

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY

JANUARY 1, 2009 TO DECEMBER 31, 2009

REGULAR AUDIT



Mary Taylor, CPA
Auditor of State

City Council
City of Warrensville Heights
4301 Warrensville Center Road
Warrensville Heights, Ohio 44128

We have reviewed the *Independent Auditors' Report* of the City of Warrensville Heights, Cuyahoga County, prepared by Ciuni & Panichi, 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 Warrensville Heights is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA
Chief Deputy Auditor

October 14, 2010

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Introductory Section

City of Warrensville Heights, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2009**

Issued by the Department of Finance

**Rubin K. Moultrie, CPA
Finance Director**

**City of Warrensville Heights
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
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Clinton Hall
Mayor

City of Warrensville Heights

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

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

July 28, 2010

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Warrensville Heights for the year ended December 31, 2009. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis. It is also in compliance with Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days fiscal year end. This report is submitted to satisfy that requirement for the year ended December 31, 2009.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ciuni and Panichi Inc., a certified public accountant and business consulting firm, has issued an unqualified (“clean”) opinion on the City of Warrensville Heights’ financial statements for the year ended December 31, 2009. The *Independent Auditor’s Report* is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the *Independent Auditor’s Report* and provides a narrative introduction, overview, and analysis of the basic financial statements. The *MD&A* complements this letter of transmittal, and should be read in conjunction with it.

The City and Form of Government

The City of Warrensville Heights, Ohio, is located in the southeast portion of Cuyahoga County, eight miles from downtown Cleveland. The City was incorporated as a village in 1927 and became a city in 1960. The City has 15,109 residents according to the most recent data from the United States Census Bureau.

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

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

Legislative authority is vested in a seven-member Council. Formerly, the seven Council members were elected at large every two years, and served staggered terms so that no more than four members of Council would be elected at any biennial election. At the municipal election in November 2002, the electors of the City voted to amend the *City Charter* to require the election of members of Council by specified wards for terms of four years. Thus, at the municipal election in November 2003, the voters of the City elected seven members of Council by wards - each to serve for a term of four years.

The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City's services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The Council President is elected by a majority of the Council for a one-year term. The Charter establishes certain administrative departments. The Council may establish divisions of those departments and additional departments.

The City's chief executive and administrative officer is the Mayor who is elected by the voters for a four-year term and serves in a part-time capacity. The Mayor also serves as the City's Safety Director. The Mayor presides over all Council meetings, and may veto any legislation passed by Council. A two-thirds vote of all members of Council will override a veto.

The Mayor appoints, subject to the approval of Council, the directors of the City's departments, the Chiefs of Police and Fire, as well as police and fire personnel after competitive civil service examinations. Additionally, the Mayor appoints members to a number of boards and commissions and, in accordance with civil service requirements, may remove all appointed officials and employees - except Council officers and employees.

The City provides basic services to its residents including police and fire protection, planning, zoning, street maintenance and repair, refuse collection, and general administrative services. Warrensville Heights' residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District and the City of Bedford Heights.

The Bedford Municipal Court provides judicial services for the City of Warrensville Heights. The jurisdiction of the Court, as established by the Ohio Revised Code, handles cases from 14 different, diverse municipalities.

Economic Condition and Outlook

The City is an inner ring suburb of the City of Cleveland. Primarily a residential community of beautifully maintained neighborhoods, it also has a thriving and engaging business community. Each day approximately 10,000 people come to work in Warrensville Heights and are responsible for 84.5 percent of the City's revenue through income tax. The City receives approximately 13 cents from each property tax dollar.

The City is home to one of the most technologically advanced hospitals in Northeast Ohio, South Pointe, which is an affiliate of the world renowned Cleveland Clinic Health System. South Pointe provides quality health care to Warrensville Heights' residents as well as to its neighboring communities.

In addition, the following industries have their headquarters in our 'Friendly City'. They serve a vital role in the City's financial condition and contribute to the stable economic condition:

- Sherwin-Williams Automotive Finishes Corporation's Research and Development Facility and Training Center;
- Heinen's Incorporated (a retail food chain) headquarters and warehouse facility
- Henkel Corporation, manufacturers of a broad range of high-performance adhesives, sealants and coatings; and
- Marcus Thomas, a leading advertising firm.

The Richmond Highland Office Park development was completed in 2008. It is now the home to the Ohio corporate headquarters of Citizens Republic Bancorp. Citizens Republic Bancorp is a diversified financial services company providing a wide range of commercial, consumer, mortgage banking, trust, and financial planning services to a broad client base. Also, the local office of Marcia L. Fudge, Congresswoman from the Ohio Eleventh Congressional District is located in the office park complex.

The City continues to make significant progress in its efforts to strengthen its economic base and community development. The construction of a ninety-seven (97) bed nursing home in the Emery Road Office Park Complex is projected to be completed in fall 2009. The estimated construction cost of this project is approximately \$8 million.

Relevant Financial Policies

The City established its first Community Reinvestment Act (CRA) in June 1994 under State law. It has since created two additional CRAs to include more land within the boundaries of the City. This program offers real property tax abatement for construction and expansion of commercial facilities located within a designated area. The City has been able to recruit new commercial companies and retain existing ones as a result of the CRA program. Abatement has been granted up to 50 percent over 15 years. The City shares a percentage of the increased payroll withholding taxes through the abatement period with the City's school district.

Due to the economic downturn, construction of the residential development known as Cinema Park has been halted. Rysar Properties began construction of Cinema Park in 2007, consisting of ninety-seven (97) single-family homes on the 21-acre site of the former Miles Drive-In Theatre. Twelve units in the development have already been built. The price of these homes ranges from \$175,000 to \$250,000. The developer will pay homage to the property's past by naming model homes after famous movies; and streets after movie stars. The City is participating in this project by offering 75 percent tax abatement for 12 years. It is also issuing notes in anticipation of the levy and collection of special assessments to pay the cost of constructing the infrastructure. When completed, Cinema Park was projected to add approximately \$15 to \$20 million to the City's total residential property value.

Major Initiatives

In May 2009, the electors of the City voted to increase the income tax rate from 2.00 percent to 2.60 percent. Revenues from the tax increase will be used for constructions of a YMCA recreational center and for various other capital improvement projects.

Long-Term Financial Planning

The Administration is committed to working with the business community and residents to assure that the City of Warrensville Heights provides a high quality of life and services. Redevelopment of two abandoned commercial properties continues to be a primary focus. The City submitted a winning application for Clean Ohio Revitalization Funds and received a grant in the amount of \$1,637,000. Remediation of the site was completed in 2006. With these funds, the environmental hazards were removed and the buildings demolished. The City has agreements with the Cuyahoga County Public Library system to build a 25,000 square foot facility and with the YMCA to operate a 40,000 square foot recreation/community center on the

site. The City will issue notes/bonds to construct the recreation/community center facility. Both projects will be completed in the fall of 2011.

Awards and Acknowledgements

Awards - 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 Warrensville Heights for its comprehensive annual financial report for the year ended December 31, 2008.

In order to be awarded a **Certificate of Achievement for Excellence in Financial Reporting**, a government unit must publish a reader friendly and efficiently organized comprehensive annual financial report which satisfies all program standards. Such a report must also conform to generally accepted accounting principles, and satisfy all applicable legal requirements respective to the reporting entity.

The Award is valid for a period of one year. We believe that our report for the year ended December 31, 2009, continues to meet the standards of the Award program. Therefore, we are submitting it to GFOA at this time.

Acknowledgements This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to City Council for their enthusiastic support and their granting of funds for this project. Appreciation is also expressed to all City Hall Department Heads for their cooperation and assistance.

Respectfully submitted,

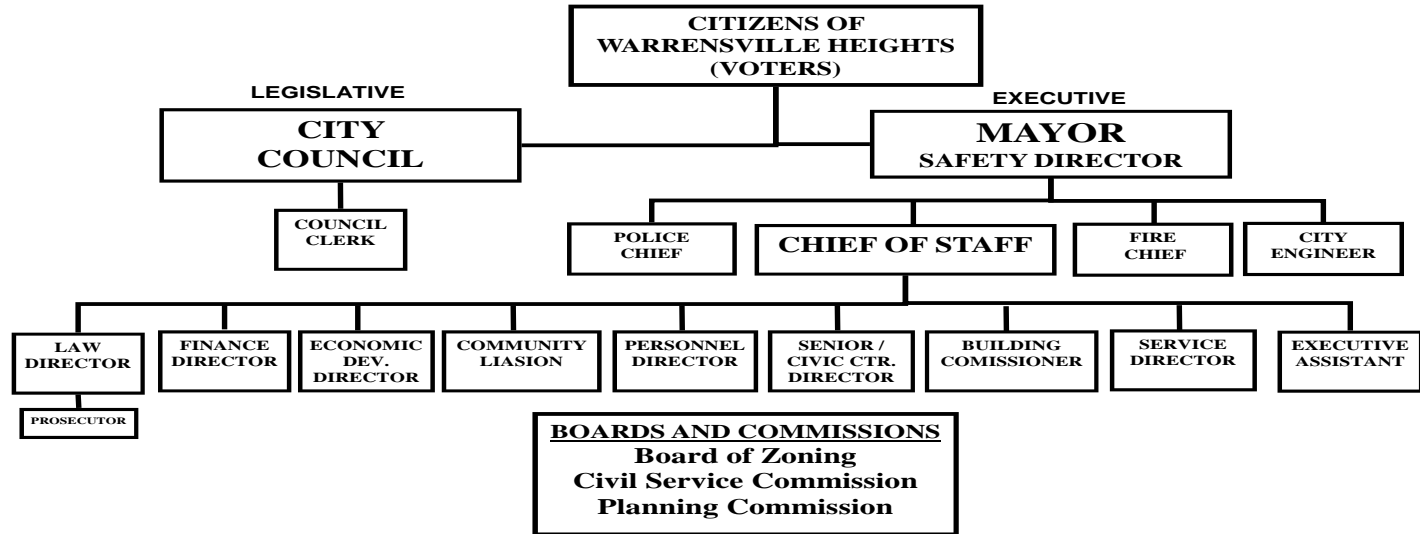


Clinton Hall
Mayor



Rubin K. Moultrie, CPA
Finance Director

CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART



The Boards and Commissions are appointed by the Mayor

CITY OF WARRENSVILLE HEIGHTS
ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR CLINTON HALL

CITY COUNCIL

Dorise Thompson, President, Ward 1

Deborah A. Hill, Ward 2

Elona C. White, Ward 3

Ruby Nelson, Ward 4

Darnell Robertson, Ward 5

Pauline Goode, Ward 6

Kimberly Hodge-Edwards, Ward 7

APPOINTED OFFICIALS

Barbara L. Walker, Chief of Staff

Edward C. Coaxum Jr., Director of Law

Rubin K. Moultrie, Director of Finance

A. C. Williams, Director of Service

Frank Bova, Chief of Police

Stanley Martin, Chief of Fire

Carolyn Patrick, Personnel Director

Bradley Sellers, Economic Development Director

Melvin Lester, Building Commissioner

Linda Gay, Director Civic and Senior Center

GPD Associates, City Engineer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warrensville 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.



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

Financial Section

Independent Auditors' Report

Members of the City Council
Warrensville Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio (the "City") 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 City's 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position 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.

As described in Note 18 to the financial statements, the City 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*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2010, on our consideration of the City's internal control over financial reporting and on 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.

Members of the City Council
Warrensville Heights, Ohio

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ciuni & Panichi, Inc.

Cleveland, Ohio
July 28, 2010

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) For the Year Ended December 31, 2009

The discussion and analysis of the City of Warrensville Heights' (the City) financial performance provides an overall review of the City's financial activities for the 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 information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The liabilities of the City exceeded its assets at December 31, 2009 by \$1,207,428.
- Total assets decreased by \$502,244 in 2009 which represents a decrease of 2.27 percent from 2008. The decrease was due primarily to a decrease in cash and cash equivalents and intergovernmental receivables offset by an increase in income tax receivables.
- Total liabilities increased by \$290,243 in 2009, which represents an increase of 1.29 percent from 2008. Other liabilities increased \$990,451 due mainly to increases in intergovernmental payables along with short-term notes payable. Long-term liabilities decreased \$700,208 due to the payment of annual debt service requirements and the shift of long-term notes payable to short-term notes payable.
- In total, net assets of the City decreased by \$792,487 during 2009. This represents a decrease of 190.99 percent from 2008. The current economic condition facing the City has had a negative impact on the City's finances. This is the main reason for the decrease in net assets during 2009.

Using this Annual Financial Report

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

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

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2009

The City as a Whole

Statement of Net Assets and the Statement of Activities

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2009

reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

Government-wide Financial Analysis – The City as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2009 compared to 2008.

Table 1 - Net Assets

	Governmental Activities	
	2009	2008
<u>Assets</u>		
Current and Other Assets	\$ 7,393,302	\$ 7,752,847
Capital Assets	14,247,334	14,390,033
Total Assets	21,640,636	22,142,880
<u>Liabilities</u>		
Other Liabilities	9,601,156	8,610,705
Long-term Liabilities:		
Due Within One year	1,867,757	2,143,210
Due in More Than One Year	11,379,151	11,803,906
Total Liabilities	22,848,064	22,557,821
<u>Net Assets</u>		
Invested in Capital Assets, Net of Debt	(2,121,770)	(2,136,804)
Restricted	2,405,479	2,160,653
Unrestricted (Deficit)	(1,491,137)	(438,790)
Total Net Assets	\$ (1,207,428)	\$ (414,941)

Total assets decreased by \$502,244 from 2008 to 2009. Of that decrease, the most significant changes were in cash and cash equivalents, which decreased by \$379,773, and intergovernmental receivable, which decreased by \$389,469. Income taxes receivable increased by \$484,553.

Total liabilities increased by \$290,243 in 2009. The increase is primarily due to the increase in short-term notes payable of \$492,000 along with an increase in intergovernmental payables of \$594,901. The increases were offset by a decrease in long-term liabilities of \$700,208.

Total net assets had a deficit balance of \$1,207,428 at December 31, 2009, which is a decrease over last year's deficit of \$414,941. A large portion of the City's net assets reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. In 2009, the City had capital assets of \$14,247,334 and related debt of \$16,369,104. The excess of \$2,121,770 of related debt over capital assets reflects the use of note proceeds for road maintenance which is not capitalized. The City uses the capital assets to provide services to citizens; therefore, the assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2009

to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Table 2 shows the change in net assets for the year ended December 31, 2009 compared to 2008.

Table 2 - Change in Net Assets

	Governmental Activities	
	2009	2008
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 913,993	\$ 979,980
Operating Grants and Contributions	548,446	707,808
Capital Grants and Contributions	770,621	654,493
Total Program Revenues	2,233,060	2,342,281
General Revenues:		
Property Taxes	1,848,347	2,427,496
Income Taxes	10,857,890	11,735,849
Grants and Entitlements	1,514,445	1,418,423
Investment Income	2,137	40,642
Other	110,512	140,434
Total General Revenues	14,333,331	15,762,844
Total Revenues	16,566,391	18,105,125
<u>Program Expenses</u>		
Security of Persons and Property		
Police and Others	5,097,249	6,024,849
Fire	4,140,298	3,685,852
Public Health Services	55,903	54,833
Leisure Time Activities	302,387	326,782
Community Development	953,234	1,256,777
Basic Utility Services	1,562,976	1,772,473
Transportation	1,773,859	2,209,178
General Government	2,907,654	3,078,419
Interest and Fiscal Charges	565,318	627,851
Total Program Expenses	17,358,878	19,037,014
Increase in Net Assets	(792,487)	(931,889)
Net Assets, Beginning of Year	(414,941)	516,948
Net Assets, End of Year	\$ (1,207,428)	\$ (414,941)

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2009

Governmental Activities

Several revenue sources fund the governmental activities with the City income tax being the largest contributor. Under the accrual basis of accounting, the City's income tax accounted for \$10,857,890 or 65.54 percent of total revenues. The electorates of the City voted to change the income tax rate from 2.00 percent to 2.60 percent on May 5, 2009, which took effect on July 1, 2009.

The City had a decrease of \$877,959 from revenues generated from income taxes. The decrease in income tax collections is due to the downturn in the economy which has negatively impacted the City's income tax base. As stated above, income tax revenues accounted for 65.54 percent of the City's total 2009 revenues of \$16,566,391. Property taxes of \$1,848,347 account for 11.16 percent of total revenues. Unrestricted grants and entitlements of \$1,514,445 account for 9.14 percent of total revenue. All other revenue sources of \$2,345,709 account for the remaining 14.16 percent of the City's 2009 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially income taxes.

Security of persons and property, including the Police and Fire departments, accounted for program expenses of \$9,237,547, which is 53.22 percent of total City expenses for 2009. The general government expenses accounted for \$2,907,654, or 16.75 percent of total expenses. The transportation expenses, primarily the Service Department, accounted for \$1,773,859, or 10.22 percent of total expenses.

The police and fire departments continue to provide the public with informative programs in a professional manner. The departments will continue to look for ways to expand our services and develop new public education programs for the community.

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,041,600 and expenditures of \$18,147,876. The most significant fund is the General Fund with an unreserved fund balance at year-end of \$221,247. In 2009, the fund balance of the General Fund decreased by \$383,866.

The City's other major funds are the General Obligation Bond Retirement Fund, the Cinema Park capital projects fund, and the Snavely Project capital projects fund. The General Obligation Bond Retirement fund is used to pay the City's outstanding general obligation bonds and special assessment bonds, and also accounts for property tax and special assessment revenues which help to make it a major fund. The General Obligation Bond Retirement's fund balance increased by \$280,721 to a fund balance of \$257,832 at December 31, 2009. This increase in fund balance is mainly due to revenues collected exceeded current year debt service requirements. The Cinema Park fund accounts for note proceeds used to pay the infrastructure costs for the Cinema Park development. The Cinema Park fund's balance had a minor decrease of \$113,620 to a deficit balance of \$2,621,006 at December 31, 2009. The Snavely Project fund accounts for note proceeds to pay for the costs of construction for a new development in the City. The Snavely Project fund's balance had a minor decrease of \$80,754 to a deficit balance of \$2,101,502 at December 31, 2009.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2009

The combined fund balance for all of the City's funds had a deficit of \$4,168,786. On a cash basis, short-term note proceeds appear as fund revenues, but on a modified accrual basis the short-term notes appear as a liability. The negative balance will be eliminated when the notes are retired.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and after a discussion at a Finance Committee meeting, which is open to the public, the budget is adopted by City Council at a regularly held Council meeting at the object level for all other funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund.

The General Fund supports many of our major activities including the Police department, Fire department, and most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Both the original revenue and expenditure budget is designed to be very conservative, requiring additional spending requests to be approved by Council throughout the year. During the course of 2009, the City amended its General Fund budget numerous times in response to departmental needs. The original budgeted revenue amount was \$15,318,307 and the final budgeted revenue amount was \$15,957,411, for an increase of \$639,104. The increase was due mainly to an increase in income taxes. The final budgeted expenditure amount exceeded the original budget by \$561,393. The increase is due mainly to the labor agreement reached with the Police bargaining units. The previous agreements expired December 31, 2005.

The final budgeted revenues exceeded actual revenues by \$2,507,000, primarily due to the City receiving less income tax than anticipated.

Capital Assets and Debt Administration

Capital Assets

At the end of 2009, the City had \$14,247,334 invested in land, construction in progress, buildings, land improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure. Table 3 shows 2009 balances of capital assets as compared to 2008.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2009

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

	Governmental Activities	
	2009	2008
Land	\$ 3,133,700	\$ 3,133,700
Buildings	1,408,136	1,398,694
Land Improvements	332,422	359,638
Machinery and Equipments	162,175	294,128
Furniture and Fixtures	40,249	40,249
Vehicles	846,243	865,429
Infrastructure:		
Roads	4,861,931	4,741,111
Sanitary Sewers	1,184,602	1,218,964
Waterlines	1,032,908	1,060,892
Storm Sewers	1,244,968	1,277,228
Total Capital Assets	\$ 14,247,334	\$ 14,390,033

Capital assets decreased by \$142,699 in 2009. The reason for this decrease was due largely to annual depreciation expenses exceeding capital outlay.

The City Engineer maintains a comprehensive listing of all the roads, sewer and waterlines, and bridges and culverts within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. The City has taken an aggressive approach in pursuing funding to assist in the financing of infrastructure projects. See Notes 2 and 11 of the basic financial statements for additional information on capital assets.

Long-Term Obligations

At December 31, 2009, the City had \$13,246,908 in outstanding long-term obligations, of which debt obligations primarily consisted of \$1,437,037 in general obligation bonds and \$8,892,000 in various purpose notes. Table 4 summarizes the long-term obligations outstanding.

Table 4 - Outstanding Long-Term Obligations at December 31

	Governmental Activities	
	2009	2008
General Obligation Bonds	\$ 1,437,037	\$ 2,110,162
Special Assessment Bonds	173,673	229,117
Bond Anticipation Notes	8,892,000	8,818,000
Compensated Absences	2,116,173	2,181,040
Claims Payable	288,631	274,239
Capital Leases	339,394	334,558
Total Outstanding Debt	\$ 13,246,908	\$ 13,947,116

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2009

The general obligation bonds were issued in 1999 and 2003 for the following purposes: improving Sunset Drive, Banbury Circle, Ascot Lane, and certain other streets by paving and resurfacing them; renovating, remodeling and furnishing City Hall; acquiring a recycling packer for the Service Department; refurbishing the culverts on Mill Creek, Longbrook Road, and South Miles Road; and reconstructing the roof at City Hall, Fire Station Number 2, and the Service Garage.

The special assessment bonds were issued in 1988 and 2003 for neighborhood street improvement projects. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor.

The City's overall legal debt margin was \$27,749,311 with an unvoted legal debt margin of \$13,973,827 on December 31, 2009. For more information about the City's long-term obligations and short-term note activity, see Notes 12, 13 and 14 to the basic financial statements.

Current Financial Related Activities

The City has felt the effect of the economic downturn that stalled the economy of the State of Ohio and the nation as a whole the past couple of years. The City is optimistic that the next few years will bring closure to this period of downturn. Even though the income tax revenues in 2009 were less than the amount generated in 2008, the City anticipates receiving the benefits of the income tax rate increase in the first quarter of 2010. Expenditures are being closely monitored monthly at the department level as well as the Mayoral level. The Mayor encouraged Directors to operate their departments at a level that will continue City services at a high level. While the cost increases for medical insurance are unavoidable in today's environment, the City is working diligently with the collective bargaining units to maintain a high level of coverage for all employees at the lowest cost possible. The non-bargaining employees have begun contributing towards the medical plan premium.

Contacting the City of Warrensville 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. If you have questions about this report or need additional financial information, contact the Finance Director Rubin K. Moultrie, CPA, at the City of Warrensville Heights, 4301 Warrensville Center Road, Warrensville Heights, Ohio 44128, (216) 587-1104, or e-mail to rmoultrie@cityofwarrensville.com.

Basic Financial Statements

City of Warrensville Heights, Ohio

Statement of Net Assets

December 31, 2009

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 1,075,496
Materials and Supplies Inventory	89,708
Accounts Receivable	278,376
Intergovernmental Receivable	781,443
Prepaid Items	54,465
Income Taxes Receivable	2,737,378
Property Taxes Receivable	2,071,695
Special Assessments Receivable	270,841
Deferred Charges	33,900
Nondepreciable Capital Assets	3,133,700
Depreciable Capital Assets	11,113,634
Total Assets	<u>21,640,636</u>
LIABILITIES	
Accounts Payable	283,749
Contracts Payable	23,032
Accrued Wages and Benefits	340,695
Intergovernmental Payable	1,204,774
Matured Compensated Absences Payable	98,369
Accrued Interest Payable	249,195
Retainage Payable	22,523
Deferred Revenue	1,381,819
Notes Payable	5,997,000
Long-term Liabilities:	
Due within one year	1,867,757
Due in more than one year	11,379,151
Total Liabilities	<u>22,848,064</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	(2,121,770)
Restricted for:	
Debt Services	359,660
Capital Projects	857,341
Streets	555,791
Police	96,712
Fire	76,928
Building Levy	58,305
Other Purposes	400,742
Unrestricted (Deficit)	(1,491,137)
Total Net Assets	<u>\$ (1,207,428)</u>

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Activities

For the Year Ended December 31, 2009

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
Primary Government:		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net</u>
Governmental activities:			<u>Contributions</u>	<u>Contributions</u>	<u>Assets</u>
Security of Persons and Property:					<u>Governmental</u>
Police and Others	\$ 5,097,249	\$ 212,881	\$ 17,337	\$ 100,000	\$ (4,767,031)
Fire	4,140,298	363,966	-	-	(3,776,332)
Public Health Services	55,903	-	-	-	(55,903)
Leisure Time Activities	302,387	28,409	-	122,409	(151,569)
Community Development	953,234	19,149	-	269,416	(664,669)
Basic Utility Services	1,562,976	-	-	-	(1,562,976)
Transportation	1,773,859	4,031	481,369	-	(1,288,459)
General Government	2,907,654	285,557	49,740	278,796	(2,293,561)
Interest and Fiscal Charges	565,318	-	-	-	(565,318)
Total Governmental activities	<u>\$ 17,358,878</u>	<u>\$ 913,993</u>	<u>\$ 548,446</u>	<u>\$ 770,621</u>	<u>(15,125,818)</u>
General Revenues:					
Property and Other Local Taxes levied for:					
General Purposes					664,309
Debt Service Purpose					573,336
Other Purposes					610,702
Income Taxes levied for:					
General Purposes					10,857,890
Grants & Entitlements not restricted to specific programs					1,514,445
Investment Income					2,137
All Other Revenues					<u>110,512</u>
Total General Revenues and Transfers					<u>14,333,331</u>
Change in Net Assets					<u>(792,487)</u>
Net Assets - Beginning of Year					<u>(414,941)</u>
Net Assets - End of Year					<u>\$ (1,207,428)</u>

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Balance Sheet – Governmental Funds

December 31, 2009

	General Fund	General Obligation Bond Retirement	Cinema Park	Snavelly Project	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 156,924	\$ 49,640	\$ 10,302	\$ 858,630	\$ 1,075,496
Materials and Supplies Inventory	89,708	-	-	-	-	89,708
Accounts Receivable	278,376	-	-	-	-	278,376
Interfund Receivable	122,149	147,862	-	-	486,461	756,472
Intergovernmental Receivable	502,146	26,345	-	-	252,952	781,443
Prepaid Items	54,465	-	-	-	-	54,465
Income Taxes Receivable	2,737,378	-	-	-	-	2,737,378
Property Taxes Receivable	401,536	865,034	-	-	805,125	2,071,695
Special Assessments Receivable	-	270,841	-	-	-	270,841
Total Assets	\$ 4,185,758	\$ 1,467,006	\$ 49,640	\$ 10,302	\$ 2,403,168	\$ 8,115,874
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 279,618	\$ -	\$ -	\$ -	\$ 4,131	\$ 283,749
Accrued Wages	340,695	-	-	-	-	340,695
Contracts Payable	-	-	17,535	-	5,497	23,032
Intergovernmental Payable	1,204,774	-	-	-	-	1,204,774
Matured Compensated Absences Payable	98,369	-	-	-	-	98,369
Accrued Interest Payable	-	-	21,111	16,804	14,154	52,069
Retainage Payable	-	-	-	-	22,523	22,523
Interfund Payable	634,323	46,954	-	-	75,195	756,472
Deferred Revenue	1,358,420	1,162,220	-	-	985,337	3,505,977
Notes Payable	-	-	2,632,000	2,095,000	1,270,000	5,997,000
Total Liabilities	3,916,199	1,209,174	2,670,646	2,111,804	2,376,837	12,284,660
Fund Balances:						
Reserved for:						
Encumbrances	48,312	-	-	-	3,747	52,059
Unreserved:						
Undesignated (Deficits), Reported in:						
General Fund	221,247	-	-	-	-	221,247
Special Revenue Funds	-	-	-	-	755,159	755,159
Debt Service Funds	-	257,832	-	-	-	257,832
Capital Projects Funds	-	-	(2,621,006)	(2,101,502)	(732,575)	(5,455,083)
Total Fund Balances (Deficits)	269,559	257,832	(2,621,006)	(2,101,502)	26,331	(4,168,786)
Total Liabilities and Fund Balances	\$ 4,185,758	\$ 1,467,006	\$ 49,640	\$ 10,302	\$ 2,403,168	\$ 8,115,874

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities December 31, 2009

Total Governmental Fund Balances (Deficit)		\$ (4,168,786)
<i>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</i>		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds		14,247,334
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property and other taxes	\$ 634,288	
Municipal income taxes	479,016	
Special assessments	270,841	
Intergovernmental	522,791	
Charges for services	217,222	
Total	2,124,158	2,124,158
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.		(197,126)
Bond issuance costs will be amortized over the life of the bonds on the Statement of Net Assets.		33,900
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds - net of refunding loss	(1,437,037)	
Special assessment bonds	(173,673)	
Bond anticipation notes	(8,892,000)	
Capital leases	(339,394)	
Claims and judgment payable	(288,631)	
Compensated absences	(2,116,173)	
Total	(13,246,908)	(13,246,908)
Net Assets of Governmental Activities		\$ (1,207,428)

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds For the Year Ended December 31, 2009

	General Fund	General Obligation Bond Retirement	Cinema Park	Snavely Project	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 430,681	\$ 552,024	\$ -	\$ -	\$ 590,122	\$ 1,572,827
Income Taxes	11,099,006	-	-	-	-	11,099,006
Other Taxes	226,612	-	-	-	-	226,612
Intergovernmental	1,416,137	52,691	-	-	955,254	2,424,082
Interest	2,136	-	-	-	1	2,137
Licenses and Permits	262,502	-	-	-	3,000	265,502
Fines and Forfeitures	209,213	-	-	-	-	209,213
Charges for Services	423,884	-	-	-	1,266	425,150
Contributions and Donations	7,050	-	-	-	300	7,350
Special Assessments	-	620,621	-	-	70,000	690,621
All Other Revenues	101,201	-	-	-	17,899	119,100
Total Revenues	<u>14,178,422</u>	<u>1,225,336</u>	<u>-</u>	<u>-</u>	<u>1,637,842</u>	<u>17,041,600</u>
EXPENDITURES						
Security of Persons and Property:						
Police and Others	4,744,647	-	-	-	223,753	4,968,400
Fire	3,831,064	-	-	-	218,329	4,049,393
Public Health	55,903	-	-	-	-	55,903
Leisure Time Activities	288,646	-	-	-	-	288,646
Community Development	704,912	-	-	-	244,191	949,103
Basic Utility Service	1,310,451	-	-	-	-	1,310,451
Transportation	1,472,847	-	-	-	416,527	1,889,374
General Government	2,616,677	1,089	-	-	161,866	2,779,632
Capital Outlay	-	-	41,282	8,000	343,308	392,590
Debt Service:						
Principal Retirement	198,478	740,000	-	-	-	938,478
Interest and Fiscal Charges	27,332	29,822	72,338	72,754	323,660	525,906
Total Expenditures	<u>15,250,957</u>	<u>770,911</u>	<u>113,620</u>	<u>80,754</u>	<u>1,931,634</u>	<u>18,147,876</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,072,535)</u>	<u>454,425</u>	<u>(113,620)</u>	<u>(80,754)</u>	<u>(293,792)</u>	<u>(1,106,276)</u>
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	1,960	-	-	-	-	1,960
Inception of Capital Leases	203,314	-	-	-	-	203,314
Notes Issued	470,000	-	-	-	8,422,000	8,892,000
Current Refundings	-	-	-	-	(8,818,000)	(8,818,000)
Transfers In	13,395	-	-	-	160,309	173,704
Transfers Out	-	(173,704)	-	-	-	(173,704)
Total Other Financing Sources (Uses)	<u>688,669</u>	<u>(173,704)</u>	<u>-</u>	<u>-</u>	<u>(235,691)</u>	<u>279,274</u>
Net Change in Fund Balances	<u>(383,866)</u>	<u>280,721</u>	<u>(113,620)</u>	<u>(80,754)</u>	<u>(529,483)</u>	<u>(827,002)</u>
Fund Balances (Deficits) - Beginning of Year	653,425	(22,889)	(2,507,386)	(2,020,748)	555,814	(3,341,784)
Fund Balances (Deficits) - End of Year	<u>\$ 269,559</u>	<u>\$ 257,832</u>	<u>\$ (2,621,006)</u>	<u>\$ (2,101,502)</u>	<u>\$ 26,331</u>	<u>\$ (4,168,786)</u>

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2009

Net Change in Fund Balances-Total Governmental Funds	\$	(827,002)
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$	529,475	
Depreciation		(672,174)	
Total			(142,699)

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

Property and other taxes	48,908	
Municipal income taxes	(241,116)	
Special assessments	18,818	
Intergovernmental	(303,009)	
Charges for services	(770)	
Total		(477,169)

Other financing sources in the Governmental funds that increase long-term liabilities in the Statement of Net Assets.

Refunding notes issued	(8,892,000)	
Inception of capital leases	(203,314)	
Total		(9,095,314)

Repayment of bond, note and capital lease principal is an expenditure in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	9,756,478
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Accrued interest on bonds	(34,525)	
Amortization of bond issuance costs	(11,300)	
Amortization of accounting loss	(11,431)	
Total		(57,256)

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

Claims payable	(14,392)	
Compensated absences	64,867	
Total		50,475

Change in Net Assets of Governmental Activities	\$	<u>(792,487)</u>
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The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 485,108	\$ 560,000	\$ 430,681	\$ (129,319)
Income Taxes	11,782,820	12,610,660	10,373,337	(2,237,323)
Other Taxes	246,215	222,500	218,591	(3,909)
Intergovernmental	1,572,032	1,201,000	1,395,656	194,656
Interest	2,406	75,000	2,136	(72,864)
Fees, Licenses and Permits	294,999	348,250	261,901	(86,349)
Fines and Forfeitures	310,588	300,000	213,996	(86,004)
Charges for Services	504,099	393,950	447,541	53,591
Contributions and Donations	7,941	50	7,050	7,000
All Other Revenues	112,099	246,001	99,522	(146,479)
Total Revenues	<u>15,318,307</u>	<u>15,957,411</u>	<u>13,450,411</u>	<u>(2,507,000)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police	4,676,680	5,006,845	4,526,631	480,214
Fire	3,111,099	3,659,386	3,528,754	130,632
Public Health Services	57,000	57,000	55,903	1,097
Leisure Time Activates	278,987	293,216	284,015	9,201
Community Development	877,910	713,855	685,475	28,380
Basic Utility Services	1,324,777	1,369,777	1,332,844	36,933
Transportation	1,308,814	1,365,642	1,353,771	11,871
General Government	3,143,746	2,997,685	2,664,767	332,918
Total Expenditures	<u>14,779,013</u>	<u>15,463,406</u>	<u>14,432,160</u>	<u>1,031,246</u>
Excess of Revenues Over (Under) Expenditures	<u>539,294</u>	<u>494,005</u>	<u>(981,749)</u>	<u>(1,475,754)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	1,960	1,960
Advances In	-	-	225,336	225,336
Transfers Out	(123,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(123,000)</u>	<u>-</u>	<u>227,296</u>	<u>227,296</u>
Net Change in Fund Balance	416,294	494,005	(754,453)	(1,248,458)
Fund Balance - Beginning of Year	110,130	110,130	110,130	-
Prior Year Encumbrances Appropriated	92,958	92,958	92,958	-
Fund Balance - End of Year	<u>\$ 619,382</u>	<u>\$ 697,093</u>	<u>\$ (551,365)</u>	<u>\$ (1,248,458)</u>

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds December 31, 2009

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 386,063
Total Assets	<u>\$ 386,063</u>
Liabilities	
Deposits Held and Due to Others	\$ 386,063
Total Liabilities	<u>\$ 386,063</u>

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2009

Note 1 – Description of the City and Reporting Entity

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

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, this includes the agencies and departments that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services. The City’s departments include a public safety department, a public service department, a street maintenance department, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operations of each of these activities and entities are directly controlled by the City Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization’s resources; or 3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City is associated with one jointly governed organization. This organization is the First Suburbs Consortium of Northeast Ohio Council of Governments. This organization is presented in Note 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Warrensville Heights have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. The most significant of the City’s accounting policies are described below.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended 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 statements usually distinguish between those activities that are governmental and those that are considered business-type; the City, however, has no business-type activities.

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

Fund Financial Statements

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

B. Fund Accounting

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

Governmental Funds

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

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

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

Cinema Park Fund - The Cinema Park Fund accounts for note proceeds used to pay the cost of the infrastructure improvements at the new housing development project.

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

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

Fiduciary Funds

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues – Exchange and 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. For the City, available means expected to be received within sixty days of year-end.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

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 year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from 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 and motor vehicle license fees), fines and forfeitures, interest, grants, and rentals.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 - Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During the year, the City's investments were limited to STAROhio.

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

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund and the Bureau of Justice Grant and Local Law Enforcement Block Grant special revenue funds. Interest revenue credited to the General Fund during 2009 amounted to \$2,136.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. Inventory

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

H. Capital Assets

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back-trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using the appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

The City's infrastructure consists of roads, sewers and waterlines, and includes infrastructure acquired prior to December 31, 1980.

I. Interfund Balances

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments 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 capital leases are recognized as a liability on the governmental fund financial statements when due.

L. Fund Balance Reserves

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restriction imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net assets reports \$2,405,479 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include various federal and state grant funds.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

M. Net Assets (Continued)

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

N. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

O. Bond Issuance Costs

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

P. Deferred Loss of Refunding

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

Q. Extraordinary and Special Items

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

R. Estimates

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 2 - Summary of Significant Accounting Policies (continued)

S. Budgetary Process

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

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

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

Note 3 - Change in Accounting Principles

For fiscal year 2009, the City implemented GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The 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 the AICPA Statements of on Auditing Standards*.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles for state and local governments into the GASB's authoritative literature.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the AICPA's Statements on Auditing Standards.

The implementation of GASB Statements No. 52, 55 and 56 did not affect the presentation of the financial statements of the City.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 4 – Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of December 31, 2009:

Major Funds:	
Cinema Park	\$ 2,621,006
Snavelly Project	2,101,502
Nonmajor Funds:	
<u>Special Revenue Funds</u>	
Bureau of Justice Grant	148
Community Development Block Grant	11,319
2007 Nature Works Grant	19,589
<u>Capital Projects Funds</u>	
Emery Woods Project	880,033
Town Center Project	5,944

The deficits in the nonmajor special revenue funds are caused by the recognition of expenditures on the modified accrual basis of accounting. The General Fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur. The deficits in the major and nonmajor capital projects funds are the result of the issuance of anticipation notes which are used to finance projects until bonds are issued. Once the notes are retired or the bonds are issued, the deficits will be eliminated.

B. Compliance

1 - Contrary to Ohio Revised Code Section 5705.10, the City had a negative cash balance in the General fund in the amount of \$634,323, indicating that revenues from other sources were used to pay obligations of the fund.

Although this violation was not corrected by year end, management has indicated that cash balances will be closely monitored to eliminate any future violations.

2 - Contrary to Section 5705.39, Ohio Revised Code, the following fund had original and final appropriations in excess of estimated resources plus beginning balances:

	Estimated Revenue Plus Beginning Balances	Appropriations	Excess
<u>Special Revenue</u>			
Juvenile Diversion Program	\$ 15,773	\$ 16,500	\$ 727

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 4 – Accountability and Compliance (Continued)

B. Compliance (Continued)

Management has indicated that appropriations will be closely monitored to ensure no future violations occur.

3 - Contrary to Section 5705.41(B), Ohio Revised Code, the following funds had actual expenditures in excess of final appropriations at the legal level of budgetary control:

	Final Appropriations	Actual Expenditures	Variance
<u>General Fund</u>			
Security of Persons and Property			
Police Department			
Contractual Services	\$ 171,326	\$ 232,109	\$ (60,783)
Fire Department			
Materials and Supplies	177,126	186,466	(9,340)
Contractual Services	2,750	49,782	(47,032)
Leisure Time Activities			
Community Activities			
Materials and Supplies	76,670	78,636	(1,966)
Civic Center			
Capital Outlay	-	417	(417)
Community Development			
Economic Development			
Capital Outlay	90	637	(547)
Transportation			
Service Department			
Personal Services	916,490	935,897	(19,407)
Contractual Services	3,860	49,710	(45,850)
General Government			
Mayor			
Materials and Supplies	23,525	24,013	(488)
Finance Department			
Personal Services	404,836	406,112	(1,276)
Legal			
Personal Services	123,436	156,275	(32,839)

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 4 – Accountability and Compliance (Continued)

B. Compliance (Continued)

	Final Appropriations	Actual Expenditures	Variance
<u>General Fund</u> (continued)			
Human Resources			
Materials and Supplies	4,597	6,606	(2,009)
Capital Outlay	40	69	(29)
Information Technology			
Contractual Services	189,795	192,271	(2,476)
Lands and Buildings			
Contractual Services	207,000	227,743	(20,743)
<u>Special Revenue Funds</u>			
Street Construction, Maintenance and Repair Fund			
Transportation			
Traffic Control			
Contractual Services	15,000	45,502	(30,502)
Police Salary and Equipment Fund			
Security of Persons and Property			
Police and Others			
Capital Outlay	15,500	20,036	(4,536)
Building Levy Fund			
General Government			
Building Levy			
Contractual Services	100,000	150,437	(50,437)
Fire Pension Fund			
Security of Persons and Property			
Fire			
Personal Services	75,000	104,000	(29,000)
EMS Computer Grant Fund			
Security of Persons and Property			
Fire			
Capital Outlay	-	4,329	(4,329)
Economic Development Stimulus Incentive Grant Fund			
Community Development			
Community Development			
Contractual Services	-	5,115	(5,115)

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 4 – Accountability and Compliance (Continued)

B. Compliance (Continued)

	Final Appropriations	Actual Expenditures	Variance
<u>General Obligation Bond Retirement Fund</u>			
Debt Service:			
Principal - G.O. Bonds	739,556	740,000	(444)
Principal - Notes	14,323,000	15,393,000	(1,070,000)
Interest & Fiscal Charges - Notes	360,000	393,641	(33,641)
 <u>Capital Projects Funds</u>			
Snavelly Project Fund			
Capital Outlay:			
Contractual Services	2,800	8,000	(5,200)
 Street Improvement Fund			
Capital Outlay:			
Other Expenses	-	1,717	(1,717)
 Town Center Project Fund			
Capital Outlay:			
Contractual Services	30,000	68,869	(38,869)
Other Expenses	-	2,103	(2,103)

Management has indicated that appropriations and corresponding expenditures will be closely monitored to ensure no future violations occur.

Note 5 – Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 5 – Budgetary Basis of Accounting (Continued)

4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transaction (GAAP).

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$ (383,866)
Increase (Decrease) Due to:	
Revenue Accruals	(1,446,610)
Advances In	225,336
Transfers In	(13,395)
Beginning Unrecorded Cash	23,811
Ending Unrecorded Cash	21,474
Expenditure Accruals	892,974
Net Impact of Encumbrances	<u>(74,177)</u>
Budgetary Basis	<u><u>\$ (754,453)</u></u>

Note 6 – Deposits and Investments

The City follows State statute and classifies held monies into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the City treasury. Active 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 public deposits that the Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of 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 deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the City can be deposited or invested in the following securities:

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 6 – Deposits and Investments (Continued)

1. United States Treasury bills, bonds, notes, 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations.
6. The State Treasurer's investment pool (STAROhio); and

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bond of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not of principal, interest, or coupon; and,
3. Obligations of the City.

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. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$291,598 of the City's bank balance of \$1,281,378 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 6 - Deposits and Investments (Continued)

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2009, the City had the following investment:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years) Less than 1</u>
STAROhio	\$ 30,223	\$ 30,223

Interest Rate Risk - The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk – STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities backed by a federal government agency or instrumentality are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 6 - Deposits and Investments (Continued)

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2009:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAROhio	100.00%

Note 7 - Receivables

Receivables at December 31, 2009 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year.

Special assessments expected to be collected in more than one year amount to \$117,673 in the General Obligation Bond Retirement Fund. At December 31, 2009, the amount of delinquent special assessments was \$86,103.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2009 taxes.

2008 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 7 – Receivables (Continued)

A. Property Taxes (Continued)

2009 tangible personal property taxes are levied after October 1, 2008, on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property assessments were phased out in 2009 to zero percent for all property including inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may be annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable September 20.

The full tax rate for all City operations for the year ended December 31, 2009, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 257,948,090
Public Property	5,346,390
Tangible Personal Property	12,215,192
Total	<u>\$ 275,509,672</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected.

Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the General Fund, the General Obligation Bond Retirement Fund, and the Police Salary and Equipment, Fire Salary and Equipment, Street Lighting, Building Levy, Fire Pension and Police Pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

Effective July 1, 2009, the City's income tax rate increased from 2.00 percent to 2.60 percent. This increase was approved by the electorate on May 5, 2009. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their Warrensville Heights City income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their City tax for Warrensville Heights. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the General Fund.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 7 – Receivables (Continued)

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Local government funds	\$ 424,328
Gasoline tax and Auto registration fees	235,682
Estate tax	47,333
Homestead and rollback	54,034
Public utility reimbursement	15,968
Permissive tax	2,291
Miscellaneous	1,807
Total	\$ 781,443

Note 8 - Interfund Transfers

Interfund transfers for the year ended December 31, 2009, consisted of the following:

	Transfers From
Transfers To	General Obligation Bond Retirement
General Fund	\$ 13,395
Nonmajor Governmental Fund	160,309
	\$ 173,704

The transfers from the General Obligation Bond Retirement debt service fund to the General fund and the Emery Woods Project nonmajor capital projects fund for \$13,395 and \$160,309, respectively were made for the annual debt service payments, which included the retirement of notes.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 9 – Interfund Balances

Intefund balances at December 31, 2009, consist of the following interfund receivable and payables:

Interfund Payable	Interfund Receivable			Total
	General	General Obligation Bond Retirement	Nonmajor Capital Projects	
<i>Major Governmental Funds:</i>				
General Fund	\$ -	\$ 147,862	\$ 486,461	\$ 634,323
General Obligation Bond Retirement Fund	46,954	-	-	46,954
<i>Nonmajor Governmental Funds:</i>				
Bureau of Justice Grant	148	-	-	148
COPS Grant	21,566	-	-	21,566
2007 Nature Works Grant	19,589	-	-	19,589
Community Development Block Grant	27,919	-	-	27,919
Town Center Project Fund	5,973	-	-	5,973
Total	<u>\$ 122,149</u>	<u>\$ 147,862</u>	<u>\$ 486,461</u>	<u>\$ 756,472</u>

The loan to the General Obligation Bond Retirement fund from the General fund was made to support programs and projects in this fund. The loans to the other nonmajor governmental funds from the General fund were made to cover expenditures until reimbursements are received. The loans from the General Obligation Bond Retirement fund and the nonmajor capital projects funds were made to eliminate the negative cash balance in the General fund. All of the loans will be repaid in 2010.

Note 10 - Contingencies

A. Litigation

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

B. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2009.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 11 – Capital Assets

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

	Balances 12/31/2008	Additions	Disposals	Balances 12/31/2009
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 3,133,700	\$ -	\$ -	\$ 3,133,700
Total Nondepreciable Assets	3,133,700	-	-	3,133,700
Depreciable Assets:				
Buildings	2,607,907	68,801	-	2,676,708
Land Improvements	698,004	-	-	698,004
Machinery and Equipment	1,732,541	30,025	-	1,762,566
Furniture and Fixtures	78,969	-	-	78,969
Vehicles	4,507,787	205,420	(136,744)	4,576,463
Infrastructure:				
Streets	7,843,069	225,229	-	8,068,298
Sewers	2,583,416	-	-	2,583,416
Water Lines	2,162,689	-	-	2,162,689
Storm Sewers	2,426,227	-	-	2,426,227
Total Depreciable Assets	24,640,609	529,475	(136,744)	25,033,340
Less Accumulated Depreciation				
Buildings	(1,209,213)	(59,359)	-	(1,268,572)
Land Improvements	(338,366)	(27,216)	-	(365,582)
Machinery and Equipment	(1,438,413)	(161,978)	-	(1,600,391)
Furniture and Fixtures	(38,720)	-	-	(38,720)
Vehicles	(3,642,358)	(224,606)	136,744	(3,730,220)
Infrastructure:				
Streets	(3,101,958)	(104,409)	-	(3,206,367)
Sewers	(1,364,452)	(34,362)	-	(1,398,814)
Water Lines	(1,101,797)	(27,984)	-	(1,129,781)
Storm Sewers	(1,148,999)	(32,260)	-	(1,181,259)
Total Accumulated Depreciation	(13,384,276)	(672,174) *	136,744	(13,919,706)
Total Depreciable Assets, Net	11,256,333	(142,699)	-	11,113,634
Governmental Activities Capital Assets, Net	\$ 14,390,033	\$ (142,699)	\$ -	\$ 14,247,334

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 11 – Capital Assets (Continued)

*Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property:	
Police and Others	\$ 103,705
Fire	99,383
Leisure Time Activities	13,741
Basic Utility Services	90,913
Transportation	234,480
General Government	129,952
Total Depreciation Expense	<u><u>\$ 672,174</u></u>

Note 12 – Long-Term Obligations

Original issuance amounts and interest rates of the City's debt issues are as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
<i>General Obligation Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05%-3.125%	\$ 2,131,447	2012
Current Interest Serial Bonds			
Capital Appreciation Bonds			
Unamortized Loss	n/a	(114,307)	2012
1999 Street Improvement	3.90%-5.40%	4,155,000	2014
<i>Special Assessment Bonds:</i>			
2003 Various Purpose			
Improvement Refunding Bonds	1.05%-3.125%	493,553	2012
<i>Long-Term Notes:</i>			
2009 Bond Anticipation Note	3.00%	2,317,000	2010
2009 Bond Anticipation Note	3.50%	5,640,000	2010
2009 Bond Anticipation Note	2.50%	935,000	2010

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 12 – Long-Term Obligations (Continued)

	Amount Outstanding 12/31/2008	Additions	Reductions	Amount Outstanding 12/31/2009	Amount Due In One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
2003 Various Purpose					
Improvement Refunding Bonds	\$ 955,883	\$ -	\$ 254,556	\$ 701,327	\$ 253,860
Unamortized Loss	(45,721)	-	(11,431)	(34,290)	-
Total Refunding Bonds	910,162	-	243,125	667,037	253,860
1999 Street Improvement	1,200,000	-	430,000	770,000	140,000
<i>Total General Obligation Bonds</i>	<u>2,110,162</u>	<u>-</u>	<u>673,125</u>	<u>1,437,037</u>	<u>393,860</u>
<i>Special Assessment Bonds with Governmental Commitment</i>					
2003 Various Purpose					
Improvement Refunding Bonds	229,117	-	55,444	173,673	56,140
<i>Total Special Assessment Bonds</i>	<u>229,117</u>	<u>-</u>	<u>55,444</u>	<u>173,673</u>	<u>56,140</u>
<i>Long-Term Notes</i>					
2009 Bond Anticipation Note	-	2,317,000	-	2,317,000	-
2009 Bond Anticipation Note	-	5,640,000	-	5,640,000	-
2009 Bond Anticipation Note	-	935,000	-	935,000	-
2008 Bond Anticipation Note	2,284,000	-	2,284,000	-	-
2008 Bond Anticipation Note	6,534,000	-	6,534,000	-	-
<i>Total Long-Term Notes</i>	<u>8,818,000</u>	<u>8,892,000</u>	<u>8,818,000</u>	<u>8,892,000</u>	<u>-</u>
<i>Other Long-Term Obligations</i>					
Compensated Absences	2,181,040	1,231,496	1,296,363	2,116,173	1,137,461
Claims Payable	274,239	117,131	102,739	288,631	95,487
Capital Leases	334,558	203,314	198,478	339,394	184,809
<i>Total Governmental Activities</i>	<u>\$ 13,947,116</u>	<u>\$10,443,941</u>	<u>\$11,144,149</u>	<u>\$ 13,246,908</u>	<u>\$ 1,867,757</u>

The voted general obligation and special assessment refunding bonds for various purpose improvements and the street improvement general obligation bonds will be paid with property tax revenue and special assessment revenue from the General Obligation Bond Retirement Fund. The special assessment bonds issued are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The \$2,284,000, various purpose improvement bond anticipation note issued February 5, 2008 at 2.60 percent outstanding at December 31, 2008, was rolled over into the \$2,352,000 (\$35,000 considered short-term) various purpose improvement bond anticipation note, issued February 4, 2009 at 3.00 percent and maturing February 3, 2010. As of December 31, 2009, all of the note proceeds were spent. The note is backed by the full faith and credit of the City.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 12 – Long-Term Obligations (Continued)

The \$6,575,000 (\$41,000 considered short-term) various improvement bond anticipation notes issued May 30, 2008 at 2.40 percent and outstanding at December 31, 2008, was rolled over into the \$5,905,000 various purpose improvement bond anticipation note issued May 28, 2009 at 3.50 percent and maturing February 3, 2010. As of December 31, 2009, \$265,000 of the \$5,905,000 note was considered short-term. The note is backed by the full faith and credit of the City.

The \$935,000 various improvement bond anticipation notes issued May 28, 2009 at 3.50 percent and maturing February 3, 2010. This note was issued to retire a portion of the \$3,444,000 various improvement bond anticipation notes issued September 17, 2008 at 2.85 percent and maturing on September 17, 2009. The \$935,000 note was considered long-term. The note is backed by the full faith and credit of the City.

Compensated absences, claims payable, and capital leases (see Notes 14 and 15 for additional detail on capital leases and claims payable) will be paid from the General Fund.

As of December 31, 2009, the City’s overall legal debt margin was \$27,749,311 and the unvoted legal debt margin was \$13,973,827.

Principal and interest requirements to retire the City’s long-term obligations outstanding at December 31, 2009 are as follows:

	General Obligation Bonds		Special Assessments Bonds		Totals
	Principal	Interest	Principal	Interest	
2010	\$ 393,860	\$ 55,968	\$ 56,140	\$ 11,387	\$ 517,355
2011	407,467	43,604	62,533	7,666	521,270
2012	335,000	31,660	55,000	1,760	423,420
2013	165,000	18,090	-	-	183,090
2014	170,000	9,180	-	-	179,180
Total	\$ 1,471,327	\$ 158,502	\$ 173,673	\$ 20,813	\$ 1,824,315

Note 13 – Note Debt

During 2009, the City retired \$5,505,000 of the outstanding bond anticipation notes and reissued \$7,067,000. In 2008, \$41,000 of the \$6,575,000 note was considered short-term.

The \$6,575,000 various improvement bond anticipation notes were issued May 30, 2008 at 2.40 percent and maturing May 29, 2009, was rolled over into the \$5,697,000 various improvement notes at 2.75 percent and maturing September 16, 2010.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 13 – Note Debt (Continued)

<u>Types/Issues</u>	<u>Balance 12/31/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2009</u>
2009 Bond Anticipation Notes	\$ -	\$ 1,070,000	\$ 1,070,000	\$ -
2009 Bond Anticipation Notes	-	5,697,000	-	5,697,000
2009 Bond Anticipation Notes	-	35,000	-	35,000
2009 Bond Anticipation Notes	-	265,000	-	265,000
2008 Bond Anticipation Notes	41,000	-	41,000	-
2008 Bond Anticipation Notes	3,444,000	-	3,444,000	-
2008 Bond Anticipation Notes	2,020,000	-	2,020,000	-
Total Governmental Funds	<u>\$ 5,505,000</u>	<u>\$ 7,067,000</u>	<u>\$ 6,575,000</u>	<u>\$ 5,997,000</u>

All the notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the funds which received the proceeds. As of December 31, 2009, all of the note proceeds have been expended. The notes will be paid out of the Street Improvement, Snaveley Project, Emery Woods Project, Cinema Park, and Land Acquisition capital projects funds.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

Note 14 – Capital Leases

During 2009, the City entered into lease agreements for four police cars, a snow plow truck and a copier. The City also has existing leases for copiers, vehicles, a street sweeper, a fire truck, police equipment, and a postage meter. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, *Accounting for Leases*, and have been recorded on the government-wide statements. The machinery, equipment and vehicles have been capitalized in the amount of \$2,360,095, the present value of the minimum lease payments at the inception of the lease.

The assets acquired through capital leases are as follows:

<i>Asset:</i>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 188,087
Vehicles	2,172,008
Historical Cost	<u>2,360,095</u>
Less: Accumulated Depreciation	(1,333,546)
Total Book Value as of December 31, 2009	<u>\$ 1,026,549</u>

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 14 – Capital Leases (Continued)

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

Year Ending December 31,	
2010	\$ 199,994
2011	108,185
2012	50,642
2013	3,767
Total Minimum Lease Payments	\$ 362,588
Less: Amount Representing Interest	(23,194)
Present Value of Minimum Lease	\$ 339,394

Capital lease payments have been presented as part of the General Fund’s program expenditures on the budgetary statement of revenues, expenditures and changes in fund balance.

Note 15 – Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During 2009, the City contracted with HCC Insurance Company and the Chubb Group of Insurance Companies for various types of insurance as follows:

Company	Coverage	Amount
HCC Insurance Company	Comprehensive Municipal Liability Coverage:	
	Combined Single Limit (per Occurrence)/Aggregate	\$1,000,000 / \$3,000,000
	Property Legal Liability	50,000
	Premises Medical Payments (per Person)	10,000
	Employee Benefits Liability (pe Occurrence)/Aggregate	1,000,000 / 3,000,000
	Ohio Stop Gap	1,000,000
	Automobile Liability and Physical Damage Coverage:	
	Combined Bodily Injury and Property Damage	1,000,000
	Law Enforcement Liability (per Occurrence)	1,000,000
	Public Officials Liability (per Occurrence)/Aggregate	1,000,000
	Electronic Data Processing Systems	309,920
	Property (Building and Contents) Coverage	13,313,900
	Inland Marine Coverage	1,815,814
Chubb Group Insurance Companies	Boiler and Machinery Coverage	1,000,000

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 15 – Risk Management (Continued)

A. *Property and Liability* (Continued)

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

B. *Workers' Compensation*

The City participates in the State Workers' Compensation retrospective rating and payment plan. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at December 31, 2009, represents an estimate of the liability for unpaid claims costs provided by Bureau of Workers' Compensation. The claims liability for the Workers' Compensation retrospective rating and payment system at December 31, 2009, was \$288,631. All of the claims are paid from the General Fund.

The claims liability reported at December 31, 2009 for workers' compensation is based on the requirements of Governmental Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated adjustment expenses. Changes in claims activity for the years 2007, 2008, and 2009 are as follows:

	Beginning of Year	Claims	Payments	End of Year
2007	\$ 376,820	\$ 72,801	\$ 245,171	\$ 204,450
2008	204,450	139,324	69,535	274,239
2009	274,239	117,131	102,739	288,631

Note 16 – Defined Benefit Pension Plans

A. *Ohio Public Employees Retirement System*

All City full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan;
- The Member-Directed Plan - a benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent 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.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 16 – Defined Benefit Pension Plans (Continued)

A. Ohio Public Employees Retirement System (Continued)

- The Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension 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 both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

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. Plan members are required to contribute 10.00 percent of their annual covered salary to fund pension obligations. For 2009, the total employer contribution rate for the City was 14.00 percent of covered payroll with 7.00 percent used to fund pension contributions from January 1 through March 31, 2009 and 8.50 percent was used from April 1 through December 31, 2009. 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 \$301,711, \$261,898, and \$322,476, respectively. 74.53 percent of the total required contribution amount has been contributed for 2009, a liability has been recorded. The full contribution amount has been contributed for 2008 and 2007. Neither the City nor the plan members contributed to the Member-Directed Plan for 2009.

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

Police and firefighters are required to contribute 10.00 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. The City's pension contributions to the OP&F for police and firefighters were \$324,726 and \$406,236 for the year ended December 31, 2009, \$352,420 and \$382,312 for the year ended December 31, 2008, and \$281,844 and \$377,505 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 29.11 percent and 25.36 percent, respectively, have been contributed for 2009; a liability has been recorded for both the police and firefighters.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 17 – Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (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 to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 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.

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. The 2009 employer rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 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 post-employment health care benefits. For 2009, the portion of employer contributions allocated to health care was 7.00 percent for January 1 through March 31, 2009 and 5.50 percent for 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 benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual City contributions for 2009, 2008, and 2007 which were used to fund post-employment benefits were \$218,802, \$261,898, and \$212,410, respectively. 74.53 percent of the total required contribution amount has been contributed for 2009. The full contribution amount has been contributed for 2008 and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP), with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 17 – Postemployment Benefits (Continued)

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 the 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.

OP&F provides access to post-retirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a two-thirds basis. The health care coverage provided by OP&F is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Health care funding and accounting is on a pay-as-you-go basis. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F's Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

The Ohio Revised Code provides for contributions requirements of the participating employers and of 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, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 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 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 the 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 provision 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 period.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 17 – Postemployment Benefits (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

The City's actual contributions for the years ending December 31, 2009, 2008, and 2007 were \$171,914 for police and \$158,962 for firefighters, \$186,575 for police and \$149,600 for firefighters, \$149,212 for police and \$147,719 for firefighters, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2007. 29.11 percent and 25.36 percent, respectively, have been contributed for 2009.

Note 18 – Compensated Absences

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

General administration employees not covered by a collective bargaining agreement earn sick leave of 120 hours annually, without limit on the amount they can accumulate. General administration employees may carry forward a maximum of 336 hours of vacation leave unless the employee's department head certifies to the Mayor that the employee has exceeded the maximum vacation hours allowed as a result of the employee's inability to use vacation leave due to staffing requirements. Upon separation from the City, a maximum of 25 percent of accumulated sick leave up to 190 hours and up to 336 hours of vacation leave shall be paid.

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

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

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2009

Note 19 – Jointly Governed Organization

First Suburbs Consortium of Northeast Ohio Council of Governments – The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Government (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 16 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern including but not limited to, initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions, and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair, and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2009, the City contributed \$3,000 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Note 20 – Subsequent Event

On February 2, 2010, the City issued \$9,118,560 in various improvement bond anticipation notes that will refinance the 2009 general obligation bond anticipation notes in the amounts of \$5,905,000, \$935,000, and \$2,352,000. This note was issued with an interest rate of 3.00 percent and will mature February 2, 2011.

On May 6, 2010, the City issued \$3,500,000 in bond anticipation notes that will be used to fund the construction of the City's Community Center. This note was issued with an interest rate of 3.00 percent and will mature November 11, 2010.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Fund

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

Police Salary and Equipment Fund

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

Fire Salary and Equipment Fund

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

Street Lighting Fund

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

Building Levy Fund

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

Law Enforcement Trust Fund

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

Bureau of Justice Grant Fund

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

Fire Pension Fund

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

Police Pension Fund

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

DARE Grant Fund

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

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

Community Development Block Grant Fund

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

Juvenile Diversion Program Fund

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

Fire Department Child Safety Grant Fund

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

EMS Computer Grant Fund

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

Local Law Enforcement Block Grant Fund

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

Sidewalk Replacement Fund

The Sidewalk Replacement Fund accounts for monies received from the Cuyahoga County Community Development department for the inspection and improvement of sidewalks within the City.

COPS Grant Fund

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

FEMA Grant Fund

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

Cleveland Browns Foundation Fund

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

CRA Monitoring Fee Fund

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

The Cleveland Foundation Fund

The Cleveland Foundation Fund accounts for monies received from the Cleveland Foundation to be used for a summer and after school family based prevention program within the City.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

Economic Development Stimulus Incentive Grant Fund

The Economic Development Stimulus Incentive Grant Fund accounts for monies received from building permits issued to developers of the Emery Woods Housing Project.

Grass Refuse Fund

The Grass Refuse Fund accounts for monies received from a special assessment to be used for various expenses incurred by the City for upkeep on unkempt lots and/or lawns.

Homeland Security Grant Fund

The Homeland Security Grant Fund accounts for federal grant monies received to provide overtime payments to the service department employees participating in emergency preparedness.

Civic Center Park Restoration Grant Fund

The Civic Center Park Restoration Grant Fund accounts for local grant monies used for the assessment, consultation, and implementation of sewer and drainage requirements; sidewalk repairs and reconstruction; provision of recreation facilities; and rehabilitation of community housing and code enforcement.

G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang-prevention education activities and programming for elementary school students.

Fire Reporting Grant Fund

The Fire Reporting Grant accounts for revenues received from the State of Ohio's Fire Marshall's office to be used towards computers, printers, and accessories to assist in the department's fire reporting requirements, and provide fire protection to the citizens for the community.

2007 NatureWorks Grant Fund

The NatureWorks Grant accounts for revenues received from the Ohio Department of Natural Resources and City's matching funds, then expends funds in compliance with the NatureWorks Local Grant Program State/Local Project Agreement, which includes: new playground equipment and various other improvements at the Green Road Civic Center and Park.

2008 G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang prevention education activities and programming for elementary school students. The 2008 grant is a subsequent grant to the 2007 G.R.E.A.T. Grant.

Parks and Playground Initiative Grant Fund

The Park and Playground Initiative Grant Fund accounts for monies to be used for reconstruction of an ADA compliant play station, swing system and rubberized mulch.

Warrensville Heights Occupancy Program Fund

The Warrensville Heights Occupancy Program Fund accounts for fees received to be used for compliance monitoring of companies participating in the program.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

Edward Byrne Memorial Justice Assistance Fund

The Edward Byrne Memorial Justice Assistance fund accounts for Federal Stimulus Funds flow through from the U.S. Department of Justice to the City of Cleveland, Ohio to be used for police retention and equipment purchases.

Police Hiring Grant Fund

The Police Hiring Grant Fund accounts for Federal Stimulus Funds flow through from the U.S. Department of Justice to the State of Ohio to be used for police retention.

COPS Hiring Fund

The COPS Hiring Fund accounts for Federal Stimulus Funds from the U.S. Department of Justice to be used for police retention.

Nonmajor Capital Projects Funds

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

Street Improvement Fund

The Street Improvement Fund accounts for grant monies and note proceeds used for the improvement of streets and curbs within the City.

Building Repair and Improvement Fund

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

Information Technology System Fund

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

Land Acquisition Fund

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

Emery Woods Project Fund

The Emery Woods Project Fund accounts for note proceeds used to pay for the costs of constructing a new development in the City which will consist of new houses.

Siren Warning System Fund

The Siren Warning System Fund accounts for monies received from a note issuance to be used for installing sirens throughout the City.

Route 8/Northfield Road Project Fund

The Route 8/Northfield Road Fund accounts for monies received from a note issuance to be used for the City's portion of the Route 8/Northfield Road project.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Capital Projects Funds (Continued)

Sidewalk Repair and Replacement Project Fund

The Sidewalk Replacement Grant Fund accounts for monies received from a note issuance and a grant to be used for the City's Sidewalk Replacement program.

Town Center Project Fund

The Town Center Fund accounts for monies received from a note issuance and grant from the Ohio Department of Development to be used for the City's Town Center project.

Generators Fund

The Generator Fund accounts for monies received from a note issuance to be used for the purchase and installation of a generator at City Hall.

Green Road Park Improvement Fund

The Green Road Improvement Fund Accounts for monies received from a note issuance to be used for the improvement of the Green Road Park.

City of Warrensville Heights

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 759,519	\$ 99,111	\$ 858,630
Interfund Receivable	-	486,461	486,461
Intergovernmental Receivable	252,952	-	252,952
Property Taxes Receivable	805,125	-	805,125
Total Assets	\$ 1,817,596	\$ 585,572	\$ 2,403,168
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 4,131	\$ -	\$ 4,131
Contracts Payable	-	5,497	5,497
Accrued Interest Payable	-	14,154	14,154
Retainage Payable	-	22,523	22,523
Interfund Payable	69,222	5,973	75,195
Deferred Revenue	985,337	-	985,337
Notes Payable	-	1,270,000	1,270,000
Total Liabilities	1,058,690	1,318,147	2,376,837
Fund Balances:			
Reserved for:			
Encumbrances	3,747	-	3,747
Unreserved:			
Undesignated (Deficit), Reported in:			
Special Revenue Funds	755,159	-	755,159
Capital Projects Funds	-	(732,575)	(732,575)
Total Fund Balances	758,906	(732,575)	26,331
Total Liabilities and Fund Balances	\$ 1,817,596	\$ 585,572	\$ 2,403,168

City of Warrensville Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 590,122	\$ -	\$ 590,122
Intergovernmental	955,254	-	955,254
Interest	1	-	1
Licenses and Permits	3,000	-	3,000
Charges for Services	1,266	-	1,266
Contributions and Donations	300	-	300
Special Assessments	-	70,000	70,000
All Other Revenues	17,899	-	17,899
Total Revenues	1,567,842	70,000	1,637,842
EXPENDITURES			
Security of Persons and Property:			
Police and Others	223,753	-	223,753
Fire	218,329	-	218,329
Community Development	244,191	-	244,191
Transportation	416,527	-	416,527
General Government	161,866	-	161,866
Capital Outlay	-	343,308	343,308
Debt Service:			
Interest and Fiscal Charges	-	323,660	323,660
Total Expenditures	1,264,666	666,968	1,931,634
Excess of Revenues Under Expenditures	303,176	(596,968)	(293,792)
OTHER FINANCING SOURCES (USES)			
Notes Issued	-	8,422,000	8,422,000
Current Refundings	-	(8,818,000)	(8,818,000)
Transfer In	-	160,309	160,309
Total Other Financing Sources (Uses)	-	(235,691)	(235,691)
Net Change in Fund Balances	303,176	(832,659)	(529,483)
Fund Balances - Beginning of Year	455,730	100,084	555,814
Fund Balances (Deficit) - End of Year	\$ 758,906	\$ (732,575)	\$ 26,331

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City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2009

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 91,995	\$ 39,613	\$ 1,926	\$ 3,670
Intergovernmental Receivable	217,325	20,648	1,770	1,770
Property Taxes Receivable	-	-	124,519	124,519
Total Assets	\$ 309,320	\$ 60,261	\$ 128,215	\$ 129,959
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-
Deferred Revenue	150,041	15,192	126,289	126,289
Total Liabilities	150,041	15,192	126,289	126,289
Fund Balances:				
Reserved for:				
Encumbrances	3,327	-	-	-
Unreserved:				
Undesignated (Deficits), Reported in:				
Special Revenue Funds	155,952	45,069	1,926	3,670
Total Fund Balances (Deficits)	159,279	45,069	1,926	3,670
Total Liabilities and Fund Balances	\$ 309,320	\$ 60,261	\$ 128,215	\$ 129,959

Street Lighting	Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension	DARE Grant
\$ 96,117	\$ 33,446	\$ 33,538	\$ -	\$ 630	\$ 22,158	\$ 19,324
5,609	1,490	-	-	2,170	2,170	-
271,710	89,113	-	-	97,632	97,632	-
<u>\$ 373,436</u>	<u>\$ 124,049</u>	<u>\$ 33,538</u>	<u>\$ -</u>	<u>\$ 100,432</u>	<u>\$ 121,960</u>	<u>\$ 19,324</u>
\$ -	\$ 4,131	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	148	-	-	-
277,319	90,603	-	-	99,802	99,802	-
<u>277,319</u>	<u>94,734</u>	<u>-</u>	<u>148</u>	<u>99,802</u>	<u>99,802</u>	<u>-</u>
-	420	-	-	-	-	-
96,117	28,895	33,538	(148)	630	22,158	19,324
96,117	29,315	33,538	(148)	630	22,158	19,324
<u>\$ 373,436</u>	<u>\$ 124,049</u>	<u>\$ 33,538</u>	<u>\$ -</u>	<u>\$ 100,432</u>	<u>\$ 121,960</u>	<u>\$ 19,324</u>

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2009

	Community Development Block Grant	Juvenile Diversion Program	Fire Department Child Safety Grant	EMS Computer Grant
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 16,600	\$ 3,525	\$ 808	\$ 2,775
Intergovernmental Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	-
Total Assets	\$ 16,600	\$ 3,525	\$ 808	\$ 2,775
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	27,919	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	27,919	-	-	-
Fund Balances:				
Reserved for:				
Encumbrances	-	-	-	-
Unreserved:				
Undesignated (Deficits), Reported in:				
Special Revenue Funds	(11,319)	3,525	808	2,775
Total Fund Balances (Deficits)	(11,319)	3,525	808	2,775
Total Liabilities and Fund Balances	\$ 16,600	\$ 3,525	\$ 808	\$ 2,775

Local Law Enforcement Block Grant	Sidewalk Replacement	COPS Grant	FEMA Grant	Cleveland Browns Foundation	CRA Monitoring Fee	The Cleveland Foundation
\$ 21	\$ 7,104	\$ 27,949	\$ 30,521	\$ 568	\$ 71,451	\$ 4,819
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 27,949</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 71,451</u>	<u>\$ 4,819</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	21,566	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>21,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
21	7,104	6,383	30,521	568	71,451	4,819
21	7,104	6,383	30,521	568	71,451	4,819
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 27,949</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 71,451</u>	<u>\$ 4,819</u>

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2009

	Economic Development Stimulus Incentive Grant	Grass Refuse	Homeland Security Grant	Civic Center Park Restoration Grant
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 28,150	\$ 56,683	\$ 1,999	\$ 38,808
Intergovernmental Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	-
Total Assets	\$ 28,150	\$ 56,683	\$ 1,999	\$ 38,808
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Reserved for:				
Encumbrances	-	-	-	-
Unreserved:				
Undesignated (Deficits), Reported in:				
Special Revenue Funds	28,150	56,683	1,999	38,808
Total Fund Balances (Deficits)	28,150	56,683	1,999	38,808
Total Liabilities and Fund Balances	\$ 28,150	\$ 56,683	\$ 1,999	\$ 38,808

<u>G.R.E.A.T Grant</u>	<u>Fire Reporting Grant</u>	<u>2007 Nature Works Grant</u>	<u>2008 G.R.E.A.T. Grant</u>	<u>Warrensville Heights Occupancy Program</u>	<u>Edward Byrne Memorial Justice Assistance</u>	<u>Nonmajor Special Revenue Funds</u>
\$ 3,668	\$ 188	\$ -	\$ 29,342	\$ 4,185	\$ 87,938	\$ 759,519
-	-	-	-	-	-	252,952
-	-	-	-	-	-	805,125
<u>\$ 3,668</u>	<u>\$ 188</u>	<u>\$ -</u>	<u>\$ 29,342</u>	<u>\$ 4,185</u>	<u>\$ 87,938</u>	<u>\$ 1,817,596</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,131
-	-	19,589	-	-	-	69,222
-	-	-	-	-	-	985,337
<u>-</u>	<u>-</u>	<u>19,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,690</u>
-	-	-	-	-	-	3,747
3,668	188	(19,589)	29,342	4,185	87,938	755,159
<u>3,668</u>	<u>188</u>	<u>(19,589)</u>	<u>29,342</u>	<u>4,185</u>	<u>87,938</u>	<u>758,906</u>
<u>\$ 3,668</u>	<u>\$ 188</u>	<u>\$ -</u>	<u>\$ 29,342</u>	<u>\$ 4,185</u>	<u>\$ 87,938</u>	<u>\$ 1,817,596</u>

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2009

	<u>Street Construction, Maintenance and Repair</u>	<u>State Highway</u>	<u>Police Salary and Equipment</u>	<u>Fire Salary and Equipment</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ 92,506	\$ 92,506
Intergovernmental	443,059	43,936	5,605	5,605
Interest	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	-	-
All Other Revenues	-	-	-	-
Total Revenues	<u>443,059</u>	<u>43,936</u>	<u>98,111</u>	<u>98,111</u>
EXPENDITURES				
Security of Persons and Property:				
Police	-	-	102,274	-
Fire	-	-	-	110,000
Community Development	-	-	-	-
Transportation	384,647	31,880	-	-
General Government	-	-	-	-
Total Expenditures	<u>384,647</u>	<u>31,880</u>	<u>102,274</u>	<u>110,000</u>
Net Change in Fund Balances	58,412	12,056	(4,163)	(11,889)
Fund Balances (Deficits) - Beginning of Year	100,867	33,013	6,089	15,559
Fund Balances (Deficits) - End of Year	<u>\$ 159,279</u>	<u>\$ 45,069</u>	<u>\$ 1,926</u>	<u>\$ 3,670</u>

Street Lighting	Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension	DARE Grant
\$ 195,882	\$ 65,222	\$ -	\$ -	\$ 72,003	\$ 72,003	\$ -
17,770	4,724	-	-	6,873	6,873	-
-	-	-	1	-	-	-
-	-	-	-	-	-	-
-	-	16	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>213,652</u>	<u>69,946</u>	<u>16</u>	<u>1</u>	<u>78,876</u>	<u>78,876</u>	<u>-</u>
-	-	23,289	7	-	75,000	-
-	-	-	-	104,000	-	-
232,537	-	-	-	-	-	-
-	-	-	-	-	-	-
-	161,866	-	-	-	-	-
<u>232,537</u>	<u>161,866</u>	<u>23,289</u>	<u>7</u>	<u>104,000</u>	<u>75,000</u>	<u>-</u>
(18,885)	(91,920)	(23,273)	(6)	(25,124)	3,876	-
115,002	121,235	56,811	(142)	25,754	18,282	19,324
<u>\$ 96,117</u>	<u>\$ 29,315</u>	<u>\$ 33,538</u>	<u>\$ (148)</u>	<u>\$ 630</u>	<u>\$ 22,158</u>	<u>\$ 19,324</u>

(Continued)

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (Continued) For the Year Ended December 31, 2009

	Community Development Block Grant	Juvenile Diversion Program	Fire Department Child Safety Grant	EMS Computer Grant
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	46,740	3,879	-	-
Interest	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	-	-
All Other Revenues	-	-	-	-
Total Revenues	46,740	3,879	-	-
EXPENDITURES				
Security of Persons and Property:				
Police	-	8,127	-	-
Fire	-	-	-	4,329
Community Development	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Total Expenditures	-	8,127	-	4,329
Net Change in Fund Balances	46,740	(4,248)	-	(4,329)
Fund Balances (Deficits) - Beginning of Year	(58,059)	7,773	808	7,104
Fund Balances (Deficits) - End of Year	\$ (11,319)	\$ 3,525	\$ 808	\$ 2,775

Local Law Enforcement Block Grant	Sidewalk Replacement	COPS Grant	FEMA Grant	Cleveland Browns Foundation	CRA Monitoring Fee	The Cleveland Foundation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,122	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,122	-	-	3,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,122	-	-	3,000	-
21	7,104	261	30,521	568	68,451	4,819
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 6,383</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 71,451</u>	<u>\$ 4,819</u>

(Continued)

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (Continued) For the Year Ended December 31, 2009

	Economic Development Stimulus Incentive Grant	Grass Refuse	Homeland Security Grant	Civic Center Park Restoration Grant
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	150,000
Interest	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	-	300
All Other Revenues	-	17,899	-	-
Total Revenues	-	17,899	-	150,300
EXPENDITURES				
Security of Persons and Property:				
Police	-	-	-	-
Fire	-	-	-	-
Community Development	5,115	-	-	6,539
Transportation	-	-	-	-
General Government	-	-	-	-
Total Expenditures	5,115	-	-	6,539
Net Change in Fund Balances	(5,115)	17,899	-	143,761
Fund Balances (Deficits) - Beginning of Year	33,265	38,784	1,999	(104,953)
Fund Balances (Deficits) - End of Year	\$ 28,150	\$ 56,683	\$ 1,999	\$ 38,808

G.R.E.A.T Grant	Fire Reporting Grant	2007 Nature Works Grant	2008 G.R.E.A.T. Grant	Parks and Playground Initiative Grant	Warrensville Heights Occupancy Program	Edward Byrne Memorial Justice Assistance	Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,122
-	-	54,095	25,168	34,805	-	100,000	955,254
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	3,000
-	-	-	-	-	1,250	-	1,266
-	-	-	-	-	-	-	300
-	-	-	-	-	-	-	17,899
-	-	54,095	25,168	34,805	1,250	100,000	1,567,842
-	-	-	2,994	-	-	12,062	223,753
-	-	-	-	-	-	-	218,329
-	-	-	-	-	-	-	244,191
-	-	-	-	-	-	-	416,527
-	-	-	-	-	-	-	161,866
-	-	-	2,994	-	-	12,062	1,264,666
-	-	54,095	22,174	34,805	1,250	87,938	303,176
3,668	188	(73,684)	7,168	(34,805)	2,935	-	455,730
<u>\$ 3,668</u>	<u>\$ 188</u>	<u>\$ (73,684)</u>	<u>\$ 29,342</u>	<u>\$ -</u>	<u>\$ 4,185</u>	<u>\$ 87,938</u>	<u>\$ 758,906</u>

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2009

	Street Improvement	Building Repair and Improvement	Information Technology System	Land Acquisition	Emery Woods Project
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,738	\$ 32,813	\$ 39,989	\$ -
Interfund Receivable	332,591	-	-	-	153,870
Total Assets	\$ 332,591	\$ 1,738	\$ 32,813	\$ 39,989	\$ 153,870
LIABILITIES AND FUND BALANCES					
Liabilities:					
Contracts Payable	\$ 5,497	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	4,288	-	-	963	8,903
Retainage Payable	22,523	-	-	-	-
Interfund Payable	-	-	-	-	-
Notes Payable	210,000	-	-	35,000	1,025,000
Total Liabilities	242,308	-	-	35,963	1,033,903
Fund Balances:					
Unreserved:					
Undesignated, Reported in:					
Capital Projects Funds	90,283	1,738	32,813	4,026	(880,033)
Total Fund Balances (Deficits)	90,283	1,738	32,813	4,026	(880,033)
Total Liabilities and Fund Balances	\$ 332,591	\$ 1,738	\$ 32,813	\$ 39,989	\$ 153,870

Siren Warning System	Route 8/ Northfield Road Project	Sidewalk Repair and Replacement Project	Town Center Project	Generators	Green Road Park Improvement	Nonmajor Capital Projects Funds
\$ 457	\$ 3,841	\$ 81	\$ 29	\$ 10,666	\$ 9,497	\$ 99,111
-	-	-	-	-	-	486,461
<u>\$ 457</u>	<u>\$ 3,841</u>	<u>\$ 81</u>	<u>\$ 29</u>	<u>\$ 10,666</u>	<u>\$ 9,497</u>	<u>\$ 585,572</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,497
-	-	-	-	-	-	14,154
-	-	-	-	-	-	22,523
-	-	-	5,973	-	-	5,973
-	-	-	-	-	-	1,270,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,973</u>	<u>-</u>	<u>-</u>	<u>1,318,147</u>
457	3,841	81	(5,944)	10,666	9,497	(732,575)
<u>457</u>	<u>3,841</u>	<u>81</u>	<u>(5,944)</u>	<u>10,666</u>	<u>9,497</u>	<u>(732,575)</u>
<u>\$ 457</u>	<u>\$ 3,841</u>	<u>\$ 81</u>	<u>\$ 29</u>	<u>\$ 10,666</u>	<u>\$ 9,497</u>	<u>\$ 585,572</u>

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2009

	Street Improvement	Building Repair and Improvement	Information Technology System	Land Acquisition	Emery Woods Project
REVENUES					
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
EXPENDITURES					
Capital Outlay	262,805	-	-	-	9,375
Debt Service:					
Interest and Fiscal Charges	68,118	-	90,000	39,963	26,638
Total Expenditures	330,923	-	90,000	39,963	36,013
Excess of Revenues Under Expenditures	(330,923)	-	(90,000)	(39,963)	(36,013)
OTHER FINANCING SOURCES (USES)					
Notes Issued	2,549,100	-	3,760,000	1,290,000	15,000
Current Refundings	(2,298,000)	-	(3,666,000)	(1,282,000)	(1,139,000)
Transfers In	-	-	-	-	160,309
Total Other Financing Sources (Uses)	251,100	-	94,000	8,000	(963,691)
Net Change in Fund Balances	(79,823)	-	4,000	(31,963)	(999,704)
Fund Balances (Deficits) -					
Beginning of Year	170,106	1,738	28,813	35,989	119,671
Fund Balances (Deficits)- End of Year	\$ 90,283	\$ 1,738	\$ 32,813	\$ 4,026	\$ (880,033)

Siren Warning System	Route 8/ Northfield Road Project	Sidewalk Repair and Replacement Project	Town Center Project	Generators	Green Road Park Improvement	Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ 70,000
-	-	-	70,000	-	-	70,000
-	-	-	70,972	-	156	343,308
1,000	1,584	1,000	81,692	2,000	11,665	323,660
1,000	1,584	1,000	152,664	2,000	11,821	666,968
(1,000)	(1,584)	(1,000)	(82,664)	(2,000)	(11,821)	(596,968)
65,000	148,000	80,000	217,000	99,000	198,900	8,422,000
(64,000)	(96,000)	(79,000)	(97,000)	(97,000)	-	(8,818,000)
-	-	-	-	-	-	160,309
1,000	52,000	1,000	120,000	2,000	198,900	(235,691)
-	50,416	-	37,336	-	187,079	(832,659)
457	(46,575)	81	(43,280)	10,666	(177,582)	100,084
\$ 457	\$ 3,841	\$ 81	\$ (5,944)	\$ 10,666	\$ 9,497	\$ (732,575)

Combining Statements – Agency Funds

Agency Funds

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

Developers Deposits Fund

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

Senior Civic Center Rental Fund

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

Payroll Clearing Fund

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

City of Warrensville, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended December 31, 2009

	Beginning Balance <u>12/31/2008</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>12/31/2009</u>
Developers Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 202,589</u>	<u>\$ 87,028</u>	<u>\$ 77,897</u>	<u>\$ 211,720</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 202,589</u>	<u>\$ 9,131</u>	<u>\$ -</u>	<u>\$ 211,720</u>
Senior Civic Center Rental Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 355</u>	<u>\$ 900</u>	<u>\$ 400</u>	<u>\$ 855</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 355</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 855</u>
Payroll Clearing Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 33,173</u>	<u>\$ 140,315</u>	<u>\$ -</u>	<u>\$ 173,488</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 33,173</u>	<u>\$ 140,315</u>	<u>\$ -</u>	<u>\$ 173,488</u>
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 236,117</u>	<u>\$ 228,243</u>	<u>\$ 78,297</u>	<u>\$ 386,063</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 236,117</u>	<u>\$ 149,946</u>	<u>\$ -</u>	<u>\$ 386,063</u>

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 485,108	\$ 560,000	\$ 430,681	\$ (129,319)
Income Taxes	11,782,820	12,610,660	10,373,337	(2,237,323)
Other Taxes	246,215	222,500	218,591	(3,909)
Intergovernmental	1,572,032	1,201,000	1,395,656	194,656
Interest	2,406	75,000	2,136	(72,864)
Fees, Licenses and Permits	294,999	348,250	261,901	(86,349)
Fines and Forfeitures	310,588	300,000	213,996	(86,004)
Charges for Services	504,099	393,950	447,541	53,591
Contributions and Donations	7,941	50	7,050	7,000
All Other Revenues	112,099	246,001	99,522	(146,479)
Total Revenues	<u>15,318,307</u>	<u>15,957,411</u>	<u>13,450,411</u>	<u>(2,507,000)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	3,975,014	4,406,179	3,980,464	425,715
Materials and Supplies	438,239	378,239	273,592	104,647
Contractual Services	151,326	171,326	232,109	(60,783)
Capital Outlay	112,101	51,101	40,466	10,635
Total Police Department	<u>4,676,680</u>	<u>5,006,845</u>	<u>4,526,631</u>	<u>480,214</u>
Fire Department				
Personal Services	2,723,848	3,465,952	3,279,330	186,622
Materials and Supplies	356,126	177,126	186,466	(9,340)
Contractual Services	8,500	2,750	49,782	(47,032)
Capital Outlay	22,625	13,558	13,176	382
Total Fire Department	<u>3,111,099</u>	<u>3,659,386</u>	<u>3,528,754</u>	<u>130,632</u>
Total Security of Persons and Property	<u>7,787,779</u>	<u>8,666,231</u>	<u>8,055,385</u>	<u>610,846</u>
Public Health Services				
Health and Human Services				
Contractual Services	<u>57,000</u>	<u>57,000</u>	<u>55,903</u>	<u>1,097</u>
Leisure Time Activities				
Community Activities				
Materials and Supplies	<u>82,670</u>	<u>76,670</u>	<u>78,636</u>	<u>(1,966)</u>

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civic Center				
Personal Services	175,567	207,379	199,388	7,991
Materials and Supplies	13,450	8,450	5,464	2,986
Contractual Services	1,300	717	110	607
Capital Outlay	6,000	-	417	(417)
Total Civic Center	<u>196,317</u>	<u>216,546</u>	<u>205,379</u>	<u>11,167</u>
Total Leisure Time Activates	<u>278,987</u>	<u>293,216</u>	<u>284,015</u>	<u>9,201</u>
Community Development				
Economic Development				
Personal Services	123,644	121,644	118,997	2,647
Materials and Supplies	20,545	4,790	3,512	1,278
Capital Outlay	1,090	90	637	(547)
Total Economic Development	<u>145,279</u>	<u>126,524</u>	<u>123,146</u>	<u>3,378</u>
Building Department				
Personal Services	525,342	535,342	527,142	8,200
Materials and Supplies	86,032	41,032	30,163	10,869
Contractual Services	110,957	10,957	5,024	5,933
Capital Outlay	10,300	-	-	-
Total Building Department	<u>732,631</u>	<u>587,331</u>	<u>562,329</u>	<u>25,002</u>
Total Community Development	<u>877,910</u>	<u>713,855</u>	<u>685,475</u>	<u>28,380</u>
Basic Utility Services				
Solid Waste				
Personal Services	1,095,638	1,175,638	1,162,461	13,177
Materials and Supplies	22,000	22,000	-	22,000
Contractual Services	207,139	172,139	170,383	1,756
Total Basic Utility Services	<u>1,324,777</u>	<u>1,369,777</u>	<u>1,332,844</u>	<u>36,933</u>
Transportation				
Service Department				
Personal Services	843,490	916,490	935,897	(19,407)
Materials and Supplies	435,292	445,292	368,164	77,128
Contractual Services	10,032	3,860	49,710	(45,850)
Capital Outlay	20,000	-	-	-
Total Transportation	<u>1,308,814</u>	<u>1,365,642</u>	<u>1,353,771</u>	<u>11,871</u>

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government				
City Council				
Personal Services	186,484	160,484	146,433	14,051
Materials and Supplies	81,184	61,184	54,809	6,375
Capital Outlay	3,000	3,000	559	2,441
Total City Council	<u>270,668</u>	<u>224,668</u>	<u>201,801</u>	<u>22,867</u>
Mayor				
Personal Services	324,500	338,500	334,601	3,899
Materials and Supplies	36,525	23,525	24,013	(488)
Capital Outlay	1,000	-	-	-
Total Mayor	<u>362,025</u>	<u>362,025</u>	<u>358,614</u>	<u>3,411</u>
Finance Department				
Personal Services	367,336	404,836	406,112	(1,276)
Materials and Supplies	17,272	17,272	13,438	3,834
Contractual Services	1,500	1,500	-	1,500
Capital Outlay	3,000	1,000	885	115
Total Finance Department	<u>389,108</u>	<u>424,608</u>	<u>420,435</u>	<u>4,173</u>
Income Tax				
Personal Services	29,923	20,923	17,586	3,337
Materials and Supplies	2,000	2,000	645	1,355
Contractual Services	417,459	496,459	251,764	244,695
Total Income Tax	<u>449,382</u>	<u>519,382</u>	<u>269,995</u>	<u>249,387</u>
Legal				
Personal Services	123,436	123,436	156,275	(32,839)
Materials and Supplies	25,232	25,232	12,841	12,391
Contractual Services	100,000	120,000	77,566	42,434
Total Legal	<u>248,668</u>	<u>268,668</u>	<u>246,682</u>	<u>21,986</u>
Human Resources				
Personal Services	101,721	125,721	121,904	3,817
Materials and Supplies	21,397	4,597	6,606	(2,009)
Contractual Services	4,350	2,150	-	2,150
Capital Outlay	3,000	40	69	(29)
Total Human Resources	<u>130,468</u>	<u>132,508</u>	<u>128,579</u>	<u>3,929</u>

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board Commissions				
Personal Services	7,345	5,445	4,285	1,160
Materials and Supplies	7,650	4,650	3,751	899
Total Boards and Commissions	14,995	10,095	8,036	2,059
Engineering				
Contractual Services	53,270	53,270	49,105	4,165
Information Technology				
Materials and Supplies	7,025	7,025	3,660	3,365
Contractual Services	240,795	189,795	192,271	(2,476)
Capital Outlay	750	750	716	34
Total Information Technology	248,570	197,570	196,647	923
Lands and Buildings				
Materials and Supplies	149,778	149,778	129,329	20,449
Contractual Services	207,000	207,000	227,743	(20,743)
Capital Outlay	3,000	3,000	2,556	444
Total Lands and Buildings	359,778	359,778	359,628	150
Other Government				
Materials and Supplies	522,814	413,214	405,130	8,084
Contractual Services	94,000	31,899	20,115	11,784
Total Other Government	616,814	445,113	425,245	19,868
Total General Government	3,143,746	2,997,685	2,664,767	332,918
Total Expenditures	14,779,013	15,463,406	14,432,160	1,031,246
Excess of Revenues Over (Under) Expenditures	539,294	494,005	(981,749)	(1,475,754)
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	1,960	1,960
Advances In	-	-	225,336	225,336
Transfers Out	(123,000)	-	-	-
Total Other Financing Sources (Uses)	(123,000)	-	227,296	227,296
Net Change in Fund Balance	416,294	494,005	(754,453)	(1,248,458)
Fund Balance - Beginning of Year	110,130	110,130	110,130	-
Prior Year Encumbrances Appropriated	92,958	92,958	92,958	-
Fund Balance - End of Year	\$ 619,382	\$ 697,093	\$ (551,365)	\$ (1,248,458)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Obligation Bond Retirement Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property Taxes	\$ 640,000	\$ 640,000	\$ 552,024	\$ (87,976)
Intergovernmental	22,000	22,000	52,691	30,691
Special Assessments	338,000	338,000	620,621	282,621
Total Revenues	1,000,000	1,000,000	1,225,336	225,336
Expenditures:				
Current:				
General Government				
Other	1,800	1,800	1,089	711
Debt Service:				
Principal - G.O. Bonds	739,556	739,556	740,000	(444)
Principal - Notes	14,323,000	14,323,000	15,393,000	(1,070,000)
Interest & Fiscal Charges - G.O. Bonds	96,605	96,605	96,605	-
Interest & Fiscal Charges - Notes	360,000	360,000	393,641	(33,641)
Total Expenditures	15,520,961	15,520,961	16,624,335	(1,103,374)
Excess of Revenues Over (Under) Expenditures	(14,520,961)	(14,520,961)	(15,398,999)	(878,038)
Other Financing Sources				
Notes Issued	14,483,000	14,483,000	15,679,720	1,196,720
Advances In	45,824	45,824	-	(45,824)
Total Other Financing Sources	14,528,824	14,528,824	15,679,720	1,150,896
Net Change in Fund Balance	7,863	7,863	280,721	272,858
Fund Balance - Beginning of Year	24,065	24,065	24,065	-
Fund Balance - End of Year	\$ 31,928	\$ 31,928	\$ 304,786	\$ 272,858

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Cinema Park Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	150,000	150,000	119,444	30,556
Total Expenditures	150,000	150,000	119,444	30,556
Excess of Revenues Over (Under) Expenditures	(150,000)	(150,000)	(119,444)	30,556
Other Financing Sources				
Note Issuance	10,000	10,000	22,180	12,180
Total Other Financing Sources	10,000	10,000	22,180	12,180
Net Change in Fund Balance	(140,000)	(140,000)	(97,264)	42,736
Fund Balance - Beginning of Year	146,904	146,904	146,904	-
Fund Balance - End of Year	\$ 6,904	\$ 6,904	\$ 49,640	\$ 42,736

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Snavelly Project Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All Other Revenues	\$ 2,800	\$ 2,800	\$ -	\$ (2,800)
Total Revenues	<u>2,800</u>	<u>2,800</u>	<u>-</u>	<u>(2,800)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	2,800	2,800	8,000	(5,200)
Total Expenditures	<u>2,800</u>	<u>2,800</u>	<u>8,000</u>	<u>(5,200)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
Other Financing Sources				
Note Issuance	2,200	2,200	14,000	11,800
Total Other Financing Sources	<u>2,200</u>	<u>2,200</u>	<u>14,000</u>	<u>11,800</u>
Net Change in Fund Balance	2,200	2,200	6,000	3,800
Fund Balance - Beginning of Year	4,302	4,302	4,302	-
Fund Balance - End of Year	<u>\$ 6,502</u>	<u>\$ 6,502</u>	<u>\$ 10,302</u>	<u>\$ 3,800</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Construction, Maintenance and Repair Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 460,000	\$ 460,000	\$ 452,166	\$ (7,834)
Interest	2,500	2,500	-	(2,500)
Total Revenues	<u>462,500</u>	<u>462,500</u>	<u>452,166</u>	<u>(10,334)</u>
Expenditures:				
Current:				
Transportation				
Street Maintenance				
Personal Services	209,800	222,800	222,000	800
Materials and Supplies	45,856	32,856	21,083	11,773
Total Street Maintenance	<u>255,656</u>	<u>255,656</u>	<u>243,083</u>	<u>12,573</u>
Snow and Ice Removal				
Materials and Supplies	160,000	165,000	126,889	38,111
Contractual Services	17,253	17,253	-	17,253
Capital Outlay	5,000	-	-	-
Total Snow and Ice Removal	<u>182,253</u>	<u>182,253</u>	<u>126,889</u>	<u>55,364</u>
Traffic Control				
Materials and Supplies	12,700	12,700	-	12,700
Contractual Services	15,000	15,000	45,502	(30,502)
Total Traffic Control	<u>27,700</u>	<u>27,700</u>	<u>45,502</u>	<u>(17,802)</u>
Total Expenditures	<u>465,609</u>	<u>465,609</u>	<u>415,474</u>	<u>50,135</u>
Net Change in Fund Balance	(3,109)	(3,109)	36,692	39,801
Fund Balance - Beginning of Year	33,867	33,867	33,867	-
Prior Year Encumbrances Appropriated	18,109	18,109	18,109	-
Fund Balance - End of Year	<u>\$ 48,867</u>	<u>\$ 48,867</u>	<u>\$ 88,668</u>	<u>\$ 39,801</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 State Highway Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 44,676	\$ 4,676
Total Revenues	40,000	40,000	44,676	4,676
Expenditures:				
Current:				
Transportation				
Street Maintenance				
Personal Services	10,000	26,000	10,000	16,000
Materials and Supplies	38,482	22,482	21,880	602
Total Expenditures	48,482	48,482	31,880	16,602
Net Change in Fund Balance	(8,482)	(8,482)	12,796	21,278
Fund Balance - Beginning of Year	23,335	23,335	23,335	-
Prior Year Encumbrances Appropriated	3,482	3,482	3,482	-
Fund Balance - End of Year	\$ 18,335	\$ 18,335	\$ 39,613	\$ 21,278

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Police Salary and Equipment Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 94,495	\$ 112,095	\$ 92,506	\$ (19,589)
Intergovernmental	18,000	2,400	5,605	3,205
Total Revenues	<u>112,495</u>	<u>114,495</u>	<u>98,111</u>	<u>(16,384)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	103,000	92,500	78,000	14,500
Materials and Supplies	10,000	10,000	4,238	5,762
Capital Outlay	5,000	15,500	20,036	(4,536)
Total Expenditures	<u>118,000</u>	<u>118,000</u>	<u>102,274</u>	<u>15,726</u>
Net Change in Fund Balance	(5,505)	(3,505)	(4,163)	(658)
Fund Balance - Beginning of Year	6,089	6,089	6,089	-
Fund Balance - End of Year	<u>\$ 584</u>	<u>\$ 2,584</u>	<u>\$ 1,926</u>	<u>\$ (658)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Salary and Equipment Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 94,495	\$ 102,095	\$ 92,506	\$ (9,589)
Intergovernmental	7,000	2,400	5,605	3,205
Total Revenues	101,495	104,495	98,111	(6,384)
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Personal Services	110,000	110,000	110,000	-
Materials and Supplies	6,000	6,000	-	6,000
Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	117,000	117,000	110,000	7,000
Net Change in Fund Balance	(15,505)	(12,505)	(11,889)	616
Fund Balance - Beginning of Year	15,559	15,559	15,559	-
Fund Balance - End of Year	\$ 54	\$ 3,054	\$ 3,670	\$ 616

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Lighting Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 202,428	\$ 193,028	\$ 195,882	\$ 2,854
Intergovernmental	-	9,400	17,770	8,370
Total Revenues	<u>202,428</u>	<u>202,428</u>	<u>213,652</u>	<u>11,224</u>
Expenditures:				
Current:				
Community Development				
Street Lighting				
Contractual Services	265,000	265,000	264,581	419
Total Expenditures	<u>265,000</u>	<u>265,000</u>	<u>264,581</u>	<u>419</u>
Net Change in Fund Balance	(62,572)	(62,572)	(50,929)	11,643
Fund Balance - Beginning of Year	147,046	147,046	147,046	-
Fund Balance - End of Year	<u>\$ 84,474</u>	<u>\$ 84,474</u>	<u>\$ 96,117</u>	<u>\$ 11,643</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Building Levy Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 66,778	\$ 63,978	\$ 65,222	\$ 1,244
Intergovernmental	-	2,800	4,724	1,924
All Other Revenues	-	-	35,306	35,306
Total Revenues	<u>66,778</u>	<u>66,778</u>	<u>105,252</u>	<u>38,474</u>
Expenditures:				
Current:				
General Government				
Building Levy				
Materials and Supplies	35,190	35,190	7,195	27,995
Contractual Services	100,000	100,000	150,437	(50,437)
Capital Outlay	12,000	12,000	523	11,477
Total Expenditures	<u>147,190</u>	<u>147,190</u>	<u>158,155</u>	<u>(10,965)</u>
Net Change in Fund Balance	(80,412)	(80,412)	(52,903)	27,509
Fund Balance - Beginning of Year	78,739	78,739	78,739	-
Prior Year Encumbrances Appropriated	7,190	7,190	7,190	-
Fund Balance - End of Year	<u>\$ 5,517</u>	<u>\$ 5,517</u>	<u>\$ 33,026</u>	<u>\$ 27,509</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Law Enforcement Trust Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 20,000	\$ 20,000	\$ 26,119	\$ 6,119
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>26,119</u>	<u>6,119</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Materials and Supplies	27,000	27,000	23,289	3,711
Total Expenditures	<u>27,000</u>	<u>27,000</u>	<u>23,289</u>	<u>3,711</u>
Net Change in Fund Balance	(7,000)	(7,000)	2,830	9,830
Fund Balance - Beginning of Year	30,708	30,708	30,708	-
Fund Balance - End of Year	<u>\$ 23,708</u>	<u>\$ 23,708</u>	<u>\$ 33,538</u>	<u>\$ 9,830</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Bureau of Justice Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,000	\$ 7,975	\$ -	\$ (7,975)
Interest	-	25	1	(24)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>1</u>	<u>(7,999)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Materials and Supplies	7,501	7,501	7	7,494
Total Expenditures	<u>7,501</u>	<u>7,501</u>	<u>7</u>	<u>7,494</u>
Net Change in Fund Balance	499	499	(6)	(505)
Fund Balance - Beginning of Year	6	6	6	-
Fund Balance - End of Year	<u>\$ 505</u>	<u>\$ 505</u>	<u>\$ -</u>	<u>\$ (505)</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Fire Pension Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 74,537	\$ 71,887	\$ 72,003	\$ 116
Intergovernmental	-	2,650	6,873	4,223
Total Revenues	<u>74,537</u>	<u>74,537</u>	<u>78,876</u>	<u>4,339</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Personal Services	75,000	75,000	104,000	(29,000)
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>104,000</u>	<u>(29,000)</u>
Net Change in Fund Balance	(463)	(463)	(25,124)	(24,661)
Fund Balance - Beginning of Year	25,754	25,754	25,754	-
Fund Balance - End of Year	<u>\$ 25,291</u>	<u>\$ 25,291</u>	<u>\$ 630</u>	<u>\$ (24,661)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 74,537	\$ 72,000	\$ 72,003	\$ 3
Intergovernmental	-	2,537	6,873	4,336
Total Revenues	<u>74,537</u>	<u>74,537</u>	<u>78,876</u>	<u>4,339</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	75,000	75,000	75,000	-
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net Change in Fund Balance	(463)	(463)	3,876	4,339
Fund Balance - Beginning of Year	18,282	18,282	18,282	-
Fund Balance - End of Year	<u>\$ 17,819</u>	<u>\$ 17,819</u>	<u>\$ 22,158</u>	<u>\$ 4,339</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
DARE Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	26,000	26,000	-	26,000
Total Expenditures	26,000	26,000	-	26,000
Excess of Revenues Over (Under) Expenditures	(26,000)	(26,000)	-	26,000
Other Financing Sources				
Transfers In	15,000	15,000	-	(15,000)
Total Other Financing Sources	15,000	15,000	-	(15,000)
Net Change in Fund Balance	(11,000)	(11,000)	-	11,000
Fund Balance - Beginning of Year	19,324	19,324	19,324	-
Fund Balance - End of Year	<u>\$ 8,324</u>	<u>\$ 8,324</u>	<u>\$ 19,324</u>	<u>\$ 11,000</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Community Development Block Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 82,000	\$ 82,000	\$ 46,740	\$ (35,260)
Total Revenues	<u>82,000</u>	<u>82,000</u>	<u>46,740</u>	<u>(35,260)</u>
Expenditures:				
Current:				
Community Development				
Contractual Services	2,000	2,000	-	2,000
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess of Revenues Over (Under) Expenditures	<u>80,000</u>	<u>80,000</u>	<u>46,740</u>	<u>(33,260)</u>
Other Financing Sources (Uses)				
Advances Out	(96,000)	(96,000)	(46,740)	49,260
Total Other Financing Sources (Uses)	<u>(96,000)</u>	<u>(96,000)</u>	<u>(46,740)</u>	<u>49,260</u>
Net Change in Fund Balance	(16,000)	(16,000)	-	16,000
Fund Balance - Beginning of Year	16,600	16,600	16,600	-
Fund Balance - End of Year	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 16,600</u>	<u>\$ 16,000</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Juvenile Diversion Program Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 3,879	\$ (4,121)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>3,879</u>	<u>(4,121)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	8,000	10,000	7,956	2,044
Materials and Supplies	8,500	6,500	171	6,329
Total Expenditures	<u>16,500</u>	<u>16,500</u>	<u>8,127</u>	<u>8,373</u>
Net Change in Fund Balance	(8,500)	(8,500)	(4,248)	4,252
Fund Balance - Beginning of Year	7,773	7,773	7,773	-
Fund Balance (Deficit) - End of Year	<u>\$ (727)</u>	<u>\$ (727)</u>	<u>\$ 3,525</u>	<u>\$ 4,252</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Fire Department Child Safety Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	808	808	808	-
Fund Balance - End of Year	\$ 808	\$ 808	\$ 808	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
EMS Computer Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Capital Outlay	-	-	4,329	(4,329)
Total Expenditures	-	-	4,329	(4,329)
Net Change in Fund Balance	-	-	(4,329)	(4,329)
Fund Balance - Beginning of Year	7,104	7,104	7,104	-
Fund Balance - End of Year	<u>\$ 7,104</u>	<u>\$ 7,104</u>	<u>\$ 2,775</u>	<u>\$ (4,329)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Local Law Enforcement Block Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	21	21	21	-
Fund Balance - End of Year	\$ 21	\$ 21	\$ 21	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Sidewalk Replacement Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	7,104	7,104	7,104	-
Fund Balance - End of Year	\$ 7,104	\$ 7,104	\$ 7,104	\$ -

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 COPS Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 6,122	\$ 6,122
Total Revenues	<u>-</u>	<u>-</u>	<u>6,122</u>	<u>6,122</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	6,122	6,122
Fund Balance - Beginning of Year	21,827	21,827	21,827	-
Fund Balance - End of Year	<u>\$ 21,827</u>	<u>\$ 21,827</u>	<u>\$ 27,949</u>	<u>\$ 6,122</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
FEMA Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	30,521	30,521	30,521	-
Fund Balance - End of Year	\$ 30,521	\$ 30,521	\$ 30,521	\$ -

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Cleveland Browns Foundation Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	568	568	568	-
Fund Balance - End of Year	\$ 568	\$ 568	\$ 568	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
CRA Monitoring Fee Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses and Permits	\$ 5,000	\$ 5,000	\$ 3,000	\$ (2,000)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>3,000</u>	<u>(2,000)</u>
Expenditures:				
Current:				
General Government				
Materials and Supplies	5,000	5,000	-	5,000
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	-	-	3,000	3,000
Fund Balance - Beginning of Year	68,451	68,451	68,451	-
Fund Balance - End of Year	<u>\$ 68,451</u>	<u>\$ 68,451</u>	<u>\$ 71,451</u>	<u>\$ 3,000</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 The Cleveland Foundation Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	4,819	4,819	4,819	-
Fund Balance - End of Year	\$ 4,819	\$ 4,819	\$ 4,819	\$ -

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Economic Development Stimulus Incentive Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Fees, Licenses and Permits	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Expenditures:				
Current:				
Community Development				
Materials and Supplies	33,000	33,000	-	33,000
Contractual Services	-	-	5,115	(5,115)
Total Expenditures	<u>33,000</u>	<u>33,000</u>	<u>5,115</u>	<u>27,885</u>
Net Change in Fund Balance	(18,000)	(18,000)	(5,115)	12,885
Fund Balance - Beginning of Year	33,265	33,265	33,265	-
Fund Balance - End of Year	<u>\$ 15,265</u>	<u>\$ 15,265</u>	<u>\$ 28,150</u>	<u>\$ 12,885</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Grass Refuse Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All Other Revenues	\$ 19,500	\$ 19,500	\$ 17,899	\$ (1,601)
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>17,899</u>	<u>(1,601)</u>
Expenditures:				
Current:				
Community Development				
Building				
Contractual Services	31,000	31,000	-	31,000
Total Expenditures	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>31,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,500)</u>	<u>(11,500)</u>	<u>17,899</u>	<u>29,399</u>
Other Financing Sources				
Advances In	500	500	-	(500)
Total Other Financing Sources	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Net Change in Fund Balance	(11,000)	(11,000)	17,899	28,899
Fund Balance - Beginning of Year	38,784	38,784	38,784	-
Fund Balance - End of Year	<u>\$ 27,784</u>	<u>\$ 27,784</u>	<u>\$ 56,683</u>	<u>\$ 28,899</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Homeland Security Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	1,999	1,999	1,999	-
Fund Balance - End of Year	\$ 1,999	\$ 1,999	\$ 1,999	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Civic Center Park Restoration Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 175,000	\$ 175,000	\$ 150,000	\$ (25,000)
Contributions and Donations	-	-	300	300
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>150,300</u>	<u>(24,700)</u>
Expenditures:				
Current:				
Community Development				
Contractual Services	25,000	25,000	21,796	3,204
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>21,796</u>	<u>3,204</u>
Excess of Revenues Over (Under) Expenditures	<u>150,000</u>	<u>150,000</u>	<u>128,504</u>	<u>(21,496)</u>
Other Financing Sources (Uses)				
Advances Out	(150,000)	(150,000)	(89,696)	60,304
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(89,696)</u>	<u>60,304</u>
Net Change in Fund Balance	-	-	38,808	38,808
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,808</u>	<u>\$ 38,808</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 G.R.E.A.T. Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	3,668	3,668	3,668	-
Fund Balance - End of Year	\$ 3,668	\$ 3,668	\$ 3,668	\$ -

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Fire Reporting Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	188	188	188	-
Fund Balance - End of Year	\$ 188	\$ 188	\$ 188	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
2007 Nature Works Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 77,000	\$ 54,096	\$ 54,095	\$ (1)
Total Revenues	<u>77,000</u>	<u>54,096</u>	<u>54,095</u>	<u>(1)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>77,000</u>	<u>54,096</u>	<u>54,095</u>	<u>(1)</u>
Other Financing Sources				
Advances In	-	22,904	-	(22,904)
Advances Out	<u>(77,000)</u>	<u>(77,000)</u>	<u>(54,095)</u>	<u>22,905</u>
Total Other Financing Sources	<u>(77,000)</u>	<u>(54,096)</u>	<u>(54,095)</u>	<u>1</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
2008 G.R.E.A.T. Works Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 165,000	\$ 165,000	\$ 110,168	\$ (54,832)
Total Revenues	<u>165,000</u>	<u>165,000</u>	<u>110,168</u>	<u>(54,832)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	1,255	1,255	1,255	-
Materials and Supplies	81,739	81,739	1,739	80,000
Total Expenditures	<u>82,994</u>	<u>82,994</u>	<u>2,994</u>	<u>80,000</u>
Net Change in Fund Balance	82,006	82,006	107,174	25,168
Fund Balance (Deficit) - Beginning of Year	(80,826)	(80,826)	(80,826)	-
Prior Year Encumbrances Appropriated	2,994	2,994	2,994	-
Fund Balance - End of Year	<u>\$ 4,174</u>	<u>\$ 4,174</u>	<u>\$ 29,342</u>	<u>\$ 25,168</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Parks and Playground Initiative Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 34,805	\$ 34,805	\$ 34,805	\$ -
Total Revenues	<u>34,805</u>	<u>34,805</u>	<u>34,805</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>34,805</u>	<u>34,805</u>	<u>34,805</u>	<u>-</u>
Other Financing Sources (Uses)				
Advances Out	(34,805)	(34,805)	(34,805)	-
Total Other Financing Sources (Uses)	<u>(34,805)</u>	<u>(34,805)</u>	<u>(34,805)</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Warrensville Heights Occupancy Program Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,250	\$ 3,000	\$ 1,250	\$ (1,750)
Total Revenues	<u>5,250</u>	<u>3,000</u>	<u>1,250</u>	<u>(1,750)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>5,250</u>	<u>3,000</u>	<u>1,250</u>	<u>(1,750)</u>
Other Financing Sources (Uses)				
Transfers Out	(5,000)	(5,000)	-	5,000
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	250	(2,000)	1,250	3,250
Fund Balance - Beginning of Year	2,935	2,935	2,935	-
Fund Balance - End of Year	<u>\$ 3,185</u>	<u>\$ 935</u>	<u>\$ 4,185</u>	<u>\$ 3,250</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Edward Byrne Memorial Justice Assistance Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	60,000	60,000	-	60,000
Capital Outlay	40,000	40,000	12,062	27,938
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>12,062</u>	<u>87,938</u>
Net Change in Fund Balance	-	-	87,938	87,938
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,938</u>	<u>\$ 87,938</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Police Hiring Grant Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 263,018	\$ 263,018	\$ -	\$ (263,018)
Total Revenues	<u>263,018</u>	<u>263,018</u>	<u>-</u>	<u>(263,018)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	263,018	263,018	-	263,018
Total Expenditures	<u>263,018</u>	<u>263,018</u>	<u>-</u>	<u>263,018</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
COPS Hiring Recovery Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 510,424	\$ 510,424	\$ -	\$ (510,424)
Total Revenues	<u>510,424</u>	<u>510,424</u>	<u>-</u>	<u>(510,424)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	510,424	510,424	-	510,424
Total Expenditures	<u>510,424</u>	<u>510,424</u>	<u>-</u>	<u>510,424</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Improvement Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	612,166	612,166	280,920	331,246
Other Expenses	-	-	1,717	(1,717)
Total Expenditures	612,166	612,166	282,637	329,529
Excess of Revenues Over (Under) Expenditures	(612,166)	(612,166)	(282,637)	329,529
Other Financing Sources				
Note Issuance	354,500	354,500	231,050	(123,450)
Total Other Financing Sources	354,500	354,500	231,050	(123,450)
Net Change in Fund Balance	(257,666)	(257,666)	(51,587)	206,079
Fund Balance - Beginning of Year	369,256	369,256	369,256	-
Prior Year Encumbrances Appropriated	14,922	14,922	14,922	-
Fund Balance - End of Year	\$ 126,512	\$ 126,512	\$ 332,591	\$ 206,079

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Building Repair and Improvement Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	1,738	1,738	1,738	-
Fund Balance - End of Year	\$ 1,738	\$ 1,738	\$ 1,738	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Information Technology System Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	20,000	20,000	-	20,000
Total Expenditures	20,000	20,000	-	20,000
Excess of Revenues Over (Under) Expenditures	(20,000)	(20,000)	-	20,000
Other Financing Sources				
Note Issuance	10,000	10,000	4,000	(6,000)
Total Other Financing Sources	10,000	10,000	4,000	(6,000)
Net Change in Fund Balance	(10,000)	(10,000)	4,000	14,000
Fund Balance - Beginning of Year	28,813	28,813	28,813	-
Fund Balance - End of Year	\$ 18,813	\$ 18,813	\$ 32,813	\$ 14,000

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Land Acquisition Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	15,000	15,000	-	15,000
Total Expenditures	15,000	15,000	-	15,000
Excess of Revenues Over (Under) Expenditures	(15,000)	(15,000)	-	15,000
Other Financing Sources				
Note Issuance	15,000	15,000	4,000	(11,000)
Total Other Financing Sources	15,000	15,000	4,000	(11,000)
Net Change in Fund Balance	-	-	4,000	4,000
Fund Balance - Beginning of Year	35,989	35,989	35,989	-
Fund Balance - End of Year	\$ 35,989	\$ 35,989	\$ 39,989	\$ 4,000

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Emery Woods Project Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	152,911	152,911	9,375	143,536
Total Expenditures	152,911	152,911	9,375	143,536
Excess of Revenues Over (Under) Expenditures	(152,911)	(152,911)	(9,375)	143,536
Other Financing Sources				
Note Issuance	1,000	1,000	2,000	1,000
Total Other Financing Sources	1,000	1,000	2,000	1,000
Net Change in Fund Balance	(151,911)	(151,911)	(7,375)	144,536
Fund Balance - Beginning of Year	161,245	161,245	161,245	-
Fund Balance - End of Year	\$ 9,334	\$ 9,334	\$ 153,870	\$ 144,536

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Siren Warning System Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	2,000	2,000	-	2,000
Total Expenditures	2,000	2,000	-	2,000
Excess of Revenues Over (Under) Expenditures	(2,000)	(2,000)	-	2,000
Other Financing Sources				
Note Issuance	2,000	2,000	-	(2,000)
Total Other Financing Sources	2,000	2,000	-	(2,000)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	457	457	457	-
Fund Balance - End of Year	\$ 457	\$ 457	\$ 457	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Route 8/Northfield Road Project Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	1,000	1,000	-	1,000
Total Expenditures	1,000	1,000	-	1,000
Excess of Revenues Over (Under) Expenditures	(1,000)	(1,000)	-	1,000
Other Financing Sources				
Note Issuance	1,000	1,000	-	(1,000)
Total Other Financing Sources	1,000	1,000	-	(1,000)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	3,841	3,841	3,841	-
Fund Balance - End of Year	\$ 3,841	\$ 3,841	\$ 3,841	\$ -

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Sidewalk Repair and Replacement Project Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	1,000	1,000	-	1,000
Total Expenditures	1,000	1,000	-	1,000
Excess of Revenues Over (Under) Expenditures	(1,000)	(1,000)	-	1,000
Other Financing Sources				
Note Issuance	2,500	2,500	-	(2,500)
Total Other Financing Sources	2,500	2,500	-	(2,500)
Net Change in Fund Balance	1,500	1,500	-	(1,500)
Fund Balance - Beginning of Year	81	81	81	-
Fund Balance - End of Year	<u>\$ 1,581</u>	<u>\$ 1,581</u>	<u>\$ 81</u>	<u>\$ (1,500)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Town Center Project Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Expenditures:				
Capital Outlay:				
Contractual Services	30,000	30,000	68,869	(38,869)
Other Expenses	-	-	2,103	(2,103)
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>70,972</u>	<u>(40,972)</u>
Excess of Revenues Over (Under) Expenditures	<u>40,000</u>	<u>40,000</u>	<u>(972)</u>	<u>(40,972)</u>
Other Financing Sources				
Note Issuance	10,000	10,000	1,000	(9,000)
Total Other Financing Sources	<u>10,000</u>	<u>10,000</u>	<u>1,000</u>	<u>(9,000)</u>
Net Change in Fund Balance	50,000	50,000	28	(49,972)
Fund Balance - Beginning of Year	1	1	1	-
Fund Balance - End of Year	<u>\$ 50,001</u>	<u>\$ 50,001</u>	<u>\$ 29</u>	<u>\$ (49,972)</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Generators Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	1,200	1,200	-	1,200
Total Expenditures	1,200	1,200	-	1,200
Excess of Revenues Over (Under) Expenditures	(1,200)	(1,200)	-	1,200
Other Financing Sources				
Note Issuance	1,000	1,000	-	(1,000)
Total Other Financing Sources	1,000	1,000	-	(1,000)
Net Change in Fund Balance	(200)	(200)	-	200
Fund Balance - Beginning of Year	10,666	10,666	10,666	-
Fund Balance - End of Year	\$ 10,466	\$ 10,466	\$ 10,666	\$ 200

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Green Road Park Improvement Fund
For The Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	8,500	8,500	156	8,344
Total Expenditures	8,500	8,500	156	8,344
Excess of Revenues Over (Under) Expenditures	(8,500)	(8,500)	(156)	8,344
Other Financing Sources				
Note Issuance	2,000	2,000	1,050	(950)
Total Other Financing Sources	2,000	2,000	1,050	(950)
Net Change in Fund Balance	(6,500)	(6,500)	894	7,394
Fund Balance - Beginning of Year	8,603	8,603	8,603	-
Fund Balance - End of Year	\$ 2,103	\$ 2,103	\$ 9,497	\$ 7,394

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Statistical Section

City of Warrensville Heights, Ohio

Statistical Section

This part of City of Warrensville Heights'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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2–S6
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S8–S13
Debt Capacity 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.	S14–S17
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S18-S19
Operating Information These schedules contain service 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.	S20-S23

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 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Warrensville Heights, Ohio

Net Assets by Component Accrual Basis of Accounting Last Seven Years

Table 1

	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$(2,121,770)	\$ (2,136,804)	\$ (777,382)	\$ (614,457)	\$ 1,893,723	\$ 1,815,033	\$3,349,635
Restricted for:							
Capital projects	857,341	490,388	-	-	803,927	2,229,153	52,718
Debt service	359,660	507,624	442,118	-	8,333	522,748	885,749
Streets	555,791	500,392	535,939	552,258	275,643	223,231	202,700
Police	96,712	91,134	114,889	224,613	107,801	151,774	200,209
Fire	76,928	108,076	90,273	80,301	220,475	159,505	68,363
Building Levy	58,305	147,560	-	-	-	-	-
Other Purposes	400,742	315,479	296,327	189,078	111,153	67,074	84,299
Unrestricted (Deficit)	(1,491,137)	(438,790)	(185,216)	(9,958)	(1,638,328)	(2,447,685)	(3,040,172)
<i>Total Governmental Activities Net Assets</i>	<u><u>\$ (1,207,428)</u></u>	<u><u>\$ (414,941)</u></u>	<u><u>\$ 516,948</u></u>	<u><u>\$ 421,835</u></u>	<u><u>\$ 1,782,727</u></u>	<u><u>\$ 2,720,833</u></u>	<u><u>\$1,803,501</u></u>

City of Warrensville Heights, Ohio

Changes in Net Assets Accrual Basis of Accounting Last Seven Years

Table 2

	2009	2008	2007	2006	2005	2004	2003
Program Revenues:							
Governmental Activities							
Charges for Services							
General government	\$ 285,557	\$ 348,619	\$ 193,833	\$ 182,754	\$ 206,353	\$ 229,899	\$ 150,756
Security of Persons and Property:							
Police and Others	212,881	255,246	361,456	313,492	393,133	340,291	319,549
Fire	363,966	315,518	267,729	211,625	261,603	251,186	158,352
Public Health Services	-	-	3,857	3,057	4,312	4,218	2,312
Leisure time activities	28,409	31,273	20,764	15,816	20,300	29,167	16,224
Community Development	19,149	28,383	64,823	51,681	81,530	53,263	26,513
Transportation	4,031	941	252,906	103,251	135,615	139,022	149,413
Basic Utility Services	-	-	4,327	69,129	107,642	114,253	23,818
Subtotal - Charges for Services	913,993	979,980	1,169,695	950,805	1,210,488	1,161,299	846,937
Operating Grants and Contributions							
General Government	49,740	28,250	23,278	5,600	-	-	-
Security of Persons and Property:							
Police and Others	17,337	160,050	24,799	62,244	61,567	114,500	156,790
Fire	-	3,000	8,399	2,500	84,303	232,682	78,811
Public Health Services	-	-	-	2,112	-	-	-
Leisure time activities	-	-	-	-	2,100	-	16,720
Community Development	-	-	290,475	388,722	218,345	225,048	286,294
Transportation	481,369	516,508	736,232	598,391	531,359	481,407	428,710
Subtotal - Operating Grants and Contributions	548,446	707,808	1,083,183	1,059,569	897,674	1,053,637	967,325
Capital Grants and Contributions:							
General government	278,796	76,060	324,478	-	-	-	45,813
Security of Persons and Property:							
Police and Others	100,000	-	15,033	-	-	-	77,000
Fire	-	-	-	-	-	-	49,258
Public Health Services	-	-	-	-	-	-	660
Leisure time activities	122,409	-	-	-	-	-	4,906
Community Development	269,416	578,433	-	-	-	-	15,920
Transportation	-	-	-	384,163	244,517	975,197	274,723
Basic Utility Services	-	-	-	-	85,000	106,460	6,807
Subtotal - Capital Grants and Contributions	770,621	654,493	339,511	384,163	329,517	1,081,657	475,087
<i>Total Governmental Activities Program Revenues</i>	\$ 2,233,060	\$ 2,342,281	\$ 2,592,389	\$ 2,394,537	\$ 2,437,679	\$ 3,296,593	\$ 2,289,349

(Continued)

City of Warrensville Heights, Ohio

Changes in Net Assets (continued) Accrual Basis of Accounting Last Seven Years

Table 2

	2009	2008	2007	2006	2005	2004	2003
Expenses:							
Governmental Activities							
General government	2,907,654	3,078,419	2,755,794	3,233,323	2,732,119	2,799,313	2,721,824
Security of Persons and Property:							
Police and Others	5,097,249	6,024,849	5,138,945	5,708,747	5,408,241	4,890,454	4,653,737
Fire	4,140,298	3,685,852	3,806,397	3,543,673	3,810,719	3,219,919	3,003,340
Public Health Services	55,903	54,833	54,834	65,802	56,006	47,829	40,420
Leisure time activities	302,387	326,782	295,210	329,692	295,706	361,980	323,941
Community Development	953,234	1,256,777	1,122,810	1,091,122	1,169,496	1,066,080	960,744
Transportation	1,773,859	2,209,178	1,966,685	2,308,721	2,399,454	2,384,519	3,096,239
Basic Utility Services	1,562,976	1,772,473	1,489,299	1,358,581	1,457,364	1,355,302	499,304
Interest and Fiscal Charges	565,318	627,851	704,801	549,714	544,927	421,671	378,320
<i>Total Governmental Activities Expense</i>	<u>17,358,878</u>	<u>19,037,014</u>	<u>17,334,775</u>	<u>18,189,375</u>	<u>17,874,032</u>	<u>16,547,067</u>	<u>15,677,869</u>
Net (Expense)/Revenue							
Governmental Activities	<u>(15,125,818)</u>	<u>(16,694,733)</u>	<u>(14,742,386)</u>	<u>(15,794,838)</u>	<u>(15,436,353)</u>	<u>(13,250,474)</u>	<u>(13,388,520)</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Property and Other Local Taxes Levied For:							
General Purposes	664,309	1,053,510	1,028,599	1,236,022	1,061,074	1,106,842	957,923
Debt Service	573,336	662,896	724,197	553,998	547,017	496,018	512,457
Other Purposes	610,702	711,090	783,059	712,565	667,078	631,777	681,792
Municipal Income Taxes Levied For:							
General Purposes	10,857,890	11,735,849	10,658,860	10,625,219	10,318,081	10,527,562	9,860,864
Grants and Entitlements not Restricted to							
Specific Programs	1,514,445	1,418,423	1,430,120	1,073,104	1,456,018	1,117,195	1,258,968
Investment earnings	2,137	40,642	166,362	173,564	126,112	37,376	60,835
Gain on Sale of Capital Assets	-	-	354	-	-	-	-
Miscellaneous	110,512	140,434	45,948	59,474	322,867	251,036	301,129
<i>Total Governmental Activities</i>	<u>14,333,331</u>	<u>15,762,844</u>	<u>14,837,499</u>	<u>14,433,946</u>	<u>14,498,247</u>	<u>14,167,806</u>	<u>13,633,968</u>
Change in net assets							
Governmental Activities	<u>\$ (792,487)</u>	<u>\$ (931,889)</u>	<u>\$ 95,113</u>	<u>\$ (1,360,892)</u>	<u>\$ (938,106)</u>	<u>\$ 917,332</u>	<u>\$ 245,448</u>

City of Warrensville Heights, Ohio

Fund Balances, Governmental Funds Modified Accrual Basis of Accounting Last Ten Years

Table 3

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved	\$ 48,312	\$ 52,875	\$ 68,891	\$ 92,809	\$ -	\$ 2,278	\$ 35,480	\$ 125,335	\$ 122,433	\$ 216,894
Unreserved	221,247	600,550	577,945	1,073,732	1,243,030	915,727	932,055	866,760	1,692,364	1,683,580
Total General Fund	<u>269,559</u>	<u>653,425</u>	<u>646,836</u>	<u>1,166,541</u>	<u>1,243,030</u>	<u>918,005</u>	<u>967,535</u>	<u>992,095</u>	<u>1,814,797</u>	<u>1,900,474</u>
All Other Governmental Funds										
Reserved	3,747	29,442	8,980	28,436	172,879	19,412	150,024	638,341	328,480	234,988
Unreserved, Undesignated, Reported in:										
Special Revenue funds	755,159	441,210	566,702	698,309	357,868	242,907	191,374	257,086	246,522	217,321
Debt Service funds	257,832	(22,889)	66,393	69,298	164,888	149,615	216,163	7,462	(256,651)	-
Capital Project funds	(5,455,083)	(4,442,972)	(2,727,398)	(2,217,021)	2,253,502	(3,878,347)	2,094,931	138,855	127,427	861,629
Total All Other Governmental Funds	<u>(4,438,345)</u>	<u>(3,995,209)</u>	<u>(2,085,323)</u>	<u>(1,420,978)</u>	<u>2,949,137</u>	<u>(3,466,413)</u>	<u>2,652,492</u>	<u>1,041,744</u>	<u>445,778</u>	<u>1,313,938</u>
Total Governmental Funds	<u><u>\$(4,168,786)</u></u>	<u><u>\$(3,341,784)</u></u>	<u><u>\$(1,438,487)</u></u>	<u><u>\$ (254,437)</u></u>	<u><u>\$ 4,192,167</u></u>	<u><u>\$(2,548,408)</u></u>	<u><u>\$ 3,620,027</u></u>	<u><u>\$ 2,033,839</u></u>	<u><u>\$ 2,260,575</u></u>	<u><u>\$ 3,214,412</u></u>

City of Warrensville Heights, Ohio

Changes in Fund Balances, Governmental Funds Modified Basis of Accounting Last Ten Years

Table 4

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Property and Other Taxes	\$ 1,799,439	\$ 2,377,955	\$ 2,326,090	\$ 2,444,893	\$ 2,258,293	\$ 2,400,560	\$ 2,139,615	\$ 2,411,677	\$ 2,154,716	\$ 1,878,671
Income Taxes	11,099,006	11,934,424	10,739,288	10,568,048	10,369,292	10,388,957	9,997,534	8,513,212	8,761,300	8,543,695
Special Assessments	690,621	446,947	382,781	475,297	236,742	150,739	231,652	180,708	255,733	258,559
Intergovernmental	2,424,082	2,208,652	2,321,745	2,211,419	2,436,351	3,404,790	2,216,899	2,267,868	2,292,583	2,374,547
Interest	2,137	40,642	166,362	173,564	126,112	37,376	60,835	29,272	120,970	180,896
Fees, Licenses and Permits	265,502	362,746	356,550	430,681	437,052	530,536	162,383	704,382	360,992	282,576
Fines and Forfeitures	209,213	246,287	296,926	283,167	259,304	313,302	319,506	-	-	-
Rentals	-	-	-	-	10,045	-	-	-	-	-
Charges for Services	425,150	514,392	295,782	334,341	340,695	349,355	402,595	349,637	298,424	150,567
Contributions and Donations	7,350	-	-	-	85,010	-	-	-	-	-
Other	119,100	213,860	45,948	59,474	322,867	251,036	301,129	407,474	487,409	167,797
Total Revenues	17,041,600	18,345,905	16,931,472	16,980,884	16,881,763	17,826,651	15,832,148	14,864,230	14,732,127	13,837,308
Expenditures										
Current:										
General Government	2,779,632	2,947,051	2,619,985	2,726,545	2,495,624	2,503,986	2,741,396	2,069,131	3,728,788	3,173,574
Security of Persons and Property:								7,922,500	7,110,172	6,524,773
Police	4,968,400	5,826,037	5,048,633	4,809,157	4,797,841	5,014,605	4,580,861	n/a	n/a	n/a
Fire	4,049,393	3,726,265	3,510,938	3,200,162	3,239,053	3,562,045	2,802,671	n/a	n/a	n/a
Public Health Services	55,903	54,392	54,392	50,615	50,615	46,838	39,132	44,572	88,496	21,650
Leisure Time Activities	288,646	301,870	278,762	261,904	238,295	330,820	293,508	382,752	155,833	317,034
Community Development	949,103	1,267,359	1,153,715	918,719	1,058,386	1,058,781	946,701	853,923	1,008,714	733,190
Transportation	1,889,374	1,593,785	2,130,634	1,812,967	2,060,585	1,874,273	2,939,556	3,109,339	507,441	582,295
Basic Utility Services	1,310,451	1,677,865	1,427,767	1,144,734	1,263,610	1,346,571	338,356	71,193	1,236,255	1,003,422
Capital Outlay	392,590	760,435	1,552,707	2,404,728	2,572,219	2,924,756	3,220,808	1,591,406	695,966	622,422
Debt Service:										
Principal retirement	938,478	730,000	899,393	970,136	959,466	7,383,810	2,577,462	645,000	740,000	650,000
Interest and fiscal charges	525,906	610,612	755,494	598,501	351,231	427,176	342,161	376,150	416,929	503,218
Bond Issuance Costs	-	-	-	-	-	-	113,000	-	-	-
Total Expenditures	18,147,876	19,495,671	19,432,420	18,898,168	19,086,925	26,473,661	20,935,612	17,065,966	15,688,594	14,131,578
Excess of Revenues Over (Under) Expenditures	(1,106,276)	(1,149,766)	(2,500,948)	(1,917,284)	(2,205,162)	(8,647,010)	(5,103,464)	(2,201,736)	(956,467)	(294,270)

(Continued)

City of Warrensville Heights, Ohio

Changes in Fund Balances, Governmental Funds (continued) Modified Basis of Accounting Last Ten Years

Table 4

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Other Financing Sources (Uses)										
Sale of Capital Assets	\$ 1,960	\$ -	\$ 1,673	\$ -	\$ -	\$ 12,052	\$ 15,475	\$ -	\$ 2,630	\$ 2,809
Inception of Capital Lease	203,314	30,469	198,225	10,680	146,041	171,523	80,459	-	-	-
Bond Anticipation Notes Issued	-	-	-	-	-	2,295,000	6,475,000	-	-	-
Refunding Notes Issued	8,892,000	8,818,000	9,602,000	6,580,000	11,025,000	-	-	-	-	-
General Obligation Bonds Issued	-	-	-	-	-	-	2,625,000	1,975,000	-	-
Notes Premium	-	-	-	-	69,696	-	-	-	-	-
Current Refunding	(8,818,000)	(9,602,000)	(8,485,000)	(9,120,000)	(2,295,000)	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(2,506,282)	-	-	-
Transfers In	173,704	130,640	506,397	1,479,263	1,157,274	6,620,665	13,000	275,286	675,332	227,000
Transfers Out	(173,704)	(130,640)	(506,397)	(1,479,263)	(1,157,274)	(6,620,665)	(13,000)	(275,286)	(675,332)	(227,000)
Advances In	-	-	-	-	-	-	-	33,604	-	-
Advances Out	-	-	-	-	-	-	-	(33,604)	-	-
Other	-	-	-	-	-	-	-	-	-	(298,812)
<i>Total Other Financing Sources (Uses)</i>	<u>279,274</u>	<u>(753,531)</u>	<u>1,316,898</u>	<u>(2,529,320)</u>	<u>8,945,737</u>	<u>2,478,575</u>	<u>6,689,652</u>	<u>1,975,000</u>	<u>2,630</u>	<u>(296,003)</u>
<i>Net Change in Fund Balances</i>	<u>\$ (827,002)</u>	<u>\$(1,903,297)</u>	<u>\$(1,184,050)</u>	<u>\$(4,446,604)</u>	<u>\$ 6,740,575</u>	<u>\$(6,168,435)</u>	<u>\$ 1,586,188</u>	<u>\$ (226,736)</u>	<u>\$ (953,837)</u>	<u>\$ (590,273)</u>
Debt service as a percentage of noncapital expenditures	7.08%	7.00%	9.47%	9.39%	7.94%	33.17%	17.12%	6.60%	7.72%	8.54%

City of Warrensville Heights, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Table 5

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2009	\$ 121,729,160	\$ 136,218,930	\$ 736,994,543	\$ 5,346,390	\$ 6,075,443
2008	121,100,670	136,965,560	737,332,086	5,098,070	5,793,261
2007	121,171,620	143,841,240	757,179,600	747,885	5,983,080
2006	121,805,680	139,133,100	745,539,371	2,792,947	14,895,716
2005	103,386,585	113,790,495	620,505,943	12,772,240	14,513,909
2004	104,986,970	108,882,400	611,055,343	12,828,990	14,578,398
2003	102,192,535	108,387,635	601,657,629	13,379,180	15,203,614
2002	94,087,620	101,313,100	558,287,771	11,690,000	13,284,091
2001	94,193,600	96,719,160	545,465,029	13,150,000	14,943,182
2000	80,297,140	84,378,960	470,503,143	12,230,000	13,897,727

Real property is reappraised every six years with a State mandated update of the current market in the third year following each reappraisal.

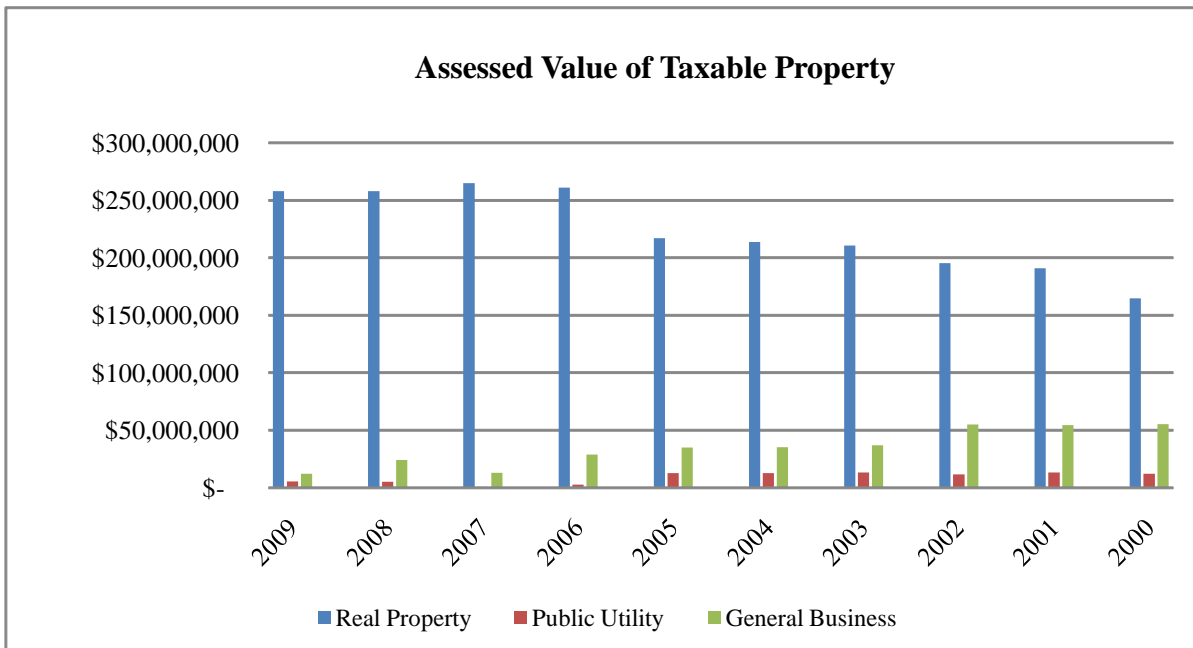
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax started being phased out beginning in 2006. For collection year 2007, both types of general business tangible personal property were assessed at 12.5 percent. The percentage will be 6.25 percent for 2008, and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property

General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$ 12,215,192	\$ -	\$275,509,672	\$ 743,069,986	37.08%	\$ 6.3675
24,039,677	384,634,832	287,203,977	1,127,760,179	25.47	6.7987
13,016,219	104,129,752	278,776,964	867,292,432	32.14	8.7894
28,901,882	154,143,371	292,633,609	914,578,458	32.00	8.9083
35,108,650	140,434,600	265,057,970	775,454,452	34.18	9.2033
35,229,342	140,917,368	261,927,702	766,551,109	34.17	9.1402
36,972,668	147,890,672	260,932,018	764,751,915	34.12	9.2981
55,035,241	220,140,964	262,125,961	791,712,826	33.11	9.6896
54,383,385	217,533,540	258,446,145	777,941,751	33.22	9.1509
55,281,342	221,125,368	232,187,442	705,526,238	32.91	8.7529



City of Warrensville Heights, Ohio

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

Last Ten Years

Table 6

Collection Year	City of Warrensville Heights				Warrensville Heights School District	Orange City School District	Cuyahoga County	Special (1) Taxing Districts	Total Tax Levy
	General Fund	Special (1) Funds	Debt Service	Total Levy					
2009	\$ 3.60	\$ 4.10	\$ 2.00	\$ 9.70	\$ 90.10	\$ 86.00	\$ 13.32	\$ 7.28	\$ 206.40
2008	3.30	4.10	2.30	9.70	90.10	86.00	13.32	7.28	206.40
2007	6.80	4.10	2.30	13.20	90.10	86.10	13.42	6.78	209.60
2006	6.80	4.10	2.30	13.20	89.60	86.10	13.52	6.78	209.20
2005	6.80	4.10	2.30	13.20	89.40	86.10	13.52	6.78	209.00
2004	6.80	4.10	2.30	13.20	80.30	81.10	13.52	5.88	194.00
2003	6.80	4.10	2.30	13.20	80.30	81.10	11.72	5.88	192.20
2002	6.80	4.10	2.30	13.20	79.80	81.10	11.72	5.88	191.70
2001	6.80	4.10	2.30	13.20	79.80	81.10	11.72	5.88	191.70
2000	6.80	4.10	2.30	13.20	80.60	71.50	10.82	5.88	182.00

Source: County Auditor

- (1) Policy Levy, Fire Levy, Street Lighting, Building Levy, Fire Pension, and Police Pension special revenue funds
- (2) Cleveland Metro Parks, Cuyahoga County Library, Cuyahoga Community College and Cleveland-Cuyahoga Port Authority

City of Warrensville Heights, Ohio

Property Tax Levies And Collections

Last Ten Years

Table 7

Collection Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
2009	\$1,709,587	\$ 1,528,821	89.43%	\$ 103,153	\$ 1,631,974	95.46%	\$ 634,288	37.10%
2008	2,242,841	2,007,496	89.51	158,913	2,166,409	96.59	584,743	26.07
2007	2,144,001	1,915,149	89.33	110,223	2,025,372	94.47	433,791	20.23
2006	2,199,723	3,465,835	157.56	196,497	3,662,332	166.49	327,207	14.87
2005	2,712,282	2,152,970	79.38	123,932	2,276,902	83.95	425,420	15.68
2004	2,741,976	2,209,096	80.57	150,782	2,359,878	86.06	345,986	12.62
2003	2,670,825	2,157,433	80.78	157,680	2,315,113	86.68	349,299	13.08
2002	2,680,951	2,166,735	80.82	153,220	2,319,955	86.53	348,565	13.00
2001	2,586,531	2,092,813	80.91	131,693	2,224,506	86.00	347,548	13.44
2000	2,471,937	1,992,515	80.61	166,512	2,159,027	87.34	312,139	12.63

Source: Cuyahoga County Auditor

(1) State reimbursement of rollback and homestead exemptions is included

Note: The County does not identify delinquent collections by the year for which the tax was levied.

City of Warrensville Heights, Ohio

Principal Taxpayers - Real Estate Tax

2009 and 2003

Table 8

<u>Name of Taxpayer</u>	2009	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
JLP- Harvard Park LLC	\$ 13,009,150	5.04%
Cleveland East Hotel	10,510,710	4.07%
Highlands Woods NS	6,346,600	2.46%
Granada Apartments	6,329,100	2.45%
Meridia Health System	6,007,750	2.33%
Clarkwood Apartments, LTD	5,540,850	2.15%
Cleveland Electric Illuminating Co.	5,056,700	1.96%
Sherwin-Williams Automotive	3,133,550	1.21%
Heinens, Inc.	2,438,880	0.95%
Warrensville Heights Property	2,322,050	0.91%
Total	\$ 60,695,340	23.53%
Total Assessed Valuation		
	\$ 257,948,090	
<u>Name of Taxpayer</u>	2003	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
Alltel Ohio Limited Partnership	\$ 5,409,460	2.53%
Heinens, Inc.	2,570,380	1.20%
Clarkwood Apartments, LTD	4,883,310	2.28%
Dalebridge Renaissance, LTD	4,561,210	2.13%
Cleveland Illuminating Company	4,149,500	1.94%
Sherwin-Williams	2,854,500	1.33%
Granada Apartments Company	2,771,060	1.30%
Highland Business Park LLC.	2,071,580	0.97%
Total	\$ 29,271,000	13.68%
Total Assessed Valuation		
	\$ 213,869,370	

Source: Cuyahoga County Auditor

(1) Excludes Public Utilities

Information prior to 2003 is not available

City of Warrensville Heights, Ohio

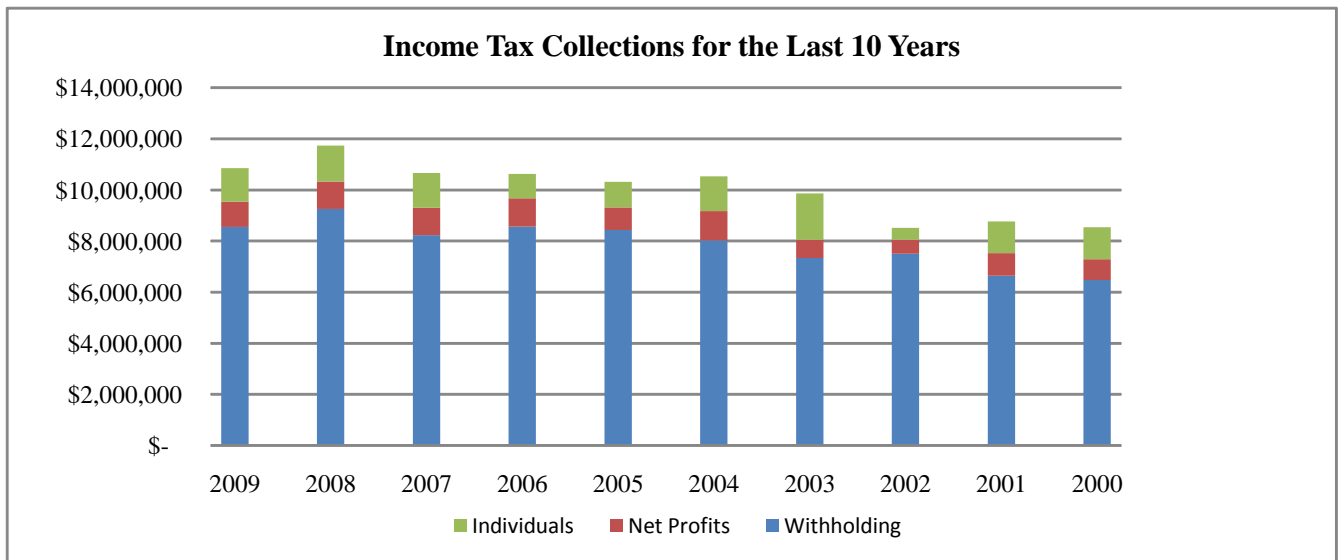
Income Tax Revenue Base Collections

Last Ten Years

Table 9

Tax Year (1)	Tax Rate (2)	Total Tax Collected (3)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profit	Taxes From Individuals	Percentage of Taxes from Individuals
2009	2.60%	\$10,857,890	\$ 8,551,674	78.76%	\$ 993,497	9.15%	\$ 1,312,719	12.09%
2008	2.00	11,735,849	9,257,333	78.88	1,065,149	9.08	1,413,367	12.04
2007	2.00	10,658,860	8,229,196	77.21	1,075,261	10.09	1,354,403	12.71
2006	2.00	10,625,219	8,567,114	80.63	1,100,773	10.36	957,332	9.01
2005	2.00	10,318,081	8,431,976	81.72	888,228	8.61	997,877	9.67
2004	2.00	10,527,562	8,025,091	76.23	1,143,457	10.86	1,359,014	12.91
2003	2.00	9,860,864	7,339,861	74.43	711,895	7.22	1,809,108	18.35
2002	2.00	8,513,212	7,499,399	88.09	553,584	6.50	460,229	5.41
2001	1.75	8,761,300	6,638,177	75.77	889,080	10.15	1,234,043	14.09
2000	1.75	8,543,695	6,477,177	75.81	814,238	9.53	1,252,280	14.66

- (1) Effective July 1, 2009, the City's Electors voted to increase the City's income tax rate from 2.00% to 2.60%.
- (2) The City is statutorily prohibited from presenting individual taxpayers.
- (3) 2003 through 2009 are on a full accrual basis. 2000 through 2002 are on a modified accrual basis.



City of Warrensville Heights, Ohio

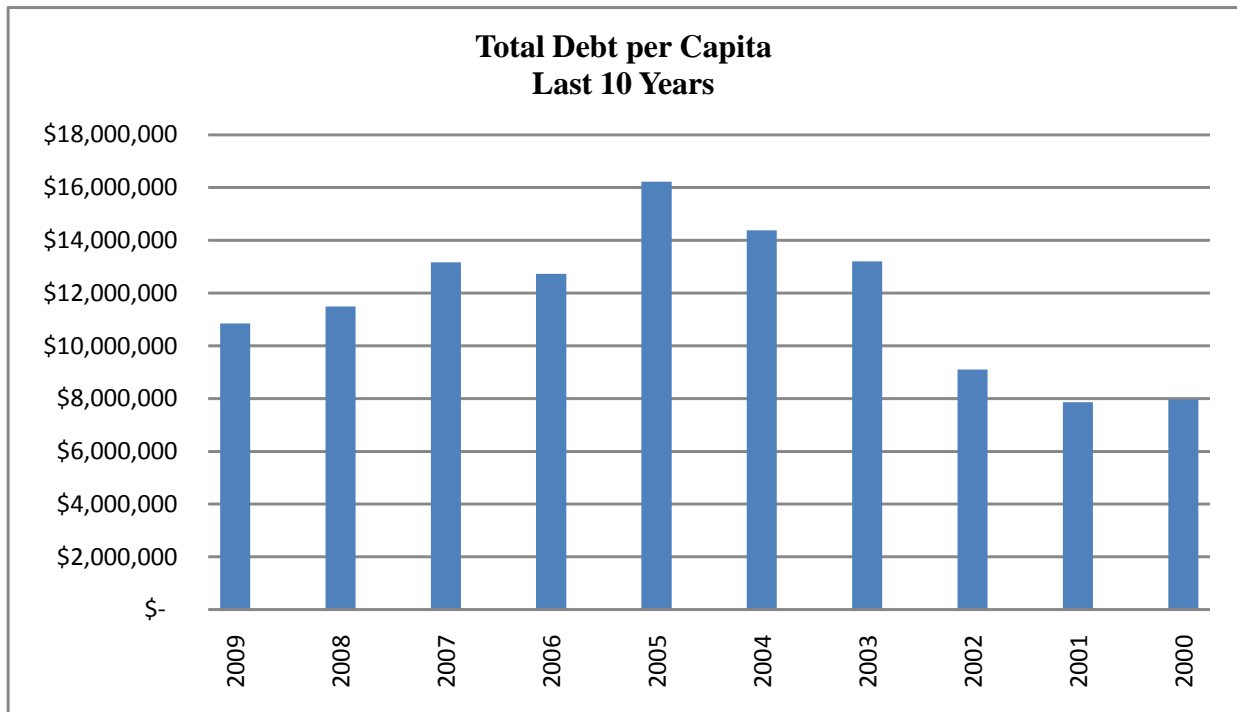
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

Table 10

Fiscal Year	Governmental Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Long-Term Notes	Capital Leases			
2009	\$ 1,437,037	\$ 173,673	\$ 8,892,000	\$ 339,394	\$ 10,842,104	3.86%	\$ 718
2008	2,110,162	229,117	8,818,000	334,558	11,491,837	4.09	761
2007	2,758,983	298,865	9,602,000	499,401	13,159,249	4.68	871
2006	3,378,500	362,917	8,485,000	505,569	12,731,986	4.53	843
2005	3,978,714	456,272	11,025,000	760,025	16,220,011	5.77	1,074
2004	4,564,624	548,931	8,385,000	883,450	14,382,005	5.11	952
2003	5,098,571	683,553	6,475,000	940,737	13,197,861	4.69	874
2002	4,853,546	1,171,446	1,975,000	1,095,431	9,095,423	3.23	602
2001	5,379,819	1,290,181	-	1,198,536	7,868,536	2.80	521
2000	6,001,085	1,408,915	-	550,776	7,960,776	2.83	527

Note: Population and Personal Income data are presented on page S19.



City of Warrensville Heights, Ohio

Ratio of General Obligation Bonded Debt to Estimated Actual Value of Taxable Property and Bonded Debt Per Capita Last Ten Years

Table 11

Year	Population (1)	Estimated Actual Value of Taxable Property	Bonded Debt (3)	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2009	15,109 b	\$ 743,069,986	\$ 1,437,037	0.19%	\$ 95.11
2008	15,109 b	1,127,760,179	2,110,162	0.19%	139.66
2007	15,109 b	867,292,432	2,758,983	0.32	182.61
2006	15,109 b	914,578,458	3,378,500	0.37	223.61
2005	15,109 b	775,454,452	3,978,914	0.51	263.35
2004	15,109 b	766,551,109	4,564,624	0.60	302.11
2003	15,109 b	764,751,915	5,098,571	0.67	337.45
2002	15,109 b	791,712,826	4,846,084	0.61	320.74
2001	15,109 b	777,941,751	5,347,900	0.69	353.95
2000	15,109 a	705,526,238	5,679,670	0.81	375.91

Sources:

(1) U. S. Bureau of Census, Census of Population

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Warrensville Heights, Ohio

Legal Debt Margin

Last Ten Years

Table 12

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Total Assessed Property Value	\$ 275,509,672	\$ 287,203,977	\$ 278,776,964	\$ 292,633,609	\$ 265,057,970	\$ 261,927,702	\$ 260,932,018	\$ 262,125,961	\$ 258,446,145	\$ 232,187,442
Overall Legal Debt Limit (10 1/2 % of Assessed Valuation)	\$ 28,928,516	\$ 30,156,418	\$ 29,271,581	\$ 30,726,529	\$ 27,831,087	\$ 27,502,409	\$ 27,397,862	\$ 27,523,226	\$ 27,136,845	\$ 24,379,681
Debt Outstanding										
General Obligation Bonds	1,437,037	2,110,162	2,758,983	3,378,500	4,058,728	4,656,069	5,201,447	4,853,546	5,379,819	6,001,085
Special Assessment Bonds	173,673	229,117	298,865	362,917	456,272	548,931	683,553	1,171,446	1,290,180	1,408,915
Bond Anticipation Notes	14,889,000	14,323,000	12,726,000	12,479,000	11,025,000	8,385,000	6,475,000	1,975,000	-	-
Total Gross Indebtedness	16,499,710	16,662,279	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000	7,999,992	6,669,999	7,410,000
Less:										
Notes issued in anticipation of the levy or collection of municipal income taxes	(9,192,000)	(8,654,500)	(7,976,000)	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)	(1,975,000)	-	-
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion)	(5,870,673)	(5,897,617)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)	(1,171,446)	(1,290,180)	(1,408,915)
General Obligation Bond Retirement Fund Balance	(257,832)	-	-	(69,298)	(164,888)	(149,615)	(216,163)	(7,462)	(64,764)	(6,416)
Total Net Debt Applicable to Debt Limit	1,179,205	2,110,162	3,770,348	4,107,904	3,343,840	4,506,454	4,985,284	4,846,084	5,315,055	5,994,669
Legal Debt Margin Within 10 1/2% Limitations	\$ 27,749,311	\$ 28,046,256	\$ 25,501,233	\$ 26,618,625	\$ 24,487,247	\$ 22,995,955	\$ 22,412,578	\$ 22,677,142	\$ 21,821,790	\$ 18,385,012
Legal Debt Margin as a Percentage of the Debt Limit	95.92%	93.00%	87.12%	86.63%	87.99%	83.61%	81.80%	82.39%	80.41%	75.41%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	\$ 15,153,032	\$ 15,796,219	\$ 15,332,733	\$ 16,094,848	\$ 14,578,188	\$ 14,406,024	\$ 14,351,261	\$ 14,416,928	\$ 14,214,538	\$ 12,770,309
Total Gross Indebtedness	16,499,710	16,662,279	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000	7,999,992	6,669,999	7,410,000
Less:										
Bonds and notes issued in anticipation of the levy or collection of municipal income taxes	(9,192,000)	(8,654,500)	(7,976,000)	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)	(1,975,000)	-	-
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion)	(5,870,673)	(5,897,617)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)	(1,171,446)	(1,290,180)	(1,408,915)
General Obligation Bond Retirement Fund Balance	-	-	-	(69,298)	(164,888)	(149,615)	(216,163)	(7,462)	(64,764)	(6,416)
Net Debt Within 5 1/2% Limitations	1,179,205	2,110,162	3,770,348	4,107,904	3,343,840	4,506,454	4,985,284	4,846,084	5,315,048	5,994,669
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$ 13,973,827	\$ 13,686,057	\$ 11,562,385	\$ 11,986,944	\$ 11,234,348	\$ 9,899,570	\$ 9,365,977	\$ 9,570,844	\$ 8,899,490	\$ 6,775,640
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	92.22%	86.64%	75.41%	74.48%	77.06%	68.72%	65.26%	66.39%	62.61%	53.06%

Source: City Financial Records

City of Warrensville Heights, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2009

Table 13

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Warrensville Heights
Direct Debt:			
City of Warrensville Heights			
General Obligation Bond	\$ 1,437,037	100.00%	\$ 1,437,037
Special Assessment Bonds	173,673	100.00%	173,673
Capital Leases	339,394	100.00%	339,394
General Obligation Notes	14,889,000	100.00%	14,889,000
<i>Total Direct Debt</i>	16,839,104		16,839,104
 Overlapping Debt:			
Warrensville Heights City School District	20,070,000	69.09%	13,866,127
Orange Local School District	26,153,219	0.73%	191,793
Cuyahoga County	336,472,572	0.90%	3,026,865
Regional Transit Authority (RTA)	163,025,000	0.90%	1,466,552
<i>Total Overlapping Debt</i>	545,720,791		18,551,337
 Total Direct and Overlapping Debt	 \$ 562,559,895		 \$ 35,390,441

Source: County Auditor

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

City of Warrensville Heights, Ohio

Principal Employers

Current Year and Nine Years Ago

Table 14

2009 (1)		
Employer	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	1,523	11.58 %
Warrensville Heights City School District	467	3.55
Sherwin-Williams Co.	397	3.02
United Health Homecare Services	348	2.65
Heinen's, Inc.	341	2.59
Par Acquisition	313	2.38
Little Sister of the Poor	178	1.35
City of Warrensville Heights	168	1.28
Henkel Corporation	142	1.08
Horizon, Inc.	135	1.03
Total	4,012	30.51
Total Employment within the City	13,150	

2000 (2)		
Employer	Employees	Percentage of Total City Employment
Meridia South Pointe Hospital	1,100	N/A
BP America, Inc.	450	N/A
Warrensville Heights City School District	415	N/A
Lucite Corporation	260	N/A
City of Warrensville Heights	212	N/A
Heinen's, Inc.	200	N/A
Lubriquip Houdaille Industries, Inc.	145	N/A
Excello Specialty	123	N/A
United Health Homecare Services	85	N/A
Mortgage Information Services	31	N/A
Total	3,021	
Total Employment within the City	N/A	

Source: (1) City of Cleveland Central Collection Agency
 (2) Official Statement Date - May 1, 2000
 N/A - Information not available

City of Warrensville Heights, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 15

Year	Population (1)		Total Personal Income (1)		Personal Income Per Capita (1)		Median Household Income (1)		Median Age (1)		Educational Attainment: Bachelor's Degree or Higher (1)		School Enrollment (2)		Cuyahoga County, Ohio Unemployment Rate (3)		Average Sales Price of Residential Property (4)		Total Assessed Property Value (4)	
2009	15,109	b	\$281,193,599	b	\$ 18,611	b	\$ 37,204	b	37.7	b	16.40%	b	2,273		8.9%	\$ 99,265		\$ 275,509,672		
2008	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	2,321		7.1	99,265		287,203,977		
2007	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	2,536		6.1	99,265		278,776,964		
2006	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	2,700		5.7	94,699		292,633,609		
2005	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	2,864		5.7	89,838		265,057,970		
2004	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	2,783		6.2	89,838		261,927,702		
2003	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	2,876		6.4	89,838		260,932,018		
2002	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	2,841		6.7	77,063		262,125,961		
2001	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	3,024		4.6	70,700		258,446,145		
2000	15,109	b	281,193,599	b	18,611	b	37,204	b	37.7	b	16.40	b	3,099		4.5	70,700		232,187,442		

- Sources:
- (1) U. S. Bureau of Census, Census of Population
 - (a) 1990 Federal Census
 - (b) 2000 Federal Census
 - (2) Ohio Department of Education for Warrensville Heights City School District
 - (3) U. S. Bureau of Labor Statistics
 - (4) U. S. Bureau of Census, Census of Population

City of Warrensville Heights, Ohio

Operating Indicators by Function/Program

Last Eight Years (1)

Table 16

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
General Government								
<i>Council and Clerk</i>								
Number of Ordinances Passed	96	155	171	178	211	177	174	116
Number of Resolutions Passed	62	51	64	57	88	88	51	90
<i>Finance Department</i>								
Number of checks/vouchers issued	2,874	3,087	3,145	3,075	2,881	3,104	829	n/a
Amount of checks written	\$5,958,169	\$8,867,036	\$12,106,582	\$10,439,805	\$12,162,486	\$12,336,381	n/a	n/a
General Fund Interest earnings for fiscal year (cash basis)	\$2,136	\$40,625	\$156,973	\$173,560	\$119,692	\$37,030	\$55,476	n/a
Number of receipts issued	3,289	3,267	3,806	4,098	4,200	4,125	4,075	n/a
Number of Budget Adjustments issued	10	10	82	162	201	152	22	n/a
Agency Ratings - Moody's Financial Services	A-3	A-3	A-3	A-3	A-3	A-3	A-3	A-3
Helath Insurance Costs vs General Fund Expenditures (cash basis)	11.88%	9.74%	10.80%	9.71%	10.36%	9.78%	8.80%	n/a
General Fund Receipts (cash basis)	\$13,450,411	\$15,259,941	\$14,178,286	\$14,224,242	\$14,078,484	\$14,042,599	\$13,111,055	\$10,389,010
General Fund Expenditures (cash basis)	\$14,432,160	\$15,764,972	\$14,415,510	\$13,916,892	\$13,937,358	\$13,635,555	\$13,256,165	\$12,615,868
General Fund Cash Balances	\$0	\$0	\$259,541	\$694,777	\$424,384	\$368,460	(\$29,396)	\$65,113
<i>Building Department Indicators</i>								
Construction Permits Issued	470	631	213	820	1,026	624	580	605
Estimated Value of Construction	\$18,350,887	\$11,450,970	\$11,625,337	\$13,677,990	\$15,254,686	\$40,106,403	\$3,028,904	\$5,666,550
Number of plumbing and electrical permits issued	276	258	693	601	1,024	558	300	275
Amount of Revenue generated from permits	\$271,735	\$237,736	\$313,340	\$238,583	\$131,497	\$285,295	\$48,709	\$125,350
Number of contract registrations issued	287	354	700	454	486	485	337	350
Number of rental inspections performed	254	544	414	662	500	550	455	350
Number of point of sale inspections	37	192	403	600	400	350	415	300
<i>Security of Persons and Property:</i>								
<i>Police</i>								
Total Calls for Services	15,905	15,918	15,492	13,244	14,358	12,207	n/a	n/a
Number of traffic citations issued	2,420	1,965	1,935	2,137	2,934	n/a	3,652	4,125
Number of parking citations issued	1,262	1,580	1,900	1,631	1,813	n/a	2,080	1,748
Number of ciriminal arrests	551	867	1,027	894	965	1,057	966	844
Number of accident reports completed	570	763	784	683	797	841	873	838
Part 1 Offenses (major offenses)	n/a	633	614	535	455	485	647	610
DUI Arrests	23	17	21	10	31	17	20	26
Prisoners	1,094	1,000	965	896	974	1,195	1,268	1,194
Prisoner meal costs	\$10,829	\$15,706	\$29,816	\$18,552	\$17,017	\$14,998	\$17,198	\$15,782
Motor Vehicle Accidents	668	763	784	683	797	841	873	838
Property damage accidents	570	665	682	598	688	720	766	729
Fatalities from Motor Vehicle Accidents	1	1	1	1	2	3	2	2
Gasoline costs of fleet	\$44,100	\$89,170	\$53,701	\$74,767	\$40,538	\$47,570	n/a	n/a
Community Diversion Program Youths	32	40	25	29	30	18	35	63
Community Diversion Program - community service hours	530	728	806	494	576	747	1,386	n/a
<i>Fire</i>								
EMS calls	1,765	1,869	1,991	1,775	1,757	1,722	1,885	1,683
Ambulance Billing Collections (net)	\$383,958	\$378,967	\$205,810	\$282,057	\$301,030	\$294,356	\$282,868	n/a
Fire Calls	84	807	316	278	289	265	302	302
Fires with Loss	84	46	37	24	32	40	42	n/a
Fires with Losses exceeding \$10K	12	9	16	4	9	7	8	n/a
Fire Losses \$	\$320,000	\$590,100	\$883,920	\$170,940	\$574,600	\$281,180	\$514,010	n/a
Fire Safety Inspections	217	257	265	257	236	195	145	n/a
Number of times Mutual Aid given to Fire and EMS	56	44	75	72	89	100	113	n/a
Number of times Mutual Aid received for Fire and EMS	19	12	12	14	10	13	5	7

(Continued)

City of Warrensville Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Eight Years (1)

Table 16

Function/Program	2008	2008	2007	2006	2005	2004	2003	2002
Basic Utility Services								
Refuse disposal per year (in tons)	4,405	4,450	4,862	5,912	5,222	5,422	5,790	5,459
Refuse disposal costs per year (calendar year)	\$137,499	\$169,966	\$231,743	\$236,377	\$228,596	\$222,154	\$234,364	\$167,943
Annual recycling tonnage (excluding leaf, and compost items)	871	777	733	696	692	625	642	622
Percentage of waste recycled	15.46%	15.21%	13.57%	10.53%	11.70%	10.34%	9.98%	10.26%
Transportation								
Street Repair (Curbs, aprons, berms, asphalt) (hours)	766	803	905	812	864	880	886	820
Guardrail Repair (hours)	120	144	120	180	198	174	162	158
Paint Striping (hours)	220	326	366	324	390	406	356	412
Street Sweeper (hours)	794	805	841	880	896	810	856	802
Cold Patch (hours)	802	872	883	808	816	820	810	860
Snow & Ice Removal overtime hours	-	-	-	-	-	3,652	4,458	4,088
Landscaping Stump-Chipper service (hours)	782	799	847	804	813	867	913	895
Holiday Lights Setup (hours)	80	96	88	76	80	88	84	86
Sign Department (hours)	246	316	294	304	346	285	357	326
Number of Trees Planted per year	2	10	26	6	3	7	27	4
Tons of Snow Melting Salt Purchased (Nov - Mar)	6,346	7,100	5,391	3,413	4,435	3,408	3,627	2,518
Cost of Salt Purchased	\$132,674	\$180,461	\$177,783	\$104,967	\$141,218	\$112,640	\$119,920	\$80,080

Source: Information for operating indicators was obtained from the various departments within the City.
 (1) Information prior to 2002 not available.

City of Warrensville Heights, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 17

Function/program:	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government:										
Square Footage Occupied	25,515	25,515	25,515	25,515	25,515	25,515	25,515	20,365	20,365	20,365
Administrative Vehicles	1	1	1	1	2	2	2	2	2	1
Inspection Vehicles	7	7	7	6	6	6	5	5	4	4
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840
Vehicles	36	32	32	26	26	24	24	24	24	23
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Building	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460
Vehicles	11	12	12	12	11	11	11	11	11	11
Public Works:										
Square Footage of Building	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360
Vehicles	40	39	39	37	37	37	35	35	35	34
Streets (miles)	52	52	52	52	51	51	51	51	51	51
Recreation:										
Number of Parks	6	6	6	6	6	6	6	6	6	6

Source: City's capital asset records

City of Warrensville Heights, Ohio

Full-Time Equivalent City Governmental Employees by Function/Program

Last Eight Years (1)

Table 18

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
General government:								
Council	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Executive Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00
Finance	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Law	1.50	1.00	1.00	1.50	1.50	1.50	1.50	1.50
Personnel	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Planning	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Civil Service	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Security of Persons and Property								
Police	36.00	36.00	36.00	36.00	34.00	38.00	40.00	39.00
Police- Auxiliary/Guards	3.50	3.50	3.50	4.00	4.00	4.00	4.50	4.00
Police - Dispatchers/Office/Other	11.00	11.00	11.00	11.00	9.00	8.00	8.00	14.00
Police- Jailers	0.50	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Police - Animal Wardens	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire	35.00	35.00	35.00	35.00	33.00	34.00	36.00	32.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities								
Senior and Civic Center	4.00	4.00	4.00	4.00	4.00	4.00	7.00	7.00
Community Activities	-	0.50	0.50	1.00	1.00	1.00	1.00	1.00
Community Development								
Building	10.00	10.00	10.00	9.00	8.00	9.00	8.50	8.50
Economic Development	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Transportation								
Service	38.00	41.00	41.00	39.00	37.00	43.00	45.00	49.00
Totals	<u>168.00</u>	<u>172.50</u>	<u>172.50</u>	<u>170.00</u>	<u>162.00</u>	<u>176.00</u>	<u>185.00</u>	<u>188.00</u>

Source City Payroll Department Payrol Register

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available.

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City of Warrensville Heights, Ohio

December 31, 2009

City of Warrensville Heights, Ohio

For The Year Ended December 31, 2009

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**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***

Members of the City Council
Warrensville Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio (the “City”) as of and for the year ended December 31, 2009, which collectively comprise the City’s basic financial statements and have issued our report thereon dated July 28, 2010, wherein we noted the City adopted *GASB Statement No. 52, 55, and 56*. 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 auditing procedures for the purpose of expressing our opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to material weaknesses: 2009-001, 2009-002.

Members of the City Council
Warrensville Heights, Ohio

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2009-003, 2009-004, and 2009-005.

We noted certain matters that we reported to management of the City, in a separate letter dated July 28, 2010.

The City's responses to the findings identified in the audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

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

Cimini & Panichi, Inc.

Cleveland, Ohio
July 28, 2010

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2009

1. Summary of Auditors' Results

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
Were there any material weaknesses reported at the financial statement level (GAGAS)?	Yes
Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes

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

2009-001 – Material Weakness

A review of the City's informal policies and procedures pertaining to the accounting and record keeping of leave time disclosed the following weaknesses:

- Formal policies and procedures have not been established for processing the various types of leave.
- Formal policies have not been established for review and approval of the compensated absences tracking spreadsheet. Also, we noted certain pay rates that did not agree to the Council approved payroll ordinance or collective bargaining agreements and beginning balances did not appear to be updated.
- During our testing of compensated absences, we noted multiple instances of employees taking time off without proper approval being obtained.
- Untimely entry of manual leave records into the City's computerized payroll system.

Inaccurate leave balances could result in material misstatements in the financial statements or in the City paying employees for time not earned or making excess payments at the time of retirement or separation. We recommend that management create and implement formal policies and procedures addressing the review, approval and timely processing of compensated absences balances.

2009-002 – Material Weakness

Based on the testing performed over the City's payroll cycle, it was noted that the City does not consistently review and approve each payroll report.

We recommend that management of the City approve each payroll report and that both the first page and the summary page of the payroll registry are approved and a copy of the approved summary page is provided prior to approval of the ACH transaction.

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2009

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

2009-003 – Material noncompliance

Ohio Revised Code Section 5705.10 states that money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The following funds had deficit cash balances at December 31, 2009:

Major Fund:		
General Fund	\$	634,323

2009-004 – Material noncompliance

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2009, the City had expenditures plus encumbrances in excess of appropriations as follows:

<u>Funds</u>	<u>Excess</u>
General Fund	
Security of Persons and Property	
Police Department	
Contractual Services	\$ (60,783)
Fire Department	
Materials and Supplies	(9,340)
Contractual Services	(47,032)
Leisure Time Activities	
Community Activities	
Materials and Supplies	(1,966)
Civic Center	
Capital Outlay	(417)
Community Development	
Economic Development	
Capital Outlay	(547)

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2009

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

General Fund (continued)	
Transportation	
Service Department	
Personal Services	(19,407)
Contractual Services	(45,850)
General Government	
Mayor	
Materials and Supplies	(488)
Finance Department	
Personal Services	(1,276)
Legal	
Personal Services	(32,839)
Human Resources	
Materials and Supplies	(2,009)
Capital Outlay	(29)
Information Technology	
Contractual Services	(2,476)
Lands and Buildings	
Contractual Services	(20,743)
Special Revenue Funds	
Street Construction, Maintenance and Repair Fund	
Transportation	
Traffic Control	
Contractual Services	(30,502)
Police Salary and Equipment Fund	
Security of Persons and Property	
Police and Others	
Capital Outlay	(4,536)
Building Levy Fund	
General Government	
Building Levy	
Contractual Services	(50,437)

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2009

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

Special Revenue Funds (continued)	
Fire Pension Fund	
Security of Persons and Property	
Fire	
Personal Services	(29,000)
EMS Computer Grant Fund	
Security of Persons and Property	
Fire	
Capital Outlay	(4,329)
Economic Development Stimulus Incentive Grant Fund	
Community Development	
Community Development	
Contractual Services	(5,115)
General Obligation Bond Retirement Fund	
Debt Service:	
Principal – G.O. Bonds	(444)
Principal – Notes	(1,070,000)
Interest & Fiscal Charges – Notes	(33,641)
Capital Projects Funds	
Snavelly Project Fund	
Capital Outlay	
Contractual Services	(5,200)
Street Improvement Fund	
Capital Outlay	
Other Expenses	(1,717)
Town Center Project Fund	
Capital Outlay	
Contractual Services	(38,869)
Other Expenses	(2,103)

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2009

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

2009-5 – Material noncompliance

The Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of a deficiency in receipts will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed 1) the amount contained in the certificate of estimated resources; 2) the most recently amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation; and 3) actual resources which is the beginning unencumbered fund balance plus actual receipts. Ciuni & Panichi, Inc. noted several funds where appropriations materially exceeded actual resources. We recommend the City decrease appropriations when the amount of actual resources is expected to be less than appropriations due to a deficiency in receipts.

City of Warrensville Heights

Schedule of Prior Audit Findings

December 31, 2009

Finding No.	Finding Summary	Fully Corrected	Explanation
2008-001	<p>The following audit adjustments were made to the financial statements:</p> <p>Restatement of Net Assets at December 31, 2008 for prior year understatement of intergovernmental payables, notes payable and claims payable and overstatement of accounts payable.</p> <p>Adjusted contracts payable and the related construction in progress to actual.</p> <p>Adjusted accounts payable to actual.</p> <p>The lack of controls over financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data at year-end.</p>	Yes	No noncompliance was noted during 2009.
2008-002	<p>Based on our control testing performed over the City's payroll cycle, we noted that the City is not consistently reviewing and approving each payroll report. Also, a payroll registry summary page is used to prepare and submit the ACH wire transfer, as well as used to ensure that the payroll account is adequately funded to cover the entire payroll. However, we noted that there were no controls in place to ensure that the payroll amount per the payroll registry summary page was not changed after the initial approval.</p>	No	The City has a material weakness again in 2009.

City of Warrensville Heights

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

Response to Findings Associated With
Audit Conducted In Accordance With
Government Auditing Standards
For The Year Ended December 31, 2009

Finding Number	Planned Correction Action	Anticipated Completion Date	Responsible Contact Person
2009-001	Management will create and implement written policies and procedures relating to the compensated absences reporting and approval process and attempt to develop a more efficient method of tracking and reporting compensated absences.	N/A	Rubin Moultrie, Finance Director
2009-002	Management will consistently review and approve each payroll report. Also, management will implement procedures to ensure that the payroll amount per the payroll registry summary page was not changed after the initial approval.	N/A	Rubin Moultrie, Finance Director
2009-003	Management will monitor fund balances and properly advance funds to cover deficit fund balances, if necessary.	N/A	Rubin Moultrie, Finance Director
2009-004	Management will monitor expenditures and encumbrances and amend appropriations, if necessary.	N/A	Rubin Moultrie, Finance Director
2009-005	Management will monitor actual revenues and appropriations, and request a reduced certificate if necessary.	N/A	Rubin Moultrie, Finance Director



Mary Taylor, CPA
Auditor of State

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 21, 2010**