



CITY OF **WARRENSVILLE HEIGHTS, OHIO**

**Comprehensive Annual Financial Report
Year Ending December 31, 2011**



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Warrensville Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2011 through December 31, 2011. 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 "Dave Yost".

Dave Yost
Auditor of State

October 31, 2012

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City of Warrensville Heights, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2011**

Issued by the Department of Finance

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

Introductory Section

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 Comprehensive Annual Financial Report
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Bradley D. Sellers
Mayor

City of Warrensville Heights

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

July 12, 2012

Honorable 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, 2011. This report enables the City to comply with the 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 the Ohio Revised Code Section 117.38, which requires the cities that are reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days after fiscal year end. This report is submitted to satisfy that requirement.

Management assumes full responsibility for both the completeness and reliability of the information contained within this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls 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, 2011. 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 13,542 residents (10.4% less than 2000 data) 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 which was adopted in 1958 by its voters, and has been amended from time to time. The last amendment was made in 2010. 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-third vote of all members of Council is required to 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 City is a member of the Northeast Ohio Public Energy Council (NOPEC) and participates in a program for natural gas and electricity for further benefits to the residents.

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 10,442 people come to work in Warrensville Heights and are responsible for 68.8% of the City's revenue through income tax. Property tax revenues collected in 2011 represented 10.1% of the City's total revenues.

Like most other municipalities, the City's Local Government Funds will be reduced by 25% in the State's FY2012 budget, and by 50% in the FY2013 budget...\$1M over the two-year period. The Tangible Personal Property Tax for current expenses will be eliminated in the aforementioned budgets by ~\$400K. To offset some of the funding losses, the Fire Department applied for and received a \$1.4M Safer Grant used to rehire five previously laid off firefighters and hire one new firefighter. The Police Department also submitted applications for grants to subsidize shrinking revenue.

Beginning in 2011, the City began ongoing labor negotiations with six (6) bargaining units. At the time of this report, no agreement has been finalized.

Major Initiatives

In May 2011, the City broke ground on the new Warrensville Heights' Town Center-Northfield Road Corridor Project. The Town Center Project has been carefully planned and developed by many departments including the Economic Development and Building Departments since its inception in 2000. The Town Center is designed to attract new businesses and homeowners to the City of Warrensville Heights, while helping to redefine Northfield Road's commercial district.

Phase I of the Town Center Project included the redevelopment of approximately seventeen acres of vacant land owned by the City along Northfield Road. The City provided infrastructure improvements to the land which included adding streets, sidewalks, curbs, lighting, utilities, and sewer and water lines.

At the completion of Phase I, a new 45,000 square foot Greater Cleveland YMCA Warrensville Heights recreation center will stand, accompanied by a new 27,000 square foot Cuyahoga County Public Library (Warrensville Heights) branch.

The City also continued to expand its "Education Corridor" in 2011 with the construction of South University. Warrensville Heights is now home to one of twelve South University campuses in the United States. The private university was established in 1899, and offers an extensive variety of undergraduate associate's and bachelor's degree programs, and several master's degree programs.

Long-Term Financial Planning

In November 2011, the City elected its seventh and first native Mayor, Bradley D. Sellers. Before becoming Mayor, he served as the Director of Economic Development for eleven years, and successfully prioritized Warrensville Heights' economic development and job creation agenda, and helped create more than 3,000 jobs and over \$500 million dollars in construction projects. Mayor Sellers' vision for the City is inclusive of providing exceptional services, expanding the tax base, preserving great neighborhoods, and creating opportunities for the City's children.

Moving forward, the new administration will continue to collaborate with businesses and residents to ensure the City of Warrensville Heights achieves its strategic goals, and becomes a partner in future regional development projects.

In the first half of 2012, the City of Warrensville Heights successfully completed two major ventures: the construction of the Cuyahoga County Public Library Warrensville Heights Branch and Greater Cleveland YMCA Warrensville Heights recreation center, approved by voters in May 2009. Both development projects Mayor Sellers helped see into fruition.

As development of Phase II begins, the City will continue to explore partnerships with various Cuyahoga County entities, promote regionalism, and look for new opportunities to expand the City's tax base.

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

In June 2012, Cleveland Clinic, Ohio University Heritage College of Osteopathic Medicine and Warrensville Heights announced South Pointe Hospital would open a new medical extension campus to help address the impending shortage of primary care physicians in the region. By establishing a regional medical campus at South Pointe Hospital, the area is expected to see both direct and indirect economic benefits.

According an economic impact report prepared by Tripp Umbach, the school's first class will have 32 students and begin in the year 2015. Once the first class graduates in 2019, the economic impact of the campus is expected to be \$19 million annually. The new extension campus is expected to create more than 100 jobs and generate more than \$700,000 in tax revenues for state and local governments.

In addition to South Pointe, the following companies have continued to serve a vital role in the City's financial condition and contribute to its stable economic standing:

- Heinen's Incorporated (Headquarters and Warehouse Facility), a long-standing Northeast Ohio retail food chain;
- Henkel Corporation, a manufacturer of a broad range of high-performance adhesives, sealants and coatings;
- Marcus Thomas, a leading advertising firm;
- Sherwin-Williams Automotive Finishes (World Headquarters, Research and Development Facility and Training Center), a manufacturer of advanced technology paint and coating systems for automotive and fleet refinishing industries;

The City continues to make significant progress in its efforts to strengthen its economic base and community development. Commercial and industrial property comprised approximately 55.1% of the City's tax base in 2011. Limited tax base growth is expected going forward as the residential development has been fairly stagnant in recent years.

In 2011, the City's modestly-sized tax base was valued at \$767 million and remains somewhat concentrated as the top ten taxpayers represent 23.63% of assessed valuation. Despite this moderate concentration, property taxes comprise a small percentage of the City's revenues, mitigating the impact that loss of a property taxpayer could have on the City's financial operations. Income tax collections are slightly more diversified as there is only one payer with a greater than 5% share of total income tax revenues. In December 2011, Cuyahoga County's unemployment rate (7.1%) was below that of the State's (7.6%), and significantly less than the nation's rate (8.3%) for the same period.

To spur economic development, the City established its first Community Reinvestment Area (CRA) in June 1994 under State law. 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 school district.

Additionally, the City receives a modest amount of additional revenue as a member of a Joint Economic Development District (JEDD) with Cleveland and other surrounding areas. The City also benefits from income tax revenue growth due to the construction of a new University Hospital (Ahuja) in nearby Beachwood within the JEDD, with a payment of \$280,000 expected in 2012.

Awards and Acknowledgements

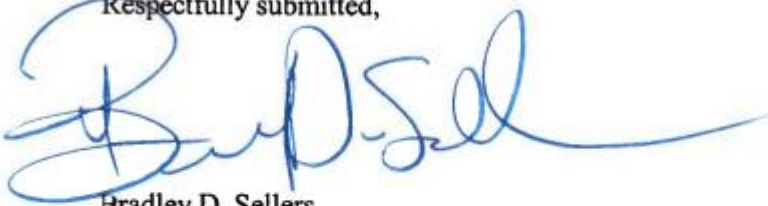
Award---The Government Finance Officers Association of the United States and Canada (GFOA) awarded a ‘**Certificate of Achievement for Excellence in Financial Reporting**’ to the City of Warrensville Heights for its Comprehensive Annual Financial Report for the year ended December 31, 2010.

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 must satisfy all applicable legal requirements respective to the reporting entity.

The Award is valid for only one year. We believe that our report for the year ended December 31, 2011 continues to meet the standards of the Award. Therefore, we are submitting it to GFOA at this time.

Acknowledgments This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to 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,

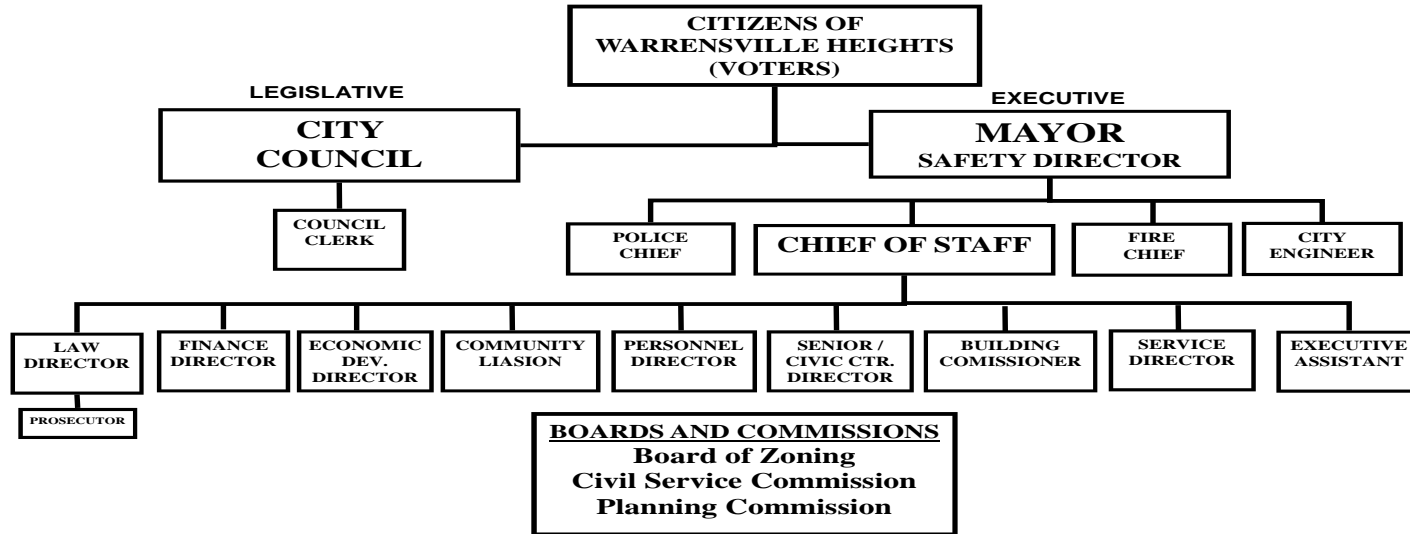


Bradley D. Sellers
Mayor



Rubin Moultrie
Director of Finance

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 Hagwood, 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

Irene Crowell, Director of Finance

A.C. Williams, Director of Service

William Jelenic, Chief of Police

Stanley Martin, Chief of Fire

Carolyn Patrick, Personnel Director

Reginald Owens, Economic Development Director

Melvin Lester, Building Commissioner

Linda Gay, Director of 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, 2010

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.



Linda C. Danison

President

Jeffrey R. Egan

Executive Director

Financial Section

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Independent Auditor's Report

Honorable Mayor and
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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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, 2011, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2011, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2012 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.

Honorable Mayor and
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 11 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Cini & Parichi, Inc.

Cleveland, Ohio
July 12, 2012

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) For the Year Ended December 31, 2011

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, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2011 by \$2,779,329.
- Total assets increased by \$11,358,531 in 2011 which represents an increase of 43.67 percent from 2010. The increase was due primarily to an increase in equity in pooled cash and cash equivalents and capital assets.
- Total liabilities increased by \$9,696,279 in 2011, which represents an increase of 38.95 percent from 2010. Other liabilities increased \$1,925,509 due mainly to increases in contracts payable, retainage payable, and accrued interest payable. Long-term liabilities increased \$7,770,770, primarily due to the issuance of Certificates of Participation related to the City's recreation center facility project.
- In total, net assets of the City increased by \$1,662,252 during 2011. This represents an increase of 148.80 percent from 2010. The main reason for the increase in net assets is due to the City's revenues increasing when compared to prior year's amounts and remaining higher than the current year's total expenses.

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, 2011

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, 2011

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 2011 compared to 2010.

Table 1 - Net Assets

	Governmental Activities	
	2011	2010
<u>Assets</u>		
Current and Other Assets	\$ 15,270,781	\$ 11,285,795
Capital Assets	22,097,726	14,724,181
Total Assets	37,368,507	26,009,976
<u>Liabilities</u>		
Other Liabilities	10,237,185	8,311,676
Long-term Liabilities:		
Due Within One year	12,940,758	1,779,733
Due in More Than One Year	11,411,235	14,801,490
Total Liabilities	34,589,178	24,892,899
<u>Net Assets</u>		
Invested in Capital Assets, Net of Debt	(1,396,664)	(1,790,978)
Restricted	3,056,718	2,108,082
Unrestricted (Deficit)	1,119,275	799,973
Total Net Assets	\$ 2,779,329	\$ 1,117,077

Total assets increased by \$11,358,531 from 2010 to 2011. Of that increase, the most significant changes were in equity in pooled cash and cash equivalents, which increased by \$3,972,194, and capital assets, which increased by \$7,373,545.

Total liabilities increased by \$9,696,279 in 2011. The increase is primarily due to the issuance of Certificate of Participation and increased contracts payable and retainage payable. All of these increases are a result of the City's continuation with the construction of a recreation center facility.

Total net assets had a balance of \$2,779,329 at December 31, 2011, which is a significant increase over last year's balance of \$1,117,077. A portion of the City's net assets reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. In 2011, the City had capital assets of \$22,097,726 and related debt of \$23,494,390. The excess of \$1,396,664 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 to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2011

Table 2 shows the change in net assets for the year ended December 31, 2011 compared to 2010.

Table 2 - Change in Net Assets

	Governmental Activities	
	2011	2010
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 1,465,814	\$ 986,140
Operating Grants and Contributions	1,114,875	852,850
Capital Grants and Contributions	295,780	356,275
Total Program Revenues	2,876,469	2,195,265
General Revenues:		
Property and Other Taxes	1,936,242	1,806,576
Income Taxes	13,185,755	13,158,561
Grants and Entitlements	1,091,130	1,478,918
Investment Income	7,054	1,742
Other	72,301	166,600
Total General Revenues	16,292,482	16,612,397
Total Revenues	19,168,951	18,807,662
<u>Program Expenses</u>		
Security of Persons and Property		
Police and Others	5,372,668	4,780,991
Fire	3,626,904	3,471,641
Public Health Services	55,903	27,952
Leisure Time Activities	266,661	227,379
Community Development	882,581	1,087,614
Basic Utility Services	1,024,141	1,136,196
Transportation	1,697,499	2,052,226
General Government	3,730,870	3,156,023
Interest and Fiscal Charges	849,472	543,135
Total Program Expenses	17,506,699	16,483,157
Increase in Net Assets	1,662,252	2,324,505
Net Assets, Beginning of Year	1,117,077	(1,207,428)
Net Assets, End of Year	\$ 2,779,329	\$ 1,117,077

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2011

Governmental Activities

Several revenue sources mainly 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 \$13,185,755 or 68.79 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.

Property and other taxes of \$1,936,242 accounted for 10.10 percent of total revenues. Charges for services of \$1,465,814 accounted for 7.64 percent of total revenue. All other revenue sources of \$2,581,140 accounted for the remaining 13.47 percent of the City's 2011 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 \$8,999,572, which is 51.41 percent of total City expenses for 2011. The general government expenses accounted for \$3,730,870, or 21.31 percent of total expenses. The transportation expenses, primarily the Service Department, accounted for \$1,697,499, or 9.70 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 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$19,268,258 and expenditures of \$28,525,017 (not including other financing sources and uses). The most significant fund is the General Fund with a fund balance at year-end of \$3,845,339. In 2011, the fund balance of the General Fund increased by \$1,177,430. This increase is mainly due to increases in income tax revenues and fines and forfeitures.

The City's other major funds are the General Obligation Bond Retirement Fund, the Cinema Park capital projects fund, the Snavely Project capital projects fund, and the Town Center 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 Fund's fund balance increased by \$659,729 to a fund balance of \$812,585 at December 31, 2011. This increase in fund balance is mainly due to transfers provided by the General Fund. The Cinema Park Fund accounts for note proceeds used to pay the infrastructure costs for the Cinema Park development. The Cinema Park Fund's fund balance had a minor decrease of \$68,563 to a deficit balance of \$2,769,280 at December 31, 2011. 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 fund balance had a slight increase of \$50,079 to a deficit balance of \$1,621,468 at December 31, 2011. The increase in fund balance was a result of additional transfers in to the fund to cover debt service expenditures. The Town Center Project Fund accounts for debt proceeds to pay for the costs of construction for a new development in the City's town center and a new recreation center facility. The Town Center Project Fund's fund balance had an increase of \$515,133 to a balance of \$2,969,756 at December 31, 2011. This significant increase is related to the issuance of new debt and the proceeds have not been fully used for the funding of the recreation center facility project as of December 31, 2011.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2011

The combined fund balance for all of the City's funds had a balance of \$2,822,529. 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 with long-term debt obligations.

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 2011, the City amended its General Fund budget numerous times in response to departmental needs. The original budgeted revenue amounted to \$16,254,401 and the final budgeted revenue amount was \$16,348,606, for an increase of \$94,205. The increase was due mainly to an increase in income taxes. Actual revenues of \$16,406,135 were \$57,529 higher than the final budgeted revenues. This increase is mainly due to actual fines and forfeitures being more than anticipated.

The final budgeted expenditure amount exceeded the original budget by \$291,500. The increase is partially due to the legal expenses associated with the labor bargaining units' negotiations. Additionally, there was an increase in advances out due to our reimbursable grants that were not received by year end. The General Fund advanced monies to those nonmajor special revenue funds. Actual expenditures of \$15,473,392 were \$565,523 lower than the final budgeted expenditures. This variance can be attributed to the City's efforts to control costs in the current economic environment.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2011

Capital Assets and Debt Administration

Capital Assets

At the end of 2011, the City had \$22,097,726 invested in land, construction in progress, buildings, land improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure. Table 3 shows 2011 balances of capital assets as compared to 2010.

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

	Governmental Activities	
	2011	2010
Land	\$ 3,133,700	\$ 3,133,700
Construction-in-progress	8,131,745	1,042,947
Buildings	1,409,228	1,348,759
Land Improvements	278,374	305,206
Machinery and Equipments	113,847	111,066
Furniture and Fixtures	52,614	40,249
Vehicles	1,057,837	619,859
Infrastructure:		
Roads	4,647,121	4,754,526
Sanitary Sewers	1,115,876	1,150,239
Waterlines	976,940	1,004,924
Storm Sewers	1,180,444	1,212,706
Total Capital Assets	\$ 22,097,726	\$ 14,724,181

Capital assets increased by \$7,373,545 in 2011. The main reason for this increase is due to the City's continuation of the construction on the recreation center facility.

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.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2011

Long-Term Obligations

At December 31, 2011, the City had \$24,351,993 in outstanding long-term obligations, of which debt obligations primarily consisted of \$658,572 in general obligation bonds, \$11,215,829 in certificates of participation, and \$8,680,060 in various purpose notes. Table 4 summarizes the long-term obligations outstanding.

Table 4 - Outstanding Long-Term Obligations at December 31

	Governmental Activities	
	2011	2010
General Obligation Bonds	\$ 658,572	\$ 1,054,608
Special Assessment Bonds	55,000	117,533
Certificates of Participation	11,215,829	-
Bond Anticipation Notes	8,680,060	12,495,060
Compensated Absences	2,042,260	2,031,073
Claims Payable	188,272	232,611
Judgments Payable	791,316	469,327
Capital Leases	720,684	181,011
Total Outstanding Long-Term Obligations	\$ 24,351,993	\$ 16,581,223

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 issued certificates of participation in 2011 for the constructing, furnishing, and equipping a recreation center facility that the YMCA of Greater Cleveland will build and operate.

The City's overall legal debt margin was \$28,155,029 with an unvoted legal debt margin of \$14,749,783 on December 31, 2011. 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.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2011

Current Financial Related Activities

The City continues to struggle with economic issues that are affecting many communities throughout the State of Ohio and the nation. Even though the income tax revenues have continuously increased since 2009, there have been significant reductions in Commercial Activity Tax, State and Local Government Fund and the elimination of the Tangible Personal Property Tax. To combat the impact of these losses, the City has applied and been awarded Federal funds to maintain staffing levels in the Fire Department. A new health care provider was selected to minimize increase in health care premiums while maintaining a high level of coverage for all employees. In addition, the City continues to evaluate potential cost savings measures while addressing the needs of the community. Expenditures are being closely monitored monthly at the department level as well as the Mayoral level. The Mayor encouraged the Directors to operate their departments at a level that will continue City services at a high level.

The City has committed itself to financial excellence. This is evident in the City receiving the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting every year since 2003.

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 Interim Finance Director Lorie Reid, at the City of Warrensville Heights, 4301 Warrensville Center Road, Warrensville Heights, Ohio 44128, (216) 587-1135, or e-mail to lreid@cityofwarrensville.com.

Basic Financial Statements

City of Warrensville Heights, Ohio

Statement of Net Assets

December 31, 2011

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 8,209,539
Materials and Supplies Inventory	72,162
Accounts Receivable	444,704
Intergovernmental Receivable	816,786
Prepaid Items	178,829
Income Taxes Receivable	2,956,654
Property and Other Taxes Receivable	2,245,978
Special Assessments Receivable	320,396
Deferred Charges	25,733
Nondepreciable Capital Assets	11,265,445
Depreciable Capital Assets	<u>10,832,281</u>
Total Assets	<u><u>37,368,507</u></u>
LIABILITIES	
Accounts Payable	142,269
Contracts Payable	1,130,723
Accrued Wages	26,434
Intergovernmental Payable	627,111
Accrued Interest Payable	648,027
Retainage Payable	606,500
Deferred Revenue	1,349,121
Notes Payable	5,707,000
Long-term Liabilities:	
Due within one year	12,940,758
Due in more than one year	<u>11,411,235</u>
Total Liabilities	<u><u>34,589,178</u></u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	(1,396,664)
Restricted for:	
Debt Service	1,553,049
Capital Projects	133,539
Streets	477,528
Police	130,420
Fire	147,844
Building Levy	183,607
Other Purposes	430,731
Unrestricted	<u>1,119,275</u>
Total Net Assets	<u><u>\$ 2,779,329</u></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, 2011

<u>Functions</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
<u>Primary Government:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Security of Persons and Property:					
Police and Others	\$ 5,372,668	\$ 599,807	\$ 204,041	\$ -	\$ (4,568,820)
Fire	3,626,904	453,935	403,087	-	(2,769,882)
Public Health Services	55,903	-	-	-	(55,903)
Leisure Time Activities	266,661	18,912	-	-	(247,749)
Community Development	882,581	18,387	37,833	33,766	(792,595)
Basic Utility Services	1,024,141	50	-	-	(1,024,091)
Transportation	1,697,499	1,518	469,914	-	(1,226,067)
General Government	3,730,870	373,205	-	262,014	(3,095,651)
Interest and Fiscal Charges	849,472	-	-	-	(849,472)
Total Governmental activities	\$ 17,506,699	\$ 1,465,814	\$ 1,114,875	\$ 295,780	(14,630,230)
General Revenues:					
Property and Other Local Taxes levied for:					
General Purposes					611,674
Debt Service					661,791
Special Revenues					662,777
Income Taxes levied for:					
General Purposes					13,185,755
Grants & Entitlements not restricted to specific programs					1,091,130
Investment Income					7,054
All Other Revenues					72,301
Total General Revenues					16,292,482
Change in Net Assets					1,662,252
Net Assets - Beginning of Year					1,117,077
Net Assets - End of Year					\$ 2,779,329

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, 2011

	General Fund	General Obligation Bond Retirement	Cinema Park	Snavely Project	Town Center Project	Other Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Cash Equivalents	\$1,595,360	\$ 859,539	\$ 25,433	\$ 2,286	\$ 4,713,477	\$ 1,013,444	\$ 8,209,539
Materials and Supplies Inventory	72,162	-	-	-	-	-	72,162
Accounts Receivable	444,704	-	-	-	-	-	444,704
Interfund Receivable	245,988	-	-	-	-	-	245,988
Intergovernmental Receivable	450,396	35,204	-	-	-	331,186	816,786
Prepaid Items	178,829	-	-	-	-	-	178,829
Income Taxes Receivable	2,956,654	-	-	-	-	-	2,956,654
Property and Other Taxes Receivable	430,398	951,951	-	-	-	863,629	2,245,978
Special Assessments Receivable	-	320,396	-	-	-	-	320,396
Total Assets	<u>\$6,374,491</u>	<u>\$ 2,167,090</u>	<u>\$ 25,433</u>	<u>\$ 2,286</u>	<u>\$ 4,713,477</u>	<u>\$ 2,208,259</u>	<u>\$15,491,036</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 123,594	\$ -	\$ -	\$ -	\$ 525	\$ 18,150	\$ 142,269
Accrued Wages	26,434	-	-	-	-	-	26,434
Contracts Payable	-	-	-	-	1,130,723	-	1,130,723
Intergovernmental Payable	627,111	-	-	-	-	-	627,111
Accrued Interest Payable	-	-	21,713	12,754	-	14,883	49,350
Retainage Payable	-	-	-	-	606,500	-	606,500
Interfund Payable	-	46,954	-	-	5,973	193,061	245,988
Deferred Revenue	1,752,013	1,307,551	-	-	-	1,073,568	4,133,132
Notes Payable	-	-	2,773,000	1,611,000	-	1,323,000	5,707,000
Total Liabilities	<u>2,529,152</u>	<u>1,354,505</u>	<u>2,794,713</u>	<u>1,623,754</u>	<u>1,743,721</u>	<u>2,622,662</u>	<u>12,668,507</u>
Fund Balances:							
Nonspendable	373,140	-	-	-	-	-	373,140
Restricted	-	812,585	-	-	2,969,756	612,511	4,394,852
Committed	-	-	-	-	-	232,940	232,940
Assigned	600,805	-	-	-	-	-	600,805
Unassigned (Deficits)	2,871,394	-	(2,769,280)	(1,621,468)	-	(1,259,854)	(2,779,208)
Total Fund Balances (Deficits)	<u>3,845,339</u>	<u>812,585</u>	<u>(2,769,280)</u>	<u>(1,621,468)</u>	<u>2,969,756</u>	<u>(414,403)</u>	<u>2,822,529</u>
Total Liabilities and Fund Balances	<u>\$6,374,491</u>	<u>\$ 2,167,090</u>	<u>\$ 25,433</u>	<u>\$ 2,286</u>	<u>\$ 4,713,477</u>	<u>\$ 2,208,259</u>	<u>\$15,491,036</u>

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, 2011

Total Governmental Fund Balances		\$ 2,822,529
<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		22,097,726
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property and other taxes	\$ 840,918	
Municipal income taxes	667,146	
Special assessments	320,396	
Intergovernmental	557,825	
Charges for services	397,726	
Total	2,784,011	2,784,011
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.		(598,677)
Bond issuance costs will be amortized over the life of the bonds on the Statement of Net Assets.		25,733
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	(658,572)	
Special assessment bonds	(55,000)	
Certificates of Participation	(11,200,000)	
Unamortized Premiums	(15,829)	
Bond anticipation notes	(8,680,060)	
Capital leases	(720,684)	
Claims payable	(188,272)	
Judgments payable	(791,316)	
Compensated absences	(2,042,260)	
Total	(24,351,993)	(24,351,993)
Net Assets of Governmental Activities		\$ 2,779,329

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, 2011

	General Fund	General Obligation Bond Retirement	Cinema Park	Snaveley Project	Town Center Project	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 435,001	\$ 521,163	\$ -	\$ -	\$ -	\$ 604,182	\$ 1,560,346
Income Taxes	13,326,443	-	-	-	-	-	13,326,443
Other Taxes	263,982	-	-	-	-	-	263,982
Intergovernmental	1,039,910	44,552	-	-	-	1,176,954	2,261,416
Interest	7,054	-	-	-	-	-	7,054
Licenses and Permits	348,133	-	-	-	-	37,833	385,966
Fines and Forfeitures	597,017	-	-	-	-	-	597,017
Charges for Services	414,744	-	-	-	-	18,627	433,371
Contributions and Donations	1,200	-	-	-	-	138,000	139,200
Special Assessments	-	222,362	-	-	-	-	222,362
All Other Revenues	70,099	-	-	-	-	1,002	71,101
Total Revenues	16,503,583	788,077	-	-	-	1,976,598	19,268,258
EXPENDITURES							
Security of Persons and Property:							
Police and Others	5,075,963	-	-	-	-	378,406	5,454,369
Fire	3,527,751	-	-	-	-	535,525	4,063,276
Public Health	55,903	-	-	-	-	-	55,903
Leisure Time Activities	227,370	-	-	-	-	-	227,370
Community Development	662,848	-	-	-	-	219,733	882,581
Basic Utility Service	995,680	-	-	-	-	-	995,680
Transportation	1,245,332	-	-	-	-	494,378	1,739,710
General Government	3,241,132	1,801	-	-	-	21,373	3,264,306
Capital Outlay	-	-	1,392	-	7,090,602	141,861	7,233,855
Debt Service:							
Principal Retirement	-	470,000	-	-	3,560,000	-	4,030,000
Interest and Fiscal Charges	14,235	47,991	66,796	40,421	41,165	280,759	491,367
Bond Issuance Costs	-	-	-	-	86,600	-	86,600
Total Expenditures	15,046,214	519,792	68,188	40,421	10,778,367	2,072,035	28,525,017
Excess of Revenues Over (Under) Expenditures	1,457,369	268,285	(68,188)	(40,421)	(10,778,367)	(95,437)	(9,256,759)
OTHER FINANCING SOURCES (USES)							
Inception of Capital Leases	705,826	-	-	-	-	-	705,826
Certificates of Participation Issued	-	-	-	-	11,200,000	-	11,200,000
Notes Issued	474,500	-	-	-	230,000	7,975,560	8,680,060
Premium on Debt Issuance	-	8,376	-	-	86,600	-	94,976
Current Refundings	(474,500)	-	-	-	(230,000)	(8,230,560)	(8,935,060)
Transfers In	14,235	1,000,375	-	90,500	6,900	505,672	1,617,682
Transfers Out	(1,000,000)	(617,307)	(375)	-	-	-	(1,617,682)
Total Other Financing Sources (Uses)	(279,939)	391,444	(375)	90,500	11,293,500	250,672	11,745,802
Net Change in Fund Balances	1,177,430	659,729	(68,563)	50,079	515,133	155,235	2,489,043
Fund Balances (Deficits) - Beginning of Year	2,667,909	152,856	(2,700,717)	(1,671,547)	2,454,623	(569,638)	333,486
Fund Balances (Deficits) - End of Year	\$ 3,845,339	\$ 812,585	\$ (2,769,280)	\$ (1,621,468)	\$ 2,969,756	\$ (414,403)	\$ 2,822,529

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, 2011

Net Change in Fund Balances-Total Governmental Funds	\$ 2,489,043
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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	\$ 7,938,383	
Depreciation	(564,838)	
Total		7,373,545

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	111,914	
Municipal income taxes	(140,688)	
Special assessments	(64,582)	
Intergovernmental	(84,282)	
Charges for services	87,293	
Total		(90,345)

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

Certificates of Participation issued	(11,294,976)	
Refunding notes issued	(8,680,060)	
Inception of capital leases	(705,826)	
Total		(20,680,862)

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. 13,131,213

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	(342,354)	
Amortization of bond issuance costs	3,133	
Amortization of premiums	79,147	
Amortization of accounting loss	(11,431)	
Total		(271,505)

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

Claims payable	44,339	
Judgments payable	(321,989)	
Compensated absences	(11,187)	
Total		(288,837)

Change in Net Assets of Governmental Activities	<u>\$ 1,662,252</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 432,335	\$ 434,936	\$ 435,001	\$ 65
Income Taxes	13,592,628	13,670,815	13,308,280	(362,535)
Other Taxes	222,805	224,146	224,179	33
Intergovernmental	990,761	996,724	996,872	148
Interest	7,011	7,053	7,054	1
Fees, Licenses and Permits	344,857	346,932	346,984	52
Fines and Forfeitures	189,559	190,700	610,883	420,183
Charges for Services	407,085	409,535	409,596	61
Contributions and Donations	1,193	1,200	1,200	-
All Other Revenues	66,167	66,565	66,086	(479)
Total Revenues	<u>16,254,401</u>	<u>16,348,606</u>	<u>16,406,135</u>	<u>57,529</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police	4,865,558	4,761,558	5,082,109	(320,551)
Fire	3,411,882	3,411,882	2,976,991	434,891
Public Health Services	57,000	57,000	55,903	1,097
Leisure Time Activities	214,861	226,861	220,208	6,653
Community Development	700,529	704,129	668,263	35,866
Basic Utility Services	1,055,004	1,105,004	1,032,130	72,874
Transportation	1,247,235	1,247,235	1,153,350	93,885
General Government	3,141,346	3,363,846	3,210,938	152,908
Total Expenditures	<u>14,693,415</u>	<u>14,877,515</u>	<u>14,399,892</u>	<u>477,623</u>
Excess of Revenues Over (Under) Expenditures	<u>1,560,986</u>	<u>1,471,091</u>	<u>2,006,243</u>	<u>535,152</u>
Other Financing Sources (Uses)				
Advances Out	-	(161,400)	(73,500)	87,900
Transfers Out	(1,054,000)	(1,000,000)	(1,000,000)	-
Total Other Financing Sources (Uses)	<u>(1,054,000)</u>	<u>(1,161,400)</u>	<u>(1,073,500)</u>	<u>87,900</u>
Net Change in Fund Balance	506,986	309,691	932,743	623,052
Fund Balance - Beginning of Year, Restated	739,159	739,159	739,159	-
Prior Year Encumbrances Appropriated	74,584	74,584	74,584	-
Fund Balance - End of Year	<u>\$ 1,320,729</u>	<u>\$ 1,123,434</u>	<u>\$ 1,746,486</u>	<u>\$ 623,052</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, 2011

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 312,830
Total Assets	<u>\$ 312,830</u>
Liabilities	
Deposits Held and Due to Others	\$ 312,830
Total Liabilities	<u>\$ 312,830</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, 2011

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 20 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, 2011

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, 2011

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's 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 a housing development project.

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

Town Center Project Fund - The Town Center Fund accounts for note proceeds used to pay for the costs of constructing projects within the City's Town Center project.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned 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 and for payroll clearing.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

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, 2011

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 8). 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, 2011, but which were levied to finance year 2012 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, 2011

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 STAR Ohio.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund, the Bureau of Justice Grant, and the Local Law Enforcement Block Grant special revenue funds. Interest revenue credited to the General Fund during 2011 amounted to \$7,054.

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, 2011, 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, 2011

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 should have an equal offset which would be included in nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. Interfund balance amounts between governmental funds 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, 2011

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 are 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

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (Continued)

L. Fund Balance (Continued)

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by City Council.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 \$3,056,718 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.

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2011

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 ordinance is Council's authorization to spend resources and set 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 ordinance 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 ordinance 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 - Changes in Accounting Principles

For fiscal year 2011, the City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The implementation of this Statement resulted in the reclassification of fund balances on the City's governmental fund financial statements.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of this Statement did not have an effect on the City's financial statements.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 4 – Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of December 31, 2011:

Major Funds:	
Cinema Park	\$ 2,769,280
Snavelly Project	1,621,468
Nonmajor Funds:	
<u>Special Revenue Funds</u>	
Community Development Block Grant	11,319
2007 Nature Works Grant	19,589
Fire Hire Grant	113
<u>Capital Projects Funds</u>	
Street Improvement	283,543
Information Technology System	106,468
Land Acquisition	30,893
Emery Woods Project	801,599
Route 8/Northfield Road Project	1,285
Sidewalk Repair and Replacement Project	5,045

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 Street Improvement nonmajor capital projects fund in the amounts of \$50,339. The negative cash balance indicates that revenues from other sources were used to pay obligations of this 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.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 4 – Accountability and Compliance (Continued)

B. Compliance (Continued)

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

	Estimated Revenue Plus Beginning Balances	Appropriations	Excess
Original Budget			
<u>Special Revenue</u>			
Street Construction, Maintenance and Repair Fund	\$ 585,183	\$ 592,728	\$ 7,545
Police Hiring Grant	(22,984)	-	22,984
COPS Hiring Recovery Grant	122,614	163,836	41,222
 <u>Capital Projects</u>			
Street Improvement	\$ (41,739)	\$ 6,922	\$ 48,661
 Final Budget			
<u>Special Revenue</u>			
Street Construction, Maintenance and Repair Fund	\$ 518,932	\$ 532,728	\$ 13,796
Police Hiring Grant	(84)	-	84
COPS Hiring Recovery Grant	187,222	192,836	5,614
 <u>Capital Projects</u>			
Street Improvement	\$ (50,339)	\$ 6,922	\$ 57,261

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 fund 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			
Personal Services	\$ 4,070,613	\$ 4,560,603	\$ (489,990)
Materials and Supplies	283,585	311,863	(28,278)
Building Department			
Materials and Supplies	18,605	18,919	(314)
Capital Outlay	(5,000)	-	(5,000)

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 4 – Accountability and Compliance (Continued)

B. Compliance (Continued)

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
<u>General Fund</u> (continued)			
Transportation			
Service Department			
Materials and Supplies	374,355	434,579	(60,224)
General Government			
Income Tax			
Contractual Services	452,000	483,959	(31,959)
Lands and Buildings			
Materials and Supplies	60,209	219,721	(159,512)
Other Government			
Materials and Supplies	47,440	214,213	(166,773)
Contractual Services	432,102	435,633	(3,531)
<u>General Obligation Bond Retirement Fund</u>			
Debt Service:			
Interest & Fiscal Charges - G.O. Bonds	53,000	53,071	(71)
<u>Capital Projects Funds</u>			
Town Center Project Fund			
Debt Service:			
Principal	-	3,560,000	(3,560,000)
Interest & Fiscal Charges	-	34,265	(34,265)
Bond Issuance Costs	-	86,600	(86,600)

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

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 part of restricted, committed, and assigned fund balances (GAAP).
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).
6. Some funds that could be included in the General Fund (GAAP), but have separate legally adopted budgets (budget).

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	\$ 1,177,430
Increase (Decrease) Due to:	
Revenue Accruals	(1,311,461)
Transfers In	(14,235)
Beginning Unrecorded Cash	20,564
Ending Unrecorded Cash	13,123
Expenditure Accruals	1,185,521
Advances Out	(73,500)
Net Impact of Encumbrances	(64,699)
Budgetary Basis	<u>\$ 932,743</u>

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 6 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	General Obligation Bond Retirement	Cinema Park	Snavely Project	Town Center Project	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepaid Items	\$ 178,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,829
Inventories	72,162	-	-	-	-	-	72,162
Interfund Balances	122,149	-	-	-	-	-	122,149
Total Nonspendable	373,140	-	-	-	-	-	373,140
<i>Restricted for</i>							
Fire Pension	-	-	-	-	-	17,455	17,455
Police Pension	-	-	-	-	-	19,983	19,983
Police and Fire Services	-	-	-	-	-	36,299	36,299
DARE Grant	-	-	-	-	-	26,570	26,570
Other Law Enforcement	-	-	-	-	-	55,090	55,090
FEMA Grant	-	-	-	-	-	30,521	30,521
Homeland Security Grant	-	-	-	-	-	1,999	1,999
Sidewalk Replacement	-	-	-	-	-	7,104	7,104
Civic Center Park Restoration Grant	-	-	-	-	-	38,808	38,808
2008 GREAT Grant	-	-	-	-	-	29,342	29,342
Streets and Highways	-	-	-	-	-	107,359	107,359
Street Lighting	-	-	-	-	-	64,762	64,762
Building Levy	-	-	-	-	-	144,566	144,566
Debt Service	-	812,585	-	-	-	-	812,585
Recreation Center Facility	-	-	-	-	2,969,756	-	2,969,756
Other Purposes	-	-	-	-	-	32,653	32,653
Total Restricted	-	812,585	-	-	2,969,756	612,511	4,394,852
<i>Committed to</i>							
CRA Monitoring Fees	-	-	-	-	-	167,618	167,618
Economic Development	-	-	-	-	-	28,150	28,150
Grass Refuse	-	-	-	-	-	27,737	27,737
Occupancy Program	-	-	-	-	-	9,435	9,435
Total Committed	-	-	-	-	-	232,940	232,940
<i>Assigned to</i>							
Fiscal Year 2012 Appropriations	548,800	-	-	-	-	-	548,800
Other Purposes	52,005	-	-	-	-	-	52,005
Total Assigned	600,805	-	-	-	-	-	600,805
<i>Unassigned (Deficit)</i>	2,871,394	-	(2,769,280)	(1,621,468)	-	(1,259,854)	(2,779,208)
Total Fund Balances	\$ 3,845,339	\$ 812,585	\$ (2,769,280)	\$ (1,621,468)	\$ 2,969,756	\$ (414,403)	\$ 2,822,529

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 7 – 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:

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 (STAR Ohio); and

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 7 – Deposits and Investments (Continued)

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, \$7,332,515 of the City's bank balance of \$8,810,634 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.

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, 2011, the City had the following investment:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years) Less than 1</u>
STAR Ohio	\$ 30,276	\$ 30,276

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 7 - Deposits and Investments (Continued)

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 – STAR Ohio 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. 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.

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, 2011:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAR Ohio	100.00%

Note 8 - Receivables

Receivables at December 31, 2011 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.

At December 31, 2011, governmental activities reported special assessments receivable in the amount of \$320,396. Of this amount reported, delinquent special assessments for governmental activities are \$135,448.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 8 – Receivables (Continued)

A. Property Taxes

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be reevaluated every six years. The latest revaluation was completed in 2006. Public utility real and tangible personal property tax collected in one calendar year is levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Public utility tangible personal property currently is assessed by varying percentages of true value; public utility real property taxes are assessed at 35 percent of true value. 2011 public utility property taxes which became a lien at December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is due December 31, with the remainder payable by June 30. Under certain circumstances, State Statute permits earlier or later payment dates to be established.

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

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2011, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 261,997,590
Public Property	6,107,320
Total	<u>\$ 268,104,910</u>

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 8 – Receivables (Continued)

A. Property Taxes (Continued)

Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2011 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 2011 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. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the General Fund.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 429,094
Gasoline tax and auto registration fees	226,881
Homestead and rollback	62,608
Public utility reimbursement	17,884
Permissive tax	2,120
Estate tax	1,098
Liquor permits	3,996
Miscellaneous grants	<u>73,105</u>
Total	<u>\$ 816,786</u>

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 9 - Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following:

Transfers To	Transfers From			Totals
	General Fund	General Obligation Bond Retirement	Cinema Park Fund	
General Fund	\$ -	\$ 14,235	\$ -	\$ 14,235
General Obligation Bond Retirement	1,000,000	-	375	1,000,375
Snavelly Project Fund	-	90,500	-	90,500
Town Center Project	-	6,900	-	6,900
Nonmajor Governmental Funds	-	505,672	-	505,672
	\$1,000,000	\$ 617,307	\$ 375	\$1,617,682

All transfers during 2011 were made for the annual debt service payments, which included the retirement of notes.

Note 10 – Interfund Balances

Intefund balances at December 31, 2011, consist of the following interfund receivable and payables:

Interfund Payable	Interfund Receivable
	General
<i>Major Governmental Funds:</i>	
General Obligation Bond Retirement Fund	\$ 46,954
Town Center Project Fund	5,973
<i>Nonmajor Governmental Funds:</i>	
Bureau of Justice Grant	148
COPS Grant	21,566
Police Hire Grant	-
COPS Hiring Recovery Grant	53,000
Fire Hire Grant	20,500
2007 Nature Works Grant	19,589
Community Development Block Grant	27,919
Street Improvement	50,339
Total	\$ 245,988

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 10 – Interfund Balances (Continued)

The loans to the other nonmajor governmental funds from the General fund were made to cover expenditures until reimbursements are received and/or to eliminate negative cash balance in the Street Improvement nonmajor capital projects fund. All of the loans will be repaid in subsequent periods.

Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balances 12/31/2010	Additions	Disposals	Balances 12/31/2011
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 3,133,700	\$ -	\$ -	\$ 3,133,700
Construction in progress	1,042,947	7,088,798	-	8,131,745
Total Nondepreciable Assets	<u>4,176,647</u>	<u>7,088,798</u>	<u>-</u>	<u>11,265,445</u>
Depreciable Assets:				
Buildings	2,676,708	122,833	-	2,799,541
Land Improvements	698,004	-	-	698,004
Machinery and Equipment	1,790,464	74,748	-	1,865,212
Furniture and Fixtures	78,969	13,739	-	92,708
Vehicles	4,576,463	638,265	-	5,214,728
Infrastructure:				
Streets	8,068,298	-	-	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	<u>25,061,238</u>	<u>849,585</u>	<u>-</u>	<u>25,910,823</u>
Less Accumulated Depreciation				
Buildings	(1,327,949)	(62,364)	-	(1,390,313)
Land Improvements	(392,798)	(26,832)	-	(419,630)
Machinery and Equipment	(1,679,398)	(71,967)	-	(1,751,365)
Furniture and Fixtures	(38,720)	(1,374)	-	(40,094)
Vehicles	(3,956,604)	(200,287)	-	(4,156,891)
Infrastructure:				
Streets	(3,313,772)	(107,405)	-	(3,421,177)
Sewers	(1,433,177)	(34,363)	-	(1,467,540)
Water Lines	(1,157,765)	(27,984)	-	(1,185,749)
Storm Sewers	(1,213,521)	(32,262)	-	(1,245,783)
Total Accumulated Depreciation	<u>(14,513,704)</u>	<u>(564,838) *</u>	<u>-</u>	<u>(15,078,542)</u>
Total Depreciable Assets, Net	<u>10,547,534</u>	<u>284,747</u>	<u>-</u>	<u>10,832,281</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,724,181</u>	<u>\$ 7,373,545</u>	<u>\$ -</u>	<u>\$ 22,097,726</u>

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 11 – Capital Assets (Continued)

*Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property:	
Police and Others	\$ 85,106
Fire	103,623
Leisure Time Activities	49,356
Basic Utility Services	94,608
Transportation	176,370
General Government	55,775
Total Depreciation Expense	\$ 564,838

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
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>Certificates of Participation:</i>			
2011 Certificates of Participation	4.00%	11,200,000	2012
Unamortized Premium	n/a	94,976	2012
<i>Long-Term Notes:</i>			
2011 Bond Anticipation Note	2.75%	8,680,060	2012

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 12 – Long-Term Obligations (Continued)

	Amount Outstanding 12/31/2010	Additions	Reductions	Amount Outstanding 12/31/2011	Amount Due In One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
2003 Various Purpose					
Improvement Refunding Bonds	\$ 447,467	\$ -	\$ 262,467	\$ 185,000	\$ 185,000
Unamortized Loss	(22,859)	-	(11,431)	(11,428)	-
Total Refunding Bonds	424,608	-	251,036	173,572	185,000
1999 Street Improvement	630,000	-	145,000	485,000	150,000
<i>Total General Obligation Bonds</i>	<u>1,054,608</u>	<u>-</u>	<u>396,036</u>	<u>658,572</u>	<u>335,000</u>
<i>Special Assessment Bonds with Governmental Commitment</i>					
2003 Various Purpose					
Improvement Refunding Bonds	117,533	-	62,533	55,000	55,000
<i>Total Special Assessment Bonds</i>	<u>117,533</u>	<u>-</u>	<u>62,533</u>	<u>55,000</u>	<u>55,000</u>
<i>Certificates of Participation</i>					
2011 Certificates of Participation	-	11,200,000	-	11,200,000	11,200,000
Unamortized Premium	-	94,976	79,147	15,829	-
<i>Total Certificates of Participation</i>	<u>-</u>	<u>11,294,976</u>	<u>79,147</u>	<u>11,215,829</u>	<u>11,200,000</u>
<i>Long-Term Notes</i>					
2010 Bond Anticipation Note	3,560,000	-	3,560,000	-	-
2010 Bond Anticipation Note	8,935,060	-	8,935,060	-	-
2011 Bond Anticipation Note	-	8,680,060	-	8,680,060	-
<i>Total Long-Term Notes</i>	<u>12,495,060</u>	<u>8,680,060</u>	<u>12,495,060</u>	<u>8,680,060</u>	<u>-</u>
<i>Other Long-Term Obligations</i>					
Compensated Absences	2,031,073	1,266,438	1,255,251	2,042,260	1,146,006
Claims Payable	232,611	-	44,339	188,272	39,278
Judgments Payable	469,327	339,489	17,500	791,316	17,500
Capital Leases	181,011	705,826	166,153	720,684	147,974
<i>Total Governmental Activities</i>	<u>\$ 16,581,223</u>	<u>\$ 22,286,789</u>	<u>\$ 14,516,019</u>	<u>\$ 24,351,993</u>	<u>\$ 12,940,758</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.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 12 – Long-Term Obligations (Continued)

The \$9,118,560 (\$183,500 considered short-term), various purpose improvement bond anticipation notes issued February 2, 2010 at 3.00 percent outstanding at December 31, 2010, were rolled over into \$8,935,060 (\$255,000 considered short-term) of various purpose improvement bond anticipation notes, issued February 2, 2011 at 2.75 percent and maturing February 2, 2012. As of December 31, 2011, all of the note proceeds were spent.

The \$11,200,000 in Certificates of Participation (COPs) were issued February 28, 2011 at 4.00 percent and maturing February 28, 2012. These COPs were issued partly to retire the \$3,560,000 community center improvement bond anticipation notes issued November 22, 2010 at 3.50 percent and maturing March 1, 2011 and to provide \$7,640,000 of new funds for constructing, furnishing, and equipping a recreation center facility that the YMCA of Greater Cleveland will build and operate, according to an operating agreement the City has entered into with the YMCA. The COPs are backed by the full faith and credit of the City and a portion of the debt will be paid from the YMCA upon completion of the construction project. As of December 31, 2011, the City has only used \$8,131,745 of the proceeds received from the issuance of the COPs for capital related activities.

In prior years, the City agreed on a settlement with a former employee. This settlement directed the City to pay the former employee \$52,500 and by doing so will release the City from any future claims. The City paid \$17,500 in 2010 and 2011, respectively, and will pay \$17,500 in 2012. The City will use General Fund resources to pay this settlement.

In prior years, the City identified \$773,816 that needs to be paid to the Warrensville City School District (School District). This repayment is for an underpayment of revenue to the School District for 2007 through 2011 related to a revenue sharing program between the City and the School District. As of December 31, 2011, the City has not determined a repayment schedule. Therefore, the entire amount is considered due in more than one year. The City will use General Fund resources to repay this liability.

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, 2011, the City's overall legal debt margin was \$28,155,029 and the unvoted legal debt margin was \$14,749,783.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 12 – Long-Term Obligations (Continued)

Principal and interest requirements to retire the City’s long-term debt obligations outstanding at December 31, 2011 are as follows:

	General Obligation Bonds		Special Assessments Bonds		Certificates of Participation		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 335,000	\$ 30,170	\$ 55,000	\$ 3,520	\$ 11,200,000	\$ 448,000	\$ 12,071,690
2013	165,000	18,090	-	-	-	-	183,090
2014	170,000	9,180	-	-	-	-	179,180
Total	\$ 670,000	\$ 57,440	\$ 55,000	\$ 3,520	\$ 11,200,000	\$ 448,000	\$ 12,433,960

Note 13 – Note Debt

The \$5,475,000 various improvement bond anticipation notes issued September 9, 2011 at 2.50 percent and matured September 9, 2011, were rolled over into the \$5,452,000 various improvement notes issued September 8, 2011 at 2.375 percent and maturing September 6, 2012.

\$255,000 of the \$8,935,060 various improvement bond anticipation notes issued on February 2, 2011 at 2.75 percent and maturing February 2, 2012, were considered short-term.

Types/Issues	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
2010 Bond Anticipation Notes	\$ 5,475,000	\$ -	\$ 5,475,000	\$ -
2010 Bond Anticipation Notes	183,500	-	183,500	-
2011 Bond Anticipation Notes	-	255,000	-	255,000
2011 Bond Anticipation Notes	-	5,452,000	-	5,452,000
Total Governmental Funds	\$ 5,658,500	\$ 5,707,000	\$ 5,658,500	\$ 5,707,000

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, 2011, all of the short-term note proceeds have been expended. The notes will be paid out of the various capital projects funds and the General Fund.

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.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 14 – Leases

Capital Leases

During 2011, the City entered into several lease agreement for various vehicles and equipment. The City also has existing leases for various other items. 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 \$3,109,423, the present value of the minimum lease payments at the inception of the lease.

The assets acquired through capital leases are as follows:

	Governmental Activities
<i>Asset:</i>	
Machinery and Equipment	\$ 299,150
Vehicles	2,810,273
Historical Cost	3,109,423
Less: Accumulated Depreciation	(1,810,609)
Total Book Value as of December 31, 2011	\$ 1,298,814

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,
2012	\$ 174,754
2013	126,243
2014	114,288
2015	114,288
2016	82,086
2017-2021	222,293
Total Minimum Lease Payments	\$ 833,952
Less: Amount Representing Interest	(113,268)
Present Value of Minimum Lease	\$ 720,684

Capital lease payments have been presented as part of the General Fund’s program expenditures on the statement of revenues, expenditures and changes in fund balances and principal payments reduce liabilities rather than being an expense on the statement of activities.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

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 2011, the City contracted with U.S. Specialty Insurance Company for various types of insurance as follows:

Company	Coverage	Amount
U.S. Specialty Ins. Company	General Liability (per Occurrence/Aggregate)	\$1,000,000 / \$ 3,000,000
	Fire Damage Liability	50,000
	Premises Medical Payments (per Person)	10,000
	Employee Benefits Liability (per Occurrence/Aggregate)	1,000,000 / 3,000,000
	Ohio Stop Gap	1,000,000
	Automobile Liability and Physical Damage Coverage:	
	Combined Bodily Injury and Property Damage	1,000,000
	Medical Payments	5,000
	Law Enforcement Liability (per Occurrence/Aggregate)	1,000,000 / 1,000,000
	Public Officials Liability (per Occurrence/Aggregate)	1,000,000 / 1,000,000
	Crime:	
	Forgery and Alteration	10,000
	Computer Fraud	50,000
	Theft, Disappearance and Destruction	25,000
	Employee Dishonesty	50,000
	Flood	500,000
	Earthquake	500,000
	Electronic Data Processing Systems	309,920
	Property (Building and Contents) Coverage	14,397,524
	Inland Marine Coverage	2,146,927
Umbrella Liability	5,000,000	

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

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, 2011, 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, 2011, was \$188,272. All of the claims are paid from the General Fund.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 15 – Risk Management (Continued)

B. Workers' Compensation (Continued)

The claims liability reported at December 31, 2011 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 2010 and 2011 are as follows:

	Beginning of Year	Claims	Payments	End of Year
2010	\$ 288,631	\$ 39,467	\$ 95,487	\$ 232,611
2011	232,611	-	44,339	188,272

Note 16 - 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, 2011.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 17 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula, retirement benefit similar in nature to, but less than, 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 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 in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting www.opers.org/investments/cafr, writing to OPERS, 277 E. Town Street, Columbus, OH 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 the year ended December 31, 2011, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate of 14.00 percent was allocated to fund pension benefits for members of the Traditional Plan and the Combined Plan. The pension allocation for the Traditional Plan was 10.00 percent during calendar year 2011. The pension allocation for the Combined Plan was 7.95 percent during calendar year 2011.

The City's required contributions for pension obligations to the Traditional Pension and Combined plans for the years ended December 31, 2011, 2010, and 2009 were \$321,218, \$283,940, and \$301,711, respectively; 90.84 percent has been contributed for 2011 and 100 percent has been contributed for 2010 and 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. 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.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 17 – Defined Benefit Pension Plans (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75 percent for police officers and 17.25 percent for firefighters. The City's contributions for pension obligations to OP&F for police and firefighters were \$315,146 and \$403,288 for the year ended December 31, 2011, \$318,591 and \$358,172 for the year ended December 31, 2010, \$324,726 and \$406,236 for the year ended December 31, 2009, respectively; 73.52 percent for police and 73.71 for firefighters has been contributed for 2011 and 100 percent for 2010 and 2009.

Note 18 – Postemployment Benefits

A. Ohio Public Employees Retirement System

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

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

In order 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 meets the definition of 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. OPERS issues a stand-alone financial report that may be obtained by visiting www.opers.org/investments/cafr, writing to OPERS, 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - 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 2011 local government employer contribution 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 local government employers. Active members do not make contributions to the OPEB Plan.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 18 – Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

OPERS Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.00 percent during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's required employer contributions for 2011, 2010, and 2009 which were used to fund post-employment benefits were \$128,487, \$164,474 and \$218,802, respectively. 90.84 percent has been contributed for 2011 and 100 percent has been contributed for 2010 and 2009.

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

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care 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 for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 18 – Postemployment Benefits (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

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

Funding Policy - The Ohio Revised Code provides for contribution 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 an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, 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 provisions of the Sections 115 and 401(h).

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

The City's contributions for 2011, 2010, and 2009 that were used to fund post-employment benefits were \$166,842 for police and \$157,808 for firefighters, \$168,666 for police and \$140,154 for firefighters, and \$171,914 for police and \$158,962 for firefighters, respectively. 73.52 percent for police and 73.71 for firefighters has been contributed for 2011 and 100 percent for 2010 and 2009.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 19 – 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.

Note 20 – 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.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2011

Note 20 – Jointly Governed Organization (Continued)

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 2011, 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 21 – Subsequent Events

On February 1, 2012, the City issued \$9,170,060 in various improvement bond anticipation notes that will repay the 2011 various improvement bond anticipation notes in the amount of 8,935,060 and refund the outstanding principal amount of the City's various purpose bonds, series 1999. These bond anticipation notes were issued with an interest rate of 1.50 percent and will mature January 30, 2013.

On February 27, 2012, the City issued \$11,717,000 in certificates of participation that will refinance the 2011 certificates of participation in the amount of \$11,200,000 and to provide additional resources for the City's recreation center facility project. These certificates of participation were issued with an interest rate of 2.375 percent and will mature February 26, 2013.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Special Revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. A description of the City's special revenue funds follows:

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 restricted 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 restricted 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 restricted, 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.

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.

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.

COPS Hiring Recovery Fund

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

2007 NatureWorks Grant Fund

The NatureWorks Grant accounts for revenues received from the Ohio Department of Natural Resources and City's matching funds. The fund 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. There was no budgetary information for 2010.

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.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

Residential Demolition Fund

The Residential Demolition Fund accounts for monies to be used for asbestos remediation and demolition of properties deemed blighted by the City.

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.

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.

SAFER Hiring Program Fund

The Staffing for Adequate Fire and Emergency Response Grant (SAFER) fund accounts for resources received from the U.S. Department of Homeland Security to be used by the City to help increase the number of trained, “front line” firefighters.

Nonmajor Capital Projects Funds

Capital Project funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. A description of the City's capital project funds follows:

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.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Capital Projects Funds (Continued)

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.

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.

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 Hall Boiler Replacement Fund

The City Hall Boiler Replacement Fund accounts for monies received from a NOPEC "Powering Our Communities" grant that will be used to replace the City Hall's boiler.

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City of Warrensville Heights

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 837,508	\$ 175,936	\$ 1,013,444
Intergovernmental Receivable	331,186	-	331,186
Property Taxes Receivable	863,629	-	863,629
Total Assets	\$ 2,032,323	\$ 175,936	\$ 2,208,259
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 17,949	\$ 201	\$ 18,150
Accrued Interest Payable	-	14,883	14,883
Interfund Payable	142,722	50,339	193,061
Deferred Revenue	1,073,568	-	1,073,568
Notes Payable	-	1,323,000	1,323,000
Total Liabilities	1,234,239	1,388,423	2,622,662
Fund Balances:			
Restricted	596,165	16,346	612,511
Committed	232,940	-	232,940
Unassigned (Deficits)	(31,021)	(1,228,833)	(1,259,854)
Total Fund Balances (Deficits)	798,084	(1,212,487)	(414,403)
Total Liabilities and Fund Balances	\$ 2,032,323	\$ 175,936	\$ 2,208,259

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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 604,182	\$ -	\$ 604,182
Intergovernmental	1,176,954	-	1,176,954
Licenses and Permits	37,833	-	37,833
Charges for Services	18,627	-	18,627
Contributions and Donations	-	138,000	138,000
All Other Revenues	-	1,002	1,002
Total Revenues	1,837,596	139,002	1,976,598
EXPENDITURES			
Security of Persons and Property:			
Police and Others	378,406	-	378,406
Fire	535,525	-	535,525
Community Development	219,733	-	219,733
Transportation	494,378	-	494,378
General Government	21,373	-	21,373
Capital Outlay	-	141,861	141,861
Debt Service:			
Interest and Fiscal Charges	-	280,759	280,759
Total Expenditures	1,649,415	422,620	2,072,035
Excess of Revenues Under Expenditures	188,181	(283,618)	(95,437)
OTHER FINANCING SOURCES (USES)			
Notes Issued	-	7,975,560	7,975,560
Current Refundings	-	(8,230,560)	(8,230,560)
Transfer In	-	505,672	505,672
Total Other Financing Sources (Uses)	-	250,672	250,672
Net Change in Fund Balances	188,181	(32,946)	155,235
Fund Balances (Deficit) - Beginning of Year	609,903	(1,179,541)	(569,638)
Fund Balances (Deficit) - End of Year	\$ 798,084	\$ (1,212,487)	\$ (414,403)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2011

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 21,017	\$ 38,200	\$ 4,255	\$ 32,044
Intergovernmental Receivable	211,826	17,175	2,901	2,901
Property Taxes Receivable	-	-	134,499	134,499
Total Assets	\$ 232,843	\$ 55,375	\$ 141,655	\$ 169,444
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-
Deferred Revenue	167,295	13,564	137,400	137,400
Total Liabilities	167,295	13,564	137,400	137,400
Fund Balances:				
Restricted	65,548	41,811	4,255	32,044
Committed	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	65,548	41,811	4,255	32,044
Total Liabilities and Fund Balances	\$ 232,843	\$ 55,375	\$ 141,655	\$ 169,444

Street Lighting	Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension	DARE Grant
\$ 82,711	\$ 144,566	\$ 33,401	\$ 3,063	\$ 17,455	\$ 19,983	\$ 26,570
12,292	2,444	-	-	4,271	4,271	-
290,680	95,873	-	-	104,039	104,039	-
<u>\$ 385,683</u>	<u>\$ 242,883</u>	<u>\$ 33,401</u>	<u>\$ 3,063</u>	<u>\$ 125,765</u>	<u>\$ 128,293</u>	<u>\$ 26,570</u>
\$ 17,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	148	-	-	-
302,972	98,317	-	-	108,310	108,310	-
<u>320,921</u>	<u>98,317</u>	<u>-</u>	<u>148</u>	<u>108,310</u>	<u>108,310</u>	<u>-</u>
64,762	144,566	33,401	2,915	17,455	19,983	26,570
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>64,762</u>	<u>144,566</u>	<u>33,401</u>	<u>2,915</u>	<u>17,455</u>	<u>19,983</u>	<u>26,570</u>
<u>\$ 385,683</u>	<u>\$ 242,883</u>	<u>\$ 33,401</u>	<u>\$ 3,063</u>	<u>\$ 125,765</u>	<u>\$ 128,293</u>	<u>\$ 26,570</u>

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2011

	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	\$ 4,533	\$ 808	\$ 6,225
Intergovernmental Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	-
Total Assets	\$ 16,600	\$ 4,533	\$ 808	\$ 6,225
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	27,919	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	27,919	-	-	-
Fund Balances:				
Restricted	-	4,533	808	6,225
Committed	-	-	-	-
Unassigned (Deficit)	(11,319)	-	-	-
Total Fund Balances (Deficits)	(11,319)	4,533	808	6,225
Total Liabilities and Fund Balances	\$ 16,600	\$ 4,533	\$ 808	\$ 6,225

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	\$ 167,618	\$ 4,819
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 27,949</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 167,618</u>	<u>\$ 4,819</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	21,566	-	-	-	-
-	-	-	-	-	-	-
-	-	21,566	-	-	-	-
21	7,104	6,383	30,521	568	-	4,819
-	-	-	-	-	167,618	-
-	-	-	-	-	-	-
<u>21</u>	<u>7,104</u>	<u>6,383</u>	<u>30,521</u>	<u>568</u>	<u>167,618</u>	<u>4,819</u>
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 27,949</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 167,618</u>	<u>\$ 4,819</u>

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2011

	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	\$ 27,737	\$ 1,999	\$ 38,808
Intergovernmental Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	-
Total Assets	\$ 28,150	\$ 27,737	\$ 1,999	\$ 38,808
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Restricted	-	-	1,999	38,808
Committed	28,150	27,737	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	28,150	27,737	1,999	38,808
Total Liabilities and Fund Balances	\$ 28,150	\$ 27,737	\$ 1,999	\$ 38,808

G.R.E.A.T Grant	Fire Reporting Grant	COPS Hiring Recovery	2007 Nature Works Grant	2008 G.R.E.A.T. Grant	Residential Demolition
\$ 3,668	\$ 188	\$ 30	\$ -	\$ 29,342	\$ 31
-	-	52,970	-	-	-
-	-	-	-	-	-
<u>\$ 3,668</u>	<u>\$ 188</u>	<u>\$ 53,000</u>	<u>\$ -</u>	<u>\$ 29,342</u>	<u>\$ 31</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	53,000	19,589	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>53,000</u>	<u>19,589</u>	<u>-</u>	<u>-</u>
3,668	188	-	-	29,342	31
-	-	-	-	-	-
-	-	-	(19,589)	-	-
<u>3,668</u>	<u>188</u>	<u>-</u>	<u>(19,589)</u>	<u>29,342</u>	<u>31</u>
<u>\$ 3,668</u>	<u>\$ 188</u>	<u>\$ 53,000</u>	<u>\$ -</u>	<u>\$ 29,342</u>	<u>\$ 31</u>

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2011

	Warrensville Heights Occupancy Program	Edward Byrne Memorial Justice Assistance	SAFER Hiring Program	Nonmajor Special Revenue Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 9,435	\$ 7,837	\$ 252	\$ 837,508
Intergovernmental Receivable	-	-	20,135	331,186
Property Taxes Receivable	-	-	-	863,629
Total Assets	\$ 9,435	\$ 7,837	\$ 20,387	\$ 2,032,323
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 17,949
Interfund Payable	-	-	20,500	142,722
Deferred Revenue	-	-	-	1,073,568
Total Liabilities	-	-	20,500	1,234,239
Fund Balances:				
Restricted	-	7,837	-	596,165
Committed	9,435	-	-	232,940
Unassigned (Deficit)	-	-	(113)	(31,021)
Total Fund Balances (Deficits)	9,435	7,837	(113)	798,084
Total Liabilities and Fund Balances	\$ 9,435	\$ 7,837	\$ 20,387	\$ 2,032,323

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City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Street Construction, Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment
REVENUES				
Property Taxes	\$ -	\$ -	\$ 89,321	\$ 89,321
Intergovernmental	412,371	35,383	5,801	5,801
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	412,371	35,383	95,122	95,122
EXPENDITURES				
Security of Persons and Property:				
Police and Others	-	-	86,920	-
Fire	-	-	-	65,775
Community Development	-	-	-	-
Transportation	435,649	58,729	-	-
General Government	-	-	-	-
Total Expenditures	435,649	58,729	86,920	65,775
Net Change in Fund Balances	(23,278)	(23,346)	8,202	29,347
Fund Balances (Deficits) - Beginning of Year	88,826	65,157	(3,947)	2,697
Fund Balances (Deficits) - End of Year	\$ 65,548	\$ 41,811	\$ 4,255	\$ 32,044

Street Lighting	Building Levy	Law Enforcement Trust	Bureau of Justice Grant	Fire Pension	Police Pension	DARE Grant
\$ 211,175	\$ 63,413	\$ -	\$ -	\$ 75,476	\$ 75,476	\$ -
18,388	4,888	-	3,063	6,683	6,683	7,246
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>229,563</u>	<u>68,301</u>	<u>-</u>	<u>3,063</u>	<u>82,159</u>	<u>82,159</u>	<u>7,246</u>
-	-	-	-	-	70,000	-
-	-	-	-	70,000	-	-
202,450	-	-	-	-	-	-
-	-	-	-	-	-	-
-	21,373	-	-	-	-	-
<u>202,450</u>	<u>21,373</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
27,113	46,928	-	3,063	12,159	12,159	7,246
37,649	97,638	33,401	(148)	5,296	7,824	19,324
<u>\$ 64,762</u>	<u>\$ 144,566</u>	<u>\$ 33,401</u>	<u>\$ 2,915</u>	<u>\$ 17,455</u>	<u>\$ 19,983</u>	<u>\$ 26,570</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, 2011

	Community Development Block Grant	Juvenile Diversion Program	Fire Department Child Safety Grant	EMS Computer Grant
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	7,200	-	3,450
Licenses and Permits	-	-	-	-
Charges for Services	-	240	-	-
Total Revenues	-	7,440	-	3,450
EXPENDITURES				
Security of Persons and Property:				
Police and Others	-	6,959	-	-
Fire	-	-	-	-
Community Development	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Total Expenditures	-	6,959	-	-
Net Change in Fund Balances	-	481	-	3,450
Fund Balances (Deficits) - Beginning of Year	(11,319)	4,052	808	2,775
Fund Balances (Deficits) - End of Year	\$ (11,319)	\$ 4,533	\$ 808	\$ 6,225

Local Law Enforcement Block Grant	Sidewalk Replacement	COPS Grant	FEMA Grant	Cleveland Browns Foundation	CRA Monitoring Fee	The Cleveland Foundation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	37,833	-
-	-	-	-	-	-	-
-	-	-	-	-	37,833	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	37,833	-
21	7,104	6,383	30,521	568	129,785	4,819
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 6,383</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 167,618</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, 2011

	Economic Development Stimulus Incentive Grant	Grass Refuse	Homeland Security Grant	Civic Center Park Restoration Grant
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	-	13,887	-	-
Total Revenues	-	13,887	-	-
EXPENDITURES				
Security of Persons and Property:				
Police and Others	-	-	-	-
Fire	-	-	-	-
Community Development	-	17,283	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Total Expenditures	-	17,283	-	-
Net Change in Fund Balances	-	(3,396)	-	-
Fund Balances (Deficits) - Beginning of Year	28,150	31,133	1,999	38,808
Fund Balances (Deficits) - End of Year	\$ 28,150	\$ 27,737	\$ 1,999	\$ 38,808

G.R.E.A.T Grant	Police Hire Grant	Fire Reporting Grant	COPS Hiring Recovery	2007 Nature Works Grant	2008 G.R.E.A.T. Grant	Residential Demolition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	31,946	-	228,414	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>31,946</u>	<u>-</u>	<u>228,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	183,632	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>183,632</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	31,946	-	44,782	-	-	-
3,668	(31,946)	188	(44,782)	(19,589)	29,342	31
<u>\$ 3,668</u>	<u>\$ -</u>	<u>\$ 188</u>	<u>\$ -</u>	<u>\$ (19,589)</u>	<u>\$ 29,342</u>	<u>\$ 31</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, 2011

	Warrensville Heights Occupancy Program	Edward Byrne Memorial Justice Assistance	SAFER Hiring Program	Nonmajor Special Revenue Funds
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ 604,182
Intergovernmental	-	-	399,637	1,176,954
Licenses and Permits	-	-	-	37,833
Charges for Services	4,500	-	-	18,627
Total Revenues	<u>4,500</u>	<u>-</u>	<u>399,637</u>	<u>1,837,596</u>
EXPENDITURES				
Security of Persons and Property:				
Police and Others	-	30,895	-	378,406
Fire	-	-	399,750	535,525
Community Development	-	-	-	219,733
Transportation	-	-	-	494,378
General Government	-	-	-	21,373
Total Expenditures	<u>-</u>	<u>30,895</u>	<u>399,750</u>	<u>1,649,415</u>
Net Change in Fund Balances	4,500	(30,895)	(113)	188,181
Fund Balances (Deficits) - Beginning of Year	4,935	38,732	-	609,903
Fund Balances (Deficits) - End of Year	<u>\$ 9,435</u>	<u>\$ 7,837</u>	<u>\$ (113)</u>	<u>\$ 798,084</u>

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City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2011

	<u>Street Improvement</u>	<u>Building Repair and Improvement</u>	<u>Information Technology System</u>	<u>Land Acquisition</u>	<u>Emery Woods Project</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,738	\$ 21,683	\$ 4,989	\$ 123,669
Total Assets	\$ -	\$ 1,738	\$ 21,683	\$ 4,989	\$ 123,669
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	3,204	-	3,151	882	7,268
Interfund Payable	50,339	-	-	-	-
Notes Payable	230,000	-	125,000	35,000	918,000
Total Liabilities	283,543	-	128,151	35,882	925,268
Fund Balances:					
Restricted	-	1,738	-	-	-
Unassigned (Deficit)	(283,543)	-	(106,468)	(30,893)	(801,599)
Total Fund Balances (Deficits)	(283,543)	1,738	(106,468)	(30,893)	(801,599)
Total Liabilities and Fund Balances	\$ -	\$ 1,738	\$ 21,683	\$ 4,989	\$ 123,669

<u>Siren Warning System</u>	<u>Route 8/ Northfield Road Project</u>	<u>Sidewalk Repair and Replacement Project</u>	<u>Generators</u>	<u>Green Road Park Improvement</u>	<u>City Boiler Replacement</u>	<u>Nonmajor Capital Projects Funds</u>
\$ 457	\$ 3,841	\$ 81	\$ 10,666	\$ 7,151	\$ 1,661	\$ 175,936
<u>\$ 457</u>	<u>\$ 3,841</u>	<u>\$ 81</u>	<u>\$ 10,666</u>	<u>\$ 7,151</u>	<u>\$ 1,661</u>	<u>\$ 175,936</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201	\$ 201
-	126	126	126	-	-	14,883
-	-	-	-	-	-	50,339
-	5,000	5,000	5,000	-	-	1,323,000
<u>-</u>	<u>5,126</u>	<u>5,126</u>	<u>5,126</u>	<u>-</u>	<u>201</u>	<u>1,388,423</u>
457	-	-	5,540	7,151	1,460	16,346
-	(1,285)	(5,045)	-	-	-	(1,228,833)
<u>457</u>	<u>(1,285)</u>	<u>(5,045)</u>	<u>5,540</u>	<u>7,151</u>	<u>1,460</u>	<u>(1,212,487)</u>
<u>\$ 457</u>	<u>\$ 3,841</u>	<u>\$ 81</u>	<u>\$ 10,666</u>	<u>\$ 7,151</u>	<u>\$ 1,661</u>	<u>\$ 175,936</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, 2011

	Street Improvement	Building Repair and Improvement	Information Technology System	Land Acquisition	Emery Woods Project
REVENUES					
Contributions and Donations	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Revenues	-	-	-	-	1,002
Total Revenues	-	-	-	-	1,002
EXPENDITURES					
Capital Outlay	-	-	-	-	4,975
Debt Service:					
Interest and Fiscal Charges	82,728	-	116,470	39,828	23,302
Total Expenditures	82,728	-	116,470	39,828	28,277
Excess of Revenues Under Expenditures	(82,728)	-	(116,470)	(39,828)	(27,275)
OTHER FINANCING SOURCES (USES)					
Notes Issued	2,483,300	-	3,645,200	1,260,300	-
Current Refundings	(2,563,300)	-	(3,770,200)	(1,295,300)	-
Transfers In	132,149	-	200,656	74,909	79,905
Total Other Financing Sources (Uses)	52,149	-	75,656	39,909	79,905
Net Change in Fund Balances	(30,579)	-	(40,814)	81	52,630
Fund Balances (Deficits) -					
Beginning of Year	(252,964)	1,738	(65,654)	(30,974)	(854,229)
Fund Balances (Deficits)- End of Year	\$ (283,543)	\$ 1,738	\$ (106,468)	\$ (30,893)	\$ (801,599)

<u>Siren Warning System</u>	<u>Route 8/ Northfield Road Project</u>	<u>Sidewalk Repair and Replacement Project</u>	<u>Generators</u>	<u>Green Road Park Improvement</u>	<u>City Boiler Replacement</u>	<u>Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,000	\$ 138,000
-	-	-	-	-	-	1,002
-	-	-	-	-	138,000	139,002
-	-	-	-	346	136,540	141,861
1,995	4,643	2,571	3,186	6,036	-	280,759
1,995	4,643	2,571	3,186	6,382	136,540	422,620
(1,995)	(4,643)	(2,571)	(3,186)	(6,382)	1,460	(283,618)
66,500	145,560	76,500	97,000	201,200	-	7,975,560
(66,500)	(150,560)	(81,500)	(102,000)	(201,200)	-	(8,230,560)
1,995	4,517	2,445	3,060	6,036	-	505,672
1,995	(483)	(2,555)	(1,940)	6,036	-	250,672
-	(5,126)	(5,126)	(5,126)	(346)	1,460	(32,946)
457	3,841	81	10,666	7,497	-	(1,179,541)
<u>\$ 457</u>	<u>\$ (1,285)</u>	<u>\$ (5,045)</u>	<u>\$ 5,540</u>	<u>\$ 7,151</u>	<u>\$ 1,460</u>	<u>\$ (1,212,487)</u>

Combining Statements – Agency Funds

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of 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, 2011

	Beginning Balance <u>12/31/2010</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>12/31/2011</u>
Developers Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 201,556</u>	<u>\$ 185,383</u>	<u>\$ 141,458</u>	<u>\$ 245,481</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 201,556</u>	<u>\$ 176,653</u>	<u>\$ 132,728</u>	<u>\$ 245,481</u>
Senior Civic Center Rental Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 205</u>	<u>\$ 2,050</u>	<u>\$ 2,030</u>	<u>\$ 225</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 205</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 225</u>
Payroll Clearing Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 152,765</u>	<u>\$ -</u>	<u>\$ 85,641</u>	<u>\$ 67,124</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 152,765</u>	<u>\$ -</u>	<u>\$ 85,641</u>	<u>\$ 67,124</u>
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 354,526</u>	<u>\$ 187,433</u>	<u>\$ 229,129</u>	<u>\$ 312,830</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 354,526</u>	<u>\$ 176,673</u>	<u>\$ 218,369</u>	<u>\$ 312,830</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 432,335	\$ 434,936	\$ 435,001	\$ 65
Income Taxes	13,592,628	13,670,815	13,308,280	(362,535)
Other Taxes	222,805	224,146	224,179	33
Intergovernmental	990,761	996,724	996,872	148
Interest	7,011	7,053	7,054	1
Fees, Licenses and Permits	344,857	346,932	346,984	52
Fines and Forfeitures	189,559	190,700	610,883	420,183
Charges for Services	407,085	409,535	409,596	61
Contributions and Donations	1,193	1,200	1,200	-
All Other Revenues	66,167	66,565	66,086	(479)
Total Revenues	<u>16,254,401</u>	<u>16,348,606</u>	<u>16,406,135</u>	<u>57,529</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	4,084,613	4,070,613	4,560,603	(489,990)
Materials and Supplies	298,585	283,585	311,863	(28,278)
Contractual Services	449,161	374,161	203,553	170,608
Capital Outlay	33,199	33,199	6,090	27,109
Total Police Department	<u>4,865,558</u>	<u>4,761,558</u>	<u>5,082,109</u>	<u>(320,551)</u>
Fire Department				
Personal Services	3,105,391	3,125,391	2,782,741	342,650
Materials and Supplies	215,691	195,691	120,141	75,550
Contractual Services	50,800	50,800	37,097	13,703
Capital Outlay	40,000	40,000	37,012	2,988
Total Fire Department	<u>3,411,882</u>	<u>3,411,882</u>	<u>2,976,991</u>	<u>434,891</u>
Total Security of Persons and Property	<u>8,277,440</u>	<u>8,173,440</u>	<u>8,059,100</u>	<u>114,340</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>25,300</u>	<u>25,300</u>	<u>25,183</u>	<u>117</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civic Center				
Personal Services	185,261	197,261	192,076	5,185
Materials and Supplies	2,200	3,200	2,949	251
Contractual Services	2,100	1,100	-	1,100
Total Civic Center	<u>189,561</u>	<u>201,561</u>	<u>195,025</u>	<u>6,536</u>
Total Leisure Time Activities	<u>214,861</u>	<u>226,861</u>	<u>220,208</u>	<u>6,653</u>
Community Development				
Economic Development				
Personal Services	135,942	135,942	131,463	4,479
Materials and Supplies	6,165	5,165	4,151	1,014
Contractual Services	4,600	8,200	8,100	100
Capital Outlay	150	150	-	150
Total Economic Development	<u>146,857</u>	<u>149,457</u>	<u>143,714</u>	<u>5,743</u>
Building Department				
Personal Services	507,867	497,867	479,000	18,867
Materials and Supplies	21,605	18,605	18,919	(314)
Contractual Services	23,200	43,200	26,630	16,570
Capital Outlay	1,000	(5,000)	-	(5,000)
Total Building Department	<u>553,672</u>	<u>554,672</u>	<u>524,549</u>	<u>30,123</u>
Total Community Development	<u>700,529</u>	<u>704,129</u>	<u>668,263</u>	<u>35,866</u>
Basic Utility Services				
Solid Waste				
Personal Services	863,004	896,004	868,087	27,917
Materials and Supplies	-	17,000	-	17,000
Contractual Services	192,000	192,000	164,043	27,957
Total Basic Utility Services	<u>1,055,004</u>	<u>1,105,004</u>	<u>1,032,130</u>	<u>72,874</u>
Transportation				
Service Department				
Personal Services	820,980	820,980	714,752	106,228
Materials and Supplies	364,355	374,355	434,579	(60,224)
Contractual Services	52,000	42,000	2,099	39,901
Capital Outlay	9,900	9,900	1,920	7,980
Total Transportation	<u>1,247,235</u>	<u>1,247,235</u>	<u>1,153,350</u>	<u>93,885</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government				
City Council				
Personal Services	167,995	167,995	165,463	2,532
Materials and Supplies	152,213	146,213	81,306	64,907
Contractual Services	-	6,000	-	6,000
Total City Council	<u>320,208</u>	<u>320,208</u>	<u>246,769</u>	<u>73,439</u>
Mayor				
Personal Services	325,739	325,739	305,643	20,096
Materials and Supplies	31,593	31,593	20,142	11,451
Capital Outlay	1,000	1,000	875	125
Total Mayor	<u>358,332</u>	<u>358,332</u>	<u>326,660</u>	<u>31,672</u>
Finance Department				
Personal Services	375,649	347,649	325,432	22,217
Materials and Supplies	11,543	11,543	11,093	450
Contractual Services	1,700	13,700	9,606	4,094
Capital Outlay	500	500	-	500
Total Finance Department	<u>389,392</u>	<u>373,392</u>	<u>346,131</u>	<u>27,261</u>
Income Tax				
Personal Services	21,268	21,268	18,508	2,760
Materials and Supplies	800	1,800	826	974
Contractual Services	437,000	452,000	483,959	(31,959)
Total Income Tax	<u>459,068</u>	<u>475,068</u>	<u>503,293</u>	<u>(28,225)</u>
Legal				
Personal Services	155,194	165,194	161,062	4,132
Materials and Supplies	9,250	9,250	6,172	3,078
Contractual Services	75,000	200,000	153,065	46,935
Total Legal	<u>239,444</u>	<u>374,444</u>	<u>320,299</u>	<u>54,145</u>
Human Resources				
Personal Services	129,931	129,931	101,416	28,515
Materials and Supplies	6,200	6,200	4,706	1,494
Contractual Services	13,496	13,496	7,755	5,741
Capital Outlay	350	350	79	271
Total Human Resources	<u>149,977</u>	<u>149,977</u>	<u>113,956</u>	<u>36,021</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board Commissions				
Personal Services	6,365	11,365	8,556	2,809
Materials and Supplies	1,925	1,925	518	1,407
Total Boards and Commissions	8,290	13,290	9,074	4,216
Engineering				
Contractual Services	55,419	85,419	48,541	36,878
Information Technology				
Contractual Services	250,000	215,000	183,601	31,399
Lands and Buildings				
Materials and Supplies	139,465	349,465	150,403	199,062
Contractual Services	235,209	60,209	219,721	(159,512)
Capital Outlay	2,000	2,500	2,242	258
Total Lands and Buildings	376,674	412,174	372,366	39,808
Other Government				
Personal Services	-	105,000	88,902	16,098
Materials and Supplies	57,440	47,440	214,213	(166,773)
Contractual Services	477,102	432,102	435,633	(3,531)
Capital Outlay	-	2,000	1,500	500
Total Other Government	534,542	586,542	740,248	(153,706)
Total General Government	3,141,346	3,363,846	3,210,938	152,908
Total Expenditures	14,693,415	14,877,515	14,399,892	477,623
Excess of Revenues Over (Under) Expenditures	1,560,986	1,471,091	2,006,243	535,152
Other Financing Sources (Uses)				
Advances Out	-	(161,400)	(73,500)	87,900
Transfers Out	(1,054,000)	(1,000,000)	(1,000,000)	-
Total Other Financing Sources (Uses)	(1,054,000)	(1,161,400)	(1,073,500)	87,900
Net Change in Fund Balance	506,986	309,691	932,743	623,052
Fund Balance - Beginning of Year, Restated	739,159	739,159	739,159	-
Prior Year Encumbrances Appropriated	74,584	74,584	74,584	-
Fund Balance - End of Year	\$ 1,320,729	\$ 1,123,434	\$ 1,746,486	\$ 623,052

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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property Taxes	\$ 471,329	\$ 521,163	\$ 521,163	\$ -
Intergovernmental	28,770	34,437	44,552	10,115
Special Assessments	143,590	185,000	222,362	37,362
Total Revenues	643,689	740,600	788,077	47,477
Expenditures:				
Debt Service:				
Principal - G.O. Bonds	491,000	491,000	470,000	21,000
Principal - Notes	14,889,000	14,889,000	14,593,560	295,440
Interest & Fiscal Charges - G.O. Bonds	38,000	53,000	53,071	(71)
Interest & Fiscal Charges - Notes	393,397	411,397	410,432	965
Bond Issuance Costs	-	154,436	153,435	1,001
Total Expenditures	15,811,397	15,998,833	15,680,498	318,335
Excess of Revenues Over (Under) Expenditures	(15,167,708)	(15,258,233)	(14,892,421)	365,812
Other Financing Sources				
Notes Issued	15,123,029	14,411,910	14,387,060	(24,850)
Premium on Note Issuances	165,090	165,090	165,090	-
Transfers In	-	1,000,000	1,000,000	-
Total Other Financing Sources	15,288,119	15,577,000	15,552,150	(24,850)
Net Change in Fund Balance	120,411	318,767	659,729	340,962
Fund Balance - Beginning of Year	199,810	199,810	199,810	-
Fund Balance - End of Year	\$ 320,221	\$ 518,577	\$ 859,539	\$ 340,962

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	26,500	26,500	1,392	25,108
Total Expenditures	26,500	26,500	1,392	25,108
Net Change in Fund Balance	(26,500)	(26,500)	(1,392)	25,108
Fund Balance - Beginning of Year	26,825	26,825	26,825	-
Fund Balance - End of Year	<u>\$ 325</u>	<u>\$ 325</u>	<u>\$ 25,433</u>	<u>\$ 25,108</u>

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Snavely Project Fund
For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	2,286	2,286	2,286	-
Fund Balance - End of Year	\$ 2,286	\$ 2,286	\$ 2,286	\$ -

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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	2,941,015	9,201,015	5,494,492	3,706,523
Other Expenses	-	1,805	-	1,805
Total Capital Outlay	<u>2,941,015</u>	<u>9,202,820</u>	<u>5,494,492</u>	<u>3,708,328</u>
Debt Service:				
Principal	-	-	3,560,000	(3,560,000)
Interest & Fiscal Charges	-	-	34,265	(34,265)
Bond Issuance Costs	-	-	86,600	(86,600)
Total Debt Service	<u>-</u>	<u>-</u>	<u>3,680,865</u>	<u>(3,680,865)</u>
Total Expenditures	<u>2,941,015</u>	<u>9,202,820</u>	<u>9,175,357</u>	<u>27,463</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,941,015)</u>	<u>(9,202,820)</u>	<u>(9,175,357)</u>	<u>27,463</u>
Other Financing Sources				
Certificates of Participation Issuance	11,200,000	11,200,000	11,200,000	-
Premium on Debt Issuance	42,428	94,000	86,600	(7,400)
Transfers Out	<u>(3,579,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>7,662,831</u>	<u>11,294,000</u>	<u>11,286,600</u>	<u>(7,400)</u>
Net Change in Fund Balance	4,721,816	2,091,180	2,111,243	20,063
Fund Balance - Beginning of Year	2,575,829	2,575,829	2,575,829	-
Prior Year Encumbrances Appropriated	<u>15,015</u>	<u>15,015</u>	<u>15,015</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 7,312,660</u>	<u>\$ 4,682,024</u>	<u>\$ 4,702,087</u>	<u>\$ 20,063</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 557,000	\$ 490,749	\$ 440,749	\$ (50,000)
Total Revenues	<u>557,000</u>	<u>490,749</u>	<u>440,749</u>	<u>(50,000)</u>
Expenditures:				
Current:				
Transportation				
Street Maintenance				
Personal Services	330,000	330,000	302,500	27,500
Materials and Supplies	38,728	38,728	21,310	17,418
Total Street Maintenance	<u>368,728</u>	<u>368,728</u>	<u>323,810</u>	<u>44,918</u>
Snow and Ice Removal				
Materials and Supplies	<u>175,000</u>	<u>115,000</u>	<u>97,298</u>	<u>17,702</u>
Traffic Control				
Materials and Supplies	<u>49,000</u>	<u>49,000</u>	<u>27,841</u>	<u>21,159</u>
Total Expenditures	<u>592,728</u>	<u>532,728</u>	<u>448,949</u>	<u>83,779</u>
Net Change in Fund Balance	(35,728)	(41,979)	(8,200)	33,779
Fund Balance - Beginning of Year, Restated	14,455	14,455	14,455	-
Prior Year Encumbrances Appropriated	<u>13,728</u>	<u>13,728</u>	<u>13,728</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ (7,545)</u>	<u>\$ (13,796)</u>	<u>\$ 19,983</u>	<u>\$ 33,779</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,000	\$ 37,684	\$ 37,684	\$ -
Total Revenues	<u>46,000</u>	<u>37,684</u>	<u>37,684</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Street Maintenance				
Personal Services	25,000	25,000	25,000	-
Materials and Supplies	35,000	35,000	34,456	544
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>59,456</u>	<u>544</u>
Net Change in Fund Balance	(14,000)	(22,316)	(21,772)	544
Fund Balance - Beginning of Year	59,972	59,972	59,972	-
Fund Balance - End of Year	<u>\$ 45,972</u>	<u>\$ 37,656</u>	<u>\$ 38,200</u>	<u>\$ 544</u>

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 89,117	\$ 89,321	\$ 89,321	\$ -
Intergovernmental	21,860	5,801	5,801	-
Total Revenues	<u>110,977</u>	<u>95,122</u>	<u>95,122</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	89,000	89,000	89,000	-
Capital Outlay	-	2,500	2,009	491
Total Expenditures	<u>89,000</u>	<u>91,500</u>	<u>91,009</u>	<u>491</u>
Net Change in Fund Balance	21,977	3,622	4,113	491
Fund Balance - Beginning of Year	142	142	142	-
Fund Balance - End of Year	<u>\$ 22,119</u>	<u>\$ 3,764</u>	<u>\$ 4,255</u>	<u>\$ 491</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 89,117	\$ 89,321	\$ 89,321	\$ -
Intergovernmental	21,710	5,801	5,801	-
Total Revenues	<u>110,827</u>	<u>95,122</u>	<u>95,122</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Personal Services	70,000	70,000	70,000	-
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net Change in Fund Balance	40,827	25,122	25,122	-
Fund Balance - Beginning of Year	6,922	6,922	6,922	-
Fund Balance - End of Year	<u>\$ 47,749</u>	<u>\$ 32,044</u>	<u>\$ 32,044</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 Lighting Fund
For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 196,856	\$ 211,175	\$ 211,175	\$ -
Intergovernmental	25,544	18,388	18,388	-
Total Revenues	<u>222,400</u>	<u>229,563</u>	<u>229,563</u>	<u>-</u>
Expenditures:				
Current:				
Community Development				
Street Lighting				
Contractual Services	196,855	206,855	205,706	1,149
Total Expenditures	<u>196,855</u>	<u>206,855</u>	<u>205,706</u>	<u>1,149</u>
Net Change in Fund Balance	25,545	22,708	23,857	1,149
Fund Balance - Beginning of Year	58,854	58,854	58,854	-
Fund Balance - End of Year	<u>\$ 84,399</u>	<u>\$ 81,562</u>	<u>\$ 82,711</u>	<u>\$ 1,149</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 64,083	\$ 63,413	\$ 63,413	\$ -
Intergovernmental	3,730	4,888	4,888	-
Total Revenues	<u>67,813</u>	<u>68,301</u>	<u>68,301</u>	<u>-</u>
Expenditures:				
Current:				
General Government				
Building Levy				
Materials and Supplies	10,000	10,000	2,273	7,727
Contractual Services	50,420	20,420	17,960	2,460
Capital Outlay	4,000	4,000	1,140	2,860
Total Expenditures	<u>64,420</u>	<u>34,420</u>	<u>21,373</u>	<u>13,047</u>
Net Change in Fund Balance	3,393	33,881	46,928	13,047
Fund Balance - Beginning of Year	97,218	97,218	97,218	-
Prior Year Encumbrances Appropriated	420	420	420	-
Fund Balance - End of Year	<u>\$ 101,031</u>	<u>\$ 131,519</u>	<u>\$ 144,566</u>	<u>\$ 13,047</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 30,000	\$ -	\$ -	\$ -
Total Revenues	30,000	-	-	-
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Materials and Supplies	10,000	10,000	-	10,000
Total Expenditures	10,000	10,000	-	10,000
Net Change in Fund Balance	20,000	(10,000)	-	10,000
Fund Balance - Beginning of Year	33,401	33,401	33,401	-
Fund Balance - End of Year	\$ 53,401	\$ 23,401	\$ 33,401	\$ 10,000

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,010	\$ 3,060	\$ 3,063	\$ 3
Total Revenues	<u>5,010</u>	<u>3,060</u>	<u>3,063</u>	<u>3</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	5,010	3,060	3,063	3
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u><u>\$ 5,010</u></u>	<u><u>\$ 3,060</u></u>	<u><u>\$ 3,063</u></u>	<u><u>\$ 3</u></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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 70,699	\$ 75,476	\$ 75,476	\$ -
Intergovernmental	822	6,683	6,683	-
Total Revenues	<u>71,521</u>	<u>82,159</u>	<u>82,159</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Personal Services	70,000	70,000	70,000	-
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net Change in Fund Balance	1,521	12,159	12,159	-
Fund Balance - Beginning of Year	5,296	5,296	5,296	-
Fund Balance - End of Year	<u>\$ 6,817</u>	<u>\$ 17,455</u>	<u>\$ 17,455</u>	<u>\$ -</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 70,699	\$ 75,476	\$ 75,476	\$ -
Intergovernmental	771	6,683	6,683	-
Total Revenues	<u>71,470</u>	<u>82,159</u>	<u>82,159</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	70,000	70,000	70,000	-
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net Change in Fund Balance	1,470	12,159	12,159	-
Fund Balance - Beginning of Year	7,824	7,824	7,824	-
Fund Balance - End of Year	<u>\$ 9,294</u>	<u>\$ 19,983</u>	<u>\$ 19,983</u>	<u>\$ -</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,000	\$ 7,246	\$ 7,246	\$ -
Total Revenues	<u>12,000</u>	<u>7,246</u>	<u>7,246</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	19,000	19,000	-	19,000
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,000)</u>	<u>(11,754)</u>	<u>7,246</u>	<u>19,000</u>
Other Financing Sources				
Transfers In	6,000	6,000	-	(6,000)
Total Other Financing Sources	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Net Change in Fund Balance	(1,000)	(5,754)	7,246	13,000
Fund Balance - Beginning of Year	19,324	19,324	19,324	-
Fund Balance - End of Year	<u>\$ 18,324</u>	<u>\$ 13,570</u>	<u>\$ 26,570</u>	<u>\$ 13,000</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, 2011

	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	16,600	16,600	16,600	-
Fund Balance - End of Year	\$ 16,600	\$ 16,600	\$ 16,600	\$ -

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,000	\$ 17,200	\$ 7,200	\$ (10,000)
Charges for Services	-	240	240	-
Total Revenues	7,000	17,440	7,440	(10,000)
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	6,000	16,000	7,200	8,800
Materials and Supplies	1,000	1,000	32	968
Total Expenditures	7,000	17,000	7,232	9,768
Net Change in Fund Balance	-	440	208	(232)
Fund Balance - Beginning of Year	4,325	4,325	4,325	-
Fund Balance - End of Year	\$ 4,325	\$ 4,765	\$ 4,533	\$ (232)

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, 2011

	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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 3,450	\$ 3,450	\$ -
Total Revenues	<u>-</u>	<u>3,450</u>	<u>3,450</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	3,450	3,450	-
Fund Balance - Beginning of Year	<u>2,775</u>	<u>2,775</u>	<u>2,775</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 2,775</u></u>	<u><u>\$ 6,225</u></u>	<u><u>\$ 6,225</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
Local Law Enforcement Block Grant Fund
For The Year Ended December 31, 2011

	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, 2011

	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, 2011

	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	27,949	27,949	27,949	-
Fund Balance - End of Year	\$ 27,949	\$ 27,949	\$ 27,949	\$ -

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, 2011

	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, 2011

	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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses and Permits	\$ 20,000	\$ 62,000	\$ 62,250	\$ 250
Total Revenues	<u>20,000</u>	<u>62,000</u>	<u>62,250</u>	<u>250</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	20,000	62,000	62,250	250
Fund Balance - Beginning of Year	105,368	105,368	105,368	-
Fund Balance - End of Year	<u>\$ 125,368</u>	<u>\$ 167,368</u>	<u>\$ 167,618</u>	<u>\$ 250</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, 2011

	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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses and Permits	\$ 35,000	\$ -	\$ -	\$ -
Total Revenues	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	35,000	-	-	-
Fund Balance - Beginning of Year	28,150	28,150	28,150	-
Fund Balance - End of Year	<u>\$ 63,150</u>	<u>\$ 28,150</u>	<u>\$ 28,150</u>	<u>\$ -</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 50,000	\$ 13,800	\$ 13,887	\$ 87
Total Revenues	<u>50,000</u>	<u>13,800</u>	<u>13,887</u>	<u>87</u>
Expenditures:				
Current:				
Community Development				
Building				
Personal Services	38,580	580	-	580
Materials and Supplies	4,150	4,150	-	4,150
Contractual Services	15,000	30,000	18,533	11,467
Total Expenditures	<u>57,730</u>	<u>34,730</u>	<u>18,533</u>	<u>16,197</u>
Net Change in Fund Balance	(7,730)	(20,930)	(4,646)	16,284
Fund Balance - Beginning of Year	32,383	32,383	32,383	-
Fund Balance - End of Year	<u>\$ 24,653</u>	<u>\$ 11,453</u>	<u>\$ 27,737</u>	<u>\$ 16,284</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, 2011

	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, 2011

	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	38,808	38,808	38,808	-
Fund Balance - End of Year	\$ 38,808	\$ 38,808	\$ 38,808	\$ -

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, 2011

	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
 Police Hiring Grant Fund
For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 22,900	\$ 22,984	\$ 84
Total Revenues	<u>-</u>	<u>22,900</u>	<u>22,984</u>	<u>84</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	22,900	22,984	84
Fund Balance (Deficit) - Beginning of Year	(22,984)	(22,984)	(22,984)	-
Fund Balance (Deficit) - End of Year	<u>\$ (22,984)</u>	<u>\$ (84)</u>	<u>\$ -</u>	<u>\$ 84</u>

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, 2011

	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
COPS Hiring Recovery Fund
For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 163,836	\$ 173,444	\$ 175,444	\$ 2,000
Total Revenues	<u>163,836</u>	<u>173,444</u>	<u>175,444</u>	<u>2,000</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	161,436	190,436	187,192	3,244
Materials and Supplies	2,400	2,400	-	2,400
Total Expenditures	<u>163,836</u>	<u>192,836</u>	<u>187,192</u>	<u>5,644</u>
Excess of Revenues Over (Under) Expenditures	-	(19,392)	(11,748)	7,644
Other Financing Sources (Uses)				
Advances In	-	55,000	53,000	(2,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>55,000</u>	<u>53,000</u>	<u>(2,000)</u>
Net Change in Fund Balance	-	35,608	41,252	5,644
Fund Balance (Deficit) - Beginning of Year	(41,222)	(41,222)	(41,222)	-
Fund Balance (Deficit) - End of Year	<u>\$ (41,222)</u>	<u>\$ (5,614)</u>	<u>\$ 30</u>	<u>\$ 5,644</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, 2011

	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	29,342	29,342	29,342	-
Fund Balance - End of Year	\$ 29,342	\$ 29,342	\$ 29,342	\$ -

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Residential Demolition Fund
For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	31	31	31	-
Fund Balance - End of Year	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ 31</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,000	\$ 3,700	\$ 4,500	\$ 800
Total Revenues	<u>5,000</u>	<u>3,700</u>	<u>4,500</u>	<u>800</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	5,000	3,700	4,500	800
Fund Balance - Beginning of Year	4,935	4,935	4,935	-
Fund Balance - End of Year	<u>\$ 9,935</u>	<u>\$ 8,635</u>	<u>\$ 9,435</u>	<u>\$ 800</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	27,851	27,851	20,016	7,835
Capital Outlay	12,062	12,062	12,062	-
Total Expenditures	<u>39,913</u>	<u>39,913</u>	<u>32,078</u>	<u>7,835</u>
Net Change in Fund Balance	(39,913)	(39,913)	(32,078)	7,835
Fund Balance - Beginning of Year	39,915	39,915	39,915	-
Fund Balance - End of Year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 7,837</u>	<u>\$ 7,835</u>

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
SAFER Hiring Program Fund
For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 306,002	\$ 379,502	\$ 73,500
Total Revenues	-	306,002	379,502	73,500
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Personal Services	-	405,000	399,750	5,250
Materials and Supplies	-	3,500	-	3,500
Total Expenditures	-	408,500	399,750	8,750
Excess of Revenues Over (Under) Expenditures	-	(102,498)	(20,248)	82,250
Other Financing Sources				
Advances In	-	104,000	20,500	(83,500)
Total Other Financing Sources	-	104,000	20,500	(83,500)
Net Change in Fund Balance	-	1,502	252	(1,250)
Fund Balance - End of Year	\$ -	\$ 1,502	\$ 252	\$ (1,250)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	6,922	6,922	-	6,922
Total Expenditures	6,922	6,922	-	6,922
Excess of Revenues Over (Under) Expenditures	(6,922)	(6,922)	-	6,922
Other Financing Sources				
Note Issuance	8,600	-	-	-
Total Other Financing Sources	8,600	-	-	-
Net Change in Fund Balance	1,678	(6,922)	-	6,922
Fund Balance (Deficit) - Beginning of Year	(57,261)	(57,261)	(57,261)	-
Prior Year Encumbrances Appropriated	6,922	6,922	6,922	-
Fund Balance (Deficit) - End of Year	\$ (48,661)	\$ (57,261)	\$ (50,339)	\$ 6,922

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, 2011

	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	<u>\$ 1,738</u>	<u>\$ 1,738</u>	<u>\$ 1,738</u>	<u>\$ -</u>

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Other Expenses	15,000	15,000	-	15,000
Total Expenditures	15,000	15,000	-	15,000
Net Change in Fund Balance	(15,000)	(15,000)	-	15,000
Fund Balance - Beginning of Year	21,683	21,683	21,683	-
Fund Balance - End of Year	\$ 6,683	\$ 6,683	\$ 21,683	\$ 15,000

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources				
Note Issuance	4,000	-	-	-
Total Other Financing Sources	4,000	-	-	-
Net Change in Fund Balance	4,000	-	-	-
Fund Balance - Beginning of Year	4,989	4,989	4,989	-
Fund Balance - End of Year	<u>\$ 8,989</u>	<u>\$ 4,989</u>	<u>\$ 4,989</u>	<u>\$ -</u>

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All Other Revenues	\$ 5,600	\$ 1,000	\$ 1,002	\$ 2
Total Revenues	<u>5,600</u>	<u>1,000</u>	<u>1,002</u>	<u>2</u>
Expenditures:				
Capital Outlay:				
Contractual Services	80,065	80,065	4,975	75,090
Total Expenditures	<u>80,065</u>	<u>80,065</u>	<u>4,975</u>	<u>75,090</u>
Net Change in Fund Balance	(74,465)	(79,065)	(3,973)	75,092
Fund Balance - Beginning of Year	127,577	127,577	127,577	-
Prior Year Encumbrances Appropriated	65	65	65	-
Fund Balance - End of Year	<u>\$ 53,177</u>	<u>\$ 48,577</u>	<u>\$ 123,669</u>	<u>\$ 75,092</u>

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, 2011

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

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources				
Note Issuance	1,000	-	-	-
Total Other Financing Sources	1,000	-	-	-
Net Change in Fund Balance	1,000	-	-	-
Fund Balance - Beginning of Year	3,841	3,841	3,841	-
Fund Balance - End of Year	\$ 4,841	\$ 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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources				
Note Issuance	3,000	-	-	-
Total Other Financing Sources	3,000	-	-	-
Net Change in Fund Balance	3,000	-	-	-
Fund Balance - Beginning of Year	81	81	81	-
Fund Balance - End of Year	\$ 3,081	\$ 81	\$ 81	\$ -

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
 Net Change in Fund Balance	 (5,000)	 (5,000)	 -	 5,000
 Fund Balance - Beginning of Year	 10,666	 10,666	 10,666	 -
Fund Balance - End of Year	\$ 5,666	\$ 5,666	\$ 10,666	\$ 5,000

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Contractual Services	2,000	2,000	346	1,654
Total Expenditures	2,000	2,000	346	1,654
Excess of Revenues Over (Under) Expenditures	(2,000)	(2,000)	(346)	1,654
Other Financing Sources				
Note Issuance	2,000	-	-	-
Total Other Financing Sources	2,000	-	-	-
Net Change in Fund Balance	-	(2,000)	(346)	1,654
Fund Balance - Beginning of Year	7,497	7,497	7,497	-
Fund Balance - End of Year	\$ 7,497	\$ 5,497	\$ 7,151	\$ 1,654

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 City Hall Boiler Replacement Fund
For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and Donations	\$ -	\$ 138,000	\$ 138,000	\$ -
Total Revenues	-	138,000	138,000	-
Expenditures:				
Capital Outlay:				
Contractual Services	-	138,000	136,339	1,661
Total Expenditures	-	138,000	136,339	1,661
Net Change in Fund Balance	-	-	1,661	1,661
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 1,661	\$ 1,661

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–S7
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 Nine Years

Table 1

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$(1,396,664)	\$(1,790,978)	\$(2,121,770)	\$(2,136,804)	\$(777,382)	\$(614,457)	\$1,893,723	\$1,815,033	\$3,349,635
Restricted for:									
Capital Projects	133,539	135,117	857,341	490,388	-	-	803,927	2,229,153	52,718
Debt Service	1,553,049	799,916	359,660	507,624	442,118	-	8,333	522,748	885,749
Streets	477,528	451,898	555,791	500,392	535,939	552,258	275,643	223,231	202,700
Police	130,420	123,898	96,712	91,134	114,889	224,613	107,801	151,774	200,209
Fire	147,844	89,282	76,928	108,076	90,273	80,301	220,475	159,505	68,363
Building Levy	183,607	130,156	58,305	147,560	-	-	-	-	-
Other Purposes	430,731	377,815	400,742	315,479	296,327	189,078	111,153	67,074	84,299
Unrestricted (Deficit)	1,119,275	799,973	(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>\$ 2,779,329</u>	<u>\$ 1,117,077</u>	<u>\$(1,207,428)</u>	<u>\$ (414,941)</u>	<u>\$ 516,948</u>	<u>\$ 421,835</u>	<u>\$1,782,727</u>	<u>\$2,720,833</u>	<u>\$1,803,501</u>

City of Warrensville Heights, Ohio

Changes in Net Assets Accrual Basis of Accounting Last Nine Years

Table 2

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues:									
Governmental Activities									
Charges for Services									
General Government	\$ 373,205	\$ 228,995	\$ 285,557	\$ 348,619	\$ 193,833	\$ 182,754	\$ 206,353	\$ 229,899	\$ 150,756
Security of Persons and Property:									
Police and Others	599,807	204,229	212,881	255,246	361,456	313,492	393,133	340,291	319,549
Fire	453,935	392,027	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	18,912	21,341	28,409	31,273	20,764	15,816	20,300	29,167	16,224
Community Development	18,387	138,768	19,149	28,383	64,823	51,681	81,530	53,263	26,513
Transportation	1,518	780	4,031	941	252,906	103,251	135,615	139,022	149,413
Basic Utility Services	50	-	-	-	4,327	69,129	107,642	114,253	23,818
Subtotal - Charges for Services	1,465,814	986,140	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	204,041	323,149	17,337	160,050	24,799	62,244	61,567	114,500	156,790
Fire	403,087	-	-	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	37,833	33,917	-	-	290,475	388,722	218,345	225,048	286,294
Transportation	469,914	495,784	481,369	516,508	736,232	598,391	531,359	481,407	428,710
Subtotal - Operating Grants and Contributions	1,114,875	852,850	548,446	707,808	1,083,183	1,059,569	897,674	1,053,637	967,325
Capital Grants and Contributions:									
General Government	262,014	287,175	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	33,766	69,100	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	295,780	356,275	770,621	654,493	339,511	384,163	329,517	1,081,657	475,087
<i>Total Governmental Activities Program Revenues</i>	\$ 2,876,469	\$ 2,195,265	\$ 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 Nine Years

Table 2

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:									
Governmental Activities									
General Government	3,730,870	3,156,023	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	5,372,668	4,780,991	5,097,249	6,024,849	5,138,945	5,708,747	5,408,241	4,890,454	4,653,737
Fire	3,626,904	3,471,641	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	27,952	55,903	54,833	54,834	65,802	56,006	47,829	40,420
Leisure Time Activities	266,661	227,379	302,387	326,782	295,210	329,692	295,706	361,980	323,941
Community Development	882,581	1,087,614	953,234	1,256,777	1,122,810	1,091,122	1,169,496	1,066,080	960,744
Transportation	1,697,499	2,052,226	1,773,859	2,209,178	1,966,685	2,308,721	2,399,454	2,384,519	3,096,239
Basic Utility Services	1,024,141	1,136,196	1,562,976	1,772,473	1,489,299	1,358,581	1,457,364	1,355,302	499,304
Interest and Fiscal Charges	849,472	543,135	565,318	627,851	704,801	549,714	544,927	421,671	378,320
<i>Total Governmental Activities Expense</i>	<u>17,506,699</u>	<u>16,483,157</u>	<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>(14,630,230)</u>	<u>(14,287,892)</u>	<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	611,674	801,710	664,309	1,053,510	1,028,599	1,236,022	1,061,074	1,106,842	957,923
Debt Service	661,791	406,829	573,336	662,896	724,197	553,998	547,017	496,018	512,457
Other Purposes	662,777	598,037	610,702	711,090	783,059	712,565	667,078	631,777	681,792
Municipal Income Taxes Levied For:									
General Purposes	13,185,755	13,158,561	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	1,091,130	1,478,918	1,514,445	1,418,423	1,430,120	1,073,104	1,456,018	1,117,195	1,258,968
Investment Earnings	7,054	1,742	2,137	40,642	166,362	173,564	126,112	37,376	60,835
Gain on Sale of Capital Assets	-	-	-	-	354	-	-	-	-
Miscellaneous	72,301	166,600	110,512	140,434	45,948	59,474	322,867	251,036	301,129
<i>Total Governmental Activities</i>	<u>16,292,482</u>	<u>16,612,397</u>	<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>\$ 1,662,252</u>	<u>\$ 2,324,505</u>	<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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	\$ 373,140	\$ 395,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	600,805	49,993	-	-	-	-	-	-	-	-
Unassigned	2,871,394	2,222,634	-	-	-	-	-	-	-	-
Reserved	-	-	48,312	52,875	68,891	92,809	-	2,278	35,480	125,335
Unreserved	-	-	221,247	600,550	577,945	1,073,732	1,243,030	915,727	932,055	866,760
Total General Fund	3,845,339	2,667,909	269,559	653,425	646,836	1,166,541	1,243,030	918,005	967,535	992,095
All Other Governmental Funds										
Restricted	4,394,852	3,159,390	-	-	-	-	-	-	-	-
Committed	232,940	194,003	-	-	-	-	-	-	-	-
Unassigned (Deficit)	(5,650,602)	(5,687,816)	-	-	-	-	-	-	-	-
Reserved	-	-	3,747	29,442	8,980	28,436	172,879	19,412	150,024	638,341
Unreserved, Undesignated, Reported in:										
Special Revenue funds	-	-	755,159	441,210	566,702	698,309	357,868	242,907	191,374	257,086
Debt Service funds	-	-	257,832	(22,889)	66,393	69,298	164,888	149,615	216,163	7,462
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
Total All Other Governmental Funds	(1,022,810)	(2,334,423)	(4,438,345)	(3,995,209)	(2,085,323)	(1,420,978)	2,949,137	(3,466,413)	2,652,492	1,041,744
Total Governmental Funds	\$ 2,822,529	\$ 333,486	\$(4,168,786)	\$(3,341,784)	\$(1,438,487)	\$ (254,437)	\$ 4,192,167	\$(2,548,408)	\$ 3,620,027	\$ 2,033,839

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No. 54.

City of Warrensville Heights, Ohio

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

Table 4

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Property and Other Taxes	\$ 1,824,328	\$ 1,711,860	\$ 1,799,439	\$ 2,377,955	\$ 2,326,090	\$ 2,444,893	\$ 2,258,293	\$ 2,400,560	\$ 2,139,615	\$ 2,411,677
Income Taxes	13,326,443	12,829,743	11,099,006	11,934,424	10,739,288	10,568,048	10,369,292	10,388,957	9,997,534	8,513,212
Special Assessments	222,362	242,138	690,621	446,947	382,781	475,297	236,742	150,739	231,652	180,708
Intergovernmental	2,261,416	2,179,335	2,424,082	2,208,652	2,321,745	2,211,419	2,436,351	3,404,790	2,216,899	2,267,868
Interest	7,054	1,742	2,137	40,642	166,362	173,564	126,112	37,376	60,835	29,272
Licenses and Permits	385,966	267,270	265,502	362,746	356,550	430,681	437,052	530,536	162,383	704,382
Fines and Forfeitures	597,017	192,370	209,213	246,287	296,926	283,167	259,304	313,302	319,506	-
Rentals	-	-	-	-	-	-	10,045	-	-	-
Charges for Services	433,371	352,805	425,150	514,392	295,782	334,341	340,695	349,355	402,595	349,637
Contributions and Donations	139,200	2,050	7,350	-	-	-	85,010	-	-	-
Other	71,101	278,151	119,100	213,860	45,948	59,474	322,867	251,036	301,129	407,474
<i>Total Revenues</i>	<u>19,268,258</u>	<u>18,057,464</u>	<u>17,041,600</u>	<u>18,345,905</u>	<u>16,931,472</u>	<u>16,980,884</u>	<u>16,881,763</u>	<u>17,826,651</u>	<u>15,832,148</u>	<u>14,864,230</u>
Expenditures										
Current:										
General Government	3,264,306	2,785,533	2,779,632	2,947,051	2,619,985	2,726,545	2,495,624	2,503,986	2,741,396	2,069,131
Security of Persons and Property:										7,922,500
Police and Others	5,454,369	4,762,219	4,968,400	5,826,037	5,048,633	4,809,157	4,797,841	5,014,605	4,580,861	n/a
Fire	4,063,276	3,406,521	4,049,393	3,726,265	3,510,938	3,200,162	3,239,053	3,562,045	2,802,671	n/a
Public Health Services	55,903	27,952	55,903	54,392	54,392	50,615	50,615	46,838	39,132	44,572
Leisure Time Activities	227,370	178,910	288,646	301,870	278,762	261,904	238,295	330,820	293,508	382,752
Community Development	882,581	1,091,745	949,103	1,267,359	1,153,715	918,719	1,058,386	1,058,781	946,701	853,923
Transportation	1,739,710	1,777,858	1,889,374	1,593,785	2,130,634	1,812,967	2,060,585	1,874,273	2,939,556	3,109,339
Basic Utility Services	995,680	1,025,838	1,310,451	1,677,865	1,427,767	1,144,734	1,263,610	1,346,571	338,356	71,193
Capital Outlay	7,233,855	1,218,367	392,590	760,435	1,552,707	2,404,728	2,572,219	2,924,756	3,220,808	1,591,406
Debt Service:										
Principal Retirement	4,030,000	450,000	938,478	730,000	899,393	970,136	959,466	7,383,810	2,577,462	645,000
Interest and Fiscal Charges	491,367	461,207	525,906	610,612	755,494	598,501	351,231	427,176	342,161	376,150
Bond Issuance Costs	86,600	-	-	-	-	-	-	-	113,000	-
<i>Total Expenditures</i>	<u>28,525,017</u>	<u>17,186,150</u>	<u>18,147,876</u>	<u>19,495,671</u>	<u>19,432,420</u>	<u>18,898,168</u>	<u>19,086,925</u>	<u>26,473,661</u>	<u>20,935,612</u>	<u>17,065,966</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,256,759)</u>	<u>871,314</u>	<u>(1,106,276)</u>	<u>(1,149,766)</u>	<u>(2,500,948)</u>	<u>(1,917,284)</u>	<u>(2,205,162)</u>	<u>(8,647,010)</u>	<u>(5,103,464)</u>	<u>(2,201,736)</u>

(Continued)

City of Warrensville Heights, Ohio

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

Table 4

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Other Financing Sources (Uses)										
Sale of Capital Assets	\$ -	\$ -	\$ 1,960	\$ -	\$ 1,673	\$ -	\$ -	\$ 12,052	\$ 15,475	\$ -
Inception of Capital Leases	705,826	27,898	203,314	30,469	198,225	10,680	146,041	171,523	80,459	-
Certificates of Participation Issued	11,200,000									
Bond Anticipation Notes Issued	-	-	-	-	-	-	-	2,295,000	6,475,000	-
Refunding Notes Issued	8,680,060	12,495,060	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
Premium on Debt Issuance	94,976	-	-	-	-	-	69,696	-	-	-
Current Refunding	(8,935,060)	(8,892,000)	(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	1,617,682	533,756	173,704	130,640	506,397	1,479,263	1,157,274	6,620,665	13,000	275,286
Transfers Out	(1,617,682)	(533,756)	(173,704)	(130,640)	(506,397)	(1,479,263)	(1,157,274)	(6,620,665)	(13,000)	(275,286)
Advances In	-	-	-	-	-	-	-	-	-	33,604
Advances Out	-	-	-	-	-	-	-	-	-	(33,604)
<i>Total Other Financing Sources (Uses)</i>	<u>11,745,802</u>	<u>3,630,958</u>	<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>
<i>Net Change in Fund Balances</i>	<u>\$ 2,489,043</u>	<u>\$ 4,502,272</u>	<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>
Debt service as a percentage of noncapital expenditures	22.38%	5.65%	8.31%	7.00%	9.47%	9.39%	7.94%	33.17%	17.12%	6.60%

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
2011	\$ 115,140,720	\$ 146,856,870	\$ 748,564,543	\$ 6,107,320	\$ 6,940,136
2010	115,592,130	137,838,050	724,086,229	5,816,510	6,609,670
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

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

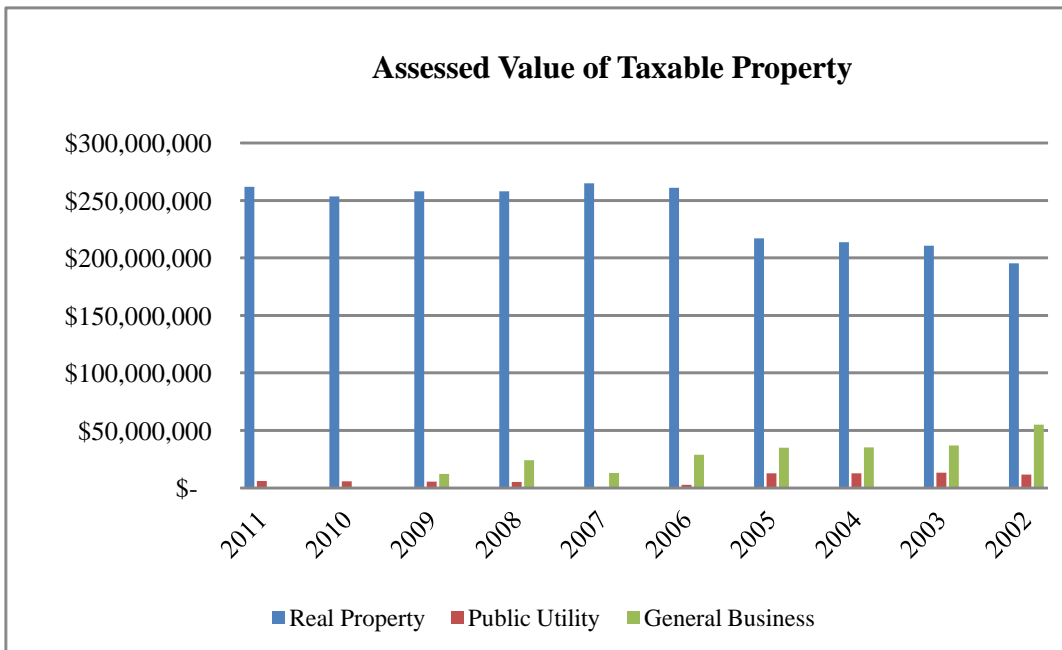
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 subsequent collection years.

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 Fiscal Office

Tangible Personal Property

General Business		Total			Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$ -	\$ -	\$268,104,910	\$ 755,504,679	35.49%	\$ 9.70
-	-	259,246,690	730,695,899	35.48%	9.70
12,215,192	-	275,509,672	743,069,986	37.08	9.70
24,039,677	384,634,832	287,203,977	1,127,760,179	25.47	9.70
13,016,219	104,129,752	278,776,964	867,292,432	32.14	13.20
28,901,882	154,143,371	292,633,609	914,578,458	32.00	13.20
35,108,650	140,434,600	265,057,970	775,454,452	34.18	13.20
35,229,342	140,917,368	261,927,702	766,551,109	34.17	13.20
36,972,668	147,890,672	260,932,018	764,751,915	34.12	13.20
55,035,241	220,140,964	262,125,961	791,712,826	33.11	13.20



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 (2) Taxing Districts	Total Tax Levy
	General Fund	Special (1) Funds	Debt Service	Total Levy					
2011	\$ 3.40	\$ 3.60	\$ 2.70	\$ 9.70	\$ 89.00	\$ 91.10	\$ 13.22	\$ 7.58	\$ 210.60
2010	3.60	4.10	2.00	9.70	89.50	86.10	13.32	7.58	206.20
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

Source: Cuyahoga County, Ohio; County Fiscal Office

- (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
2011	\$1,683,572	\$ 1,473,818	87.54%	\$ 114,013	\$ 1,587,831	94.31%	\$ 840,918	49.95%
2010	1,690,295	1,487,774	88.02	111,273	1,599,047	94.60	692,722	40.98
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

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) State reimbursement of rollback and homestead exemptions are 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

2011 and 2003

Table 8

<u>Name of Taxpayer</u>	2011	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
JLP- Harvard Park LLC	\$ 13,009,150	4.97%
Cleveland East Hotel	10,510,710	4.01%
Meridia Health System	7,131,530	2.72%
Highlands Woods NS	6,346,600	2.42%
Cleveland Electric Illuminating Co.	5,422,650	2.07%
Clarkwood Apartments, LTD	4,987,570	1.90%
Granada Apartments	4,460,770	1.70%
Overlook Court, LP	4,086,580	1.56%
Sherwin-Williams Automotive	3,133,550	1.20%
Galaxy Dev. Limited	2,825,010	1.08%
Total	\$ 61,914,120	23.63%
Total Assessed Valuation		
	\$ 261,997,590	
<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	2.57%
Heinens, Inc.	2,570,380	1.22%
Clarkwood Apartments, LTD	4,883,310	2.32%
Dalebridge Renaissance, LTD	4,561,210	2.17%
Cleveland Illuminating Company	4,149,500	1.97%
Sherwin-Williams	2,854,500	1.36%
Granada Apartments Company	2,771,060	1.32%
Highland Business Park LLC.	2,071,580	0.98%
Total	\$ 29,271,000	13.91%
Total Assessed Valuation		
	\$ 210,580,170	

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) Excludes Public Utilities

Information prior to 2003 is not available

City of Warrensville Heights, Ohio

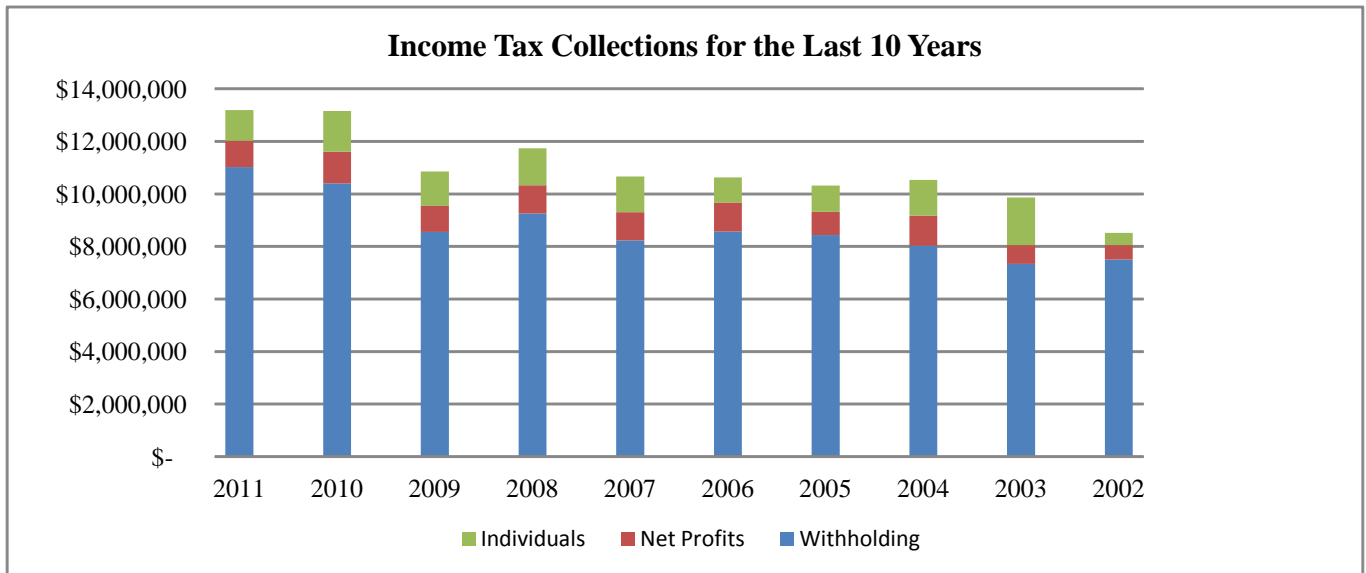
Income Tax Revenue Base Collections

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
2011	2.60%	\$13,185,755	\$11,020,654	83.58%	\$ 995,525	7.55%	\$1,169,576	8.87%
2010	2.60	\$13,158,561	\$10,405,766	79.08	\$1,199,094	9.11	\$1,553,701	11.81
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

- (1) Effective January 1, 2002, the City's Electors voted to increase the City's income tax rate from 1.75% to 2.00%. 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 2010 are on a full accrual basis and 2002 is on a modified accrual basis.



City of Warrensville Heights, Ohio

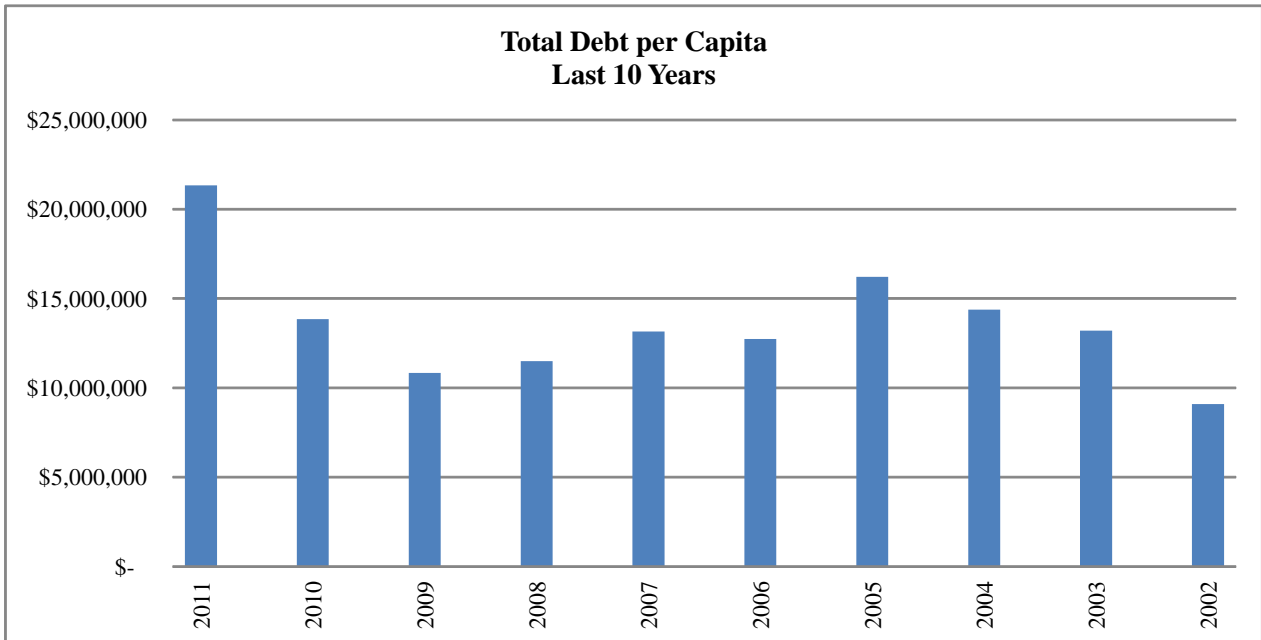
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

Table 10

Fiscal Year	Governmental Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	C.O.P.s	Long-Term Notes	Capital Leases			
2011	\$ 658,572	\$ 55,000	\$11,215,829	\$8,680,060	\$ 720,684	\$ 21,330,145	8.10%	\$ 1,575
2010	1,054,608	117,533	-	12,495,060	181,011	13,848,212	5.26	1,023
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

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	General Obligation Debt (3)	Resources Available for Repayment	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2011	13,542	b	\$ 755,504,679	\$11,874,401	\$ 812,585	\$ 11,061,816	1.46%	\$ 816.85
2010	13,542	b	730,695,899	1,054,608	152,856	901,752	0.12	66.59
2009	15,109	a	743,069,986	1,437,037	257,832	1,179,205	0.16	78.05
2008	15,109	a	1,127,760,179	2,110,162	-	2,110,162	0.19	139.66
2007	15,109	a	867,292,432	2,758,983	-	2,758,983	0.32	182.61
2006	15,109	a	914,578,458	3,378,500	69,298	3,309,202	0.36	219.02
2005	15,109	a	775,454,452	3,978,714	164,888	3,813,826	0.49	252.42
2004	15,109	a	766,551,109	4,564,624	149,615	4,415,009	0.58	292.21
2003	15,109	a	764,751,915	5,098,571	216,163	4,882,408	0.64	323.15
2002	15,109	a	791,712,826	4,853,546	7,462	4,846,084	0.61	320.74

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Cuyahoga County, Ohio; County Fiscal Office

(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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total Assessed Property Value	\$ 268,104,910	\$ 259,246,690	\$ 275,509,672	\$ 287,203,977	\$ 278,776,964	\$ 292,633,609	\$ 265,057,970	\$ 261,927,702	\$ 260,932,018	\$ 262,125,961
Overall Legal Debt Limit (10 1/2 % of Assessed Valuation)	\$ 28,151,016	\$ 27,220,902	\$ 28,928,516	\$ 30,156,418	\$ 29,271,581	\$ 30,726,529	\$ 27,831,087	\$ 27,502,409	\$ 27,397,862	\$ 27,523,226
Debt Outstanding										
General Obligation Bonds	658,572	1,054,608	1,437,037	2,110,162	2,758,983	3,378,500	4,058,728	4,656,069	5,201,447	4,853,546
Special Assessment Bonds	55,000	117,533	173,673	229,117	298,865	362,917	456,272	548,931	683,553	1,171,446
Certificates of Participation	11,215,829	-	-	-	-	-	-	-	-	-
Bond Anticipation Notes	14,387,060	18,153,560	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	26,316,461	19,325,701	16,499,710	16,662,279	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000	7,999,992
Less:										
Notes issued in anticipation of the levy or collection of municipal income taxes	(8,935,060)	(9,118,560)	(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)	(5,357,000)	(5,442,533)	(5,870,673)	(5,897,617)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)	(1,171,446)
Certificates of Participation	(11,215,829)	-	-	-	-	-	-	-	-	-
General Obligation Bond Retirement Fund Balance	(812,585)	(152,856)	(257,832)	-	-	(69,298)	(164,888)	(149,615)	(216,163)	(7,462)
Total Net Debt Applicable to Debt Limit	(4,013)	4,611,752	1,179,205	2,110,162	3,770,348	4,107,904	3,343,840	4,506,454	4,985,284	4,846,084
Legal Debt Margin Within 10 1/2% Limitations	\$ 28,155,029	\$ 22,609,150	\$ 27,749,311	\$ 28,046,256	\$ 25,501,233	\$ 26,618,625	\$ 24,487,247	\$ 22,995,955	\$ 22,412,578	\$ 22,677,142
Legal Debt Margin as a Percentage of the Debt Limit	100.01%	83.06%	95.92%	93.00%	87.12%	86.63%	87.99%	83.61%	81.80%	82.39%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	\$ 14,745,770	\$ 14,258,568	\$ 15,153,032	\$ 15,796,219	\$ 15,332,733	\$ 16,094,848	\$ 14,578,188	\$ 14,406,024	\$ 14,351,261	\$ 14,416,928
Total Gross Indebtedness	26,316,461	19,325,701	16,499,710	16,662,279	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000	7,999,992
Less:										
Notes issued in anticipation of the levy or collection of municipal income taxes	(8,935,060)	(9,118,560)	(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)	(5,357,000)	(5,442,533)	(5,870,673)	(5,897,617)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)	(1,171,446)
Certificates of Participation	(11,215,829)	-	-	-	-	-	-	-	-	-
General Obligation Bond Retirement Fund Balance	(812,585)	(152,856)	(257,832)	-	-	(69,298)	(164,888)	(149,615)	(216,163)	(7,462)
Net Debt Within 5 1/2% Limitations	(4,013)	4,611,752	1,179,205	2,110,162	3,770,348	4,107,904	3,343,840	4,506,454	4,985,284	4,846,084
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$ 14,749,783	\$ 9,646,816	\$ 13,973,827	\$ 13,686,057	\$ 11,562,385	\$ 11,986,944	\$ 11,234,348	\$ 9,899,570	\$ 9,365,977	\$ 9,570,844
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.03%	67.66%	92.22%	86.64%	75.41%	74.48%	77.06%	68.72%	65.26%	66.39%

Source: City Financial Records

City of Warrensville Heights, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2011

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	\$ 658,572	100.00%	\$ 658,572
Special Assessment Bonds	55,000	100.00%	55,000
Certificates of Participation	11,215,829	100.00%	11,215,829
Capital Leases	720,684	100.00%	720,684
General Obligation Notes	14,387,060	100.00%	14,387,060
<i>Total Direct Debt</i>	27,037,145		27,037,145
Overlapping Debt:			
Warrensville Heights City School District	17,974,977	61.21%	11,003,085
Orange Local School District	22,384,190	0.73%	162,737
Cuyahoga County	298,113,842	0.90%	2,686,091
Regional Transit Authority (RTA)	142,080,000	0.90%	1,280,181
<i>Total Overlapping Debt</i>	480,553,009		15,132,094
Total Direct and Overlapping Debt	\$ 507,590,154		\$ 42,169,239

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 Seven Years Ago

Table 14

2011 (1)		
Employer	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	1,644	15.74%
Warrensville Heights Board of Education	345	3.30%
Heinen's Inc.	342	3.28%
University Hospital Health System	332	3.18%
Sherwin - Williams Co.	310	2.97%
Henkel Corporation	158	1.51%
City of Warrensville Heights	145	1.39%
Horizons, Inc.	135	1.29%
General Electric Co.	127	1.22%
Affymetrix	113	1.08%
Total	3,651	34.96%
Total Employment within the City	10,442	
2005 (2)		
Employer	Employees	
Meridia South Pointe Hospital	1,800	N/A
Warrensville Heights Board of Education	569	N/A
Heinen's, Inc.	507	N/A
Smart Choice Marketing Inc.	364	N/A
Sherwin-Williams Automotive Finishes Corp	271	N/A
LLA Corp	269	N/A
University Hospital Home Care Services	229	N/A
City of Warrensville Heights	225	N/A
BJ's Wholesale Club	215	N/A
Littles Sisters of the Poor	202	N/A
Total	4,651	
Total Employment within the City	N/A	

Source: (1) City of Cleveland Central Collection Agency
 (2) 2005 was the earliest year with available information
 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 (4)	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)	Total Assessed Property Value (4)
2011	13,542 b	\$263,432,526	\$ 19,453 b	\$ 36,461 b	39.2 b	14.40% b	1,956	8.0%	\$ 268,104,910
2010	13,542 b	263,432,526	19,453 b	36,461 b	39.2 b	14.40 b	2,145	8.9	259,246,690
2009	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,273	8.9	275,509,672
2008	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,321	7.1	287,203,977
2007	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,536	6.1	278,776,964
2006	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,700	5.7	292,633,609
2005	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,864	5.7	265,057,970
2004	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,783	6.2	261,927,702
2003	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,876	6.4	260,932,018
2002	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,841	6.7	262,125,961

- Sources:
- (1) U. S. Bureau of Census, Census of Population
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census
 - (2) Ohio Department of Education for Warrensville Heights City School District
 - (3) U. S. Bureau of Labor Statistics
 - (4) Total Personal Income is calculated by multiplying Population times Personal Income per Capita

City of Warrensville Heights, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 16

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
<i>Council and Clerk</i>										
Number of Ordinances Passed	104	114	155	155	171	178	211	177	174	116
Number of Resolutions Passed	60	59	51	51	64	57	88	88	51	90
<i>Finance Department</i>										
Number of checks/vouchers issued	2,452	2,369	3,087	3,087	3,145	3,075	2,881	3,104	829	n/a
Amount of checks written	\$ 11,008,059	\$ 6,535,315	\$ 8,867,036	\$ 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)	\$ 7,054	\$ 1,742	\$ 40,625	\$ 40,625	\$ 156,973	\$ 173,560	\$ 119,692	\$ 37,030	\$ 55,476	n/a
Number of receipts issued	3,300	3,466	3,267	3,267	3,806	4,098	4,200	4,125	4,075	n/a
Number of Budget Adjustments issued	16	61	10	10	82	162	201	152	22	n/a
Agency Ratings - Moody's Financial Services	A-1	A-1	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)	8.61%	11.70%	9.74%	9.74%	10.80%	9.71%	10.36%	9.78%	8.80%	n/a
General Fund Receipts (cash basis)	\$ 15,748,605	\$ 15,908,238	\$ 15,259,941	\$ 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)	\$ 14,899,241	\$ 14,680,884	\$ 15,764,972	\$ 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	\$ 1,739,885	\$ 786,116	\$ -	\$ -	\$ 259,541	\$ 694,777	\$ 424,384	\$ 368,460	\$ (29,396)	\$ 65,113
<i>Building Department Indicators</i>										
Construction Permits Issued	647	631	631	631	213	820	1,026	624	580	605
Estimated Value of Construction	\$ 14,970,841	\$ 8,335,467	\$ 11,450,970	\$ 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	193	202	258	258	693	601	1,024	558	300	275
Amount of Revenue generated from permits	\$ 422,070	\$ 186,986	\$ 237,736	\$ 237,736	\$ 313,340	\$ 238,583	\$ 131,497	\$ 285,295	\$ 48,709	\$ 125,350
Number of contract registrations issued	408	346	354	354	700	454	486	485	337	350
Number of rental inspections performed	572	833	544	544	414	662	500	550	455	350
Number of point of sale inspections	1,831	1,234	192	192	403	600	400	350	415	300
<i>Security of Persons and Property:</i>										
<i>Police</i>										
Total Calls for Services	14,012	15,312	15,918	15,918	15,492	13,244	14,358	12,207	n/a	n/a
Number of traffic citations issued	1,698	2,138	1,965	1,965	1,935	2,137	2,934	n/a	3,652	4,125
Number of parking citations issued	820	1,114	1,580	1,580	1,900	1,631	1,813	n/a	2,080	1,748
Number of criminal arrests	639	589	867	867	1,027	894	965	1,057	966	844
Number of accident reports completed	744	731	763	763	784	683	797	841	873	838
Part 1 Offenses (major offenses)	575	546	633	633	614	535	455	485	647	610
DUI Arrests	12	9	17	17	21	10	31	17	20	26
Prisoners	142	117	1,000	1,000	965	896	974	1,195	1,268	1,194
Prisoner meal costs	\$ 149	\$ 437	\$ 15,706	\$ 15,706	\$ 29,816	\$ 18,552	\$ 17,017	\$ 14,998	\$ 17,198	\$ 15,782
Motor Vehicle Accidents	744	731	763	763	784	683	797	841	873	838
Property damage accidents	651	640	665	665	682	598	688	720	766	729
Fatalities from Motor Vehicle Accidents	-	1	1	1	1	1	2	3	2	2
Gasoline costs of fleet	\$ 60,000	\$ 36,539	\$ 89,170	\$ 89,170	\$ 53,701	\$ 74,767	\$ 40,538	\$ 47,570	n/a	n/a
Community Diversion Program Youths	21	23	40	40	25	29	30	18	35	63
Community Diversion Program - community service hours	470	640	728	728	806	494	576	747	1,386	n/a

(Continued)

City of Warrensville Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 16

Function/Program	2011	2010	2008	2008	2007	2006	2005	2004	2003	2002
Fire										
EMS calls	1,902	1,678	1,869	1,869	1,991	1,775	1,757	1,722	1,885	1,683
Ambulance Billing Collections (net)	\$ 353,557	\$ 380,413	\$ 378,967	\$ 378,967	\$ 205,810	\$ 282,057	\$ 301,030	\$ 294,356	\$ 282,868	n/a
Fire Calls	360	94	807	807	316	278	289	265	302	302
Fires with Loss	23	16	46	46	37	24	32	40	42	n/a
Fires with Losses exceeding \$10K	13	9	9	9	16	4	9	7	8	n/a
Fire Losses \$	\$ 514,850	\$ 613,250	\$ 590,100	\$ 590,100	\$ 883,920	\$ 170,940	\$ 574,600	\$ 281,180	\$ 514,010	n/a
Fire Safety Inspections	192	247	257	257	265	257	236	195	145	n/a
Number of times Mutual Aid given to Fire and EMS	44	44	44	44	75	72	89	100	113	n/a
Number of times Mutual Aid received for Fire and EMS	90	105	12	12	12	14	10	13	5	7
Basic Utility Services										
Refuse disposal per year (in tons)	4,708	4,209	4,450	4,450	4,862	5,912	5,222	5,422	5,790	5,459
Refuse disposal costs per year (calendar year)	\$ 164,043	\$ 163,936	\$ 169,966	\$ 169,966	\$ 231,743	\$ 236,377	\$ 228,596	\$ 222,154	\$ 234,364	\$ 167,943
Annual recycling tonnage (excluding leaf, and compost items)	n/a	868	777	777	733	696	692	625	642	622
Percentage of waste recycled	n/a	23.00%	15.21%	15.21%	13.57%	10.53%	11.70%	10.34%	9.98%	10.26%
Transportation										
Street Repair (Curbs, aprons, berms, asphalt) (hours)	320	824	803	803	905	812	864	880	886	820
Guardrail Repair (hours)	16	132	144	144	120	180	198	174	162	158
Paint Striping (hours)	40	205	326	326	366	324	390	406	356	412
Street Sweeper (hours)	112	726	805	805	841	880	896	810	856	802
Cold Patch (hours)	392	824	872	872	883	808	816	820	810	860
Snow & Ice Removal overtime hours	2,456	-	-	-	-	-	-	3,652	4,458	4,088
Landscaping Stump-Chipper service (hours)	32	826	799	799	847	804	813	867	913	895
Holiday Lights Setup (hours)	80	88	96	96	88	76	80	88	84	86
Sign Department (hours)	40	263	316	316	294	304	346	285	357	326
Number of Trees Planted per year	-	3	10	10	26	6	3	7	27	4
Tons of Snow Melting Salt Purchased (Nov - Mar)	4,835	4,991	7,100	7,100	5,391	3,413	4,435	3,408	3,627	2,518
Cost of Salt Purchased	\$ 220,444	\$ 230,055	\$ 180,461	\$ 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.

City of Warrensville Heights, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 17

Function/program:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government:										
Square Footage Occupied	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	20,365
Administrative Vehicles	1	1	1	1	1	1	2	2	2	2
Inspection Vehicles	7	7	7	7	7	6	6	6	5	5
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	29	32	36	32	32	26	26	24	24	24
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	11	11	12	12	12	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	37	40	40	39	39	37	37	37	35	35
Streets (miles)	52	52	52	52	52	52	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 Ten Years

Table 18

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government:										
Council	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Executive Administration	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00
Finance	4.00	5.00	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	1.00	1.00	0.50
Law	1.50	1.50	1.50	1.00	1.00	1.50	1.50	1.50	1.50	1.50
Personnel	1.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Planning	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Civil Service	1.50	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Security of Persons and Property										
Police	33.00	33.00	36.00	36.00	36.00	36.00	34.00	38.00	40.00	39.00
Police- Auxiliary/Guards	4.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.50	4.00
Police - Dispatchers/Office/Other	9.00	10.00	11.00	11.00	11.00	11.00	9.00	8.00	8.00	14.00
Police- Jailers	0.50	0.50	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	1.00	1.00
Fire	32.00	28.00	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	1.00	1.00
Leisure Time Activities										
Senior and Civic Center	4.00	4.00	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	8.50	10.00	10.00	10.00	10.00	9.00	8.00	9.00	8.50	8.50
Economic Development	1.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Transportation										
Service	27.00	30.00	38.00	41.00	41.00	39.00	37.00	43.00	45.00	49.00
Totals	<u>145.00</u>	<u>148.50</u>	<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.

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City of Warrensville Heights, Ohio

**Single Audit Reports
December 31, 2011**

City of Warrensville Heights, Ohio

For the Year Ended December 31, 2011

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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***

Honorable Mayor and
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, 2011, which collectively comprise the City’s basic financial statements and have issued our report thereon dated July 12, 2012, wherein we noted the City adopted *GASB Statement Nos. 54 and 59*, as disclosed in Note 3. 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

Management of the City is responsible for establishing and maintaining effective 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 questioned costs, 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 following deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 2011-01 through 2011-03.

Honorable Mayor and
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 and questioned costs as items 2011-04 through 2011-06.

We noted certain other matters that we reported to management of the City in a separate letter dated July 12, 2012.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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, Finance Committee, others within the entity, the Auditor of State's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Panichi, Inc.

Cleveland, Ohio
July 12, 2012

**Independent Auditor's Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133**

Honorable Mayor and
Members of City Council
City of Warrensville Heights

Compliance

We have audited the City of Warrensville Heights, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal program for the year ended December 31, 2011. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2011-07.

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

Internal Control over Compliance

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

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

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

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2011, and have issued our report thereon dated July 12, 2012, which contained unqualified opinions on those financial statements, wherein we noted the City adopted *GASB Statement Nos. 54, and 59*, as disclosed in Note 3. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Cuni & Panichi, Inc.

Cleveland, Ohio
July 12, 2012

City of Warrensville Heights

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through/ Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice: Passed Through from the City of Cleveland: ARRA – Edward Byrne Memorial Justice Grant	16.738		\$ 32,078
Department of Homeland Security: Direct Payment: COPS Hiring Recovery Program	16.710	2009RKWO673	187,192
Staffing for Adequate Fire and Emergency Response Grant	97.044	EMW-2010-FH-00287	<u>399,637</u>
Total Department of Homeland Security			<u>586,829</u>
Total Expenditures of Federal Awards			\$ <u>618,907</u>

The accompanying notes are an integral part of this schedule

City of Warrensville Heights

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

Note 1 – Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (“Schedule”) reflects the expenditures of the City under programs financed by the U.S. government for the year ended December 31, 2011. The Schedule has been prepared in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For purposes of the Schedule, federal awards include all grants, contracts, loans, and loan guarantee agreements entered into directly between the City and agencies and departments of the federal government.

City of Warrensville Heights, Ohio

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2011

1. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Was there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510(a)?	Yes
(d)(1)(vii)	Major Programs	Staffing for Adequate Fire and Emergency Response – CFDA # 97.044
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	No

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

2011-01 – 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 polices 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.

City of Warrensville Heights, Ohio

Schedule of Findings and Questioned Costs (continued)

For the Year Ended December 31, 2011

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)

2011-01 – Material weakness (continued)

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.

2011-02 – Material weakness

During our testing of credit card expenditures, we noted instances where adequate support for the purchase was not obtained. We also noted that the City, which is a tax-exempt entity, paid taxes on some of the purchases tested.

We recommend that the City consistently follow the credit card purchasing policy approved by Council and be consistent in regards to what support documentation is required when purchasing with the City credit card.

2011-03 – Material weakness

During our procedures performed over the City's capital assets it was noted that the accumulated depreciation totals in the client's system do not tie to the amounts reported in the City's financial statements.

Ciuni & Panichi, Inc. recommends that the City reconcile the amounts reported in the City's computer system in order to accurately report the amount of accumulated depreciation at year-end.

2011-04 – 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, 2011:

Major Funds:

Cinema Park Fund	\$ 2,769,280
Snavely Project Fund	1,621,468

Nonmajor Special Revenue Funds:

Community Development Block Grant Fund	11,319
2007 Nature Works Grant Fund	19,589
Fire Hire Grant Fund	113

City of Warrensville Heights, Ohio

Schedule of Findings and Questioned Costs (continued)

For the Year Ended December 31, 2011

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)

2011-04 – Material noncompliance (continued)

Nonmajor Capital Projects Funds:	
Street Improvement Fund	283,543
Information Technology System Fund	106,468
Land Acquisition Fund	30,893
Emery Woods Project Fund	801,599
Route 8 / Northfield Road Project Fund	1,285
Sidewalk Repair and Replacement Project Fund	5,045

2011-05 – Material noncompliance

Per ORC Section 5705.39 the total appropriations from each fund should not exceed the total estimated revenues. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

The following funds had original appropriations in excess of estimated resources plus carryover balances:

	<u>Estimated Resources Plus Carryover Balances</u>	<u>Original Appropriations</u>	<u>Excess</u>
<i>Special Revenue Funds:</i>			
Police Hiring Grant	\$ (22,984)	\$ -	\$ 22,984
COPS Hiring Recovery Grant	122,614	163,836	41,222
Street Construction, Maintenance and Repair Fund	585,183	592,728	7,545

The following funds had final appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39 of the ORC:

	<u>Estimated Resources Plus Carryover Balances</u>	<u>Final Appropriations</u>	<u>Excess</u>
<i>Special Revenue Funds:</i>			
Police Hiring Grant	\$ (84)	\$ -	\$ 84
COPS Hiring Recovery Grant	187,222	192,836	5,614
Street Construction, Maintenance and Repair Fund	518,932	532,728	13,796
<i>Capital Projects Fund:</i>			
Street Improvement	(50,339)	6,922	57,261

City of Warrensville Heights, Ohio

Schedule of Findings and Questioned Costs (continued)

For the Year Ended December 31, 2011

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)

2011-06 – 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, 2011, 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:	
Personal Services	\$ (489,990)
Materials and Supplies	(28,278)
Community Development:	
Building Department:	
Materials and Supplies	(314)
Capital Outlay	(5,000)
Transportation:	
Service Department:	
Materials and Supplies	(60,224)
General Government:	
Income Tax:	
Contractual Services	(31,959)
Lands and Buildings:	
Materials and Supplies	(159,512)
Other Government:	
Materials and Supplies	(166,773)
Contractual Services	(3,531)
General Obligation Bond Retirement Fund:	
Debt Service:	
Interest and Fiscal Charges – G.O. Bonds	(71)

City of Warrensville Heights, Ohio

Schedule of Findings and Questioned Costs (continued)

For the Year Ended December 31, 2011

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)

2011-06 – Material noncompliance (continued)

Capital Projects Funds:

Town Center Project Fund:

Debt Service:

Principal	(3,560,000)
Interest and Fiscal Charges	(34,265)
Bond Issuance Costs	(86,600)

3. Findings and Questioned Costs for Federal Awards

Finding Number 2011-07

CFDA Title and Number	Staffing for Adequate Fire and Emergency Response Grant, #97.044
Federal Award Year	2011
Federal Agency	Department of Homeland Security
Pass-Through Agency	N/A

Allowable Activities / Allowable Costs – Questioned Cost

It was discovered that the City requested for reimbursement and received \$11,340 for overtime pay, which is not an allowable cost, related to the Staffing for Adequate Fire and Emergency Response Grant (CFDA # 97.044).

We recommend the City adopt policies and procedures to ensure that reimbursement requests are properly calculated prior to submission and that the City obtains a full understanding of the grant requirements.

Officials Response:
The City agrees with the questioned cost. The total amount reimbursed for overtime pay will be returned to the Department of Homeland Security. We will continue to monitor our processes to ensure that our supervisory staff review procedures are being followed throughout the entire process.

City of Warrensville Heights

Schedule of Prior Audit Findings

December 31, 2011

Finding No.	Finding Summary	Fully Corrected	Explanation
2010-001	<p>A review of the City’s informal policies and procedures pertaining to the accounting and record keeping of leave time disclosed the following weaknesses:</p> <ul style="list-style-type: none"> - 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. 	No	The City has a material weakness again in 2011.
2010-002	<p>The following funds had deficit cash balances at December 31, 2010:</p> <p>Nonmajor Special Revenue Funds: Police Hire Grant Fund COPS Hiring Recovery Fund</p> <p>Nonmajor Capital Projects Funds: Street Improvement Fund</p>	No	The City has material noncompliance again in 2011.

City of Warrensville Heights

Schedule of Prior Audit Findings (continued)

December 31, 2011

2010-003	<p>Ohio Revised Code Section 5705.39 the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.</p> <p>At December 31, 2010, the City had numerous funds with original and final appropriation in excess of estimated resources plus carryover balances.</p>	No	The City has material noncompliance again in 2011.
2010-004	<p>Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.</p> <p>At December 31, 2010, the City had numerous funds with expenditures plus encumbrances in excess of appropriations.</p>	No	The City has material noncompliance again in 2011.
2010-005	<p>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. At December 31, 2010, Ciuni & Panichi, Inc. noted several funds where appropriations materially exceeded actual resources.</p>	Yes	The City has corrected this material weakness.

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, 2011

Finding Number	Planned Correction Action	Anticipated Completion Date	Responsible Contact Person
2011-01	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
2011-02	Management will consistently follow the credit card purchasing policy approved by Council and be consistent in regards to what support documentation is required when purchasing with the City credit card.	N/A	Rubin Moultrie, Finance Director
2011-03	Management will adjust the capital asset accumulated depreciation amounts in order to agree to the audited financial statements.	N/A	Rubin Moultrie, Finance Director
2011-04	Management will monitor fund balances and properly advance funds to cover deficit fund balances, if necessary.	N/A	Rubin Moultrie, Finance Director
2011-05	Management will monitor estimated revenues and appropriations, and amend if necessary.	N/A	Rubin Moultrie, Finance Director
2011-06	Management will monitor expenditures and encumbrances and amend appropriations, if necessary.	N/A	Rubin Moultrie, Finance Director



Dave Yost • 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
NOVEMBER 13, 2012**