35,595,260</u>
Total depreciable capital assets	<u>102,083,402</u>	<u>3,612,986</u>	<u>(741,407)</u>	<u>104,954,981</u>
Less accumulated depreciation:				
Land improvements	(298,795)	(115,300)	-	(414,095)
Buildings and improvements	(18,739,003)	(1,127,209)	-	(19,866,212)
Machinery and equipment	(11,460,342)	(1,029,354)	679,092	(11,810,604)
Infrastructure:				
Streets and sidewalks	<u>(9,755,522)</u>	<u>(1,300,703)</u>	<u>-</u>	<u>(11,056,225)</u>
Total accumulated depreciation	<u>(40,253,662)</u>	<u>(3,572,566)</u>	<u>679,092</u>	<u>(43,147,136)</u>
Depreciable capital assets, net	<u>61,829,740</u>	<u>40,420</u>	<u>(62,315)</u>	<u>61,807,845</u>
Total governmental activities capital assets, net	\$ <u>68,191,468</u>	\$ <u>2,739,093</u>	\$ <u>(3,098,633)</u>	\$ <u>67,831,928</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 7: Capital Assets (continued)

	Balances 12/31/08	Additions	Deletions	Balances 12/31/09
Business-Type Activities				
Nondepreciable capital assets:				
Land	\$ 1,699,694	\$ -	\$ -	\$ 1,699,694
Construction-in-progress	<u>643,130</u>	<u>520,689</u>	<u>(1,094,621)</u>	<u>69,198</u>
Total nondepreciable capital assets	<u>2,342,824</u>	<u>520,689</u>	<u>(1,094,621)</u>	<u>1,768,892</u>
Depreciable capital assets:				
Land improvements	315,517	-	-	315,517
Buildings and improvements	11,885,833	148,516	-	12,034,349
Machinery and equipment	7,972,353	67,810	(55,065)	7,985,098
Infrastructure:				
Waterlines	16,892,124	173,065	-	17,065,189
Sanitary sewer lines	6,622,891	607,492	-	7,230,383
Storm sewer lines	2,868,880	15,622	-	2,884,502
Off-street parking lots	<u>2,436,663</u>	<u>167,697</u>	<u>-</u>	<u>2,604,360</u>
Total depreciable capital assets	<u>48,994,261</u>	<u>1,180,202</u>	<u>(55,065)</u>	<u>50,119,398</u>
Less accumulated depreciation:				
Land improvements	(19,802)	(8,378)	-	(28,180)
Buildings and improvements	(2,302,967)	(320,425)	-	(2,623,392)
Machinery and equipment	(5,230,673)	(499,774)	55,065	(5,675,382)
Infrastructure:				
Waterlines	(2,763,725)	(241,518)	-	(3,005,243)
Sanitary sewer lines	(1,192,381)	(121,712)	-	(1,314,093)
Storm sewer lines	(527,157)	(69,244)	-	(596,401)
Off-street parking lots	<u>(1,439,689)</u>	<u>(49,563)</u>	<u>-</u>	<u>(1,489,252)</u>
Total accumulated depreciation	<u>(13,476,394)</u>	<u>(1,310,614)</u>	<u>55,065</u>	<u>(14,731,943)</u>
Total depreciable capital assets, net	<u>35,517,867</u>	<u>(130,412)</u>	<u>-</u>	<u>35,387,455</u>
Total business-type activities capital assets, net	\$ <u>37,860,691</u>	\$ <u>390,277</u>	\$ <u>(1,094,621)</u>	\$ <u>37,156,347</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 7: Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 583,211
Public safety	401,530
Culture and recreation	717,978
Community development	110,038
Sanitation	250,995
Transportation	<u>1,508,814</u>
Total	<u>\$ 3,572,566</u>

Note 8: Long-Term Obligations

Long-term obligations of the City at December 31, 2009, are as follows:

<u>Year</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Balance December 31, 2008, Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2009</u>	<u>Due Within One Year</u>
Governmental activities:								
General obligation bonds:								
Unvoted issues:								
1986	City Hall construction due 2009	6.250%	\$ 6,000,000	\$ 275,000	\$ -	\$ (275,000)	\$ -	\$ -
1999	Pension Fund due 2013	3.050-4.500%	2,000,000	805,000	-	(150,000)	655,000	155,000
2001	Refund off-street parking facilities due 2012	3.300-4.400%	2,385,000	910,000	-	(215,000)	695,000	225,000
2001	Recreation facilities improvements due 2017	3.300-4.900%	4,000,000	2,490,000	-	(230,000)	2,260,000	240,000
2004	Ring Road improvement	2.500-5.000%	3,200,000	2,930,000	-	(80,000)	2,850,000	80,000
2009	Refunding Rec. Facilities Improvements due 2017	3.00%-5.00%	8,695,000	8,630,000	-	(840,000)	7,790,000	865,000
	Premium on bonds			<u>228,332</u>	<u>-</u>	<u>(11,417)</u>	<u>216,915</u>	<u>-</u>
	Total unvoted issues			<u>16,268,332</u>	<u>-</u>	<u>(1,801,417)</u>	<u>14,466,915</u>	<u>1,565,000</u>
	Total general obligation bonds			<u>16,268,332</u>	<u>-</u>	<u>(1,801,417)</u>	<u>14,466,915</u>	<u>1,565,000</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 8: Long-Term Obligations (continued)

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2008, Restated	Additions	Reductions	Balance December 31, 2009	Due Within One Year
2001	Economic development revenue bonds 2001 Zagara TIF project due 2011	2.900-4.100%	\$1,995,000	\$ 680,000	\$ -	\$ (220,000)	\$ 460,000	\$ 225,000
OPWC Loans:								
2005	Coventry Road Rehabilitation	0.0%	369,741	295,793	-	(18,487)	277,306	18,487
2006	Meadowbrook Blvd. Rehabilitation - Streets	0.0%	1,010,406	884,106	-	(50,520)	833,586	50,520
2001	Taylor Road Rehabilitation	0.0%	132,780	82,988	-	(6,639)	76,349	6,639
2009	Lee Road Rehabilitation	0.0%	**	-	39,852	(996)	38,856	1,993
Total OPWC loans				1,262,887	39,852	(76,642)	1,226,097	77,639
Accrued compensated absences				6,551,906	7,327	(195,288)	6,363,945	2,487,526
Capital lease commitments				172,280	-	(50,225)	122,055	52,638
Total governmental activities long-term liabilities				\$ 24,935,405	\$ 47,179	\$ (2,343,572)	\$ 22,639,012	\$ 4,407,803
Business-type activities:								
Unvoted issues:								
2008	Cedar Lee Parking Deck Due 2028	3.00%-4.75%	\$6,355,000	\$ 6,355,000	\$ -	\$ (145,000)	\$ 6,210,000	\$ 230,000
OPWC Loans:								
2000	Cedar Road – Water	0.0%	940,876	517,482	-	(47,044)	470,438	47,044
2000	Cedar Road – Sewer	0.0%	170,407	93,725	-	(8,521)	85,204	8,520
2006	Meadowbrook Blvd. Rehabilitation - Water	0.0%	367,421	321,494	-	(18,371)	303,123	18,371
2006	Meadowbrook Blvd. Rehabilitation - Sewer	0.0%	459,276	401,866	-	(22,964)	378,902	22,964
Total OPWC loans				1,334,567	-	(96,900)	1,237,667	96,899
2007	OWDA Loan – Sewer	4.12%	**	327,487	33,766	(25,461)	335,792	-
Accrued compensated absences				381,419	8,981	(4,534)	385,866	178,446
Capital lease commitments				478,366	-	(211,363)	267,003	150,273
Total business-type activities long-term liabilities				\$ 8,876,839	\$ 42,747	\$ (483,258)	\$ 8,436,328	\$ 655,618

** As the City is still drawing down loan proceeds, final amount of loan has not yet been determined.

In 1999, the City defeased the unfunded pension liability by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old liability.

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 8: Long-Term Obligations (continued)

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

Description of Defeased Bonds	Interest Rate	Date Issued	Date Defeased	Redemption Or Call Date	Original Amount	Amount Retired or not Subject to Refunding	Amount Refunded	Deceased Amount Redeemed	Amount Outstanding at December 31, 2009
Unfunded Pension Liability	4.25%	11/15/1973	01/11/1999	12/31/2034	\$ 3,588,449	\$ 1,608,749	\$ 1,979,700	\$ 1,324,700	\$ 655,000
Off-Street Parking Facility	3.00-6.20%	10/01/1992	04/05/2001	12/01/2012	3,000,000	615,000	2,385,000	1,690,000	695,000
Recreation Facilities Imp	3.85-6.38%	09/01/1997	08/05/2008	12/01/2017	15,000,000	6,305,000	8,695,000	905,000	7,790,000
Total									\$ <u>9,140,000</u>

In 2008, the City refunded Recreational Facilities Improvement Bonds, which were originally issued in 1997, via a current refunding in order to take advantage of lower interest rates. The bonds were issued in 1997 at rates of 3.85% - 6.375% and were due in 2017. The refunding resulted in an economic gain to the City of \$657,797.

As of December 31, 2009, the City's legal debt margin (the ability to issue additional principal amounts of general obligation bonded debt) was approximately \$69.7 million. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009, are:

Governmental Activities							
Year	General Obligation Bonds		Economic Development Revenue Bonds		OPWC Loans		
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 1,565,000	\$ 840,844	\$ 225,000	\$ 18,635	\$ 77,639	\$ -	
2011	1,615,000	778,846	235,000	9,635	77,639	-	
2012	1,680,000	714,291	-	-	77,639	-	
2013	1,485,000	643,716	-	-	77,639	-	
2014	1,365,000	578,730	-	-	77,639	-	
2015-2019	4,660,000	1,882,269	-	-	388,195	-	
2020-2024	650,000	1,041,548	-	-	364,959	-	
2025-2029	1,230,000	437,248	-	-	84,748	-	
Total	\$ <u>14,250,000</u>	\$ <u>6,917,492</u>	\$ <u>460,000</u>	\$ <u>28,270</u>	\$ <u>1,226,097</u>	\$ <u>-</u>	
Business-Type Activities							
Year	Parking Deck Improvement Bond		OPWC Loans		OWDA Loan		
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 230,000	\$ 255,169	\$ 96,899	\$ -	\$ -	\$ -	
2011	240,000	248,269	96,899	-	12,219	6,234	
2012	245,000	241,069	96,899	-	25,198	13,074	
2013	255,000	233,106	96,899	-	26,247	12,025	
2014	260,000	224,818	96,899	-	27,340	10,933	
2015-2019	1,460,000	971,194	484,495	-	154,749	36,517	
2020-2024	1,780,000	648,782	262,239	-	90,039	5,640	
2025-2029	1,740,000	209,302	6,438	-	-	-	
Total	\$ <u>6,210,000</u>	\$ <u>3,031,709</u>	\$ <u>1,237,667</u>	\$ <u>-</u>	\$ <u>335,792</u>	\$ <u>84,423</u>	
Totals							
Year	Principal	Interest					
2010	\$ 2,194,538	\$ 1,114,648					
2011	2,276,757	1,042,984					
2012	2,124,736	968,434					
2013	1,940,785	888,847					
2014	1,826,878	814,481					
2015-2019	7,147,439	2,889,980					
2020-2024	3,147,237	1,695,970					
2025-2029	3,061,186	646,550					
Total	\$ <u>23,719,556</u>	\$ <u>10,061,894</u>					

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 9: Notes Payable

A summary of all short-term debt activity for the year ended December 31, 2009, follows:

Year	Description	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009
2008	Motorized Equipment	2.50%	\$ 675,000	\$ -	\$ (675,000)	\$ -
2008	City Hall A/C	2.50%	230,000	-	(230,000)	-
Total Governmental Activities			\$ 905,000	\$ -	\$ (905,000)	\$ -

Note 10: Lease Commitments

A. Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental and business-type activities, respectively. Capitalized assets acquired under capital leases are all classified as machinery and equipment and totaled \$1,920,946 as of December 31, 2009. Governmental capital leases will be paid from the General Fund – general government and public safety line items, and the Municipal Court Clerk Computerization Fund – general government line item. Business-Type capital leases will be paid from the Ambulance Services Fund. The following is a schedule by years of the future minimum lease payments for capital leases together, with the present value of the net minimum lease payments as of December 31, 2009:

Year Ending December 31	Governmental	Business-Type
2010	\$ 56,981	\$ 158,258
2011	37,799	118,694
2012	34,649	-
Minimum lease payments for all capital leases	129,429	276,952
Less: amount representing interest	(7,374)	(9,949)
Present value of net minimum lease payments	\$ 122,055	\$ 267,003

B. Operating Leases

The City is obligated under certain leases accounted for as operating leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2009:

Year Ending December 31	Governmental
2010	\$ 2,163
2011	14,189
Minimum lease payments for all operating leases	\$ 16,352

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 11: Compensated Absences

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

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. It is the policy of the City that an employee with at least two but less than five consecutive years of service who terminates employment or whose employment is terminated with the City (for other than disciplinary reasons) is entitled to receive payment for accumulated sick leave according to various formulae to a maximum of between 347 to 565 hours. An employee with five or more consecutive years of service is entitled to payment to a maximum of 750 hours for accumulated sick leave. Compensated absences are charged to the various funds of the City in accordance to where an employee's salary is charged.

Compensated absences will be paid from the general fund, first suburb consortium, communication system operating, local TV programming, and tree special revenue funds, and the utilities and off-street parking enterprise funds.

Note 12: 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Plan Benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 12: Pension Plans (continued)

A. Ohio Public Employees Retirement System (continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2009, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$2,296,664, \$2,483,356, and \$2,331,718, respectively, 93 percent has been contributed for 2009, which has been recorded as a liability and 100 percent for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$847 made by the City of Cleveland Heights and \$605 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City's contributions to OP&F for police and firefighters (not including health care contributions) were \$2,320,178 for the year ended December 31, 2009, \$2,325,122 for the year ended December 31, 2008, and \$2,290,703 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. For 2009, 73 percent for police and firefighters has been contributed with the remainder being reported as a liability.

Note 13: Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 13: Postemployment Benefits (continued)

A. *Ohio Public Employees Retirement System (continued)*

to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH, 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2009, 2008, and 2007 were \$958,017, \$1,241,678, and \$930,980, respectively; 93 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

B. *Ohio Police and Fire Pension Fund*

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 13: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

OP&F provides access to post-retirement health care coverage for 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. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F for police and fire for the years ending December 31, 2009, 2008, and 2007 were \$984,349 and \$1,333,601, \$970,809 and \$1,354,313, and \$928,162 and \$1,362,541, respectively, of which \$344,237 and \$372,402, \$335,900 and \$380,562, and \$321,144 and \$382,874, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2007. For 2009, 73 percent for police and firefighters has been contributed, with the remainder being reported as a liability.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 14: Risk Management

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

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

<u>Coverage</u>	Self-Insured Retention (per <u>Occurrence</u>)	<u>Liability Limits</u>	
		<u>Per Occurrence</u>	<u>Annual Aggregate</u>
General liability	\$ 100,000	\$ 11,000,000	\$ 12,000,000
Property	50,000	100,855,000	None
Auto	100,000	11,000,000	None
Law enforcement professional	100,000	11,000,000	11,000,000
Public official	100,000	11,000,000	11,000,000

The City accounts for its property and liability insurance premiums as well as its deductibles in the General Fund. There is no claims liability reported in the General Fund at December 31, 2009 based on the requirements that a liability for claims be reported if a liability has been incurred at the date of the financial statements and the amount of the loss is due and payable.

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

The City maintains two hospitalization plans for its full-time employees and their dependents. Some City employees choose to belong to an HMO, whereby the City makes a premium payment to the HMO and all risk is effectively transferred. In November of 2009 the City discontinued its self-funded health care program and instead contracted for a fully insured program. Most City employees are enrolled in the City's fully insured program. All full-time City employees receive dental benefits through the City's self-funded employee benefits program. Employee health and dental benefits are charged to the various funds of the City in accordance to where an employee's salary is charged. Based on historical estimates, a total of \$56,236 has been accrued at year end in the various funds of the City as a component of claims payable.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 14: Risk Management (continued)

The City is required to purchase workers' compensation insurance through the State of Ohio. The City applied for and was accepted into the State's Retrospective Rating Plan, whereby the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the City's injured workers' claims are incurred, the City must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the City's premium limitation. The City's retrospective rating plan provides for a \$300,000 catastrophic limit per claim and an unlimited claim limit.

At December 31, 2009, \$502,611 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims based upon the current available information.

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

	Employee Benefits	
	<u>2009</u>	<u>2008</u>
Beginning of fiscal year liability	\$ 568,446	\$ 461,565
Current year claims and changes in estimates	3,906,890	4,819,011
Claim payments	<u>(4,419,100)</u>	<u>(4,712,130)</u>
Balance at fiscal year end	<u>\$ 56,236</u>	<u>\$ 568,446</u>

Note 15: Construction Commitments

At December 31, 2009, uncompleted construction contracts were as follows:

<u>Description</u>	<u>Remaining Construction Committed</u>
Street Resurfacing	\$ 322,709
City Park Improvements	10,702
Sewer Line Improvements	<u>45,998</u>
Total	<u>\$ 379,409</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 16: Interfund Activity

A. Individual fund interfund receivable and payable balances at December 31, 2009, are as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	<u>Nonmajor Governmental Funds</u>	<u>Cedar Lee Parking Deck</u>	
General fund	\$ 29,778	\$ -	\$ 29,778
Debt Service fund	26,075	-	26,075
Nonmajor governmental funds	<u>266,001</u>	<u>44,687</u>	<u>310,688</u>
Total	<u>\$ 321,854</u>	<u>\$ 44,687</u>	<u>\$ 366,541</u>

The General Fund owes the Communication System Operating Fund for 2009 operating costs. The Debt Service Fund owes the Capital Projects Fund for the reduction of debt service paid. The Ring Road Construction Fund temporarily advanced funds to five different nonmajor Governmental Funds due to timing issues for reimbursement of expenditures made by those funds in 2009. The Cedar Lee Parking Deck Fund temporarily advanced funds to three different nonmajor Governmental Funds due to timing issues for reimbursement of expenditures made by those funds in 2009.

B. Interfund transfers for the year ending December 31, 2009, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>			<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	
Nonmajor governmental funds	\$ 2,729,589	\$ 927,625	\$ 309,709	\$ 3,966,923
Cedar Lee Parking Deck	<u>-</u>	<u>503,138</u>	<u>-</u>	<u>503,138</u>
Total	<u>\$ 2,729,589</u>	<u>\$ 1,430,763</u>	<u>\$ 309,709</u>	<u>\$ 4,470,061</u>

The transfers from the General Fund to the Nonmajor Governmental Funds include transfers for operating costs. The transfers from the Debt Service fund relate to debt payments for various funds. The transfer from the Nonmajor Governmental Funds to Nonmajor Governmental Funds includes closing the year end CDBG Program Income Fund to the CDBG Resource Fund.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 17: Claims and Judgments

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

In addition, there are several unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 2009.

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

Note 18: Accountability

The following funds had a deficit balance at December 31, 2009:

Governmental Activities:	
Special Revenue Funds:	
CDBG Resource	\$ 88,441
HOME Program	90,853
FEMA Grant	9,453
Cain Park	1,546
Right of Way	782
Lead Safe Cuyahoga	60,962
Neighborhood Stabilization	78,927
CDBG Recovery	6,589
Homeless Prevention	201
Street Lighting	109,180
Police Pension	284,621
Fire Pension	371,428
Capital Projects Funds:	
Economic Development	32,571

The deficit fund balances are a result of the application of generally accepted accounting principles, namely the accruing of wages and the recording of interfund and accounts payable at year end. All deficits will be eliminated with intergovernmental revenues in the next accounting period. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2009

Note 19: Solid Waste

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Cleveland Heights executed the final closure financial assurance instrument for the solid waste transfer station by the required September 30, 2003, deadline. The financial test assured that the City could support any amount up to \$200,000 in post-closure costs and that the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. This location is used for the transfer of solid waste from the City's refuse trucks to a larger loader which is used to transport the waste to a commercial landfill located outside of the City. This transfer station has operated at this location for over fifty years and the City has no plans to close or move this transfer station. For this reason the City does not currently accrue a liability. This treatment is in accordance with generally accepted accounting principles.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Street Construction, Maintenance and Repair – Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for repair and maintenance of streets within the City.

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

First Suburbs Consortium – To account for staffing and other expenses of the Consortium office which is located in Cleveland Heights City Hall. The costs are shared by the twelve communities which make up and support the Consortium and its economic and community development initiatives.

Communication System Operating – To account for the operations of the fire department dispatch office serving Cleveland Heights and a neighboring community.

Public Building Maintenance – To account for funds received from lease of City property for placement of communication towers. These funds are to be used for only building maintenance.

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

Drug Law Enforcement Trust – To account for monies received from confiscated property to be used solely for drug law enforcement purposes.

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

C.D.B.G. Program Income – To account for monies generated by C.D.B.G. programs, such as repayment of rehabilitation loans and other housing programs where the City receives revenue.

EPA-Brownfield Grant – To account for monies received from Federal EPA-Brownfield Grant and corresponding expenditures allowable under the grant agreement.

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

FEMA (Federal Emergency Management Agency) Grant – To account for fire and safety grants received from FEMA in a separate fund as required by FEMA.

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

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

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Non-Major Special Revenue Funds (continued)

Public Right of Way – To account for the monies received from public or private service providers for use of the public right of way.

Ohio Department of Natural Resources (ODNR) Recycling Grants – To account for monies received from the Ohio Department of Natural Resources for recycling programs.

Indigent (DUI) Driver's Alcohol Treatment – To account for the City's portion of fines collected by the State of Ohio to pay for the cost of an alcohol and other drug addiction treatment program for those unable to pay for such attendance.

Municipal Court Clerk Computerization – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for computer-related expenditures.

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

Municipal Court Special Projects – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for identified projects.

Lead Safe Cuyahoga – To account for receipts and disbursements from grants received from Cuyahoga County for costs related to testing paint for lead content and remediation of the identified areas.

Neighborhood Stabilization – To account for monies to address the City's foreclosed homes crisis and stabilize neighborhoods.

CDBG Recovery – To account for monies to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency and expand educational activities and access to health care.

Homelessness Prevention – To account for monies to be used for assisting individuals and families who are currently in housing but are at risk of becoming homeless and need temporary rent or utility assistance and programming and administrative costs associated with the implementation of these activities.

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

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

Police Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for police disability and pension due the State pension agency.

Fire Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for fire disability and pension due the State pension agency.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Earned Benefits – To account for the accumulation of resources for those employees eligible to retire.

Section 108 Loan Guarantee – To account for receipts and disbursements made as an agency for the HUD Section 108 loan program financed by the issuance of U.S. Government Guaranteed Notes.

Office on Aging Donation – To account for the Martin bequest and other donations and their related expenditures.

Police Memorial – To account for private donations received for the purpose of establishing a police memorial to honor officers that have been killed in the line of duty.

Youth Recreation Donation – To account for donations made to benefit youth recreation.

Non-Major Capital Projects Funds

Police Facility Improvement – To account for administrative fees collected by police department and designated for the maintenance, repair, rehabilitation and improvement of the City's police department buildings and facilities outside of City Hall.

Recreation Facility Improvement – To account for property taxes levied for the improvement and maintenance of the City's parks, recreation and cultural facilities.

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

Economic Development – To account for transactions relative to the economic development of the City.

City Hall Maintenance and Repair – To account for the costs of major maintenance and repair of City Hall.

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

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

Ring Road Construction – To account for receipts and disbursements related to reconstruction of Severance Ring Road.

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in city treasury cash	\$ 4,284,796	\$ 1,613,410	\$ 5,898,206
Receivables (net of allowance for uncollectibles):			
Taxes	504,132	588,153	1,092,285
Accounts receivable	45,398	-	45,398
Special assessments	1,822,400	-	1,822,400
Accrued interest	1,527	-	1,527
Loans	1,763,651	-	1,763,651
Intergovernmental	947,580	43,407	990,987
Interfund	<u>29,778</u>	<u>292,076</u>	<u>321,854</u>
Total assets	\$ <u>9,399,262</u>	\$ <u>2,537,046</u>	\$ <u>11,936,308</u>
Liabilities and fund balances:			
Liabilities:			
Vouchers and accounts payable	\$ 383,742	\$ 52,437	\$ 436,179
Contracts payable	61,234	-	61,234
Accrued wages and benefits	43,311	-	43,311
Matured compensated absences	861	-	861
Due to other governments	671,125	-	671,125
Interfund payable	310,688	-	310,688
Unearned revenue	2,799,804	631,560	3,431,364
Claims payable	<u>3,077</u>	<u>-</u>	<u>3,077</u>
Total liabilities	<u>4,273,842</u>	<u>683,997</u>	<u>4,957,839</u>
Fund balances:			
Reserved for encumbrances	283,663	88,481	372,144
Reserved for loans receivable	1,763,651	-	1,763,651
Unreserved, undesignated	<u>3,078,106</u>	<u>1,764,568</u>	<u>4,842,674</u>
Total fund balances	<u>5,125,420</u>	<u>1,853,049</u>	<u>6,978,469</u>
Total liabilities and fund balances	\$ <u>9,399,262</u>	\$ <u>2,537,046</u>	\$ <u>11,936,308</u>

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and other local taxes	\$ 514,132	\$ 669,119	\$ 1,183,251
Intergovernmental	4,503,470	83,904	4,587,374
Charges for services	747,598	3,400	750,998
Fees, licenses, and permits	512,823	8,425	521,248
Interest earnings	17,169	-	17,169
Special assessments	1,296,721	-	1,296,721
Fines and forfeitures	402,404	-	402,404
Reimbursements received	270,310	6,150	276,460
Other revenues	<u>435,169</u>	<u>21,156</u>	<u>456,325</u>
Total revenues	<u>8,699,796</u>	<u>792,154</u>	<u>9,491,950</u>
Expenditures:			
Current:			
Public safety	2,635,266	2,760	2,638,026
Public health	2,352	-	2,352
Culture and recreation	680,254	154,519	837,373
Community development	3,210,334	32,571	3,242,905
Sanitation	34,137	-	34,137
Transportation	65,674	14,852	80,526
General government	1,635,953	39,777	1,675,730
Debt service:			
Principal retirement	110,570	220,000	330,570
Interest and fiscal charges	5,672	44,937	50,609
Capital outlay	<u>2,796,739</u>	<u>405,789</u>	<u>3,199,928</u>
Total expenditures	<u>11,176,951</u>	<u>915,205</u>	<u>12,092,156</u>
Excess of revenues over (under) expenditures	<u>(2,477,155)</u>	<u>(123,051)</u>	<u>(2,600,206)</u>
Other financing sources (uses):			
Issuance of debt	39,852	-	39,852
Transfers - in	2,827,484	1,139,439	3,966,923
Transfers - out	<u>(309,709)</u>	<u>-</u>	<u>(309,709)</u>
Total other financing sources (uses)	<u>2,557,627</u>	<u>1,139,439</u>	<u>3,697,066</u>
Net change in fund balances	80,472	1,016,388	1,096,860
Fund balances beginning of year	<u>5,044,948</u>	<u>836,661</u>	<u>5,881,609</u>
Fund balances end of year	\$ <u>5,125,420</u>	\$ <u>1,853,049</u>	\$ <u>6,978,469</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2009

	<u>Street Construction Maintenance, and Repair</u>	<u>Foundation Grants</u>	<u>First Suburbs Consortium</u>	<u>Communications System Operating</u>
Assets:				
Equity in city treasury cash	\$ 493,954	\$ 23,246	\$ 70,337	\$ 11,106
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	1,032	-	-	-
Loans	-	-	-	-
Intergovernmental	732,778	-	-	29,505
Interfund	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,778</u>
Total assets	\$ <u>1,227,764</u>	\$ <u>23,246</u>	\$ <u>70,337</u>	\$ <u>70,389</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 105,465	\$ 9,994	\$ 1	\$ 22,982
Contracts payable	61,234	-	-	-
Accrued wages and benefits	-	-	332	4,825
Matured compensated absences	-	-	-	-
Due to other governments	-	-	1,765	9,317
Interfund payable	-	-	-	-
Unearned revenue	436,066	-	-	-
Claims payable	<u>-</u>	<u>-</u>	<u>67</u>	<u>922</u>
Total liabilities	<u>602,765</u>	<u>9,994</u>	<u>2,165</u>	<u>38,046</u>
Fund balances:				
Reserved for encumbrances	273,848	-	-	401
Reserved for loans receivable	-	-	-	-
Unreserved (deficit), undesignated	<u>351,151</u>	<u>13,252</u>	<u>68,172</u>	<u>31,942</u>
Total fund balances (deficit)	<u>624,999</u>	<u>13,252</u>	<u>68,172</u>	<u>32,343</u>
Total liabilities and fund balances	\$ <u>1,227,764</u>	\$ <u>23,246</u>	\$ <u>70,337</u>	\$ <u>70,389</u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ 5,529	\$ 14,973	\$ 126,063	\$ 5,666	\$ -	\$ 2,998	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	31	262	-	-	-	-	-
-	-	-	-	1,717,504	-	46,147	-
-	-	-	21,505	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,529</u>	<u>\$ 15,004</u>	<u>\$ 126,325</u>	<u>\$ 27,171</u>	<u>\$ 1,717,504</u>	<u>\$ 2,998</u>	<u>\$ 46,147</u>	<u>\$ -</u>
\$ 3,049	\$ -	\$ 3,548	\$ 69,356	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	837	4,255	-	-	-	-
-	-	-	861	-	-	-	-
-	-	41	11,467	-	-	88	-
-	-	-	28,829	-	-	136,912	9,453
-	-	-	-	-	-	-	-
-	-	-	844	-	-	-	-
<u>3,049</u>	<u>-</u>	<u>4,426</u>	<u>115,612</u>	<u>-</u>	<u>-</u>	<u>137,000</u>	<u>9,453</u>
2,581	1,350	955	-	-	-	-	-
-	-	-	-	1,717,504	-	46,147	-
<u>(101)</u>	<u>13,654</u>	<u>120,944</u>	<u>(88,441)</u>	<u>-</u>	<u>2,998</u>	<u>(137,000)</u>	<u>(9,453)</u>
<u>2,480</u>	<u>15,004</u>	<u>121,899</u>	<u>(88,441)</u>	<u>1,717,504</u>	<u>2,998</u>	<u>(90,853)</u>	<u>(9,453)</u>
<u>\$ 5,529</u>	<u>\$ 15,004</u>	<u>\$ 126,325</u>	<u>\$ 27,171</u>	<u>\$ 1,717,504</u>	<u>\$ 2,998</u>	<u>\$ 46,147</u>	<u>\$ -</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2009

	<u>Local T.V. Programming</u>	<u>Cain Park</u>	<u>Public Right of Way Fund</u>	<u>ODNR Recycling Grants</u>	<u>Indigent Driver's Alcohol Treatment</u>
Assets:					
Equity in city treasury cash	\$ 763,235	\$ 189	\$ -	\$ -	\$ 61,606
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	3,295
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Intergovernmental	126,586	-	-	-	-
Interfund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>889,821</u>	\$ <u>189</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>64,901</u>
Liabilities and fund balances:					
Liabilities:					
Vouchers and accounts payable	\$ 540	\$ 1,253	\$ 782	\$ -	\$ -
Contracts payable	-	-	-	-	-
Accrued wages and benefits	880	-	-	-	-
Matured compensated absences	-	-	-	-	-
Due to other governments	1,968	482	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Claims payable	129	-	-	-	-
	<u>129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,517</u>	<u>1,735</u>	<u>782</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances	95	-	-	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved (deficit), undesignated	886,209	(1,546)	(782)	-	64,901
	<u>886,209</u>	<u>(1,546)</u>	<u>(782)</u>	<u>-</u>	<u>64,901</u>
Total fund balances (deficit)	<u>886,304</u>	<u>(1,546)</u>	<u>(782)</u>	<u>-</u>	<u>64,901</u>
Total liabilities and fund balances	\$ <u>889,821</u>	\$ <u>189</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>64,901</u>

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Neighborhood Stabilization</u>	<u>CDBG Recovery</u>	<u>Homelessness Prevention</u>
\$ 1,049,281	\$ 55,416	\$ 1,265,596	\$ -	\$ 348	\$ 6	\$ 23
-	-	-	-	-	-	-
16,756	200	25,147	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>1,066,037</u>	\$ <u>55,616</u>	\$ <u>1,290,743</u>	\$ <u>-</u>	\$ <u>348</u>	\$ <u>6</u>	\$ <u>23</u>
\$ 8,402	\$ -	\$ 4	\$ -	\$ 4,189	\$ 6,514	\$ -
-	-	-	-	-	-	-
782	-	792	155	239	50	39
-	-	-	-	-	-	-
4,738	-	1,336	-	347	6	23
-	-	-	60,807	74,500	25	162
-	-	-	-	-	-	-
<u>194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>14,116</u>	<u>-</u>	<u>2,132</u>	<u>60,962</u>	<u>79,275</u>	<u>6,595</u>	<u>224</u>
283	-	4,142	-	-	-	-
-	-	-	-	-	-	-
<u>1,051,638</u>	<u>55,616</u>	<u>1,284,469</u>	<u>(60,962)</u>	<u>(78,927)</u>	<u>(6,589)</u>	<u>(201)</u>
<u>1,051,921</u>	<u>55,616</u>	<u>1,288,611</u>	<u>(60,962)</u>	<u>(78,927)</u>	<u>(6,589)</u>	<u>(201)</u>
\$ <u>1,066,037</u>	\$ <u>55,616</u>	\$ <u>1,290,743</u>	\$ <u>-</u>	\$ <u>348</u>	\$ <u>6</u>	\$ <u>23</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2009

	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Earned Benefits</u>
Assets:					
Equity in city treasury cash	\$ 38,399	\$ 198,799	\$ -	\$ -	\$ -
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	252,066	252,066	-
Accounts	-	-	-	-	-
Special assessments	975,773	846,627	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Intergovernmental	-	-	18,603	18,603	-
Interfund	-	-	-	-	-
Total assets	<u>\$ 1,014,172</u>	<u>\$ 1,045,426</u>	<u>\$ 270,669</u>	<u>\$ 270,669</u>	<u>\$ -</u>
Liabilities and fund balances:					
Liabilities:					
Vouchers and accounts payable	\$ 147,579	\$ 84	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-
Accrued wages and benefits	-	4,561	11,014	14,550	-
Matured compensated absences	-	-	-	-	-
Due to other governments	-	9,062	273,607	356,878	-
Interfund payable	-	-	-	-	-
Unearned revenue	975,773	846,627	270,669	270,669	-
Claims payable	-	921	-	-	-
Total liabilities	<u>1,123,352</u>	<u>861,255</u>	<u>555,290</u>	<u>642,097</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances	-	8	-	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved (deficit), undesignated	<u>(109,180)</u>	<u>184,163</u>	<u>(284,621)</u>	<u>(371,428)</u>	<u>-</u>
Total fund balances (deficit)	<u>(109,180)</u>	<u>184,171</u>	<u>(284,621)</u>	<u>(371,428)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,014,172</u>	<u>\$ 1,045,426</u>	<u>\$ 270,669</u>	<u>\$ 270,669</u>	<u>\$ -</u>

<u>Section 108</u>	<u>Aging Donation</u>	<u>Police Memorial</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 96,541	\$ 1,400	\$ 85	\$ 4,284,796
-	-	-	-	504,132
-	-	-	-	45,398
-	-	-	-	1,822,400
-	202	-	-	1,527
-	-	-	-	1,763,651
-	-	-	-	947,580
-	-	-	-	29,778
<u>\$ -</u>	<u>\$ 96,743</u>	<u>\$ 1,400</u>	<u>\$ 85</u>	<u>\$ 9,399,262</u>
\$ -	-	-	\$ -	\$ 383,742
-	-	-	-	61,234
-	-	-	-	43,311
-	-	-	-	861
-	-	-	-	671,125
-	-	-	-	310,688
-	-	-	-	2,799,804
-	-	-	-	3,077
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,273,842</u>
-	-	-	-	283,663
-	-	-	-	1,763,651
<u>-</u>	<u>96,743</u>	<u>1,400</u>	<u>85</u>	<u>3,078,106</u>
<u>-</u>	<u>96,743</u>	<u>1,400</u>	<u>85</u>	<u>5,125,420</u>
<u>\$ -</u>	<u>\$ 96,743</u>	<u>\$ 1,400</u>	<u>\$ 85</u>	<u>\$ 9,399,262</u>

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For Year Ended December 31, 2009

	Street Construction Maintenance, and Repair	Foundation Grants	First Suburbs Consortium	Communications System Operating
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,663,476	181,750	-	-
Charges for services	-	-	-	293,258
Fees, licenses, and permits	-	-	-	-
Interest earnings	12,598	-	-	-
Special assessments	-	-	-	-
Fines and forfeitures	-	-	-	-
Reimbursements received	239,509	-	-	-
Other revenues	<u>56,345</u>	<u>-</u>	<u>39,646</u>	<u>-</u>
Total revenues	<u>1,971,928</u>	<u>181,750</u>	<u>39,646</u>	<u>293,258</u>
Expenditures:				
Current:				
Public safety	-	-	-	559,797
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	18,228	71,215	-
Sanitation	-	-	-	-
Transportation	20,352	-	-	-
General government	-	-	-	-
Debt Service:				
Principal	76,642	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay	<u>1,802,644</u>	<u>109,994</u>	<u>1,196</u>	<u>28,456</u>
Total expenditures	<u>1,899,638</u>	<u>128,222</u>	<u>72,411</u>	<u>588,253</u>
Excess of revenues over (under) expenditures	<u>72,290</u>	<u>53,528</u>	<u>(32,765)</u>	<u>(294,995)</u>
Other financing sources (uses):				
Issuance of debt	39,852	-	-	-
Transfers - in	-	-	-	298,611
Transfers - out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>39,852</u>	<u>-</u>	<u>-</u>	<u>298,611</u>
Net change in fund balances	112,142	53,528	(32,765)	3,616
Fund balance (deficit) at beginning of year	<u>512,857</u>	<u>(40,276)</u>	<u>100,937</u>	<u>28,727</u>
Fund balance (deficit) at end of year	\$ <u><u>624,999</u></u>	\$ <u><u>13,252</u></u>	\$ <u><u>68,172</u></u>	\$ <u><u>32,343</u></u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,704,244	-	-	182,246	-
-	-	-	-	8,420	-	-	-
-	409	2,530	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,235	14,604	-	-	-	-	-
-	1,465	-	-	-	-	-	-
-	-	-	-	296,871	-	-	-
-	10,109	17,134	1,704,244	305,291	-	182,246	-
-	23,943	52,527	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,682,876	3,048	-	322,473	-
-	-	-	-	-	-	-	-
21,159	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,998	10,244	78,034	227,476	-	-	-	-
26,157	34,187	130,561	1,910,352	3,048	-	322,473	-
(26,157)	(24,078)	(113,427)	(206,108)	302,243	-	(140,227)	-
-	-	-	-	-	-	-	-
-	-	-	305,809	-	-	-	-
-	-	(2,900)	-	(305,809)	-	-	-
-	-	(2,900)	305,809	(305,809)	-	-	-
(26,157)	(24,078)	(116,327)	99,701	(3,566)	-	(140,227)	-
28,637	39,082	238,226	(188,142)	1,721,070	2,998	49,374	(9,453)
\$ <u>2,480</u>	\$ <u>15,004</u>	\$ <u>121,899</u>	\$ <u>(88,441)</u>	\$ <u>1,717,504</u>	\$ <u>2,998</u>	\$ <u>(90,853)</u>	\$ <u>(9,453)</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Special Revenue Funds

For the Year Ended December 31, 2009

	<u>Local T.V. Programming</u>	<u>Cain Park</u>	<u>Public Right of Way Fund</u>	<u>ODNR Recycling Grants</u>	<u>Indigent Driver's Alcohol Treatment</u>
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	26,849	-	8,306	-
Charges for services	-	445,920	-	-	-
Fees, licenses, and permits	489,926	-	22,747	-	-
Interest earnings	-	-	-	-	-
Special assessments	-	-	-	-	-
Fines and forfeitures	-	-	-	-	15,481
Reimbursements received	16,733	12,543	-	-	-
Other revenues	-	6,968	-	-	-
	<u>-</u>	<u>6,968</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>506,659</u>	<u>492,280</u>	<u>22,747</u>	<u>8,306</u>	<u>15,481</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public health	-	-	-	-	-
Culture and recreation	-	663,878	-	-	-
Community development	131,518	-	-	-	-
Sanitation	-	-	-	13,122	-
Transportation	-	-	-	-	-
General government	-	-	8,204	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay	259	-	-	-	-
	<u>259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>131,777</u>	<u>663,878</u>	<u>8,204</u>	<u>13,122</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>374,882</u>	<u>(171,598)</u>	<u>14,543</u>	<u>(4,816)</u>	<u>15,481</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Transfers - in	-	179,877	8,812	-	-
Transfers - out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>179,877</u>	<u>8,812</u>	<u>-</u>	<u>-</u>
Net change in fund balances	374,882	8,279	23,355	(4,816)	15,481
Fund balance (deficit) at beginning of year	<u>511,422</u>	<u>(9,825)</u>	<u>(24,137)</u>	<u>4,816</u>	<u>49,420</u>
Fund balance (deficit) at end of year	\$ <u>886,304</u>	\$ <u>(1,546)</u>	\$ <u>(782)</u>	\$ <u>-</u>	\$ <u>64,901</u>

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Neighborhood Stabilization</u>	<u>CDBG Recovery</u>	<u>Homelessness Prevention</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	194,724	-	411,818	1,639
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
143,966	3,131	216,987	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>143,966</u>	<u>3,131</u>	<u>216,987</u>	<u>194,724</u>	<u>-</u>	<u>411,818</u>	<u>1,639</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	221,257	52,109	5,603	1,840
-	-	-	-	-	-	-
-	-	-	-	-	-	-
117,522	-	80,624	-	-	-	-
1,353	-	-	-	-	-	-
123	-	-	-	-	-	-
<u>11,193</u>	<u>-</u>	<u>372</u>	<u>-</u>	<u>26,818</u>	<u>412,804</u>	<u>-</u>
<u>130,191</u>	<u>-</u>	<u>80,996</u>	<u>221,257</u>	<u>78,927</u>	<u>418,407</u>	<u>1,840</u>
-	-	-	-	-	-	-
<u>13,775</u>	<u>3,131</u>	<u>135,991</u>	<u>(26,533)</u>	<u>(78,927)</u>	<u>(6,589)</u>	<u>(201)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,775	3,131	135,991	(26,533)	(78,927)	(6,589)	(201)
1,038,146	52,485	1,152,620	(34,429)	-	-	-
<u>\$ 1,051,921</u>	<u>\$ 55,616</u>	<u>\$ 1,288,611</u>	<u>\$ (60,962)</u>	<u>\$ (78,927)</u>	<u>\$ (6,589)</u>	<u>\$ (201)</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Special Revenue Funds

For the Year Ended December 31, 2009

	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Earned Benefits</u>
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ 257,066	\$ 257,066	\$ -
Intergovernmental	-	56,500	35,959	35,959	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	-	150	-	-	-
Interest earnings	-	-	-	-	-
Special assessments	694,268	602,453	-	-	-
Fines and forfeitures	-	-	-	-	-
Reimbursements received	-	60	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>694,268</u>	<u>659,163</u>	<u>293,025</u>	<u>293,025</u>	<u>-</u>
Expenditures:					
Current:					
Public safety	878,742	-	998,242	26,266	95,749
Public health	-	-	-	-	-
Culture and recreation	-	-	-	-	16,376
Community development	-	671,162	-	-	29,005
Sanitation	-	-	-	-	21,015
Transportation	-	-	-	-	17,212
General government	-	9,618	-	1,286,265	108,773
Debt service:					
Principal	-	32,575	-	-	-
Interest and fiscal charges	-	5,549	-	-	-
Capital Outlay	-	82,251	-	-	-
Total expenditures	<u>878,742</u>	<u>801,155</u>	<u>998,242</u>	<u>1,312,531</u>	<u>288,130</u>
Excess of revenues over (under) expenditures	<u>(184,474)</u>	<u>(141,992)</u>	<u>(705,217)</u>	<u>(1,019,506)</u>	<u>(288,130)</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Transfers - in	15,822	14,524	691,323	1,024,576	288,130
Transfers - out	-	(1,000)	-	-	-
Total other financing sources (uses)	<u>15,822</u>	<u>13,524</u>	<u>691,323</u>	<u>1,024,576</u>	<u>288,130</u>
Net change in fund balances	(168,652)	(128,468)	(13,894)	5,070	-
Fund balance (deficit) at beginning of year	<u>59,472</u>	<u>312,639</u>	<u>(270,727)</u>	<u>(376,498)</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>(109,180)</u>	\$ <u>184,171</u>	\$ <u>(284,621)</u>	\$ <u>(371,428)</u>	\$ <u>-</u>

<u>Section 108</u>	<u>Office on Aging Donation</u>	<u>Police Memorial</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 514,132
-	-	-	-	4,503,470
-	-	-	-	747,598
-	-	-	-	512,823
-	1,632	-	-	17,169
-	-	-	-	1,296,721
-	-	-	-	402,404
-	-	-	-	270,310
<u>28,110</u>	<u>6,177</u>	<u>-</u>	<u>1,052</u>	<u>435,169</u>
<u>28,110</u>	<u>7,809</u>	<u>-</u>	<u>1,052</u>	<u>8,699,796</u>
-	-	-	-	2,635,266
-	2,352	-	-	2,352
-	-	-	-	680,254
-	-	-	-	3,210,334
-	-	-	-	34,137
28,110	-	-	-	65,674
-	-	-	3,788	1,635,953
-	-	-	-	110,570
-	-	-	-	5,672
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,796,739</u>
<u>28,110</u>	<u>2,352</u>	<u>-</u>	<u>3,788</u>	<u>11,176,951</u>
<u>-</u>	<u>5,457</u>	<u>-</u>	<u>(2,736)</u>	<u>(2,477,155)</u>
-	-	-	-	39,852
-	-	-	-	2,827,484
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(309,709)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,557,627</u>
-	5,457	-	(2,736)	80,472
<u>-</u>	<u>91,286</u>	<u>1,400</u>	<u>2,821</u>	<u>5,044,948</u>
\$ <u>-</u>	\$ <u>96,743</u>	\$ <u>1,400</u>	\$ <u>85</u>	\$ <u>5,125,420</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2009

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Assets:				
Equity in city treasury cash	\$ 9,205	\$ 975,441	\$ 149,901	\$ -
Receivables:				
Taxes	-	588,153	-	-
Intergovernmental	-	43,407	-	-
Interfund	<u>-</u>	<u>-</u>	<u>26,075</u>	<u>-</u>
Total assets	\$ <u>9,205</u>	\$ <u>1,607,001</u>	\$ <u>175,976</u>	\$ <u>-</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ -	\$ 19,866	\$ -	\$ 32,571
Unearned revenue	<u>-</u>	<u>631,560</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>651,426</u>	<u>-</u>	<u>32,571</u>
Fund balances:				
Reserved for encumbrances	-	88,481	-	-
Unreserved (deficit), undesignated	<u>9,205</u>	<u>867,094</u>	<u>175,976</u>	<u>(32,571)</u>
Total fund balances (deficit)	<u>9,205</u>	<u>955,575</u>	<u>175,976</u>	<u>(32,571)</u>
Total liabilities and fund balances	\$ <u>9,205</u>	\$ <u>1,607,001</u>	\$ <u>175,976</u>	\$ <u>-</u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 14,834	\$ 7,365	\$ -	\$ 456,664	\$ 1,613,410
-	-	-	-	588,153
-	-	-	-	43,407
<u>-</u>	<u>-</u>	<u>-</u>	<u>266,001</u>	<u>292,076</u>
<u>\$ 14,834</u>	<u>\$ 7,365</u>	<u>\$ -</u>	<u>\$ 722,665</u>	<u>\$ 2,537,046</u>
\$ -	\$ -	\$ -	\$ -	\$ 52,437
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,560</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>683,997</u>
-	-	-	-	88,481
<u>14,834</u>	<u>7,365</u>	<u>-</u>	<u>722,665</u>	<u>1,764,568</u>
<u>14,834</u>	<u>7,365</u>	<u>-</u>	<u>722,665</u>	<u>1,853,049</u>
<u>\$ 14,834</u>	<u>\$ 7,365</u>	<u>\$ -</u>	<u>\$ 722,665</u>	<u>\$ 2,537,046</u>

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds

For the Year Ended December 31, 2009

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Revenues:				
Property and other local taxes	\$ -	\$ 599,822	\$ -	\$ -
Intergovernmental	-	83,904	-	-
Charges for services	3,400	-	-	-
Fees, licenses, and permits	8,425	-	-	-
Reimbursements received	-	2,276	-	3,874
Other revenues	-	-	-	7,873
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,873</u>
Total revenues	<u>11,825</u>	<u>686,002</u>	<u>-</u>	<u>11,747</u>
Expenditures:				
Current:				
Public safety	2,760	-	-	-
Culture and recreation	-	153,935	-	-
Community development	-	-	-	32,571
Transportation	-	-	-	-
General government	-	9,617	-	19,397
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	17,722	-
Capital outlay	<u>3,200</u>	<u>285,763</u>	<u>103,664</u>	<u>10,562</u>
Total expenditures	<u>5,960</u>	<u>449,315</u>	<u>121,386</u>	<u>62,530</u>
Excess of revenues over (under) expenditures	<u>5,865</u>	<u>236,687</u>	<u>(121,386)</u>	<u>(50,783)</u>
Other financing sources:				
Transfers - in	<u>-</u>	<u>-</u>	<u>927,625</u>	<u>33,896</u>
Net change in fund balances	5,865	236,687	806,239	(16,887)
Fund balance (deficit) at beginning of year	<u>3,340</u>	<u>718,888</u>	<u>(630,263)</u>	<u>(15,684)</u>
Fund balance (deficit) at end of year	\$ <u><u>9,205</u></u>	\$ <u><u>955,575</u></u>	\$ <u><u>175,976</u></u>	\$ <u><u>(32,571)</u></u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ 69,297	\$ -	\$ 669,119
-	-	-	-	83,904
-	-	-	-	3,400
-	-	-	-	8,425
-	-	-	-	6,150
<u>13,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,156</u>
<u>13,283</u>	<u>-</u>	<u>69,297</u>	<u>-</u>	<u>792,154</u>
-	-	-	-	2,760
-	584	-	-	154,519
-	-	-	-	32,571
-	-	-	14,852	14,852
10,763	-	-	-	39,777
-	-	220,000	-	220,000
-	-	27,215	-	44,937
<u>-</u>	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>405,789</u>
<u>10,763</u>	<u>3,184</u>	<u>247,215</u>	<u>14,852</u>	<u>915,205</u>
<u>2,520</u>	<u>(3,184)</u>	<u>(177,918)</u>	<u>(14,852)</u>	<u>(123,051)</u>
<u>-</u>	<u>-</u>	<u>177,918</u>	<u>-</u>	<u>1,139,439</u>
2,520	(3,184)	-	(14,852)	1,016,388
<u>12,314</u>	<u>10,549</u>	<u>-</u>	<u>737,517</u>	<u>836,661</u>
\$ <u>14,834</u>	\$ <u>7,365</u>	\$ <u>-</u>	\$ <u>722,665</u>	\$ <u>1,853,049</u>

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

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 6,763,395	\$ 6,763,395	\$ 6,369,189	\$ (394,206)
Municipal income taxes	19,890,383	19,911,381	20,083,588	172,207
Intergovernmental grants and contracts	5,759,930	5,766,011	5,815,879	49,868
Charges for services	2,671,032	2,673,852	2,696,978	23,126
Fees, licenses, and permits	1,311,476	1,312,861	1,324,215	11,354
Interest earnings	155,207	155,371	156,715	1,344
Special assessments	66,261	66,331	66,905	574
Fines and forfeitures	2,672,955	2,675,777	2,698,919	23,142
Reimbursements received	1,227,001	1,228,296	1,238,919	10,623
Other revenue	346,056	346,422	349,418	2,996
Total revenues	40,863,696	40,899,697	40,800,725	(98,972)
Expenditures:				
Current:				
Public safety:				
Police department:				
Personal services	7,591,070	7,393,270	7,393,270	-
Other than personal services	544,100	505,761	505,168	593
Capital	286,500	247,139	243,996	3,143
Non-governmental	1,000	1,000	316	684
Total police department	8,422,670	8,147,170	8,142,750	4,420
Police academy:				
Personal services	8,000	3,000	727	2,273
Other than personal services	91,650	86,650	70,656	15,994
Capital	5,000	3,000	-	3,000
Total police academy	104,650	92,650	71,383	21,267
Police motor vehicle maintenance:				
Personal services	247,095	239,095	235,627	3,468
Other than personal services	123,500	89,000	76,758	12,242
Capital	3,000	1,500	1,221	279
Total police motor vehicle maintenance	373,595	329,595	313,606	15,989
Traffic signs and signals:				
Personal services	116,900	112,202	110,949	1,253
Other than personal services	85,850	80,812	74,409	6,403
Capital	10,000	9,336	7,294	2,042
Total traffic signs department	212,750	202,350	192,652	9,698
Animal protection unit:				
Personal services	59,695	61,695	61,615	80
Other than personal services	26,775	27,865	27,233	632
Total animal protection unit	86,470	89,560	88,848	712

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire department:				
Personal services	5,954,740	5,608,640	5,566,290	42,350
Other than personal services	239,600	219,466	218,521	945
Capital	-	16,284	16,284	-
Total fire department	<u>6,194,340</u>	<u>5,844,390</u>	<u>5,801,095</u>	<u>43,295</u>
Fire prevention bureau:				
Personal services	73,710	75,510	75,297	213
Other than personal services	4,170	2,070	1,527	543
Total fire prevention bureau	<u>77,880</u>	<u>77,580</u>	<u>76,824</u>	<u>756</u>
Total public safety	<u>15,472,355</u>	<u>14,783,295</u>	<u>14,687,158</u>	<u>96,137</u>
Public health:				
Health and vital statistics:				
Other than personal services	198,200	191,972	189,802	2,170
Total public health	<u>198,200</u>	<u>191,972</u>	<u>189,802</u>	<u>2,170</u>
Office on aging:				
Personal services	175,830	171,830	171,322	508
Other than personal services	24,275	25,040	23,755	1,285
Non-governmental	300	35	35	-
Total office on aging	<u>200,405</u>	<u>196,905</u>	<u>195,112</u>	<u>1,793</u>
Commission on aging:				
Other than personal services	350	250	19	231
Total commission on aging	<u>350</u>	<u>250</u>	<u>19</u>	<u>231</u>
Total public health	<u>398,955</u>	<u>389,127</u>	<u>384,933</u>	<u>4,194</u>
Culture and recreation:				
Recreation administration:				
Personal services	177,975	174,955	172,120	2,835
Other than personal services	32,663	34,263	33,661	602
Total recreation administration	<u>210,638</u>	<u>209,218</u>	<u>205,781</u>	<u>3,437</u>
Swimming pools:				
Personal services	238,075	244,184	244,180	4
Other than personal services	34,160	38,360	37,631	729
Non-governmental	700	325	324	1
Total swimming pools	<u>272,935</u>	<u>282,869</u>	<u>282,135</u>	<u>734</u>
Ice programs:				
Personal services	251,870	237,070	231,953	5,117
Other than personal services	38,200	28,900	24,862	4,038
Non-governmental	700	1,100	333	767
Total ice programs	<u>290,770</u>	<u>267,070</u>	<u>257,148</u>	<u>9,922</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General recreation programs:				
Personal services	169,735	137,885	137,595	290
Other than personal services	29,400	22,310	18,571	3,739
Non-governmental	<u>1,000</u>	<u>3,990</u>	<u>3,938</u>	<u>52</u>
Total general recreation programs	<u>200,135</u>	<u>164,185</u>	<u>160,104</u>	<u>4,081</u>
Sports programs:				
Personal services	103,140	92,140	87,247	4,893
Other than personal services	139,300	108,386	103,027	5,359
Capital	-	1,814	1,814	-
Non-governmental	<u>5,000</u>	<u>3,100</u>	<u>2,019</u>	<u>1,081</u>
Total sports programs	<u>247,440</u>	<u>205,440</u>	<u>194,107</u>	<u>11,333</u>
Community center:				
Personal services	351,015	308,120	303,157	4,963
Other than personal services	651,600	588,400	554,765	33,635
Capital	<u>1,500</u>	<u>1,700</u>	<u>1,620</u>	<u>80</u>
Total community center	<u>1,004,115</u>	<u>898,220</u>	<u>859,542</u>	<u>38,678</u>
Total culture and recreation	<u>2,226,033</u>	<u>2,027,002</u>	<u>1,958,817</u>	<u>68,185</u>
Community development:				
Community relations:				
Personal services	148,760	139,722	139,398	324
Other than personal services	<u>22,300</u>	<u>22,300</u>	<u>21,100</u>	<u>1,200</u>
Total community relations	<u>171,060</u>	<u>162,022</u>	<u>160,498</u>	<u>1,524</u>
Public relations:				
Personal services	161,570	154,070	153,200	870
Other than personal services	<u>101,500</u>	<u>73,500</u>	<u>54,944</u>	<u>18,556</u>
Total public relations	<u>263,070</u>	<u>227,570</u>	<u>208,144</u>	<u>19,426</u>
Planning department:				
Personal services	394,470	278,970	276,588	2,382
Other than personal services	30,350	16,044	9,639	6,405
Capital	<u>-</u>	<u>2,106</u>	<u>2,100</u>	<u>6</u>
Total planning department	<u>424,820</u>	<u>297,120</u>	<u>288,327</u>	<u>8,793</u>
Planning commission:				
Personal services	8,760	8,180	7,609	571
Other than personal services	3,200	2,700	2,342	358
Non-governmental	<u>50</u>	<u>200</u>	<u>200</u>	<u>-</u>
Total planning commission	<u>12,010</u>	<u>11,080</u>	<u>10,151</u>	<u>929</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Board of zoning appeals:				
Personal services	6,665	5,815	5,092	723
Other than personal services	3,900	3,455	2,414	1,041
Non-governmental	<u>50</u>	<u>80</u>	<u>80</u>	<u>-</u>
Total board of zoning appeals	<u>10,615</u>	<u>9,350</u>	<u>7,586</u>	<u>1,764</u>
Special improvement districts:				
Other	<u>264,320</u>	<u>276,000</u>	<u>275,382</u>	<u>618</u>
Building department:				
Personal services	428,150	388,150	384,204	3,946
Other than personal services	42,100	30,100	28,852	1,248
Non-governmental	<u>100</u>	<u>100</u>	<u>40</u>	<u>60</u>
Total building department	<u>470,350</u>	<u>418,350</u>	<u>413,096</u>	<u>5,254</u>
Housing inspections:				
Personal services	445,725	470,225	469,879	346
Other than personal services	49,400	19,650	18,984	666
Non-governmental	<u>2,000</u>	<u>7,250</u>	<u>7,250</u>	<u>-</u>
Total housing inspections	<u>497,125</u>	<u>497,125</u>	<u>496,113</u>	<u>1,012</u>
Landmark commission:				
Other than personal services	<u>1,550</u>	<u>1,000</u>	<u>185</u>	<u>815</u>
Total landmark commission	<u>1,550</u>	<u>1,000</u>	<u>185</u>	<u>815</u>
Total community development	<u>2,114,920</u>	<u>1,899,617</u>	<u>1,859,482</u>	<u>40,135</u>
Sanitation:				
Refuse collection/transfer station				
Personal services	1,594,120	1,566,120	1,555,910	10,210
Other than personal services	858,875	523,173	512,342	10,831
Capital	<u>-</u>	<u>4,327</u>	<u>4,327</u>	<u>-</u>
Total refuse collection/transfer station	<u>2,452,995</u>	<u>2,093,620</u>	<u>2,072,579</u>	<u>21,041</u>
Total sanitation	<u>2,452,995</u>	<u>2,093,620</u>	<u>2,072,579</u>	<u>21,041</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Transportation:				
Parking meters:				
Personal services	39,470	29,350	27,440	1,910
Other than personal services	<u>2,650</u>	<u>2,650</u>	<u>993</u>	<u>1,657</u>
Total parking meters	<u>42,120</u>	<u>32,000</u>	<u>28,433</u>	<u>3,567</u>
Vehicle maintenance:				
Personal services	542,360	498,360	495,047	3,313
Other than personal services	1,237,500	1,024,900	990,204	34,696
Capital	<u>7,000</u>	<u>9,150</u>	<u>9,025</u>	<u>125</u>
Total vehicle maintenance	<u>1,786,860</u>	<u>1,532,410</u>	<u>1,494,276</u>	<u>38,134</u>
Street maintenance:				
Personal services	1,260,575	964,575	933,001	31,574
Other than personal services	422,300	247,402	224,798	22,604
Capital	<u>-</u>	<u>2,798</u>	<u>2,797</u>	<u>1</u>
Total street maintenance	<u>1,682,875</u>	<u>1,214,775</u>	<u>1,160,596</u>	<u>54,179</u>
Total transportation	<u>3,511,855</u>	<u>2,779,185</u>	<u>2,683,305</u>	<u>95,880</u>
General government:				
City council:				
Personal services	78,455	78,455	78,444	11
Other than personal services	<u>12,900</u>	<u>9,900</u>	<u>6,919</u>	<u>2,981</u>
Total city council	<u>91,355</u>	<u>88,355</u>	<u>85,363</u>	<u>2,992</u>
City manager:				
Personal services	583,355	538,355	525,133	13,222
Other than personal services	<u>31,900</u>	<u>20,450</u>	<u>16,123</u>	<u>4,327</u>
Total city manager	<u>615,255</u>	<u>558,805</u>	<u>541,256</u>	<u>17,549</u>
Management information systems (MIS):				
Personal services	283,600	234,100	234,100	-
Other than personal services	55,100	54,600	51,074	3,526
Capital	<u>35,000</u>	<u>21,500</u>	<u>18,781</u>	<u>2,719</u>
Total MIS	<u>373,700</u>	<u>310,200</u>	<u>303,955</u>	<u>6,245</u>
Central services:				
Personal services	69,430	67,450	65,775	1,675
Other than personal services	18,455	22,955	8,730	14,225
Capital	<u>19,800</u>	<u>17,800</u>	<u>17,706</u>	<u>94</u>
Total central services	<u>107,685</u>	<u>108,205</u>	<u>92,211</u>	<u>15,994</u>
Civil service commission:				
Personal services	2,500	1,500	245	1,255
Other than personal services	<u>7,250</u>	<u>3,050</u>	<u>2,096</u>	<u>954</u>
Total civil service commission	<u>9,750</u>	<u>4,550</u>	<u>2,341</u>	<u>2,209</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance department:				
Personal services	434,790	410,490	407,652	2,838
Other than personal services	117,025	106,325	101,018	5,307
Capital	1,500	1,500	217	1,283
Non-governmental	-	2,045	2,045	-
Total finance department	<u>553,315</u>	<u>520,360</u>	<u>510,932</u>	<u>9,428</u>
Income tax department:				
Personal services	327,000	310,000	308,374	1,626
Other than personal services	104,100	106,734	102,309	4,425
Non-governmental	<u>325,000</u>	<u>347,832</u>	<u>347,831</u>	<u>1</u>
Total income tax department	<u>756,100</u>	<u>764,566</u>	<u>758,514</u>	<u>6,052</u>
Revenue recovery:				
Personal services	121,590	115,490	114,476	1,014
Other than personal services	365,410	346,500	345,985	515
Non-governmental	<u>3,000</u>	<u>77</u>	<u>77</u>	<u>-</u>
Total revenue recovery	<u>490,000</u>	<u>462,067</u>	<u>460,538</u>	<u>1,529</u>
Law department:				
Personal services	489,690	445,190	444,983	207
Other than personal services	203,400	199,599	199,011	588
Capital	-	2,301	2,301	-
Total law department	<u>693,090</u>	<u>647,090</u>	<u>646,295</u>	<u>795</u>
Service administration:				
Personal services	310,945	306,445	305,909	536
Other than personal services	<u>7,975</u>	<u>3,675</u>	<u>2,880</u>	<u>795</u>
Total service administration	<u>318,920</u>	<u>310,120</u>	<u>308,789</u>	<u>1,331</u>
Capital projects:				
Personal services	147,515	139,015	139,015	-
Other than personal services	<u>3,775</u>	<u>1,775</u>	<u>1,576</u>	<u>199</u>
Total capital projects	<u>151,290</u>	<u>140,790</u>	<u>140,591</u>	<u>199</u>
Public properties/parks maintenance:				
Personal services	1,450,900	1,249,400	1,245,909	3,491
Other than personal services	1,316,300	1,162,541	1,134,465	28,076
Capital	<u>2,500</u>	<u>4,273</u>	<u>4,272</u>	<u>1</u>
Total public properties/parks maintenance	<u>2,769,700</u>	<u>2,416,214</u>	<u>2,384,646</u>	<u>31,568</u>
Community services administration:				
Personal services	254,590	249,090	248,842	248
Other than personal services	<u>1,900</u>	<u>2,200</u>	<u>1,887</u>	<u>313</u>
Total community services administration	<u>256,490</u>	<u>251,290</u>	<u>250,729</u>	<u>561</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
County auditor deductions:				
Election expense	36,000	1,200	1,194	6
Auditor/treasurer fees	172,000	177,500	177,004	496
Delinquent land advertising	2,500	2,500	2,311	189
State examiner fees	1,000	-	-	-
Collector's salary	500	-	-	-
Total county auditor deductions	<u>212,000</u>	<u>181,200</u>	<u>180,509</u>	<u>691</u>
Municipal court:				
Personal services	909,195	916,300	913,793	2,507
Other than personal services	128,400	108,545	104,551	3,994
Capital	-	200	200	-
Non-governmental	100	150	150	-
Total municipal court	<u>1,037,695</u>	<u>1,025,195</u>	<u>1,018,694</u>	<u>6,501</u>
Administrative support:				
Personal services	546,000	591,908	581,505	10,403
Other than personal services	617,600	676,895	676,895	-
Capital	-	4,327	4,326	1
Non-governmental	19,000	60	52	8
Total administrative support	<u>1,182,600</u>	<u>1,273,190</u>	<u>1,262,778</u>	<u>10,412</u>
Hospitalization insurance	<u>3,974,750</u>	<u>3,874,750</u>	<u>3,867,336</u>	<u>7,414</u>
Total general government	<u>13,593,695</u>	<u>12,936,947</u>	<u>12,815,477</u>	<u>121,470</u>
Total expenditures	<u>39,770,808</u>	<u>36,908,793</u>	<u>36,461,751</u>	<u>447,042</u>
Excess of revenues over (under) expenditures	<u>1,092,888</u>	<u>3,990,904</u>	<u>4,338,974</u>	<u>348,070</u>
Other financing sources (uses):				
Operating transfers – out	(2,777,970)	(2,759,360)	(2,726,240)	33,120
Sale of capital assets	-	-	17,793	17,793
Total other financing sources (uses)	<u>(2,777,970)</u>	<u>(2,759,360)</u>	<u>(2,708,447)</u>	<u>50,913</u>
Net change in fund balance	(1,685,082)	1,231,544	1,630,527	398,983
Cash fund balance at beginning of year	3,053,475	3,053,475	3,053,475	-
Current year charges against prior year:				
Cash fund balance:				
Reserved for encumbrance	(70,300)	(70,300)	(70,300)	-
Cash fund balance at end of year:				
Unreserved	1,298,093	4,214,719	4,613,702	398,983
Reserved for encumbrances	<u>323,375</u>	<u>323,375</u>	<u>323,375</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 1,621,468</u>	<u>\$ 4,538,094</u>	<u>\$ 4,937,077</u>	<u>\$ 398,983</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Debt Service Fund

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 3,251,570	\$ 3,251,570	\$ 3,570,713	\$ 319,143
Other local taxes	458,429	458,429	503,423	44,994
Other revenue	<u>128,684</u>	<u>128,684</u>	<u>141,314</u>	<u>12,630</u>
Total revenues	<u>3,838,683</u>	<u>3,838,683</u>	<u>4,215,450</u>	<u>376,767</u>
Expenditures:				
Current:				
General government	16,832	16,832	16,399	433
Debt service:				
Bond principal retirement	2,915,002	2,915,002	2,840,000	75,002
Interest and fiscal charges	<u>1,048,166</u>	<u>1,048,166</u>	<u>1,021,196</u>	<u>26,970</u>
Total expenditures	<u>3,980,000</u>	<u>3,980,000</u>	<u>3,877,595</u>	<u>102,405</u>
Excess of revenues over (under) expenditures	(141,317)	(141,317)	337,855	479,172
Other financing sources:				
Proceeds from sale of debt	<u>138,000</u>	<u>138,000</u>	-	<u>(138,000)</u>
Total other financing sources (uses)	<u>138,000</u>	<u>138,000</u>	-	<u>(138,000)</u>
Net change in fund balance	<u>(3,317)</u>	<u>(3,317)</u>	<u>337,855</u>	<u>341,172</u>
Cash fund balance at beginning of year	<u>3,330,678</u>	<u>3,330,678</u>	<u>3,330,678</u>	-
Total cash fund balance at end of year	\$ <u><u>3,327,361</u></u>	\$ <u><u>3,327,361</u></u>	\$ <u><u>3,668,533</u></u>	\$ <u><u>341,172</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Street Construction, Maintenance and Repair

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other local taxes	\$ 139,989	\$ 157,876	\$ 154,395	\$ (3,481)
State levied shared taxes	1,353,805	1,526,791	1,493,133	(33,658)
Interest earnings	16,389	18,483	18,076	(407)
Other revenues	<u>289,817</u>	<u>326,850</u>	<u>319,644</u>	<u>(7,206)</u>
Total revenues	<u>1,800,000</u>	<u>2,030,000</u>	<u>1,985,248</u>	<u>(44,752)</u>
Expenditures				
Current:				
Transportation	1,732,931	2,026,567	2,024,361	2,206
General government	<u>67,069</u>	<u>78,433</u>	<u>78,348</u>	<u>85</u>
Total expenditures	<u>1,800,000</u>	<u>2,105,000</u>	<u>2,102,709</u>	<u>2,291</u>
Net change in fund balance	-	(75,000)	(117,461)	(42,461)
Cash fund balance at beginning of year	<u>626,709</u>	<u>626,709</u>	<u>626,709</u>	<u>-</u>
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(367,870)</u>	<u>(367,870)</u>	<u>(367,870)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	258,839	183,839	141,378	(42,461)
Reserved for encumbrances	<u>352,285</u>	<u>352,285</u>	<u>352,285</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>611,124</u>	\$ <u>536,124</u>	\$ <u>493,663</u>	\$ <u>(42,461)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Foundation Grants

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>-</u>	\$ <u>158,905</u>	\$ <u>181,750</u>	\$ <u>22,845</u>
Expenditures:				
Current:				
Community development	<u>-</u>	<u>158,805</u>	<u>158,504</u>	<u>301</u>
Net change in fund balance	-	100	23,246	23,146
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>100</u></u>	\$ <u><u>23,246</u></u>	\$ <u><u>23,146</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – First Suburbs Consortium

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 58,500	\$ 57,140	\$ (1,360)
Expenditures:				
Current:				
Community development	137,556	93,835	75,610	18,225
Net change in fund balance	(137,556)	(35,335)	(18,470)	16,865
Cash fund balance at beginning of year	88,807	88,807	88,807	-
Total cash fund balance at end of year	\$ <u>(48,749)</u>	\$ <u>53,472</u>	\$ <u>70,337</u>	\$ <u>16,865</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Communications System Operating

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 299,065	\$ 313,065	\$ 290,014	\$ (23,051)
Expenditures:				
Current:				
Public safety	600,535	593,535	587,312	6,223
Excess of revenues over (under) expenditures	(301,470)	(280,470)	(297,298)	(16,828)
Other financing sources (uses):				
Operating transfers – in	301,470	287,470	295,262	7,792
Net change in fund balance	-	7,000	(2,036)	(9,036)
Cash fund balance at beginning of year	6,978	6,978	6,978	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	(1,232)	(1,232)	(1,232)	-
Cash fund balance at end of year:				
Unreserved	5,746	12,746	3,710	(9,036)
Reserved for encumbrances	7,396	7,396	7,396	-
Total cash fund balance at end of year	\$ 13,142	\$ 20,142	\$ 11,106	\$ (9,036)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Building Maintenance

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ 21,000	\$ 21,000	\$ -	\$ (21,000)
Expenditures:				
Current:				
General government	21,600	27,000	25,689	1,311
Net change in fund balance	(600)	(6,000)	(25,689)	(19,689)
Cash fund balance at beginning of year	28,637	28,637	28,637	-
Cash fund balance at end of year:				
Unreserved	28,037	22,637	2,948	(19,689)
Reserved for encumbrances	2,581	2,581	2,581	-
Total cash fund balance at end of year	\$ 30,618	\$ 25,218	\$ 5,529	\$ (19,689)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Law Enforcement Trust

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earnings	\$ 1,918	\$ 1,918	\$ 789	\$ (1,129)
Fines and forfeitures	20,020	20,020	8,235	(11,785)
Other revenues	<u>3,562</u>	<u>3,562</u>	<u>1,465</u>	<u>(2,097)</u>
Total revenues	<u>25,500</u>	<u>25,500</u>	<u>10,489</u>	<u>(15,011)</u>
Expenditures:				
Current:				
Public safety	<u>50,000</u>	<u>39,043</u>	<u>28,037</u>	<u>11,006</u>
Net change in fund balance	<u>(24,500)</u>	<u>(13,543)</u>	<u>(17,548)</u>	<u>(4,005)</u>
Cash fund balance at beginning of year	38,662	38,662	38,662	-
Reserved for encumbrances	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	6,662	17,619	13,614	(4,005)
Reserved for encumbrances	<u>1,350</u>	<u>1,350</u>	<u>1,350</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>8,012</u></u>	\$ <u><u>18,969</u></u>	\$ <u><u>14,964</u></u>	\$ <u><u>(4,005)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Drug Law Enforcement Trust

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earnings	\$ 25,801	\$ 25,801	\$ 4,758	\$ (21,043)
Fines and forfeitures	79,199	79,199	14,604	(64,595)
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>19,362</u>	<u>(85,638)</u>
Expenditures:				
Current:				
Public safety	<u>350,000</u>	<u>175,703</u>	<u>56,829</u>	<u>118,874</u>
Excess of revenues over (under) expenditures	(245,000)	(70,703)	(37,467)	33,236
Other financing sources (uses):				
Transfers – out	<u>-</u>	<u>(2,900)</u>	<u>(2,900)</u>	<u>-</u>
Cash fund balance at beginning of year	<u>236,816</u>	<u>236,816</u>	<u>236,816</u>	<u>-</u>
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(74,486)</u>	<u>(74,486)</u>	<u>(74,486)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	(82,670)	88,727	121,963	33,236
Reserved for encumbrances	<u>4,026</u>	<u>4,026</u>	<u>4,026</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(78,644)</u></u>	\$ <u><u>92,753</u></u>	\$ <u><u>125,989</u></u>	\$ <u><u>33,236</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Resource

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>1,800,000</u>	\$ <u>2,468,000</u>	\$ <u>1,697,199</u>	\$ <u>(770,801)</u>
Expenditures:				
Current:				
Community development	<u>2,000,000</u>	<u>2,467,676</u>	<u>2,030,757</u>	<u>436,919</u>
Excess of revenues over (under) expenditures	<u>(200,000)</u>	<u>324</u>	<u>(333,558)</u>	<u>(333,882)</u>
Other financing sources:				
Transfers – in	-	-	305,809	305,809
Advance - in	-	-	<u>28,829</u>	<u>28,829</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>334,638</u>	<u>334,638</u>
Net change in fund balance	(200,000)	324	1,080	756
Cash fund balance at beginning of year:				
Unreserved	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>(195,414)</u></u>	\$ <u><u>4,910</u></u>	\$ <u><u>5,666</u></u>	\$ <u><u>756</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Program Income

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ 400,000	\$ 400,000	\$ 308,859	\$ (91,141)
Expenditures:				
Current:				
Community development	400,000	3,057	3,050	7
Excess of revenues over (under) expenditures	-	396,943	305,809	(91,134)
Other financing uses:				
Transfers - out	-	-	(305,809)	(305,809)
Net change in fund balance	-	396,943	-	(396,943)
Total cash fund balance at end of year	\$ -	\$ 396,943	\$ -	\$ (396,943)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – EPA-Brownfield Grant

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Cash fund balance at beginning of year	\$ <u>2,998</u>	\$ <u>2,998</u>	\$ <u>2,998</u>	\$ <u>-</u>
Total cash fund balance at end of year	\$ <u><u>2,998</u></u>	\$ <u><u>2,998</u></u>	\$ <u><u>2,998</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – HOME Program

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental grants and contracts	\$ 196,180	\$ 382,213	\$ 182,246	\$ (199,967)
Other revenues	<u>3,820</u>	<u>7,443</u>	<u>3,549</u>	<u>(3,894)</u>
Total revenues	<u>200,000</u>	<u>389,656</u>	<u>185,795</u>	<u>(203,861)</u>
Expenditures:				
Current:				
Community development	<u>200,000</u>	<u>389,591</u>	<u>322,706</u>	<u>66,885</u>
Excess of revenues over (under) expenditures	-	65	(136,911)	(136,976)
Other financing sources:				
Advance - in	<u>-</u>	<u>-</u>	<u>136,911</u>	<u>136,911</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>136,911</u>	<u>136,911</u>
Net change in fund balance	-	65	-	(65)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>65</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(65)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – FEMA Grants

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 9,453	\$ -	\$ (9,453)
Expenditures:				
Current:				
Public safety	-	9,453	9,453	-
Excess of revenues over (under) expenditures	-	-	(9,453)	(9,453)
Other financing sources (uses)				
Advance - in	-	-	9,453	9,453
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Local T.V. Programming

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ 265,000	\$ 265,000	\$ 498,177	\$ 233,177
Expenditures:				
Current:				
Community development	189,000	144,500	133,662	10,838
Net change in fund balance	76,000	120,500	364,515	244,015
Cash fund balance at beginning of year	398,625	398,625	398,625	-
Cash fund balance at end of year:				
Unreserved	474,625	519,125	763,140	244,015
Reserved for encumbrances	95	95	95	-
Total cash fund balance at end of year	\$ 474,720	\$ 519,220	\$ 763,235	\$ 244,015

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Cain Park

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental grants and contracts	\$ 38,898	\$ 33,444	\$ 26,849	\$ (6,595)
Charges for services	646,035	555,452	445,920	(109,532)
Other revenues	<u>28,267</u>	<u>24,304</u>	<u>19,511</u>	<u>(4,793)</u>
Total revenues	<u>713,200</u>	<u>613,200</u>	<u>492,280</u>	<u>(120,920)</u>
Expenditures:				
Current:				
Culture and recreation	<u>650,000</u>	<u>679,000</u>	<u>672,158</u>	<u>6,842</u>
Excess of revenues over (under) expenditures	63,200	(65,800)	(179,878)	(114,078)
Other financing sources:				
Operating transfers – in	<u>200,000</u>	<u>300,000</u>	<u>179,878</u>	<u>(120,122)</u>
Total other financing sources	<u>200,000</u>	<u>300,000</u>	<u>179,878</u>	<u>(120,122)</u>
Net change in fund balance	263,200	234,200	-	(234,200)
Cash fund balance at beginning of year	<u>189</u>	<u>189</u>	<u>189</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	<u>263,389</u>	<u>234,389</u>	<u>189</u>	<u>(234,200)</u>
Total cash fund balance at end of year	\$ <u><u>263,389</u></u>	\$ <u><u>234,389</u></u>	\$ <u><u>189</u></u>	\$ <u><u>(234,200)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Right of Way

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses, and permits	\$ 12,500	\$ 22,747	\$ 22,747	\$ -
Total revenues	<u>12,500</u>	<u>22,747</u>	<u>22,747</u>	<u>-</u>
Expenditures:				
Current:				
General government	<u>12,000</u>	<u>31,559</u>	<u>31,559</u>	<u>-</u>
Excess of revenues over (under) expenditures	500	(8,812)	(8,812)	-
Other financing sources:				
Transfers – in	<u>-</u>	<u>8,895</u>	<u>8,812</u>	<u>(83)</u>
Total other financing sources	<u>-</u>	<u>8,895</u>	<u>8,812</u>	<u>(83)</u>
Net change in fund balance	500	83	-	(83)
Cash fund balance at beginning of year:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 500</u>	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ (83)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – ODNR Recycling Grants

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 8,320	\$ 8,306	\$ (14)
Expenditures:				
Current:				
Community development	-	13,132	13,122	10
Net change in fund balance	-	(4,812)	(4,816)	(4)
Cash fund balance at beginning of year	<u>4,816</u>	<u>4,816</u>	<u>4,816</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>4,816</u></u>	\$ <u><u>4</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(4)</u></u>

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – Indigent Driver’s Alcohol Treatment**

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 12,286	\$ 12,286
Expenditures:				
Current:				
General government	14,000	14,000	-	14,000
Net change in fund balance	(14,000)	(14,000)	12,286	26,286
Cash fund balance at beginning of year	49,320	49,320	49,320	-
Total cash fund balance at end of year	\$ <u>35,320</u>	\$ <u>35,320</u>	\$ <u>61,606</u>	\$ <u>26,286</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Clerk Computerization

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ 115,000	\$ 115,000	\$ 136,329	\$ 21,329
Expenditures:				
Current:				
General government	208,250	208,250	121,178	87,072
Net change in fund balance	(93,250)	(93,250)	15,151	108,401
Cash fund balance at beginning of year	1,041,609	1,041,609	1,041,609	-
Current year charges against prior years:				
Cash fund balance:				
Reserved for encumbrances	(10,157)	(10,157)	(10,157)	-
Cash fund balance at end of year:				
Unreserved	938,202	938,202	1,046,603	108,401
Reserved for encumbrances	2,678	2,678	2,678	-
Total cash fund balance at end of year	\$ 940,880	\$ 940,880	\$ 1,049,281	\$ 108,401

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – DUI Enforcement and Education**

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 3,231</u>	\$ <u> 3,231</u>
Expenditures:				
Current:				
General government	<u> 10,000</u>	<u> 10,000</u>	<u> -</u>	<u> 10,000</u>
Net change in fund balance	(10,000)	(10,000)	3,231	13,231
Cash fund balance at beginning of year	<u> 52,185</u>	<u> 52,185</u>	<u> 52,185</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> 42,185</u>	\$ <u> 42,185</u>	\$ <u> 55,416</u>	\$ <u> 13,231</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Special Projects

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>175,000</u>	\$ <u>175,000</u>	\$ <u>205,406</u>	\$ <u>30,406</u>
Expenditures:				
Current:				
General government	<u>195,970</u>	<u>195,970</u>	<u>84,741</u>	<u>111,229</u>
Net change in fund balance	(20,970)	(20,970)	120,665	141,635
Cash fund balance at beginning of year	<u>1,140,813</u>	<u>1,140,813</u>	<u>1,140,813</u>	<u>-</u>
Curent year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(24)</u>	<u>(24)</u>	<u>(24)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	1,119,819	1,119,819	1,261,454	141,635
Reserved for encumbrances	<u>4,142</u>	<u>4,142</u>	<u>4,142</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,123,961</u></u>	\$ <u><u>1,123,961</u></u>	\$ <u><u>1,265,596</u></u>	\$ <u><u>141,635</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Lead Safe Cuyahoga

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 394,512	\$ 194,722	\$ (199,790)
Expenditures:				
Current:				
Community development	300,000	394,512	255,530	138,982
Excess of revenues over (under) expenditures	(300,000)	-	(60,808)	(60,808)
Other financing sources:				
Operating transfers – in	-	-	60,808	60,808
Total other financing sources	-	-	60,808	60,808
Net change in fund balance	(300,000)	-	-	-
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ (300,000)	\$ -	\$ -	\$ -

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Neighborhood Stabilization Program

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 117,000	\$ -	\$ (117,000)
Expenditures:				
Current:				
Community development	-	116,517	74,153	42,364
Excess of revenues over (under) expenditures	-	483	(74,153)	(74,636)
Other financing sources (uses):				
Advance - in	-	-	74,500	-
Total other financing sources (uses)	-	-	74,500	74,500
Net change in fund balance	-	483	347	(136)
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ 483	\$ 347	\$ (136)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Recovery

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 468,000	\$ 411,818	\$ (56,182)
Expenditures:				
Current:				
Community development	-	467,840	411,837	56,003
Excess of revenues over (under) expenditures	-	160	(19)	(179)
Other financing sources:				
Advance - in	-	-	25	25
Net change in fund balance	-	160	6	(154)
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ 160	\$ 6	\$ (154)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Homelessness Prevention

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 1,700	\$ 1,640	\$ (60)
Expenditures:				
Current:				
Community development	-	1,700	1,779	(79)
Excess of revenues over (under) expenditures	-	-	(139)	(139)
Other financing sources:				
Advance - in	-	-	162	162
Net change in fund balance	-	-	23	23
Cash fund balance at end of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ -	\$ 23	\$ 23

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Street Lighting

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ <u>685,500</u>	\$ <u>686,000</u>	\$ <u>694,268</u>	\$ <u>8,268</u>
Expenditures:				
Current:				
Public safety	<u>717,500</u>	<u>792,500</u>	<u>791,112</u>	<u>1,388</u>
Excess of revenues over (under) expenditures	(32,000)	(106,500)	(96,844)	9,656
Other financing sources:				
Transfers – in	<u>14,500</u>	<u>14,000</u>	<u>15,822</u>	<u>1,822</u>
Net change in fund balance	(17,500)	(92,500)	(81,022)	11,478
Cash fund balance at beginning of year	<u>119,421</u>	<u>119,421</u>	<u>119,421</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>101,921</u></u>	\$ <u><u>26,921</u></u>	\$ <u><u>38,399</u></u>	\$ <u><u>11,478</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Tree

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental grants and contracts	\$ 51,471	\$ 51,471	\$ 56,500	\$ 5,029
Fees, licenses, and permits	137	137	150	13
Special assessments	548,837	548,837	602,453	53,616
Other revenue	<u>55</u>	<u>55</u>	<u>60</u>	<u>5</u>
Total revenues	<u>600,500</u>	<u>600,500</u>	<u>659,163</u>	<u>58,663</u>
Expenditures:				
Current:				
Community development	<u>643,840</u>	<u>781,965</u>	<u>725,674</u>	<u>56,291</u>
Excess of revenues over (under) expenditures	(43,340)	(181,465)	(66,511)	114,954
Other financing sources (uses):				
Operating transfers – in	14,500	14,500	14,524	24
Operating transfers – out	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>14,500</u>	<u>13,500</u>	<u>13,524</u>	<u>24</u>
Net change in fund balance	(28,840)	(167,965)	(52,987)	114,978
Cash fund balance at beginning of year	334,008	334,008	334,008	
Current year charges against prior years:				
Cash fund balance:				
Reserved for encumbrances	<u>(82,251)</u>	<u>(82,251)</u>	<u>(82,251)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	222,917	83,792	198,770	114,978
Reserved for encumbrances	<u>29</u>	<u>29</u>	<u>29</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>222,946</u>	\$ <u>83,821</u>	\$ <u>198,799</u>	\$ <u>114,978</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Pension Trust

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 274,192	\$ 274,192	\$ 257,067	\$ (17,125)
Intergovernmental grants and contracts	-	-	35,959	35,959
Total revenues	<u>274,192</u>	<u>274,192</u>	<u>293,026</u>	<u>18,834</u>
Expenditures:				
Current:				
Public safety	<u>980,000</u>	<u>985,691</u>	<u>984,349</u>	<u>1,342</u>
Excess of revenues over (under) expenditures	(705,808)	(711,499)	(691,323)	20,176
Other financing sources:				
Transfers – in	<u>685,000</u>	<u>712,500</u>	<u>691,323</u>	<u>(21,177)</u>
Total other financing sources	<u>685,000</u>	<u>712,500</u>	<u>691,323</u>	<u>(21,177)</u>
Net change in fund balance	(20,808)	1,001	-	(1,001)
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ <u>(20,808)</u>	\$ <u>1,001</u>	\$ <u>-</u>	\$ <u>(1,001)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Fire Pension Trust

For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 274,192	\$ 274,192	\$ 257,066	\$ (17,126)
Intergovernmental grants and contracts	26,500	122,500	35,959	(86,541)
Total revenues	<u>300,692</u>	<u>396,692</u>	<u>293,025</u>	<u>(103,667)</u>
Expenditures:				
Current:				
Public safety	<u>1,424,000</u>	<u>1,335,000</u>	<u>1,333,601</u>	<u>1,399</u>
Excess of revenues over (under) expenditures	(1,123,308)	(938,308)	(1,040,576)	(102,268)
Other financing sources:				
Transfers-In	<u>1,102,500</u>	<u>1,027,500</u>	<u>1,040,576</u>	<u>13,076</u>
Total other financing sources	<u>1,102,500</u>	<u>1,027,500</u>	<u>1,040,576</u>	<u>13,076</u>
Net change in fund balance	(20,808)	89,192	-	(89,192)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>(20,808)</u></u>	\$ <u><u>89,192</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(89,192)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Earned Benefits

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Public safety	\$ 97,787	\$ 116,216	\$ 115,970	\$ 246
Culture and recreation	13,807	16,410	16,375	35
Community development	24,456	29,065	29,004	61
Sanitation	20,987	24,942	24,890	52
Transportation	14,513	17,248	17,212	36
General government	<u>88,450</u>	<u>105,119</u>	<u>104,899</u>	<u>220</u>
Total expenditures	<u>260,000</u>	<u>309,000</u>	<u>308,350</u>	<u>650</u>
Excess of revenues over (under) expenditures	(260,000)	(309,000)	(308,350)	650
Other financing sources:				
Transfers – in	<u>308,000</u>	<u>309,050</u>	<u>308,350</u>	<u>(700)</u>
Net change in fund balance	48,000	50	-	(50)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>48,000</u></u>	\$ <u><u>50</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(50)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Section 108 Loan Guarantee

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 30,000	\$ 30,000	\$ 28,110	\$ (1,890)
Expenditures:				
Current:				
Community development	30,000	30,000	28,110	1,890
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Office on Aging Donation

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses, and permits	\$ -	\$ -	\$ 63	\$ 63
Interest earnings	1,379	1,379	2,353	974
Other revenues	<u>3,621</u>	<u>3,621</u>	<u>6,112</u>	<u>2,491</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>8,528</u>	<u>3,528</u>
Expenditures:				
Current:				
Public health	<u>18,700</u>	<u>18,700</u>	<u>2,350</u>	<u>16,350</u>
Net change in fund balance	(13,700)	(13,700)	6,178	19,878
Cash fund balance at beginning of year	<u>90,306</u>	<u>90,306</u>	<u>90,306</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>76,606</u></u>	\$ <u><u>76,606</u></u>	\$ <u><u>96,484</u></u>	\$ <u><u>19,878</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Memorial

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government	1,400	1,400	-	1,400
Net change in fund balance	(1,400)	(1,400)	-	1,400
Cash fund balance at beginning of year	1,400	1,400	1,400	-
Total cash fund balance at end of year	\$ -	\$ -	\$ 1,400	\$ 1,400

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Youth Recreation Donation

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>2,500</u>	\$ <u>2,500</u>	\$ <u>1,052</u>	\$ <u>(1,448)</u>
Expenditures:				
Current:				
General government	<u>4,500</u>	<u>3,800</u>	<u>3,788</u>	<u>12</u>
Net change in fund balance	(2,000)	(1,300)	(2,736)	(1,436)
Cash fund balance at beginning of year	<u>2,821</u>	<u>2,821</u>	<u>2,821</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>821</u></u>	\$ <u><u>1,521</u></u>	\$ <u><u>85</u></u>	\$ <u><u>(1,436)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Facility Improvement

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ <u>1,700</u>	\$ <u>4,700</u>	\$ <u>11,825</u>	\$ <u>7,125</u>
Expenditures:				
Current:				
Public safety	<u>4,000</u>	<u>7,788</u>	<u>5,960</u>	<u>1,828</u>
Net change in fund balance	(2,300)	(3,088)	5,865	8,953
Cash fund balance at beginning of year	<u>3,340</u>	<u>3,340</u>	<u>3,340</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,040</u></u>	\$ <u><u>252</u></u>	\$ <u><u>9,205</u></u>	\$ <u><u>8,953</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Recreation Facility Improvement

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 639,781	\$ 639,781	\$ 686,001	\$ 46,220
Expenditures:				
Current:				
Culture and recreation	680,000	680,000	534,989	145,011
Net change in fund balance	(40,219)	(40,219)	151,012	191,231
Cash fund balance at beginning of year	735,483	735,483	735,483	-
Current year charges against prior years:				
Cash fund balance:				
Reserved for encumbrances	(19,400)	(19,400)	(19,400)	-
Cash fund balance at end of year:				
Unreserved	675,864	675,864	867,095	191,231
Reserved for encumbrances	108,346	108,346	108,346	-
Total cash fund balance at end of year	\$ 784,210	\$ 784,210	\$ 975,441	\$ 191,231

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Capital Improvements

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Sanitation	\$ 899,200	\$ 99,200	\$ -	\$ 99,200
General government	<u>800</u>	<u>800</u>	<u>800</u>	<u>-</u>
Total expenditures	<u>900,000</u>	<u>100,000</u>	<u>800</u>	<u>99,200</u>
Excess of revenues over (under) expenditures	(900,000)	(100,000)	(800)	99,200
Other financing sources:				
Proceeds from sale of debt	<u>885,000</u>	<u>885,000</u>	<u>-</u>	<u>(885,000)</u>
Total other financing sources	<u>885,000</u>	<u>885,000</u>	<u>-</u>	<u>(885,000)</u>
Net change in fund balance	(15,000)	785,000	(800)	(785,800)
Cash fund balance at beginning of year	342,335	342,335	342,335	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(191,633)</u>	<u>(191,633)</u>	<u>(191,634)</u>	<u>(1)</u>
Total cash fund balance at end of year	\$ <u><u>135,702</u></u>	\$ <u><u>935,702</u></u>	\$ <u><u>149,901</u></u>	\$ <u><u>(785,801)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Economic Development

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ -	\$ 38,127	\$ 3,874	\$ (34,253)
Expenditures:				
Current:				
Community development	-	78,260	78,258	2
Net change in fund balance	-	(40,133)	(74,384)	(34,251)
Other financing sources:				
Proceeds from sale of assets	-	7,873	7,873	-
Transfers – in	-	-	33,896	33,896
Total other financing sources	-	7,873	41,769	33,896
Net change in fund balance	-	(32,260)	(32,615)	(355)
Cash fund balance at beginning of year	32,615	32,615	32,615	-
Total cash fund balance at end of year	\$ 32,615	\$ 355	\$ -	\$ (355)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – City Hall Maintenance

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>12,600</u>	\$ <u>12,600</u>	\$ <u>13,282</u>	\$ <u>682</u>
Expenditures:				
Current:				
General government	<u>15,000</u>	<u>15,000</u>	<u>10,762</u>	<u>4,238</u>
Net change in fund balance	(2,400)	(2,400)	2,520	4,920
Cash fund balance at beginning of year	<u>12,314</u>	<u>12,314</u>	<u>12,314</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>9,914</u></u>	\$ <u><u>9,914</u></u>	\$ <u><u>14,834</u></u>	\$ <u><u>4,920</u></u>

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – Recreation Improvements**

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current				
Culture and recreation	\$ -	\$ 3,445	\$ 3,184	\$ 261
Net change in fund balance	-	(3,445)	(3,184)	261
Cash fund balance at beginning of year	<u>10,549</u>	<u>10,549</u>	<u>10,549</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 10,549</u>	<u>\$ 7,104</u>	<u>\$ 7,365</u>	<u>\$ 261</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Zagara TIF

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 137,215	\$ 137,216	\$ 69,297	\$ (67,919)
Expenditures				
Debt service:				
Principal retirement	220,000	220,000	220,000	-
Interest and fiscal charges	<u>25,195</u>	<u>27,216</u>	<u>27,215</u>	<u>1</u>
Total expenditures	<u>245,195</u>	<u>247,216</u>	<u>247,215</u>	<u>1</u>
Excess of revenues over (under) expenditures	(107,980)	(110,000)	(177,918)	(67,918)
Other financing sources:				
Transfers – in	<u>110,000</u>	<u>110,000</u>	<u>177,918</u>	<u>67,918</u>
Net change in fund balance	<u>2,020</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>2,020</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budget) – Ring Road Construction

For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Transportation	\$ <u>105,000</u>	\$ <u>55,000</u>	\$ <u>14,852</u>	\$ <u>40,148</u>
Excess of revenues over (under) expenditures	(105,000)	(55,000)	(14,852)	40,148
Other financing sources (uses):				
Advance - in	-	144,000	106,257	(37,743)
Advance - out	<u>-</u>	<u>(720,000)</u>	<u>(266,001)</u>	<u>453,999</u>
Total other financing sources (uses)	<u>-</u>	<u>(576,000)</u>	<u>(159,744)</u>	<u>416,256</u>
Net change in fund balance	(105,000)	(631,000)	(174,596)	456,404
Cash fund balance at beginning of year	<u>631,260</u>	<u>631,260</u>	<u>631,260</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>526,260</u></u>	\$ <u><u>260</u></u>	\$ <u><u>456,664</u></u>	\$ <u><u>456,404</u></u>

City of Cleveland Heights, Ohio

Combining Statements – Agency Funds

For The Year Ended December 31, 2009

Agency Funds

Cleveland Heights Municipal Court Agency – To account for assets received and disbursed by the Cleveland Heights Municipal Court pursuant to the laws of the State.

Construction Deposit Agency – To account for the receipt of refundable construction deposits required for the issuance of certain building permits.

Sales Tax Agency – To account for any sales tax collected by the City and due the State Department of Taxation.

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

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

City of Cleveland Heights, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For The Year Ended December 31, 2009

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2009</u>
Municipal Court:				
Assets:				
Equity in city treasury cash	\$ <u>338,185</u>	\$ <u>3,651,122</u>	\$ <u>3,440,419</u>	\$ <u>548,888</u>
Total assets	\$ <u><u>338,185</u></u>	\$ <u><u>3,651,122</u></u>	\$ <u><u>3,440,419</u></u>	\$ <u><u>548,888</u></u>
Liabilities:				
Due to others	\$ 171,590	\$ 2,410,948	\$ 2,530,775	\$ 51,763
Restricted deposits	<u>166,595</u>	<u>1,240,174</u>	<u>909,644</u>	<u>497,125</u>
Total liabilities	\$ <u><u>338,185</u></u>	\$ <u><u>3,651,122</u></u>	\$ <u><u>3,440,419</u></u>	\$ <u><u>548,888</u></u>
Construction deposits:				
Assets:				
Equity in city treasury cash	\$ <u>131,159</u>	\$ -	\$ -	\$ <u>131,159</u>
Total assets	\$ <u><u>131,159</u></u>	\$ -	\$ -	\$ <u><u>131,159</u></u>
Liabilities:				
Restricted deposits	\$ <u>131,159</u>	\$ -	\$ -	\$ <u>131,159</u>
Total liabilities	\$ <u><u>131,159</u></u>	\$ -	\$ -	\$ <u><u>131,159</u></u>
Sales tax:				
Assets:				
Equity in city treasury cash	\$ <u>501</u>	\$ <u>4,622</u>	\$ <u>4,629</u>	\$ <u>494</u>
Total assets	\$ <u><u>501</u></u>	\$ <u><u>4,622</u></u>	\$ <u><u>4,629</u></u>	\$ <u><u>494</u></u>
Liabilities:				
Due to other governments	\$ <u>501</u>	\$ <u>4,622</u>	\$ <u>4,629</u>	\$ <u>494</u>
Total liabilities	\$ <u><u>501</u></u>	\$ <u><u>4,622</u></u>	\$ <u><u>4,629</u></u>	\$ <u><u>494</u></u>
Miscellaneous:				
Assets:				
Equity in city treasury cash	\$ <u>106,679</u>	\$ <u>202,109</u>	\$ <u>129,186</u>	\$ <u>179,602</u>
Total assets	\$ <u><u>106,679</u></u>	\$ <u><u>202,109</u></u>	\$ <u><u>129,186</u></u>	\$ <u><u>179,602</u></u>
Liabilities:				
Restricted deposits	\$ <u>106,679</u>	\$ <u>202,109</u>	\$ <u>129,186</u>	\$ <u>179,602</u>
Total liabilities	\$ <u><u>106,679</u></u>	\$ <u><u>202,109</u></u>	\$ <u><u>129,186</u></u>	\$ <u><u>179,602</u></u>

(continued)

City of Cleveland Heights, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds (Continued)

For The Year Ended December 31, 2009

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2009</u>
NEORSD:				
Assets:				
Equity in city treasury cash	\$ <u>61,831</u>	\$ <u>6,258,770</u>	\$ <u>6,257,094</u>	\$ <u>63,507</u>
Total assets	\$ <u>61,831</u>	\$ <u>6,258,770</u>	\$ <u>6,257,094</u>	\$ <u>63,507</u>
Liabilities:				
Due to other governments	\$ <u>61,831</u>	\$ <u>6,258,770</u>	\$ <u>6,257,094</u>	\$ <u>63,507</u>
Total liabilities	\$ <u>61,831</u>	\$ <u>6,258,770</u>	\$ <u>6,257,094</u>	\$ <u>63,507</u>
Totals – All Agency Funds:				
Assets:				
Equity in city treasury cash	\$ <u>638,355</u>	\$ <u>10,116,623</u>	\$ <u>9,831,328</u>	\$ <u>923,650</u>
Total assets	\$ <u>638,355</u>	\$ <u>10,116,623</u>	\$ <u>9,831,328</u>	\$ <u>923,650</u>
Liabilities:				
Due to others	\$ 171,590	\$ 2,410,948	\$ 2,530,775	\$ 51,763
Due to other governments	62,332	6,263,392	6,261,723	64,001
Restricted deposits	<u>404,433</u>	<u>1,442,283</u>	<u>1,038,830</u>	<u>807,886</u>
Total liabilities	\$ <u>638,355</u>	\$ <u>10,116,623</u>	\$ <u>9,831,328</u>	\$ <u>923,650</u>

STATISTICS

Statistical Section

Cleveland Heights boasts five beautiful parks. Forest Hill Park, once the summer home of John D. Rockefeller, is a great place to enjoy nature, have fun on the playground, play softball or compete in a 5K run. Cumberland Park's pool has been a summer gathering place for over 80 years. At Denison Park, you are likely to see kids playing soccer on your way to the tennis courts.





CLEVELAND HEIGHTS, OHIO

Statistical Section

This part of the City of Cleveland Heights, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	137 - 144
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	145 - 149
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	150 - 156
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	157 - 158
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	159 - 166
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Cleveland Heights, Ohio

Net Assets By Component - Last Seven Years

Accrual Basis of Accounting

	<u>2009</u>	<u>Restated 2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities							
Invested in Capital Assets	\$ 52,671,861	\$ 49,880,927	\$ 47,989,231	\$ 46,423,601	\$ 45,120,294	\$ 44,538,645	\$ 45,405,726
Restricted:							
Debt service	3,642,458	3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	5,846,721
Capital projects	1,677,073	1,466,924	1,310,756	1,181,513	531,364	-	-
Community development	1,407,781	1,510,595	1,476,300	1,351,146	1,665,363	-	-
Municipal court special projects	2,340,532	2,190,766	2,106,017	1,992,154	1,825,114	-	-
Public safety	127,450	267,855	-	-	-	-	-
Streets	624,999	512,857	-	-	-	-	-
Other purposes	218,745	202,228	1,571,300	1,267,905	534,225	4,022,232	4,156,178
Unrestricted	<u>8,480,557</u>	<u>8,228,404</u>	<u>6,636,083</u>	<u>4,855,068</u>	<u>4,434,530</u>	<u>5,602,167</u>	<u>(2,600,022)</u>
Total Governmental Activities							
Net Assets	<u>71,191,456</u>	<u>67,565,159</u>	<u>63,959,232</u>	<u>59,723,720</u>	<u>57,371,052</u>	<u>57,367,546</u>	<u>52,808,603</u>
Business-Type-Activities							
Invested in Capital Assets,							
Net of Related Debt	29,105,885	29,365,271	29,324,738	29,185,731	29,521,445	28,494,702	28,549,980
Unrestricted	<u>3,246,059</u>	<u>3,309,986</u>	<u>4,224,348</u>	<u>3,345,378</u>	<u>2,254,038</u>	<u>5,019,373</u>	<u>5,738,795</u>
Total Business-Type Activities							
Net Assets	<u>32,351,944</u>	<u>32,675,257</u>	<u>33,549,086</u>	<u>32,531,109</u>	<u>31,775,483</u>	<u>33,514,075</u>	<u>34,288,775</u>
Primary Government							
Invested in Capital Assets,							
Net of Related Debt	81,777,746	79,246,198	77,313,969	75,609,332	74,641,739	73,033,347	73,955,706
Restricted	10,039,038	9,455,828	9,333,918	8,445,051	7,816,228	7,226,734	10,002,899
Unrestricted	<u>11,726,616</u>	<u>11,031,348</u>	<u>10,860,431</u>	<u>8,200,446</u>	<u>6,688,568</u>	<u>10,621,540</u>	<u>3,138,773</u>
Total Primary Government							
Net Assets	\$ <u>103,543,400</u>	\$ <u>99,733,374</u>	\$ <u>97,508,318</u>	\$ <u>92,254,829</u>	\$ <u>89,146,535</u>	\$ <u>90,881,621</u>	\$ <u>87,097,378</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Seven Years

Accrual Basis of Accounting

	<u>2009</u>	Restated <u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 5,426,842	\$ 5,167,813	\$ 4,347,482	\$ 4,426,901	\$ 4,708,959	\$ 3,461,016	\$ 3,757,832
Public safety	641,586	1,117,854	2,913,059	989,133	826,386	822,387	1,023,035
Public health	1,140	875	1,580	6,671	6,706	5,540	-
Culture and recreation	1,700,627	1,801,819	2,050,639	2,265,814	2,150,561	1,893,288	1,755,186
Community development	824,958	1,232,524	2,365,009	588,919	459,862	2,566,510	1,341,973
Sanitation	1,456,358	640,906	978,584	747,719	722,498	477,887	596,220
Transportation	40,283	-	-	33,259	268,275	2,240,332	295,005
Operating grants and contributions:							
General government	194,724	83,558	184,581	100,279	71,731	99,605	203,808
Public safety	100,000	303,417	904,391	59,471	46,614	42,057	7,212
Public health	33,171	32,856	30,240	26,200	27,103	30,521	33,479
Culture and recreation	26,849	42,050	38,452	21,926	5,000	5,000	5,000
Community development	1,958,246	2,004,748	2,306,553	1,750,245	1,462,627	2,491,578	1,580,209
Sanitation	8,306	4,816	10,000	10,884	30,719	53,458	48,095
Capital grants and contributions	<u>413,457</u>	<u>506,820</u>	<u>273,750</u>	<u>338,000</u>	<u>-</u>	<u>212,217</u>	<u>815,829</u>
Total governmental activities program revenues	<u>12,826,547</u>	<u>12,940,056</u>	<u>16,404,320</u>	<u>11,365,421</u>	<u>10,787,041</u>	<u>14,401,396</u>	<u>11,462,883</u>
Business-type activities:							
Charges for services:							
Utilities	12,253,910	11,685,812	12,029,659	11,051,246	9,876,078	9,649,779	10,048,930
Off-street parking	936,125	793,233	748,120	772,037	735,696	776,248	634,306
Ambulance services	582,745	560,074	612,138	619,271	639,117	616,941	537,065
Operating grants and contributions:							
Utilities	-	-	-	-	555,343	94,170	95,330
Ambulance services	4,990	-	5,975	149,934	64,799	4,125	10,090
Capital grants and contributions:							
Ambulance services	-	-	-	-	-	-	153,510
Utilities	<u>111,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>13,889,239</u>	<u>13,039,119</u>	<u>13,395,892</u>	<u>12,592,488</u>	<u>11,871,033</u>	<u>11,141,263</u>	<u>11,479,231</u>
Total primary government program revenues	<u>\$ 26,715,786</u>	<u>\$ 25,979,175</u>	<u>\$ 29,800,212</u>	<u>\$ 23,957,909</u>	<u>\$ 22,658,074</u>	<u>\$ 25,542,659</u>	<u>\$ 22,942,114</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Seven Years (continued)

Accrual Basis of Accounting

	<u>2009</u>	Restated <u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses							
Governmental activities:							
General government	\$ 11,671,949	\$ 12,147,129	\$ 11,941,290	\$ 15,103,153	\$ 15,619,750	\$ 13,527,660	\$ 13,763,275
Public safety	17,823,966	18,628,409	19,723,818	18,782,355	18,031,294	18,367,866	17,671,151
Public health	374,224	418,430	426,606	435,206	447,114	454,038	460,421
Culture and recreation	3,721,292	3,947,966	4,259,479	4,106,053	3,899,948	3,774,060	3,812,176
Community development	6,207,548	6,368,068	6,453,726	6,842,251	5,930,750	7,739,951	7,912,186
Sanitation	2,365,733	3,439,963	3,002,530	3,067,667	2,756,181	3,009,859	2,976,704
Transportation	6,532,259	6,881,110	7,052,660	3,054,535	3,345,499	4,917,119	2,064,177
Interest and fiscal charges	<u>313,546</u>	<u>815,057</u>	<u>969,947</u>	<u>753,647</u>	<u>1,279,516</u>	<u>1,260,115</u>	<u>1,371,232</u>
Total governmental activities expenses	<u>49,010,517</u>	<u>52,646,132</u>	<u>53,830,056</u>	<u>52,144,867</u>	<u>51,310,052</u>	<u>53,050,668</u>	<u>50,031,322</u>
Business-type activities:							
Utilities	12,380,388	12,058,641	11,502,989	11,509,051	12,196,889	10,101,056	10,945,652
Off-street parking	1,227,804	1,146,271	1,115,903	773,699	870,546	845,685	871,360
Ambulance services	659,336	730,540	603,274	633,987	557,555	998,800	707,532
Cedar-Lee parking deck	<u>538,742</u>	<u>401,136</u>	<u>278,986</u>	<u>245,069</u>	<u>50,750</u>	<u>-</u>	<u>-</u>
Total business-type activities expenses	<u>14,806,270</u>	<u>14,336,588</u>	<u>13,501,152</u>	<u>13,161,806</u>	<u>13,675,740</u>	<u>11,945,541</u>	<u>12,524,544</u>
Total primary government expenses	<u>63,816,787</u>	<u>66,982,720</u>	<u>67,331,208</u>	<u>65,306,673</u>	<u>64,985,792</u>	<u>64,996,209</u>	<u>62,555,866</u>
Net (expense)/revenue							
Governmental activities	(36,183,970)	(39,706,076)	(37,425,736)	(40,779,446)	(40,523,011)	(38,649,272)	(38,568,439)
Business-type activities	<u>(917,031)</u>	<u>(1,297,469)</u>	<u>(105,260)</u>	<u>(569,318)</u>	<u>(1,804,707)</u>	<u>(804,278)</u>	<u>(1,045,313)</u>
Total primary government net expense	<u>(37,101,001)</u>	<u>(41,003,545)</u>	<u>(37,530,996)</u>	<u>(41,348,764)</u>	<u>(42,327,718)</u>	<u>(39,453,550)</u>	<u>(39,613,752)</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Seven Years (continued)

Accrual Basis of Accounting

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes levied for:							
General purposes	7,236,862	7,076,452	8,216,507	6,713,918	6,462,966	10,954,701	5,279,179
Debt service	3,570,713	3,610,165	3,806,226	3,496,022	3,913,630	389,310	4,727,127
Police and fire pension	514,132	515,736	531,102	489,038	472,622	481,968	410,382
Municipal income taxes	19,994,781	21,877,327	21,869,012	23,073,254	21,015,495	21,883,632	20,418,119
Grants and entitlements not restricted to specific programs	7,829,289	8,310,262	6,607,694	8,431,052	7,468,935	6,473,704	7,506,950
Interest earnings	112,881	416,225	668,428	672,273	372,478	196,901	313,444
Reimbursement received	-	-	-	-	-	952,220	891,824
Other revenue	1,054,747	1,789,096	717,745	727,929	1,113,746	147,969	369,107
Gain/(loss) on sale of assets	-	-	-	-	-	(67,252)	29,509
Transfers	<u>(503,138)</u>	<u>(283,260)</u>	<u>(755,466)</u>	<u>(590,172)</u>	<u>(128,847)</u>	<u>4,888</u>	<u>4,261</u>
Total governmental activities	<u>39,810,267</u>	<u>43,312,003</u>	<u>41,661,248</u>	<u>43,013,314</u>	<u>40,691,025</u>	<u>41,418,041</u>	<u>39,949,902</u>
Business-type activities							
Interest earnings	21,561	86,224	351,419	415,954	74,039	33,633	68,751
Reimbursement received	-	-	-	-	-	2,000	-
Other revenue	69,019	54,156	16,352	37,837	68,462	1,000	21,020
Loss on sale of assets	-	-	-	-	-	(2,167)	13,650
Transfers	<u>503,138</u>	<u>283,260</u>	<u>755,466</u>	<u>590,172</u>	<u>128,847</u>	<u>(4,888)</u>	<u>(4,261)</u>
Total business-type activities	<u>593,718</u>	<u>423,640</u>	<u>1,123,237</u>	<u>1,043,963</u>	<u>271,348</u>	<u>29,578</u>	<u>99,160</u>
Total primary government	\$ <u>40,403,985</u>	\$ <u>43,735,643</u>	\$ <u>42,784,485</u>	\$ <u>44,057,277</u>	\$ <u>40,962,373</u>	\$ <u>41,447,619</u>	\$ <u>40,049,062</u>
Change in net assets:							
Governmental activities	\$ 3,626,297	\$ 3,098,885	\$ 4,235,512	\$ 2,233,868	\$ 168,014	\$ 2,768,769	\$ 1,381,463
Business-type activities	<u>(323,313)</u>	<u>(873,829)</u>	<u>1,017,977</u>	<u>474,645</u>	<u>(1,533,359)</u>	<u>(774,700)</u>	<u>(946,153)</u>
Total primary government	\$ <u>3,302,984</u>	\$ <u>2,225,056</u>	\$ <u>5,253,489</u>	\$ <u>2,708,513</u>	\$ <u>(1,365,345)</u>	\$ <u>1,994,069</u>	\$ <u>435,310</u>

City of Cleveland Heights, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund					
Reserved	\$ 524,144	\$ 566,116	\$ 504,536	\$ 434,892	\$ 235,383
Unreserved	<u>5,282,107</u>	<u>3,369,353</u>	<u>3,239,649</u>	<u>4,547,592</u>	<u>3,522,250</u>
Total general fund	<u>5,806,251</u>	<u>3,935,469</u>	<u>3,744,185</u>	<u>4,982,484</u>	<u>3,757,633</u>
All other governmental funds					
Reserved	2,135,795	2,315,658	1,830,706	2,063,226	2,249,303
Unreserved, reported in:					
Special revenue funds	3,078,106	2,846,750	2,828,052	1,721,695	811,709
Capital projects funds	1,764,568	719,201	586,408	571,406	171,120
Debt service funds	<u>3,642,458</u>	<u>3,304,603</u>	<u>2,869,545</u>	<u>2,652,333</u>	<u>3,260,162</u>
Total all other governmental funds	<u>10,620,927</u>	<u>9,186,212</u>	<u>8,114,711</u>	<u>7,008,660</u>	<u>6,492,294</u>
Total all funds	\$ <u>16,427,178</u>	\$ <u>13,121,681</u>	\$ <u>11,858,896</u>	\$ <u>11,991,144</u>	\$ <u>10,249,927</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 221,631	\$ 261,183	\$ 406,493	\$ 332,784	\$ 478,451
<u>3,621,791</u>	<u>3,215,530</u>	<u>6,110,977</u>	<u>9,268,819</u>	<u>8,289,391</u>
<u>3,843,422</u>	<u>3,476,713</u>	<u>6,517,470</u>	<u>9,601,603</u>	<u>8,767,842</u>
2,965,651	2,385,227	2,332,517	3,284,437	9,793,216
1,767,319	1,731,121	2,542,932	2,523,464	4,432,990
(1,405,019)	(4,389,548)	(1,389,525)	(1,291,739)	3,223,776
<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>	<u>(3,633,790)</u>
<u>6,532,453</u>	<u>3,003,521</u>	<u>6,904,550</u>	<u>7,652,513</u>	<u>13,816,192</u>
\$ <u>10,375,875</u>	\$ <u>6,480,234</u>	\$ <u>13,422,020</u>	\$ <u>17,254,116</u>	\$ <u>22,584,034</u>

City of Cleveland Heights, Ohio

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:					
Property and other local taxes	\$ 11,123,154	\$ 11,223,599	\$ 11,634,160	\$ 10,742,779	\$ 10,930,941
Municipal income taxes	20,282,703	21,826,496	22,022,446	22,768,921	20,798,981
Intergovernmental	10,780,543	11,248,160	11,351,954	9,808,274	8,785,344
Charges for services	3,535,575	2,895,109	3,520,404	3,453,756	3,034,867
Fees, licenses and permits	1,845,466	1,721,725	1,546,256	1,258,928	1,327,248
Interest earnings	112,881	416,354	657,279	628,230	342,165
Special assessments	1,504,940	1,525,849	1,469,507	1,460,640	1,461,639
Fines and forfeitures	3,062,880	2,994,955	2,377,640	3,215,637	3,254,822
Reimbursements received	1,515,380	1,335,065	1,017,395	608,570	883,355
Other revenues	<u>797,892</u>	<u>1,304,584</u>	<u>961,273</u>	<u>1,129,654</u>	<u>1,481,634</u>
Total revenues	<u>54,561,414</u>	<u>56,491,896</u>	<u>56,558,314</u>	<u>55,075,389</u>	<u>52,300,996</u>
Expenditures:					
Current:					
Public safety	17,132,779	17,469,045	17,607,171	18,343,503	18,057,194
Public health	386,646	400,213	414,663	423,239	432,265
Culture and recreation	2,933,068	3,037,248	3,460,288	4,007,032	3,711,215
Community development	5,255,571	5,785,519	5,909,549	6,456,465	5,645,509
Sanitation	2,119,740	2,598,622	2,618,865	3,081,125	3,026,639
Transportation	2,970,122	3,673,791	3,819,214	4,522,818	7,418,116
General government	13,832,810	15,579,103	14,907,466	13,289,052	12,385,439
Debt service:					
Principal	2,136,867	1,292,366	1,880,646	1,773,221	1,640,000
Interest and fiscal charges	707,451	913,376	1,045,066	1,144,568	1,279,516
Bond issuance costs	-	214,813	-	-	-
Capital outlay	<u>3,555,156</u>	<u>4,965,356</u>	<u>4,353,749</u>	<u>13,676</u>	<u>23,215</u>
Total expenditures	<u>51,030,210</u>	<u>55,929,452</u>	<u>56,016,677</u>	<u>53,054,699</u>	<u>53,619,108</u>
Excess of revenues over (under) expenditures	<u>3,531,204</u>	<u>562,444</u>	<u>541,637</u>	<u>2,020,690</u>	<u>(1,318,112)</u>
Other financing sources (uses)					
Issuance of debt	39,852	439,992	67,050	102,359	1,129,752
Proceeds of refunding bonds	-	8,695,000	-	-	-
Proceeds from sale of assets	17,796	16,056	14,531	139,500	191,259
Inception of capital lease	-	136,000	-	68,840	-
Premium on bonds	-	228,332	-	-	-
Other financing sources	-	-	-	-	-
Insurance reimbursement	219,783	911,862	-	-	-
Transfers - in	3,966,923	3,923,161	4,584,852	3,959,609	4,701,322
Payment to refunded bond escrow agent	-	(9,460,000)	-	-	-
Transfers - out	<u>(4,470,061)</u>	<u>(4,190,062)</u>	<u>(5,340,318)</u>	<u>(4,549,781)</u>	<u>(4,830,169)</u>
Total other financing sources (uses)	<u>(225,707)</u>	<u>700,341</u>	<u>(673,885)</u>	<u>(279,473)</u>	<u>1,192,164</u>
Net change in fund balances	\$ <u>3,305,497</u>	\$ <u>1,262,785</u>	\$ <u>(132,248)</u>	\$ <u>1,741,217</u>	\$ <u>(125,948)</u>
Debt service as a percentage of noncapital expenditures	5.96%	4.72%	5.66%	5.50%	5.45%

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 12,376,008	\$ 10,894,532	\$ 16,359,936	\$ 11,089,243	\$ 37,094,902
20,276,910	19,660,730	19,514,488	19,842,139	-
10,139,761	10,417,178	4,204,152	3,983,747	3,477,391
2,717,941	2,650,325	2,355,048	1,698,829	1,524,971
1,099,908	1,036,719	913,301	890,925	1,165,156
179,557	276,102	681,213	1,630,247	2,472,355
1,237,577	1,169,775	1,221,592	1,043,594	1,073,912
2,812,162	2,843,230	2,365,086	2,210,566	2,223,951
1,002,220	-	-	-	-
<u>1,150,039</u>	<u>2,064,906</u>	<u>1,955,416</u>	<u>1,627,149</u>	<u>2,239,142</u>
<u>52,992,083</u>	<u>51,013,497</u>	<u>49,570,232</u>	<u>44,016,439</u>	<u>51,271,780</u>
17,002,404	17,874,797	16,484,752	16,814,398	15,901,028
441,036	447,871	422,791	478,573	386,699
3,452,859	3,485,167	4,226,325	12,031,569	11,657,511
7,305,467	6,700,695	7,168,486	9,088,496	7,302,622
2,799,102	2,977,592	2,875,271	3,042,946	3,221,364
6,237,771	9,047,135	6,132,565	4,711,853	4,737,175
12,966,859	13,218,508	12,859,277	12,563,904	11,529,977
2,680,000	531,726	1,482,142	2,305,910	563,223
1,265,115	1,384,232	2,450,000	4,513,993	2,115,000
-	-	-	-	-
<u>37,735</u>	<u>747,810</u>	<u>1,478,007</u>	<u>1,584,524</u>	<u>1,561,089</u>
<u>54,188,348</u>	<u>58,453,807</u>	<u>54,629,200</u>	<u>66,312,398</u>	<u>60,718,375</u>
<u>(1,196,265)</u>	<u>(7,440,310)</u>	<u>(5,058,968)</u>	<u>(22,295,959)</u>	<u>(9,446,595)</u>
3,200,000	-	-	8,518,519	67,910
-	-	-	-	-
96,844	309,000	166,073	-	3,826
-	115,000	-	332,111	115,000
-	-	-	-	-
-	-	1,000,000	-	-
-	-	-	-	-
2,544,116	2,687,283	3,667,678	3,323,391	3,407,922
-	-	-	-	-
<u>(2,539,228)</u>	<u>(2,683,022)</u>	<u>(3,662,743)</u>	<u>(3,073,861)</u>	<u>(3,401,922)</u>
<u>3,301,732</u>	<u>428,261</u>	<u>1,171,008</u>	<u>9,100,160</u>	<u>192,736</u>
\$ <u>2,105,467</u>	\$ <u>(7,012,049)</u>	\$ <u>(3,887,960)</u>	\$ <u>(13,195,799)</u>	\$ <u>(9,253,859)</u>
7.24%	6.85%	7.26%	9.41%	6.29%

City of Cleveland Heights, Ohio

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Tax Year/ Collection Year	Real Property		Estimated Actual Value(a)	Personal Property Assessed Value	Public Utilities Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
	Assessed Value						
	Commercial	Residential					
2009/2010	\$145,568,470	\$ 768,320,370	\$2,195,201,057	\$ -	\$ 10,441,200	\$ 924,330,040	\$ 12.90
2008/2009	147,702,300	820,746,690	2,766,997,114	10,222,250	9,840,320	988,511,560	12.90
2007/2008	148,540,150	819,665,980	2,766,303,229	17,850,430	9,479,500	995,536,060	12.90
2006/2007	153,391,080	816,780,760	2,771,919,542	13,941,095	15,185,570	999,298,505	13.00
2005/2006	132,354,280	710,087,650	2,406,976,943	15,873,576	25,325,370	883,640,876	13.00
2004/2005	133,121,050	709,043,670	2,406,184,914	18,345,751	27,401,630	887,912,101	13.10
2003/2004	134,174,420	706,821,340	2,402,845,171	19,034,202	31,031,530	891,061,492	14.00
2002/2003	124,975,940	563,120,040	2,092,855,486	21,123,332	28,711,240	737,930,552	14.10
2001/2002	124,836,080	605,388,740	2,085,499,486	20,182,093	17,405,910	767,812,823	14.00
2000/2001	121,304,650	605,561,490	2,076,760,400	29,093,694	27,071,690	783,031,524	14.10

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

Tax rates are per \$1,000 of assessed valuation.

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)

Last Ten Years

Tax Year/ Collection Year	<u>City of Cleveland Heights Direct Rates</u>				<u>Overlapping Rates</u>		
	<u>General Fund</u>	<u>Pension Trust Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>	<u>Cleveland Heights School District(a)</u>	<u>Cuyahoga County</u>	<u>Total</u>
2009/2010	\$ 8.70	\$ 0.60	\$ 3.60	\$ 12.90	\$ 144.60	\$ 18.10	\$ 175.60
2008/2009	7.40	0.60	4.90	12.90	144.50	18.10	175.50
2007/2008	7.40	0.60	4.90	12.90	142.60	18.20	173.70
2006/2007	7.40	0.60	5.00	13.00	135.50	18.20	166.70
2005/2006	7.40	0.60	5.00	13.00	135.40	18.30	166.70
2004/2005	7.40	0.60	5.10	13.10	135.50	18.30	166.90
2003/2004	7.40	0.60	6.00	14.00	127.00	18.00	159.00
2002/2003	7.40	0.60	6.10	14.10	127.00	16.20	157.30
2001/2002	7.40	0.60	6.00	14.00	127.00	16.20	157.20
2000/2001	7.40	0.60	6.10	14.10	126.30	16.20	156.60

(a) includes Metroparks and Library Millage

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Total Collection Including Deficiencies</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Accumulated Delinquency</u>
2008/2009	\$ 12,686,328	\$ 11,734,295	92.5%	\$ 12,366,069	97.5%	\$ 1,304,581
2007/2008	12,784,933	11,873,263	92.9%	12,585,191	98.4%	1,106,080
2006/2007	12,956,143	12,012,023	92.7%	12,735,226	98.3%	1,149,571
2005/2006	11,482,010	10,926,279	95.2%	11,609,888	101.1%	947,381
2004/2005	11,592,970	10,734,065	92.6%	11,529,456	99.5%	961,632
2003/2004	12,294,389	11,656,435	94.8%	12,493,181	101.6%	1,133,710
2002/2003	10,790,451	10,045,171	93.1%	10,662,371	98.8%	1,250,800
2001/2002	10,446,924	9,671,218	92.6%	10,305,299	98.6%	1,008,768
2000/2001	10,625,214	9,943,816	93.6%	10,421,735	98.1%	934,936
1999/2000	9,743,195	9,252,309	94.9%	9,767,024	100.2%	699,950

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Principal Property Taxpayers

Current Year and Seven Years Ago

Taxpayer	2009			2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Severance Spe Lease Co.,LLC(SCIT,Inc.)	\$ 18,470,070	1	2.00%	\$ 12,791,600	1	1.64%
Kaiser Foundation Health Plan of Ohio	11,621,820	2	1.26	7,791,840	3	1.00
The Cleveland Electric Illuminating Company	7,909,130	3	0.86	6,274,120	4	0.94
American Retirement Corporation	3,757,150	4	0.41	3,882,380	6	0.50
Concord Company	2,591,190	5	0.28	2,290,930	9	0.29
Kensington Ltd.Partnership	2,520,000	6	0.27	3,674,690	7	0.47
Western Reserve (Severance Housing Corp)	2,229,290	7	0.24	-	-	-
Waldorf Partners Limited Partnership	2,189,330	8	0.24	2,145,370	10	0.27
Lancashire Towers Associates Ltd Partnership	1,924,760	9	0.21	-	-	-
East Ohio Gas	1,822,480	10	0.20	2,173,640		0.28
New Cingular/AT&T	-	-	-	10,295,760	2	1.32
Ohio Bell Telephone Company	-	-	-	6,142,900	5	0.79
Margaret Wagner Apart Inc.	-	-	-	2,400,650	8	0.31
Total	\$ <u>55,035,220</u>		<u>5.47</u>	\$ <u>57,690,240</u>		<u>7.37</u>
Total Assessed Valuation of City	\$ <u>924,330,040</u>		<u>100.00%</u>	\$ <u>782,333,922</u>		<u>100.00%</u>

Property assessed at 35% of Fair Market Value

Source: Cuyahoga County Auditor

Note: Information prior to 2001 is not available

City of Cleveland Heights, Ohio

Income Tax Revenue Base and Collections

Cash Basis

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentages of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentages of Taxes From Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentages of Taxes From Individuals</u>
2009	2.00%	\$ 20,085,142	\$ 6,713,661	33.43%	\$ 662,329	3.30%	\$ 12,709,152	63.28%
2008	2.00%	18,954,767	6,661,900	35.15%	717,496	3.79%	11,575,371	61.07%
2007	2.00%	19,845,822	6,716,031	33.84%	821,263	4.14%	12,308,528	62.02%
2006	2.00%	19,851,936	6,913,938	34.83%	910,993	4.59%	12,027,005	60.58%
2005	2.00%	19,031,390	6,738,821	35.41%	695,989	3.66%	11,596,580	60.93%
2004	2.00%	18,967,552	6,603,963	34.82%	628,296	3.31%	11,735,293	61.87%
2003	2.00%	18,261,002	6,519,016	35.70%	571,850	3.13%	11,170,136	61.17%
2002	2.00%	17,996,261	6,280,507	34.90%	569,337	3.16%	11,146,417	61.94%

Note: Information prior to 2002 is not available.



CLEVELAND HEIGHTS, OHIO

City of Cleveland Heights, Ohio

Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

<u>Year</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>	<u>Economic Development Revenue Bonds</u>	<u>Capital Leases</u>	<u>OPWC Loans</u>
2009	\$ 14,250,000	\$ 460,000	\$ 122,055	\$ 1,226,097
2008	16,040,000	680,000	172,280	1,262,887
2007	17,795,000	890,000	53,000	1,405,583
2006	19,400,000	1,090,000	86,639	1,414,179
2005	20,935,000	1,285,000	61,019	1,481,006
2004	22,385,000	1,475,000	116,548	369,741
2003	21,680,000	1,660,000	510,650	-
2002	24,070,000	1,840,000	642,769	-
2001	26,365,000	1,995,000	320,005	-
2000	24,355,000	-	376,021	-

<u>Business-Type Activities</u>							
<u>General Obligation Bonds</u>	<u>OPWC Loans</u>	<u>OWDA Loan</u>	<u>Capital Leases</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>	<u>Income Per Capita</u>
\$ 6,210,000	\$ 1,237,667	\$ 335,792	\$ 267,003	\$ 24,108,614	1.84%	\$ 934	25,804
6,355,000	1,334,567	327,487	478,366	26,650,587	2.07%	1,052	25,804
-	1,431,465	119,926	695,037	22,390,011	1.71%	866	25,804
-	1,528,364	-	903,602	24,422,784	1.86%	946	25,804
-	1,801,828	-	391,086	25,954,939	1.98%	1,006	25,804
-	939,688	-	205,233	25,491,210	1.95%	988	25,804
-	1,001,891	-	-	24,852,541	1.90%	963	25,804
-	1,067,414	-	-	27,620,183	2.11%	1,070	25,804
-	1,160,717	-	-	29,840,722	2.28%	1,156	25,804
-	1,083,502	-	-	25,814,523	2.10%	1,000	25,804

City of Cleveland Heights, Ohio

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

<u>Year</u>	<u>Population(a)</u>	<u>Estimated True Values of Taxable Property (b)</u>	<u>Gross General Bonded Debt</u>	<u>Less Balance In Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio Of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2009	50,769	\$ 924,330,040	\$ 20,460,000	\$ 3,642,458	\$ 16,817,542	1.82%	\$ 331.26
2008	50,769	988,511,560	22,395,000	3,304,603	19,090,397	1.93%	376.02
2007	50,769	995,536,060	17,795,000	2,869,545	14,925,455	1.52%	293.99
2006	50,769	999,298,505	30,564,333	2,652,333	27,912,000	2.79%	549.78
2005	50,769	883,640,876	30,659,000	3,260,162	27,398,838	3.10%	539.68
2004	50,769	887,912,101	27,884,000	3,204,502	24,679,498	2.78%	486.11
2003	50,769	891,061,492	27,807,000	3,276,721	24,530,279	2.75%	483.17
2002	50,769	737,930,552	24,070,000	3,418,626	20,651,374	2.80%	406.77
2001	50,769	767,812,823	26,365,000	3,136,351	23,228,649	3.03%	457.54
2000	49,958	783,031,524	24,355,000	3,223,776	21,131,224	2.70%	422.98

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census
 Years 1998 through 1999 – 1990 Federal Census
 Years 2000 through 2007 – 2000 Federal Census

(b) Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Computation of Direct and Overlapping Debt

December 31, 2009

	<u>Debt Outstanding</u>	<u>Percentage Applicable To City of Cleveland Heights (c)</u>	<u>Amount Applicable To City of Cleveland Heights</u>
Direct			
City of Cleveland Heights	\$ 20,460,000 (a)	100.00%	\$ 20,460,000
Overlapping			
Cleveland Heights - University Heights School District	10,295,000 (b)	76.04%	7,828,318
Cuyahoga County	336,472,572 (b)	3.11%	10,464,297
Greater Cleveland Regional Transit	<u>163,025,000 (b)</u>	3.10%	<u>5,070,078</u>
Total Overlapping Debt	<u>509,792,572</u>		<u>23,362,692</u>
Total Debt	\$ <u>530,252,572</u>		\$ <u>43,822,692</u>

(a) Net General Obligation Debt Outstanding

(b) Gross General Obligation Debt Outstanding

(c) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation

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

(b) Cuyahoga County Auditor's Office

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin

Last Nine Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Assessed Property Value	\$ 924,330,040	\$ 988,511,560	\$ 995,536,060	\$ 999,298,505	\$ 883,640,876	\$ 887,912,101	\$ 891,061,542	\$ 782,333,792	\$ 767,512,823
General Bonded Debt Outstanding:									
General Obligation Notes/Bonds	16,040,000	17,795,000	19,400,000	20,935,000	22,385,000	24,880,000	24,070,000	26,365,000	24,355,000
Cedar Lee Parking Deck	6,355,000	-	-	-	-	-	-	-	-
Economic Development Revenue									
Bonds	680,000	890,000	1,090,000	1,285,000	1,475,000	1,660,000	1,840,000	1,995,000	-
Bond Anticipation Notes	905,000	7,510,000	8,512,000	9,724,000	13,223,000	9,626,000	8,741,000	2,345,000	-
OPWC-Issue II Loans:									
Cedar Road CA22B	93,725	102,245	110,765	119,285	127,806	136,326	144,846	153,367	161,887
Cedar Road CA09B	517,482	564,525	611,569	658,613	705,657	752,701	799,745	846,789	893,833
Taylor Road CA12D	82,988	89,627	96,266	102,905	109,544	116,183	122,822	132,780	-
Coventry Road CA04F	295,793	314,280	332,767	351,254	369,741	-	-	-	-
Meadowbrook Blvd CA20H	1,607,466	1,699,321	1,791,176	1,837,104	-	-	-	-	-
OWDA Loan – Sewer	327,487	-	-	-	-	-	-	-	-
Total Gross Indebtedness	26,904,941	28,964,998	31,944,543	35,013,161	38,395,748	37,171,210	35,718,413	31,837,936	25,410,720
Add:									
Lee Road	39,852	439,992	67,050	-	-	-	-	-	-
Refunding Rec. Facilities									
Improvements	-	8,695,000	-	-	-	-	-	-	-
Cedar Lee Parking Deck	-	6,355,000	-	-	-	-	-	-	-
Less:									
General Obligation Notes/Bonds	(1,790,000)	(10,450,000)	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue									
Bonds	(220,000)	(210,000)	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(905,000)	(7,510,000)	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
Cedar Lee Parking Deck	(145,000)	-	-	-	-	-	-	-	-
OPWC-Issue II Loans:									
Cedar Road CA22B	(8,521)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,043)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(91,855)	(91,855)	(91,855)	(45,928)	-	-	-	-	-
Lee Road	(996)	-	-	-	-	-	-	-	-
General Obligation Bond Retirement									
Fund Balance	3,642,458	3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	3,276,721	3,418,626	3,136,351
Total Net Debt Applicable to Debt Limit	\$ <u>27,353,709</u>	\$ <u>29,417,049</u>	\$ <u>31,901,593</u>	\$ <u>34,596,876</u>	\$ <u>36,436,220</u>	\$ <u>31,506,509</u>	\$ <u>33,752,250</u>	\$ <u>32,741,039</u>	\$ <u>24,479,858</u>
Percentage of Estimated Actual									
Property Value	2.96%	2.98%	3.20%	3.46%	4.12%	3.55%	3.79%	4.19%	3.19%
Total Net Debt per Capita*	\$ 539	\$ 579	\$ 628	\$ 681	\$ 718	\$ 621	\$ 665	\$ 645	\$ 482

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin (continued)

Last Nine Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	\$ 97,054,654	\$ 103,793,714	\$ 104,531,286	\$ 104,926,343	\$ 92,782,292	\$ 93,230,771	\$ 93,561,462	\$ 82,145,048	\$ 80,588,846
Legal Debt Margin Within 10 1/2% Limitations	\$ <u>69,700,945</u>	\$ <u>74,376,665</u>	\$ <u>72,629,693</u>	\$ <u>70,329,467</u>	\$ <u>56,346,072</u>	\$ <u>61,724,262</u>	\$ <u>59,809,212</u>	\$ <u>49,404,009</u>	\$ <u>56,108,988</u>
Legal Debt Margin as a Percentage of the Debt Limit	71.82%	71.66%	69.48%	67.03%	60.73%	66.21%	63.93%	60.14%	69.62%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	\$ 50,838,152	\$ 54,368,136	\$ 54,754,483	\$ 54,961,418	\$ 48,600,248	\$ 48,835,166	\$ 49,008,385	\$ 43,028,359	\$ 42,213,205
Total Gross Indebtedness	\$ 26,904,941	\$ 28,964,998	\$ 31,944,544	\$ 35,013,161	\$ 38,395,748	\$ 37,171,210	\$ 35,718,413	\$ 31,837,936	\$ 25,410,720
Add:									
Lee Road	39,852	439,992	67,050	-	-	-	-	-	-
Refunding Rec. Facilities Improvements	-	8,695,000	-	-	-	-	-	-	-
Cedar Lee Parking Deck	-	6,355,000	-	-	-	-	-	-	-
Less:									
General Obligation Notes/Bonds	(1,790,000)	(10,450,000)	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue Bonds	(220,000)	(210,000)	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(905,000)	(7,510,000)	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
Cedar Lee Parking Deck	(145,000)	-	-	-	-	-	-	-	-
OPWC-Issue II Loans									
Cedar Road CA22B	(8,521)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,043)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(91,855)	(91,855)	(91,855)	(45,928)	-	-	-	-	-
Lee Road	(996)	-	-	-	-	-	-	-	-
General Obligation Bond Retirement									
Fund Balance	<u>3,642,458</u>	<u>3,304,603</u>	<u>2,869,545</u>	<u>2,652,333</u>	<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>
Net Debt Within 5 1/2% Limitations	<u>27,353,709</u>	<u>29,417,049</u>	<u>31,901,593</u>	<u>34,596,876</u>	<u>36,436,220</u>	<u>31,506,509</u>	<u>33,752,250</u>	<u>32,741,039</u>	<u>24,479,868</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$ <u>23,484,443</u>	\$ <u>24,951,087</u>	\$ <u>22,852,890</u>	\$ <u>20,364,542</u>	\$ <u>12,164,028</u>	\$ <u>17,328,657</u>	\$ <u>15,256,135</u>	\$ <u>10,287,320</u>	\$ <u>17,733,337</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	46.19%	45.89%	41.74%	37.05%	25.03%	35.48%	31.13%	23.91%	42.01%

*These numbers are based on the Net Debt. This reflects only debt that is supported through real estate value.
Note: Information prior to 2001 is not available.

City of Cleveland Heights, Ohio

Pledged Revenue Coverage
Economic Development – Zagara’s TIF

Last Eight Fiscal Years

<u>Year</u>	<u>Property Taxes and Interest</u>	<u>Debt Service</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2009	\$ 69,297	\$ 220,000	\$ 27,215	28.03%
2008	136,229	210,000	35,195	55.56%
2007	129,780	200,000	42,395	53.54%
2006	145,539	195,000	49,025	59.64%
2005	125,213	190,000	55,200	51.07%
2004	120,847	185,000	60,843	49.16%
2003	300	180,000	66,063	0.12%
2002	757	155,000	93,540	0.30%

Direct operating expenses are not associated with Tax Increment Financing (TIF) Project.

Note: The Zagara-TIF Economic Development Bond was issued in 2001 for \$1,995,000.

City of Cleveland Heights, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total personal Income</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Educational Attainment: High School or Higher</u>	<u>School Enrollment (c)</u>	<u>Cuyahoga County Un- employment Rate</u>	<u>Sales Price of Residential Property</u>	<u>Total Assessed Value (b)</u>
2009	50,769 (a)	\$ 1,310,043,276	\$ 25,804	\$ 47,400	35.2	91.6%	5,899	5.9%	\$ 131,300	\$ 924,330,040
2008	50,769 (a)	1,310,043,276	25,804	47,400	35.2	91.6%	6,286	5.9%	131,300	988,511,560
2007	50,769 (a)	1,310,043,276	25,804	47,400	35.2	91.6%	6,286	5.9%	131,300	995,536,060
2006	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,473	5.2%	245,290	999,298,505
2005	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,717	5.2%	178,000	883,640,876
2004	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,887	5.8%	160,000	887,912,101
2003	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,044	6.5%	158,710	891,061,492
2002	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,100	6.6%	150,281	737,930,552
2001	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,146	5.2%	141,543	767,812,823
2000	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,315	4.0%	141,362	783,031,524

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census.
 Years 1998 through 1999 - 1990 Federal Census
 Years 2000 through 2007 - 2000 Federal Census

(b) Source: Cuyahoga County Auditor

(c) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us>
 Cleveland Heights – University Heights Schools, Cuyahoga County

City of Cleveland Heights, Ohio

Principal Employers

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2009</u>		<u>2000</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
School District	1,747	5.50%	n/a	
City of Cleveland Heights	774	2.44		
Kaiser Foundation	322	1.01		
Zagara's	245	.77		
A1 Healthcare	231	.73		
Home Depot	227	.71		
Hebrew Academy	202	.64		
Walmart	162	.51		
Mosdos Ohr Hatorah	161	.51		
Cleveland Heights Library	150	.47		
All Other Employers	<u>27,564</u>	<u>86.72</u>		
Total	<u>31,785</u>	<u>100.00%</u>		

Source: Number of employees obtained from the W2's from the Income Tax Department.

n/a – Information not available

City of Cleveland Heights, Ohio

Full-time Equivalent City Government Employees by Function/Program

Last Eight Fiscal Years

Function/Program	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General government								
Management/Council	7.07	8.07	8.07	8.00	8.07	8.50	9.07	8.07
Finance	19.03	19.40	18.08	21.71	21.71	21.00	23.04	22.92
Planning/Community Development	12.08	13.84	13.65	13.16	13.16	14.50	21.06	20.54
Building/Inspectional	15.54	18.05	20.22	22.04	22.04	21.50	22.00	27.00
Municipal Court	23.40	23.25	25.79	23.71	23.71	22.00	24.55	23.89
Other	18.64	21.21	24.92	27.07	27.07	23.00	26.40	29.70
Public Safety								
Police								
Officers	111.28	117.99	115.66	108.00	108.00	114.00	117.09	119.34
Civilians/Crossing Guards	4.00	4.00	4.00	11.95	11.95	4.00	5.00	5.00
Fire								
Firefighters and officers	75.00	78.00	79.00	79.00	79.00	79.00	78.00	76.00
Civilians/Dispatch	9.00	9.00	9.00	8.00	8.00	8.00	9.00	10.00
Sanitation	29.00	31.00	32.00	33.00	32.00	34.00	35.00	36.00
Transportation	28.00	22.00	26.00	23.00	26.00	23.00	32.00	31.00
Other Public Works Depts	23.00	23.00	24.00	24.60	24.60	24.00	27.60	31.40
Culture and Recreation	58.68	64.82	71.94	70.33	70.33	48.00	65.90	82.34
Public Utilities								
Off-Street Parking	3.00	3.00	3.00	2.00	2.00	1.00	2.00	2.00
Water	17.00	17.00	19.00	20.00	20.00	19.50	23.00	23.00
Wastewater	<u>10.00</u>	<u>11.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>13.00</u>	<u>11.00</u>	<u>11.00</u>
	<u>463.72</u>	<u>484.63</u>	<u>504.33</u>	<u>505.57</u>	<u>507.64</u>	<u>478.00</u>	<u>531.71</u>	<u>559.20</u>

Source: City of Cleveland Heights Payroll/Human Resources Department

Note: Information prior to 2002 is not available

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program

Last Seven Years

<u>Function/Program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety							
Fire							
EMS Calls	4,098	4,113	4,047	3,984	4,168	4,034	4,159
Fire Calls	1,119	1,247	1,304	1,261	1,143	1,141	1,269
Fires With Loss	48	57	51	55	88	51	78
Fire Safety Inspections	1000+	1,000+	1,000+	1,000+	1,000+	1,000+	1,000+
Number of Times Mutual							
Aid Given to Fire & EMS	45	71	90	103	89	84	26
Number of Times Mutual							
Aid Received for Fire & EMS	66	95	82	42	77	80	56
Civil Service							
Number of Police Entry							
Tests Administered	-	1	-	1	-	1	n/a
Number of Fire Entry							
Tests Administered	-	-	1	-	1	-	n/a
Number of Fire Promotional							
Tests Administered	-	-	-	-	1	-	n/a
Number of Hires of Police							
Officers From Certified Lists	4	-	2	-	-	4	n/a
Number of Hires of							
Fire/Medics From Certified Lists	-	-	-	1	1	-	n/a
Number of Promotions							
From Fire Certified Lists	-	-	-	1	2	-	n/a
Number of Police Promotional							
Tests Administered	3	-	-	-	-	-	-
Number of Promotions From							
Police Certified Lists	15	-	-	-	-	-	-
Municipal Court							
Number of Civil Cases	1,755	1,864	2,014	2,700	1,270	1,831	1,630
Number of Criminal Cases	3,123	3,047	3,582	3,408	2,985	2,956	3,218
Public Health (a)							
Vital Statistics							
Certified Certificates Sold							
Number of Births	-	-	-	177	224	186	185
Number of Deaths	-	-	-	646	586	553	569

(a) Public Health handled at the County level in 2007

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Seven Years

Function/Program	2009	2008	2007	2006	2005	2004	2003
Certificates Issued							
Burial Permits Issued	-	-	-	650	770	721	615
Culture & Recreation							
Senior Activity Center Receipts	\$ 56,039	\$ 54,521	\$ 46,198	\$ 47,239	\$ 49,503	\$ 54,307	\$ 59,306
Swimming Pools Receipts	87,468	95,385	103,788	97,851	108,565	99,862	92,037
Ice Program Receipts	49,967	50,456	52,876	83,050	76,679	98,986	126,268
General Recreation Program Receipts	143,470	69,056	71,849	76,648	77,122	63,873	61,098
(c)Child Care/Summer Program Receipts	-	157,639	211,603	202,417	206,777	185,493	154,387
Sports Programs Receipts	194,513	204,718	224,013	222,546	223,602	218,709	167,484
(a)Community Center Programs Receipts	606,401	706,337	708,994	737,836	678,549	632,413	697,677
Cain Park Programs Receipts	<u>492,280</u>	<u>419,008</u>	<u>583,553</u>	<u>732,301</u>	<u>666,202</u>	<u>602,292</u>	<u>459,432</u>
Total Recreation Receipts	1,630,138	1,757,120	2,002,874	2,199,888	2,086,999	1,955,935	1,817,689
Community Development							
Annual Entitlement Grant Award Program Income Received	1,757,055	1,723,214	1,778,281	1,773,674	1,968,638	2,072,000	2,102,000
CDBG-Recovery and Reinvestment	467,840	-	-	-	-	-	-
Neighborhood Stabilization Program	2,351,526	-	-	-	-	-	-
Homelessness Prevention and Rapid Re-Housing Program	715,677	-	-	-	-	-	-
Sanitation							
(b) Refuse Disposal Costs per Year January thru December	n/a	n/a	n/a	n/a	634,747	642,686	693,349

(a) Community Center Renovation Completed
Several programs were moved to the new facility.

(b) Beginning 2004, expenses were paid out of Department 6203
Prior to that expenses were paid out of Department 6204
Objects of expenditure were 2045.0 thru 2045.04

(c) Beginning 2009, child care/summer programs were merged with
the general recreation programming.

Note: Information prior to 2003 is not available.

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Seven Years

<u>Function/Program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Transportation/Streets							
Crackseal Coating Program (lbs.)	5,145	12,000	12,000	15,000	15,000	32,000	4,400
Street Repair (Curbs, aprons, berms, asphalt) (hours)	5,972	6,240	8,000	8,320	8,320	8,320	n/a
Line Striping (hours)	1,704	2,024	700	643	775	800	2,003
Street Sweeping (hours)	8,255	1,867	2,400	2,712	1,501	1,953	n/a
Cold Patch (hours)	3,723	3,120	3,916	4,160	4,160	4,160	n/a
Snow & Ice Removal-Regular Hours	2,688	7,840	5,107	3,456	2,900	2,300	n/a
Snow & Ice Removal-Overtime Hours	2,856	6,441	4,476	2,356	8,275	3,507	n/a
Landscaping Stump-Chipper Service (hours)	4,610	4,972	5,198	4,128	3,800	3,975	n/a
Leaf Collection-Fall (hours)	10,613	12,647	17,875	16,695	8,704	n/a	n/a
Equipment Repair/Body Shop (hours)	16,640	16,173	19,720	21,500	21,500	21,500	n/a
Number of Trees Planted Per Year	145	369	270	278	304	552	353
Tons of Snow Melting Salt Purchased	3,418	14,128	13,403	6,910	18,780	14,371	n/a
Cost of Salt/Calcium Chloride Purchased	\$ 144,305	\$ 492,377	\$ 438,970	\$ 221,946	\$ 586,406	\$ 455,917	\$ 524,151
Skunk Removals		-	165	101	134	421	1,770
Water Department							
Water Rates per 1,000 cu ft of Water Used	56.60	48.77	46.73	41.73	41.23	40.02	38.91
Average Number of Water Accounts Billed Monthly (cu ft)	15,500	15,876	15,920	15,915	15,970	15,980	15,583
Total Water Collections Annually (Including P & I)	\$ 12,676,221	\$ 9,621,815	\$ 9,429,481	\$ 8,802,440	\$ 7,995,432	\$ 7,283,991	\$ 7,973,477
Payments to Cleveland for Bulk Water Purchases	\$ 7,673,574	\$ 7,656,758	\$ 7,355,075	\$ 7,509,876	\$ 8,170,774	\$ 7,139,993	n/a
Wastewater Department							
Wastewater Rates per 1,000 Cu Ft of Water Used (Local)	10.23	10.05	10.05	10.05	10.05	7.05	7.05
Sewer & Sanitary Calls For Service	1,400	515	526	549	439	489	612

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Seven Years

<u>Function/Program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government							
Council & Clerk							
Number of Ordinances Passed	32	72	42	45	62	65	69
Number of Resolutions Passed	95	111	116	98	106	123	115
Number of Planning Commission Docket Items	17	16	23	25	30	33	38
Number of Board of Zoning Appeals Docket Items	31	33	26	24	27	39	n/a
Finance Department							
Number of Checks/Accounts Payable							
Vouchers Issued	6,191	6,842	7,090	7,252	7,404	7,861	n/a
Amount of Checks Written	\$ 26,202,955	\$ 27,805,150	\$ 32,223,691	\$ 26,767,750	\$ 29,584,579	\$ 30,834,075	n/a
Interest Earnings for Fiscal Year							
(cash basis)	\$ 311,695	\$ 458,811	\$ 1,026,304	\$ 987,192	\$ 437,830	\$ 369,534	\$ 556,306
Number of Journal Entries Issued	352	335	371	278	302	305	n/a
Agency Ratings-Moody's Finance Services	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa2
Income Tax Department							
Number of Refund Checks/Vouchers Issued							
Amount of Checks Written	\$ 335,724	\$ 384,020	\$ 362,176	\$ 307,635	\$ 367,483	\$ 392,189	\$ 292,108
Number of Individual Returns	15,483	15,660	17,797	18,569	19,112	17,161	n/a
Number of Business Returns	1,931	1,331	1,881	1,912	1,809	1,859	n/a
Number of Business Withholding Returns	10,654	10,343	1,386	1,760	1,691	1,628	n/a
Amount of Penalties and Interest							
Collected	\$ 64,601	\$ 49,630	\$ 91,867	\$ 271,651	\$ 99,467	\$ 181,190	n/a
Annual Number of Corporate Withholding							
Forms Processed	10,654	10,343	1,760	1,760	1,691	1,628	n/a
Annual Number of Balance Due							
Statements Processed	47,806	48,909	58,087	58,087	79,710	78,217	n/a
Annual Number of Estimated Payment							
Forms Processed	47,806	48,909	58,087	58,087	79,710	78,217	n/a
Annual Number of Reconciliations of							
Withholdings Processed	2,073	1,495	1,348	1,837	1,683	1,617	n/a

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Seven Years

<u>Function/Program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Building Department Indicators (a)							
Construction Permits Issued-Residential	928	1,307	1,741	1,499	1,893	1,932	n/a
Construction Permits Issued-Commercial	97	110	171	137	178	175	n/a
Estimated Value of							
Construction-Residential (Millions)	\$ 7,369,497	\$ 9.392	\$ 12.902	\$ 15.055	\$ 16.065	\$ 13.479	n/a
Estimated Value of							
Construction-Commercial (Millions)	\$ 4,562,969	\$ 8.490	\$ 27.378	\$ 18.528	\$ 36.806	\$ 16.682	n/a
Number of Permits Issued	3,406	3,813	4,563	4,103	5,109	5,307	n/a
Amount of Revenue Generated							
From Permits	\$ 211,663	\$ 227,462	\$ 309,977	\$ 426,412	\$ 522,638	\$ 331,876	n/a
Amount of Revenue Generated							
From Fees/Licenses	\$ 349,193	\$ 348,592	\$ 568,550	\$ 426,650	\$ 547,318	\$ 403,715	n/a
Number of Contractor Registrations Issued	1,151	1,078	1,269	1,187	1,311	1,222	n/a
Number of Inspections Performed	8,190	7,385	9,150	9,458	9,018	8,501	n/a

(a) Source: Building Department's Annual Report

Note: Information prior to 2003 is not available

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program

Last Seven Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government							
Square Footage Occupied	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Administrative Vehicles	18	22	16	17	18	18	11
Inspection Vehicles	17	18	18	17	17	17	19
Municipal Court Vehicles	2	2	2	2	2	2	2
Lands and Buildings Vehicles	21	16	16	22	23	19	20
Police							
Stations	1	1	1	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877	18,877	18,877	18,877
Vehicles	120	153	118	107	119	127	113
Fire							
Stations	2	2	2	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068	24,068	24,068	24,068
Vehicles	20	20	19	20	20	23	20
Recreation							
Number of Parks	6	6	6	6	6	6	6
Number of Pools	1	1	2	2	2	2	2
Number of Ice Rinks	2	2	2	2	2	2	2
Number of Tennis Courts	18	18	18	18	18	18	18
Number of Skateboarding Areas	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9
Number of Basketball Courts	5	5	5	5	5	5	5
Square Footage of Community Center	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Vehicles	10	34	13	17	20	21	21

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program (continued)

Last Seven Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Other Public Works							
Streets (miles)	137	137	137	137	137	137	137
Curbs (miles)	249	249	249	249	249	249	249
Square Footage of							
Garage/Transfer Station	42,244	42,244	42,244	42,244	42,244	42,244	42,244
Service Vehicles	132	153	145	117	90	101	92
Wasterwater							
Sanitary Sewers (miles)	150	150	150	150	150	150	150
Storm Sewers (miles)	150	150	150	150	150	150	150

Source:

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

Note: Information prior to 2003 is not available



CLEVELAND HEIGHTS, OHIO



CLEVELAND HEIGHTS, OHIO



Mary Taylor, CPA
Auditor of State

CITY OF CLEVELAND HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 28, 2010**