



Dave Yost • Auditor of State

CITY OF STRONGSVILLE
CUYAHOGA COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Strongsville
Cuyahoga County
16099 Foltz Parkway
Strongsville, Ohio 44149

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 15, 2013, wherein we noted the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* and restated their December 31, 2011 net position of their governmental activities.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

April 15, 2013

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CITY OF STRONGSVILLE, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2012

CITY OF STRONGSVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2012

Issued by The Finance Department

Joseph K. Dubovec, CPA
Director of Finance

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INTRODUCTORY SECTION



City of Strongsville, Ohio
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Thomas P. Perciak
Mayor

City of Strongsville

16099 Foltz Parkway
Strongsville, Ohio 44149-5598
Phone: 440-580-3150
Mayor's Office Fax: 440-572-3241
www.strongsville.org

April 15, 2013

Members of City Council and
Honorable Citizens of Strongsville, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Strongsville for the year ended December 31, 2012.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires cities to file unaudited general purpose external financial statements with the Auditor of State within 150 days of year end.

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

Dave Yost, Auditor of State, has issued an unmodified opinion on the City of Strongsville's financial statements for the year ended December 31, 2012. 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.

Profile of the Government

The City of Strongsville is approximately 25 square miles and is located in Cuyahoga County in northeastern Ohio, approximately 23 miles southwest of the City of Cleveland. Strongsville was incorporated as a village in 1818, and became a city in 1961 under the laws of the State of Ohio. In 2010 the U.S Census Bureau reported that Strongsville had a population of 44,750, up 2 percent from 43,858 in 2000.

The City of Strongsville operates and is governed by its Charter, first adopted by the voters on November 4, 1958. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Commission reviews the Charter every five years, and most recently did so in 2008. The City is also subject to some general laws applicable to all cities. Under the State of Ohio Constitution the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven member council. Three members are elected at-large, and four members are elected from wards. The Council fixes compensation of City officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by Council for a one year term. The Charter establishes certain administrative departments and Council may establish additional departments and divisions within departments.

The City of Strongsville's chief executive and administrative officer is the Mayor, who is elected by the voters for a four year term. The Mayor appoints, subject to approval of a majority of the members of Council, the Directors of the City's departments. The Mayor also acts as the Director of Public Safety when there is a vacancy in that position. The Mayor oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness, and all other instruments to which the municipality is a party.

The City provides its residents with a full range of municipal services. These services include, among other things, police, fire, emergency medical assistance, recreation and senior programs, building code enforcement, sanitary and storm sewer maintenance, street maintenance and repair, street lighting, traffic signalization, snow removal, refuse disposal, cemetery services and the maintenance of all City lands, buildings and equipment.

The City of Strongsville maintains its legal level of budgetary control at the department level, separated into the categories of Personal Service, Other than Personal Service, and Transfers and Advances. The Finance Director is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation.

Profile of the City

The City of Strongsville is served by diversified transportation facilities, including two State highways, U.S. Highway 42 and 82, and Interstate Highways I-71 and I-80 (the Ohio Turnpike). It is served by CSX Railroad for freight rail services, Amtrak for passenger rail services located in nearby Cleveland, and is served by passenger and freight air services at Cleveland Hopkins International Airport, located within five miles of the City, and Burke Lakefront Airport located in downtown Cleveland. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Within a 30-minute drive from the City are the locations of the Rock and Roll Hall of Fame, Progressive Field, Quicken Loans Arena, FirstEnergy Stadium, the world-class Cleveland Orchestra, the Cleveland Museum of Art, the Natural History Museum, the Western Reserve Historical Society, the Cleveland Playhouse and Karamu House, a multi-racial performing arts center. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Strongsville, as well as professional sports including baseball, basketball and football.

The City of Strongsville owns three parks offering residents a variety of activities to improve health and fitness. The 57-acre Strongsville Recreation Park has three baseball diamonds and tennis courts. Surrarer Park, on the City's east side, has a baseball diamond, tennis courts and a covered pavilion. Volunteer Park, on the City's west side, has six baseball diamonds, a covered picnic area, bocce ball court and horseshoe pits. The Strongsville Business & Technology Park, home of the Strongsville Soccer Organization, offers residents many opportunities for fitness related activities. City residents can also take advantage of the Cleveland Metroparks within minutes of home. Located in the City section of the park system are the popular toboggan chutes, Mill Stream Run and a facility for year round recreational activities, the Chalet. Gardenview Horticultural Park is a botanical park located on 16 acres near the south end of the City. Visitors can view more than 500 species of trees and plants. In April 2008, the City purchased approximately 22 acres of undeveloped land on the City's west side to be used for recreational purposes. Since the land purchase, the City has built a regulation football field through public and private funding, constructed a covered picnic area, and with the assistance of a grant from the Ohio Department of Natural Resources, and three youth baseball fields.

Major Initiatives

Pearl Road is a major north/south thoroughfare that runs through the heart of the City of Strongsville. Early in 2000, planning began for a major rehabilitation project of a two mile stretch of Pearl Road from Shurmer Road south to the City limits at Boston Road. This project was designed to promote Economic Development, enhance public safety, as well as to alleviate congestion and improve traffic flow along this important stretch of road in the City. The project provided for the widening of two lanes of asphalt to five lanes of concrete, along with new curbs and sidewalks, new waterlines and storm sewers, and the replacement and re-timing of all traffic signals along that stretch of roadway. The complexity and estimated construction costs of this project dictated that it should be constructed in two phases.

The year 2011 marked the completion of Phase I of the 1.1 mile stretch of the Pearl Road Widening Project from Shurmer Road south to Drake Road. The final cost of this project was \$15,477,323, with nearly \$10,412,441 provided by grants. The City of Strongsville issued bonds to cover its share of the construction costs for this phase of the project. The bonds and interest costs will be paid by utilizing Tax Incremental Financing (TIF) over the thirty years allotted under the TIF program.

Progress on Phase II of the Pearl Road Widening project, a .90 mile stretch of Pearl Road from Drake Road south to the City limits at Boston Road, continued in 2012. The final engineering plans were completed and Right of Way acquisition began. This project is tentatively scheduled to be bid in June 2013 and construction is scheduled to take place from August 2013 through November 2014. The current construction estimate for Phase II of this project is \$11,455,000. To date, the City has secured nearly \$7,709,000 in grant funding and a twenty year interest free loan in the amount of \$2,291,000 from the Ohio Public Works Commission (OPWC) for this phase of the project.

In 2007, the City's Engineering Department developed a proactive 10-phase Sanitary Sewer Capital Improvement Plan designed to eliminate some 663 of the 850 septic systems in place throughout the City. The first two phases of this plan have been completed at a total construction cost of \$1,203,209 and \$1,341,727 respectively. Grant funding from the Ohio Public Works Commission totaled \$229,055 for Phase I and \$320,565 for Phase II. Loans from the Ohio Water Development Authority were obtained to pay the residents' share of the construction costs, and the loans will be repaid from the proceeds of special assessments levied against the property owners who benefitted from these projects. During 2012, the final engineering plans for Phase III, eliminating a total of 36 septic systems, were completed. Construction on this Phase of the project has begun with an estimated cost of \$800,000. To date, the City has secured a grant in the amount of \$240,000 from the Ohio Public Works Commission.

Economic Development

The City of Strongsville is home to a diverse, growing local economy that maintains a solid tax base through established business parks and a thriving commercial sector. In 2012, over 600 net new jobs and 500,000 SF of vacant industrial space were filled within the City's four business parks. In addition, hundreds of new retail/profession service jobs were created outside of the City's business parks.

As evidence of the strength of the local economy Strongsville's commercial property values have increased 2.9% during 2012 while Cuyahoga County as a whole has seen a decrease of 0.9% in the same time period (Cleveland Plain Dealer 10/11/12).

The strength of the local economy is also measurable through the local unemployment rate. According to the Bureau of Labor Statistics (BLS), the City of Strongsville's unemployment rate at the end of 2012 was 5.2%, among the lowest unemployment rates for a municipality in the State of Ohio, and substantially lower than Cuyahoga County (6.6%), the State of Ohio (6.6%), and the National (7.6%) unemployment rate for the same time period.

Development in the City of Strongsville has closely followed the City's Comprehensive Master Plan, which was first developed in the early 1960s. The City has reviewed and updated the Comprehensive Plan over the years, last doing so in 2012, to adjust to the challenges and opportunities of the modern economic climate. As part of that plan, four industrial development areas, totaling over 2,362 acres, have been established within the City featuring large setbacks and ample green space, resulting in a "park-like" atmosphere. A summary of each of the four business parks is listed below:

The Strongsville Business & Technology Park

- 1,693 acres
- 70% developed
- Home to over 70 companies that employ over 3,000 employees
- Ranked as the #1 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2012)
- Over 500 acres of undeveloped, greenfield land available for future industrial development
- Major employers in the park: Momentive Performance Material's Quartz Division, Vitamix, Foundation Software, Clark Reliance's Corporate Headquarters, Sparton Medical Devices, Avery Dennison, and Eberhard Manufacturing

The Dow Circle Research & Development Park

- 258 acres
- 95% developed
- Home to over 30 companies that employ over 2,600 employees
- Ranked as the #11 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2012)
- Major employers in the park: North American Headquarters for Akzo Nobel Paints, Regional Headquarters for Enterprise Rental Car, and PNC Bank's Technology Center

The Progress Drive Business Park

- 325 acres
- 96% developed
- Home to over 40 companies that employ over 2,000 employees
- Ranked as the #8 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2012)
- Major employers in the park: Corporate Headquarters of Atlantic Tool & Die, PPG Industries, and Insight/Chemical Services

Park 82

- 86 acres
- 100% developed
- Home to 19 companies that employ over 1,000 employees
- Major employers in the park: Global Headquarters of Darice Inc., HMI, Intralot, and Simplex Grinnell

To facilitate the expansion and attraction of economic development projects, the City utilizes three tax incentive programs:

- Community Reinvestment Area (CRA) Program
- Enterprise Zone Program
- Foreign Trade Zone (FTZ)

The City has established 19 Community Reinvestment Areas (CRAs). Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in assessed value for a period of up to 15 years.

The City's Enterprise Zone Program provides tax incentives in a designated Enterprise Zone to businesses that agree to invest in capital improvements and create or retain jobs. Tax incentives under this program are negotiated, and can provide tax abatements of up to 75% on real property for a term of up to ten years, subject to City, County and State approval.

The Foreign Trade Zone (FTZ) program encourages businesses to locate in Strongsville by removing various disincentives, including the reduction/elimination of custom duties on imported parts within the zone.

In addition to the local tax incentive programs, the City of Strongsville utilizes County programs such as the Storefront Renovation Program and Brownfield Redevelopment Funds, as well as State programs for job creation and workforce development.

In an effort to maintain continuous communication with the City's business community and further enhance the business retention and expansion (BR&E) initiatives of the Economic Development Department, the City of Strongsville, working closely with Ohio State University, maintains a BR&E Survey Program. The BR&E Survey Program consists of three surveys:

- High-Tech/Manufacturing Survey (mailed to all companies within the City's four business parks)
- Retail/Professional Services Survey
- Census Residential Survey

The purpose of the survey is to determine the value Strongsville businesses place on available amenities and services, as well as their satisfaction level in those areas.

In April of 2011, the Strongsville, Ohio, Economic Development Committee completed the most recent High-Tech/Manufacturing Survey. The survey results indicated that 97% of businesses rated the City of Strongsville as a good to excellent place to do business, with 95% rating the overall quality of life in Strongsville as good to excellent. In addition, 100% of respondents would recommend another business to locate in Strongsville.

The evaluation of City services and community amenities showed the following:

- Strongsville Fire Department (100% of respondents ranked good to excellent) Strongsville Police Department (97%)
- Strongsville Police Department (97%)
- Ehrnfelt Recreation Center (97%)
- Shopping (94%)
- Health care services (92%)
- Snow/Ice removal (92%)
- Natural gas services (92%)
- Air Cargo/shipping (89%)
- Street & sidewalk cleaning (89%)
- Business services (89%)
- Strongsville School System (86%)
- Childcare services (83%)
- Air service (83%)
- Local roads & freeway access (81%)
- Water & sewers (81%)

Moreover, the respondents rated the following Development and Approval services as good to excellent:

- Overall development and approval process (81%)
- Plan review (81%)
- Communication between the City and business owners (86%)
- The Department of Economic Development (94%)

The following factors ranked highest as the reasons why respondents' companies located in Strongsville:

- Proximity to freeways (22%)
- Proximity to home (14%)
- Access to customers (10.6%)
- Workforce availability (9%)
- Local officials (8%)
- Quality of life (6%)

The BR&E Survey also revealed that the business community within Strongsville expects continued growth. Of the companies that completed the survey, over the next three years:

- 70.3% expect an increase in their number of customers
- 78% expect an increase in total revenue
- 68% expect an increase in profits
- 64% expect an increase in their total number of employees with no respondents indicating a reduction of employees

David Civittolo, County Extension Director for Ohio State University's BR&E Initiative, adds an expert's insight on Strongsville's survey process: "The Survey results indicate that businesses not only believe in Strongsville, they would strongly encourage new business start-ups to open in the City." Professor Civittolo continues: "Between the high quality of life that residents enjoy and the overwhelming positive support of the business community, it is quite evident that Strongsville is a community destination for others to consider."

Long-Term Financial Planning

In August of 2008, the City of Strongsville imposed a hiring freeze that has enabled the City to reduce its payroll expenses across all City departments. Since December 31, 2007, some 47 full-time staff members have left the City, including 15 in 2012. During the fourth quarter of 2012 however, the City started to refill several vacated positions in instances involving unique positions or where limited staffing requirements exist. Despite the reduced staffing levels, the City has maintained its current level of services by effectively utilizing technology and working more efficiently.

Although the City has not adopted a formal minimum fund balance policy, the City has always strived to maintain fund balances that would finance at least a minimum of three months (25 percent) of operations. The Finance Department reviews all transactions on an on-going basis, balances bank accounts daily, and works diligently to monitor revenues and expenditures to ensure that adequate fund balances are maintained.

The City has also partnered with its health insurer Medical Mutual of Ohio, Southwest General Health Center and the world renowned Cleveland Clinic's Wellness Executive, Dr. Michael Roizen, to take its wellness program to the next level. The Mission Statement of the City's wellness program called Crossroads in Motion is "To create a culture that empowers employees and their families through awareness, education and support, to engage in and commit to positive lifestyle choices that will enhance their personal and professional lives!"

This program is designed to encourage employees and their families to take ownership and accountability in their health and wellness that will benefit both the employee and employer. Positive returns on investment are realized in employees who improve their health, resulting in decreased rates of absenteeism and increased productivity. Employers may also realize reductions in health care costs and an overall increase in productivity and job satisfaction.

The City's Tax Increment Financing (TIF) Specialist along with the Mayor, Director of Economic Development, and Director of Finance, have aggressively pursued the use of TIF Financing as an economic development tool. The City currently has three areas designated as TIF Financing Districts, and has most recently utilized TIF Financing to help fund the widening of Pearl Road Phase I.

The City's current bond rating from Moody's Investor Services is Aaa, which is the highest rating a city can receive. Moody's based their rating in part on the City's large and affluent tax base, stable financial operations supported by ample reserves and a manageable debt burden.

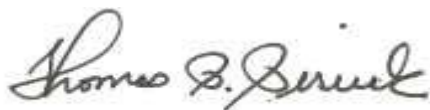
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Strongsville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A certificate is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance who have spent their time and energy on various parts of the report, and to the staff from James G. Zupka, Certified Public Accountants, Incorporated, for their assistance in compiling GASB 34 Statements and the Comprehensive Annual Financial Report.

In addition we would like to thank the members of Strongsville City Council, for their support in striving for excellence in financial reporting and disclosure.

Respectfully submitted,



Thomas P. Perciak
Mayor



Joseph K. Dubovec, CPA
Director of Finance

City of Strongsville, Ohio
Elected Officials
December 31, 2012

<u>Official</u>	<u>Term</u>	<u>Term Expiration</u>
Mayor:		
Thomas P. Perciak	4 years	December 31, 2015
Council Members:		
<u>At-Large:</u>		
Joseph C. DeMio	4 years	December 31, 2013
Kenneth M. Dooner - President Pro Tem	4 years	December 31, 2013
John D. Southworth, Jr.	4 years	December 31, 2013
<u>Wards:</u>		
Michael J. Daymut - President (Ward 1)	4 years	December 31, 2015
Matthew A. Schonhut (Ward 2)	4 years	December 31, 2015
James E. Carbone - (Ward 3)	4 years	December 31, 2015
J. Scott Maloney (Ward 4)	4 years	December 31, 2015

City of Strongsville, Ohio

Appointed Officials

December 31, 2012

Law Director:
Kenneth A. Kraus

Communication & Technology Director:
John M. Bedford

Assistant Law Director:
Daniel J. Kolick

Human Resources Director:
Stephen F. Kilo

Finance Director:
Joseph K. Dubovec, CPA

Recreation, Parks & Senior Services Director:
Bryan V. Bogre

Service Director:
Joseph M. Walker

Chief of Police:
James D. Kobak

Economic Development Director:
Brent T. Painter

Chief of Fire:
Jeffrey D. Branich

City Engineer:
Kenneth P. Mikula

Magistrate:
Joseph A. Gambino

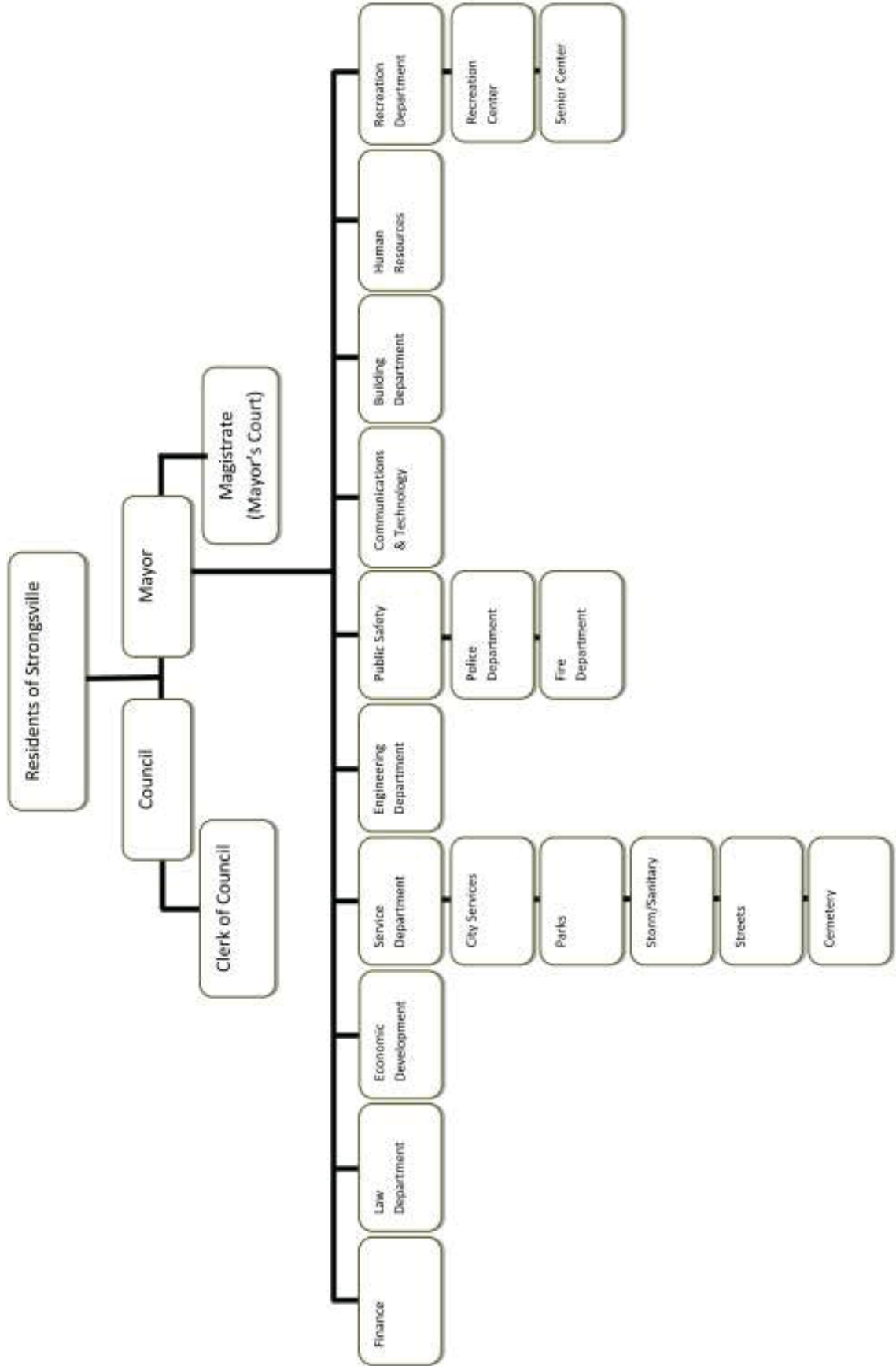
Building Commissioner:
Anthony J. Biondillo

City Prosecutor:
George F. Lonjak

Clerk of Council (Appointed by Council):
Leslie J. Seefried

Public Safety Director:
Charles W. Goss

City of Strongsville, Ohio
Organizational Chart
December 31, 2012



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Strongsville
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.



Christopher P. Morille

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Strongsville
Cuyahoga County
16099 Foltz Parkway
Strongsville, Ohio 44149

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, as of December 31, 2012 and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Street Construction, Maintenance, and Repair Fund, and Fire Levy Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, during 2012, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* and as a result restated their December 31, 2011 net position of governmental activities due to a reclassification of debt issuance costs as an expense in the period incurred rather than amortizing over the life of the debt. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements and individual fund schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

April 15, 2013



City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

As management of the City of Strongsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2012 by \$209,210,538. Of this amount, \$20,573,289 is considered unrestricted. The unrestricted net position of the City's governmental activities was \$13,679,441 and may be used to meet the government's on-going obligations. The unrestricted net position of the City's business-type activities was \$6,893,848, with net investment in capital assets accounting for \$43,649,981 or 86.36 percent of the total business-type activities' net position.
- The City's total net position decreased \$589,930 or 0.28 percent in 2012. Net position of the governmental activities decreased \$690,491, which represents a 0.43 percent decrease from 2011. Net position of the business-type activities increased \$100,561 or 0.20 percent from 2011.
- The General Fund reported a fund balance of \$15,748,623 at the end of the current fiscal year. The unassigned fund balance for the General Fund was \$13,929,851 or 49.16 percent of the total General Fund expenditures (including transfers out). The General Fund experienced an increase of \$2,814,033 in its fund balance for the year ended December 31, 2012.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and 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 nonmajor funds presented in one column.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual being reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Strongsville, Ohio
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Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property, public health services, transportation, community environment, basic utility services, leisure time activities, and interest and fiscal charges. The business-type activities include sanitary sewer services and improvements.

The government-wide financial statements can be found starting on page 17 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 24 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Construction, Maintenance, and Repair Fund, Fire Levy Fund, General Bond Retirement Fund, Pearl Road TIF Fund, and General Capital Improvement Fund, all of which are considered to be major funds. Data from the other 18 governmental funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found on pages 20-26 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its sanitary sewer operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City has one Internal Service Fund to account for workers' compensation coverage.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer operations as it is considered a major fund and the Internal Service Fund.

City of Strongsville, Ohio
Management's Discussion and Analysis
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Unaudited

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 30 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 31-67.

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of capital assets will also need to be evaluated.

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

The City of Strongsville as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following provides a summary of the City's net position for 2012 compared to 2011.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

	Governmental Activities		Business-Type Activities		Total	
	2012	2011*	2012	2011	2012	2011*
ASSETS						
Current and other assets	\$ 45,730,574	\$ 45,999,015	\$ 7,482,993	\$ 4,688,030	\$ 53,213,567	\$ 50,687,045
Capital assets, net	183,792,712	188,959,194	47,188,109	49,409,447	230,980,821	238,368,641
Total Assets	229,523,286	234,958,209	54,671,102	54,097,477	284,194,388	289,055,686
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	386,381	516,429	-	-	386,381	516,429
LIABILITIES						
Current and other liabilities	8,068,355	11,400,112	323,965	168,745	8,392,320	11,568,857
Long-term liabilities:						
Due within one year	3,763,527	2,850,635	543,370	501,878	4,306,897	3,352,513
Due in more than one year	49,899,835	51,965,322	3,259,938	2,983,586	53,159,773	54,948,908
Total Liabilities	61,731,717	66,216,069	4,127,273	3,654,209	65,858,990	69,870,278
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	8,661,241	9,090,556	-	-	8,661,241	9,090,556
Payments in Lieu of Taxes	850,000	810,813	-	-	850,000	810,813
Total Deferred Inflows of Resources	9,511,241	9,901,369	-	-	9,511,241	9,901,369
NET POSITION						
Net Investment in						
Capital Assets	132,674,654	135,950,267	43,649,981	46,143,739	176,324,635	182,094,006
Restricted	12,312,614	13,792,283	-	-	12,312,614	13,792,283
Unrestricted	13,679,441	9,614,650	6,893,848	4,299,529	20,573,289	13,914,179
Total Net Position	\$ 158,666,709	\$ 159,357,200	\$ 50,543,829	\$ 50,443,268	\$ 209,210,538	\$ 209,800,468

* - Restated

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$209,210,538 at the close of the most recent fiscal year.

The largest portion of the City's total net position (84.28 percent) reflects its investments in capital assets (e.g., land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt used to acquire those assets that is still outstanding along with any related deferred outflows/inflows of resources. The City uses these capital assets to provide services to citizens; therefore, these 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.

An additional portion of the City's net position reflects resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that, although the total unrestricted net position is \$20,573,289, the unrestricted net position of the City's business-type activities, \$6,893,848, may not be used to fund governmental activities.

City of Strongsville, Ohio
Management's Discussion and Analysis
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At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Total assets decreased from 2011 to 2012 in the amount of \$4,861,298, while the City's total liabilities decreased by \$4,011,288. Most of the decrease in assets was due to decreases in capital assets. These decreases are a result of current year depreciation expenses significantly exceeding capital additions. The decrease in liabilities can be attributed to a decrease in the City's long-term liabilities as a result of paying down the City's long-term obligations along with notes payable.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues:						
Charges for services	\$ 6,125,953	\$ 5,931,534	\$ 5,688,046	\$ 5,225,116	\$ 11,813,999	\$ 11,156,650
Operating grants and contributions	2,015,126	2,086,801	-	-	2,015,126	2,086,801
Capital grants and contributions	273,441	5,773,857	1,101,103	538,368	1,374,544	6,312,225
Total Program Revenues	8,414,520	13,792,192	6,789,149	5,763,484	15,203,669	19,555,676
General Revenues:						
Property taxes	9,075,104	9,209,363	-	-	9,075,104	9,209,363
Municipal income taxes	29,834,405	28,876,565	-	-	29,834,405	28,876,565
Other taxes	1,211,229	1,142,791	-	-	1,211,229	1,142,791
Payments in lieu of taxes	866,597	848,939	-	-	866,597	848,939
Grants and entitlements	3,376,078	3,673,797	-	-	3,376,078	3,673,797
Investment income	143,795	174,298	26,220	39,837	170,015	214,135
All other revenues	105,094	4,708	-	-	105,094	4,708
Total General Revenues	44,612,302	43,930,461	26,220	39,837	44,638,522	43,970,298
Total Revenues	53,026,822	57,722,653	6,815,369	5,803,321	59,842,191	63,525,974
EXPENSES						
Program Expenses:						
Security of persons and property	21,838,362	21,516,765	-	-	21,838,362	21,516,765
Public health services	588,830	601,590	-	-	588,830	601,590
Leisure time activities	5,436,655	5,748,672	-	-	5,436,655	5,748,672
Community environment	1,718,686	1,746,987	-	-	1,718,686	1,746,987
Basic utility services	2,047,268	2,076,197	-	-	2,047,268	2,076,197
Transportation	15,681,631	19,356,513	-	-	15,681,631	19,356,513
General government	4,302,219	5,530,388	-	-	4,302,219	5,530,388
Interest and fiscal charges	2,103,662	2,339,292	142,693	141,510	2,246,355	2,480,802
Sanitary sewer	-	-	6,572,115	6,927,281	6,572,115	6,927,281
Total Expenses	53,717,313	58,916,404	6,714,808	7,068,791	60,432,121	65,985,195
Change in Net Position	(690,491)	(1,193,751)	100,561	(1,265,470)	(589,930)	(2,459,221)
Net Position - Beginning of Year, Restated	159,357,200	160,550,951	50,443,268	51,708,738	209,800,468	212,259,689
Net Position - End of Year	\$ 158,666,709	\$ 159,357,200	\$ 50,543,829	\$ 50,443,268	\$ 209,210,538	\$ 209,800,468

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
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Governmental Activities

Governmental activities decreased the City's net position by \$690,491 due to total program expenses of \$53,717,313 exceeding total revenues of \$53,026,822. Several types of revenues fund the City's governmental activities with the City's income tax being the biggest contributor. The income tax rate was 2.00 percent for 2012, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City has provided a 75.00 percent credit up to 2.00 percent for those who pay income tax to another City. City Council could, by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

The municipal income tax revenue for 2012 was \$29,834,405. Of the \$53,026,822 in total program and general revenues, municipal income tax accounts for 56.26 percent of that total. In 2012, the City experienced an increase in municipal income tax revenues when compared to 2011. This increase can be attributed to a variety of factors that are listed below:

- Increase in the prior years' collections received in 2012 (on a cash-basis) - \$347,287 due to the Federal Tax Information (FTI) program being implemented by RITA in 2010. This program matches income reported to the IRS with income reported to RITA to determine if taxpayers are reporting all of their income,
- Increase in Withholding and Net Profit collections received due to the City's economic development and retention efforts

Property taxes of \$9,075,104 account for 17.11 percent of total revenues; operating and capital grants and contributions, and general revenues from grants and entitlements account for 10.68 percent of total governmental revenues; and charges for services, investment earnings, other taxes, payments in lieu of taxes, and all other revenues make up the remaining 15.95 percent.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The combination of property tax, income tax, and intergovernmental funding, is not sufficient to cover all expenses in the governmental activities. The City monitors its sources of revenues very closely for fluctuations.

In total, the City's governmental activities experienced an 8.82 percent decrease in 2012 expenses when compared to 2011 expenses. The largest program function for the City is security of persons and property. During 2012, 40.65 percent of program expenses relate to security of persons and property, which includes Police and Fire protection. The expenses of this program increased slightly from 2011 to 2012 by \$321,597, which is due to union negotiated cost of living increases and increased health care costs.

The second largest program function of the City is transportation. During 2012, 29.19 percent of program expenses relate to transportation, which includes road repairs and snow removal. The expenses of this program experienced the largest decrease of all program functions from 2011 to 2012 by \$3,674,882. This decrease is primarily attributable to a decrease in repairs and maintenance costs associated with the 2010 Road Program that was substantially paid for and completed in 2011. The annual depreciation expense that is included in the total transportation expense is \$6,440,310.

City of Strongsville, Ohio
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Business-Type Activities

The business-type activities of the City, which pertain to the City's sanitary sewer operations, increased the City's total net position by \$100,561. This is primarily due to 2012 revenues exceeding 2011 revenues coupled with 2012 expenses being lower than 2011 expenses. Revenues increased due to a rate increase by the Northeast Ohio Regional Sewer District (NEORS) that the City passes along to the customers the City provides treatment for. New customers are being added as septic tanks are being eliminated throughout the City. Expenses for contract services were lower in 2012 because of emergency repairs resulting from record rainfall in 2011. The City's charges for services increased by approximately \$460,000 when compared to 2011. The City's capital grants and contributions increased by approximately \$560,000 when compared to 2011 because a special assessment for the Drake Road East Sanitary Sewer Extension project was completed and recognized fully in 2012.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2012, the City's governmental funds reported an ending combined fund balance of \$21,372,203, an increase of \$3,272,880 in comparison with the prior year. \$10,020,806 of the ending combined fund balance for 2012 constitutes *assigned and unassigned fund balance* combined, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted or committed by external or internal constraints.

All governmental funds had total revenues of \$52,937,058 and expenditures of \$49,785,005 (not including other financing sources and uses) with revenues exceeding expenditures by \$3,152,053. Revenues decreased from the previous year primarily due to a decrease in intergovernmental revenue for capital grants for recreation improvements, Pearl Road, and State reimbursements for public utilities, commercial activity tax, and local government. Expenditures decreased due to a reduction in repairs and maintenance costs related to the 2010 Road program completed in 2011 along with a reduction in debt service payments in 2012 related to the 2011 debt restructuring.

General Fund Analysis

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$12,934,590. General Fund expenditures (including transfers out) for the current year were \$28,337,973, with revenues and other financing sources of \$31,152,006, leaving a fund balance of \$15,748,623, and an unassigned balance of \$13,929,851 in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 49.16 percent of total General Fund expenditures while total fund balance represents

City of Strongsville, Ohio
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55.57 percent of that same amount. The City's General Fund balance increased by \$2,814,033 in 2012 when compared to 2011. Key factors in this increase are as follows:

- Municipal income tax revenues experienced an increase of \$821,256;
- Through retirements and normal attrition, the City reduced its full time work force by 15 positions in 2012. The City continuously seeks ways to implement technology so that it can maintain services with a smaller workforce;
- Greater than usual estate tax collections helped offset known reductions in state-levied intergovernmental revenues;
- The amount payable to the General Fund relates to a working capital loan made to the Drainage Levy Special Revenue Fund and the Pearl Road Capital Improvement Fund. These loans will be repaid in 2013.
- Re-evaluation cell phone expenditures across City departments; and
- Decreases in capital related expenditures

Other Major Governmental Funds Analysis

The City's Street Construction, Maintenance and Repair Fund experienced a slight decrease of \$179,600 in its 2012 fund balance when compared to 2011. This decrease can be attributed to an increase in costs associated with a greater number of road repairs completed during 2012.

The City's Fire Levy Fund experienced a slight increase of \$20,251, in its 2012 fund balance when compared to 2011. This increase can be attributed to an increase in operating transfers from the General Fund when compared to 2011.

The City's General Bond Retirement Fund experienced an increase of \$402,958 in its 2012 fund balance when compared to 2011. The main contributor to this increase is in 2011 the City contributed a portion of its own resources to pay down refunding debt. However in 2012, such refunding activities did not occur.

The City's Pearl Road TIF Fund experienced an increase of \$985,789 in its 2012 fund balance when compared to 2011. The main contributor to this increase is an increase in a transfer from the General Bond Retirement Fund to record the payment of a related short-term note payable.

The City's General Capital Improvements Fund experienced a decrease of \$291,759 in its 2012 fund balance when compared to 2011. This decrease in fund balance can be attributed to current year expenditures exceeding available resources.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. During the course of 2012, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of the City's major activities such as the Police Department, Fire Department, Service Department, and Recreation Department, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

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Unaudited

For the General Fund, original budgeted revenues (including other financing sources) were \$28,306,942. The final budgeted revenue amount (including other financing sources) was \$32,857,346. This increase was primarily due to an increase in the municipal income tax estimate, intergovernmental revenues estimate, and advances in from other governmental funds. The actual revenues (including other financing sources) were lower than the final budgeted amounts.

Original General Fund budgeted expenditures (including other financing uses) were \$28,400,000 and the final amended budgeted expenditures (including other financing uses) were \$33,599,200. Actual General Fund expenditures (including other financing uses) were \$32,137,577 or approximately 4.35 percent less than the final budgeted amounts. This was most notable in basic utility services, security of persons and property and general government. The favorable variance when comparing actual expenditures to the final budget amounts is due to prudent fiscal management and a conservative budgeting strategy.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2012, amounts to \$230,980,821 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, streets, sidewalks, bridges, traffic signalization, and drainage systems.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 10,608,298	\$ 7,393,905	\$ 1,508,079	\$ 1,508,079	\$ 12,116,377	\$ 8,901,984
Construction in progress	2,350,875	15,869,294	28,136	9,950	2,379,011	15,879,244
Total Non-Depreciable	12,959,173	23,263,199	1,536,215	1,518,029	14,495,388	24,781,228
Buildings	42,426,052	43,275,966	4,595,462	4,760,018	47,021,514	48,035,984
Land improvements	1,965,143	1,752,844	233,902	236,859	2,199,045	1,989,703
Machinery and equipment	799,809	973,594	1,046,511	1,148,594	1,846,320	2,122,188
Furniture and fixtures	381,483	458,542	986	986	382,469	459,528
Vehicles	2,517,515	2,741,427	209,560	303,872	2,727,075	3,045,299
Infrastructure:						
Streets	68,745,810	67,572,016	-	-	68,745,810	67,572,016
Bridges	195,265	203,000	-	-	195,265	203,000
Storm sewers	46,823,104	42,676,898	-	-	46,823,104	42,676,898
Sidewalks	2,983,819	2,728,489	-	-	2,983,819	2,728,489
Traffic signalization	3,995,539	3,313,219	-	-	3,995,539	3,313,219
Sanitary sewers	-	-	39,565,473	41,441,089	39,565,473	41,441,089
Total Depreciable, Net of Depreciation	170,833,539	165,695,995	45,651,894	47,891,418	216,485,433	213,587,413
Total Capital Assets, Net of Depreciation	\$ 183,792,712	\$ 188,959,194	\$ 47,188,109	\$ 49,409,447	\$ 230,980,821	\$ 238,368,641

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Major capital asset events during 2012 included the following:

- Total capital assets, net of accumulated depreciation, decreased by \$7,387,820,
- Business-type activity capital assets decreased by \$2,221,338 (net of accumulated depreciation). The decrease was due to current year depreciation expense exceeding capital additions, and
- Governmental activity capital assets decreased by \$5,166,482 (net of accumulated depreciation). This was due to current year depreciation expense exceeding current year capital outlays.

Refer to Note 10 of the basic financial statements for more detail on capital asset activity.

Debt - The General Bond Retirement Debt Service Fund is funded primarily with 2.3 mills of the City's inside property tax millage, special assessments, and General Fund transfers. At December 31, 2012, the City had \$52,695,125 of long-term bonds and loans outstanding, with \$49,156,997 in governmental activities and \$3,538,128 in business-type activities and is included herein.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 48,476,997	\$ 49,524,838	\$ 415,000	\$ 615,000	\$ 48,891,997	\$ 50,139,838
Special Assessment Bonds	680,000	865,000	-	-	680,000	865,000
OWDA Loans	-	-	3,123,128	2,650,708	3,123,128	2,650,708
Total Outstanding Debt	\$ 49,156,997	\$ 50,389,838	\$ 3,538,128	\$ 3,265,708	\$ 52,695,125	\$ 53,655,546

In a continuing effort to be conscientious about how taxpayer dollars are spent, the City has received the Aaa rating from Moody's Investors Service. This rating was reaffirmed by Moody's in 2011. Strongsville remains one of the few cities in Ohio to have been awarded this rating.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5 percent of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5 percent of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2012, the City's overall legal debt margin was at \$97,826,036 and the unvoted legal debt margin was at \$25,547,966. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt is limited to ten mills. This millage is measured against the property values in each overlapping district.

Refer to Notes 14 and 15 of the basic financial statements for more detail on short-term and long-term debt activity.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Economic Factors

The City's elected and appointed officials consider many factors when setting the budget parameters for each year. Budget priorities include; public safety, investment in infrastructure to promote economic development and job creation, investment in and use of technology, and maintaining adequate balances in its major funds to ensure both financial flexibility and long term stability. Continued sluggish economic conditions, uncertainty regarding increases in health care costs as well as known reductions in intergovernmental revenues levied by the State have dictated a conservative approach concerning all of the City's financial matters. The City keeps these objectives in mind while diligently monitoring revenue and expenditures on a daily basis. The City continues to practice measures of cost containment and will pursue any grants or donations available to fund operations and specific capital projects.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives, spends, or invests. If you have any questions about this report or need financial information contact Director of Finance, Joseph K. Dubovec, CPA, City of Strongsville, 16099 Foltz Parkway, Strongsville, Ohio 44149, telephone 440-580-3100.

Basic Financial Statements

City of Strongsville, Ohio

Statement of Net Position

December 31, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 23,560,007	\$ 4,007,392	\$ 27,567,399
Materials and Supplies Inventory	495,870	-	495,870
Accounts Receivable	697,289	2,211,173	2,908,462
Accrued Interest Receivable	10,008	1,493	11,501
Intergovernmental Receivable	2,948,177	-	2,948,177
Hotel Taxes Receivable	11,006	-	11,006
Franchise Taxes Receivable	177,220	-	177,220
Permissive Motor Vehicle Taxes Receivable	23,541	-	23,541
Prepaid Items	182,972	53,470	236,442
Municipal Income Taxes Receivable	7,848,413	-	7,848,413
Property Taxes Receivable	9,020,767	-	9,020,767
Special Assessments Receivable	755,304	1,209,465	1,964,769
Nondepreciable Capital Assets	12,959,173	1,536,215	14,495,388
Depreciable Capital Assets	170,833,539	45,651,894	216,485,433
Total Assets	229,523,286	54,671,102	284,194,388
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	386,381	-	386,381
Total Deferred Outflows of Resources	386,381	-	386,381
LIABILITIES			
Accounts Payable	596,489	235,540	832,029
Contracts Payable	213,707	-	213,707
Accrued Wages and Benefits	944,120	43,301	987,421
Intergovernmental Payable	522,170	6,592	528,762
Matured Compensated Absences Payable	125,522	37,565	163,087
Accrued Interest Payable	175,957	967	176,924
Retainage Payable	9,476	-	9,476
Notes Payable	5,480,914	-	5,480,914
Long-term Liabilities:			
Due within one year	3,763,527	543,370	4,306,897
Due in more than one year	49,899,835	3,259,938	53,159,773
Total Liabilities	61,731,717	4,127,273	65,858,990
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	8,661,241	-	8,661,241
Payments in Lieu of Taxes	850,000	-	850,000
Total Deferred Inflows of Resources	9,511,241	-	9,511,241
NET POSITION			
Net Investment in Capital Assets	132,674,654	43,649,981	176,324,635
Restricted for:			
Debt Service	2,383,528	-	2,383,528
Capital Projects	1,854,475	-	1,854,475
Police and Fire	2,981,464	-	2,981,464
Streets and Highways	4,689,522	-	4,689,522
Recreation Center	18,129	-	18,129
Other Purposes	385,496	-	385,496
Unrestricted	13,679,441	6,893,848	20,573,289
Total Net Position	\$ 158,666,709	\$ 50,543,829	\$ 209,210,538

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

City of Strongsville, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 21,838,362	\$ 1,864,219	\$ 95,342	\$ 38,341
Public Health Services	588,830	56,200	-	-
Leisure Time Activities	5,436,655	3,085,539	6,675	15,000
Community Environment	1,718,686	826,526	4,000	-
Basic Utility Services	2,047,268	42,703	-	-
Transportation	15,681,631	2,200	1,909,109	220,100
General Government	4,302,219	248,566	-	-
Interest and Fiscal Charges	2,103,662	-	-	-
Total Governmental activities	<u>53,717,313</u>	<u>6,125,953</u>	<u>2,015,126</u>	<u>273,441</u>
Business-type activities:				
Sanitary Sewer	6,714,808	5,688,046	-	1,101,103
Total Business-type activities	<u>6,714,808</u>	<u>5,688,046</u>	<u>-</u>	<u>1,101,103</u>
Total Primary Government	<u>\$ 60,432,121</u>	<u>\$ 11,813,999</u>	<u>\$ 2,015,126</u>	<u>\$ 1,374,544</u>

General Revenues:

Property Taxes levied for:

General Purposes

Debt Service Purpose

Other Purposes

Municipal Income Taxes levied for:

General Purposes

Other Purposes

Hotel Taxes

Permissive Motor Vehicle Taxes

Franchise Taxes

Payments in Lieu of Taxes

Grants & Entitlements not restricted to specific programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (19,840,460)	\$ -	\$ (19,840,460)
(532,630)	-	(532,630)
(2,329,441)	-	(2,329,441)
(888,160)	-	(888,160)
(2,004,565)	-	(2,004,565)
(13,550,222)	-	(13,550,222)
(4,053,653)	-	(4,053,653)
(2,103,662)	-	(2,103,662)
<u>(45,302,793)</u>	<u>-</u>	<u>(45,302,793)</u>
-	74,341	74,341
<u>-</u>	<u>74,341</u>	<u>74,341</u>
<u>(45,302,793)</u>	<u>74,341</u>	<u>(45,228,452)</u>
419,991	-	419,991
3,401,469	-	3,401,469
5,253,644	-	5,253,644
26,677,393	-	26,677,393
3,157,012	-	3,157,012
181,064	-	181,064
324,002	-	324,002
706,163	-	706,163
866,597	-	866,597
3,376,078	-	3,376,078
143,795	26,220	170,015
104,369	-	104,369
725	-	725
<u>44,612,302</u>	<u>26,220</u>	<u>44,638,522</u>
(690,491)	100,561	(589,930)
<u>159,357,200</u>	<u>50,443,268</u>	<u>209,800,468</u>
<u>\$ 158,666,709</u>	<u>\$ 50,543,829</u>	<u>\$ 209,210,538</u>

City of Strongsville, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	Pearl Road TIF	General Capital Improvement
ASSETS AND DEFERRED						
OUTFLOWS OF RESOURCES						
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 9,019,554	\$ 2,844,510	\$1,010,787	\$1,362,835	\$ 549,767	\$ 1,315,735
Materials and Supplies Inventory	12,997	480,518	2,105	-	-	-
Accrued Interest Receivable	6,655	934	-	1,104	236	-
Accounts Receivable	432,907	-	-	-	-	-
Interfund Receivable	2,690,000	-	-	-	-	-
Intergovernmental Receivable	585,956	850,762	255,080	250,711	711,000	-
Prepaid Items	44,255	28,091	33,373	-	-	-
Municipal Income Taxes Receivable	6,991,366	857,047	-	-	-	-
Property Taxes Receivable	427,178	-	4,105,641	3,344,141	-	-
Special Assessments Receivable	-	-	-	681,723	-	73,581
Hotel Taxes Receivable	11,006	-	-	-	-	-
Franchise Taxes Receivable	-	-	-	-	-	177,220
Permissive Motor Vehicle Taxes Receivable	-	-	-	-	-	-
<i>Total Assets</i>	<u>20,221,874</u>	<u>5,061,862</u>	<u>5,406,986</u>	<u>5,640,514</u>	<u>1,261,003</u>	<u>1,566,536</u>
Total Assets and Deferred Outflows of Resources	<u>\$20,221,874</u>	<u>\$ 5,061,862</u>	<u>\$5,406,986</u>	<u>\$5,640,514</u>	<u>\$1,261,003</u>	<u>\$ 1,566,536</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 340,049	\$ 103,333	\$ 27,814	\$ -	\$ -	\$ -
Accrued Wages and Benefits	463,024	171,880	225,529	-	-	-
Contracts Payable	-	-	-	-	-	82,827
Intergovernmental Payable	174,672	26,373	3,256	-	-	-
Matured Compensated Absences Payable	51,313	74,209	-	-	-	-
Accrued Interest Payable	-	-	-	3,575	6,417	-
Retainage Payable	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-
Notes Payable	-	-	-	1,980,914	3,500,000	-
<i>Total Liabilities</i>	<u>1,029,058</u>	<u>375,795</u>	<u>256,599</u>	<u>1,984,489</u>	<u>3,506,417</u>	<u>82,827</u>
Deferred Inflows of Resources:						
Property Taxes and Payments in Lieu of Taxes	410,136	-	3,942,021	3,210,865	711,000	-
Unavailable Revenue - Delinquent Property Taxes	17,042	-	163,620	133,276	-	-
Unavailable Revenue - Income Taxes	2,785,360	341,448	-	-	-	-
Unavailable Revenue - Other	231,655	672,002	255,080	932,434	-	133,381
<i>Total Deferred Inflows of Resources</i>	<u>3,444,193</u>	<u>1,013,450</u>	<u>4,360,721</u>	<u>4,276,575</u>	<u>711,000</u>	<u>133,381</u>
Fund Balances:						
Nonspendable	57,252	508,609	35,478	-	-	-
Restricted	-	3,164,008	754,188	-	-	1,350,328
Committed	1,587,387	-	-	-	-	-
Assigned	174,133	-	-	-	-	-
Unassigned	13,929,851	-	-	(620,550)	(2,956,414)	-
<i>Total Fund Balances (Deficits)</i>	<u>15,748,623</u>	<u>3,672,617</u>	<u>789,666</u>	<u>(620,550)</u>	<u>(2,956,414)</u>	<u>1,350,328</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$20,221,874</u>	<u>\$ 5,061,862</u>	<u>\$5,406,986</u>	<u>\$5,640,514</u>	<u>\$1,261,003</u>	<u>\$ 1,566,536</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 6,333,684	\$ 22,436,872
250	495,870
1,079	10,008
264,382	697,289
-	2,690,000
294,668	2,948,177
49,985	155,704
-	7,848,413
1,143,807	9,020,767
-	755,304
-	11,006
-	177,220
23,541	23,541
8,111,396	47,270,171
\$ 8,111,396	\$ 47,270,171
\$ 125,293	\$ 596,489
83,687	944,120
130,880	213,707
120,759	325,060
-	125,522
-	9,992
9,476	9,476
2,690,000	2,690,000
-	5,480,914
3,160,095	10,395,280
1,237,219	9,511,241
45,588	359,526
-	3,126,808
280,561	2,505,113
1,563,368	15,502,688
50,235	651,574
1,073,567	6,342,091
2,770,345	4,357,732
-	174,133
(506,214)	9,846,673
3,387,933	21,372,203
\$ 8,111,396	\$ 47,270,171

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2012*

Total Governmental Funds Balance	\$ 21,372,203
<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	183,792,712
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Delinquent Property taxes	\$ 359,526
Municipal income taxes	3,126,808
Special assessments	755,304
Intergovernmental	1,544,880
Franchise Taxes	59,800
Charges for services	145,129
Total	5,991,447
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(165,965)
Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	27,268
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	(47,475,000)
Special assessment bonds	(680,000)
Unamortized bond premiums	(1,388,378)
Deferral on refunding	386,381
Compensated absences	(3,193,959)
Total	(52,350,956)
Net Position of Governmental Activities	\$ 158,666,709

City of Strongsville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	Pearl Road TIF	General Capital Improvement
REVENUES						
Property Taxes	\$ 422,891	\$ -	\$4,125,762	\$ 3,411,772	\$ -	\$ -
Municipal Income Taxes	26,358,439	3,114,497	-	-	-	-
Hotel Taxes	181,064	-	-	-	-	-
Permissive Motor Vehicle Taxes	-	-	-	-	-	-
Franchise Taxes	-	-	-	-	-	646,363
Payments in Lieu of Taxes	-	-	-	-	719,197	-
Intergovernmental	2,160,676	1,661,306	571,780	683,473	-	44,080
Interest	54,958	5,740	-	67,324	1,409	7,696
Fees, Licenses, and Permits	740,049	-	1,895	-	-	-
Fines and Forfeitures	635,010	-	-	-	-	-
Charges for Services	325,424	350	30	-	-	1,850
Contributions and Donations	1,000	-	18,225	-	-	-
Special Assessments	-	-	-	185,000	-	11,199
All Other Revenues	226,233	-	75	-	-	-
Total Revenues	<u>31,105,744</u>	<u>4,781,893</u>	<u>4,717,767</u>	<u>4,347,569</u>	<u>720,606</u>	<u>711,188</u>
EXPENDITURES						
Security of Persons and Property	11,065,681	-	7,062,516	-	-	-
Public Health Services	275,670	-	-	-	-	-
Leisure Time Activities	212,876	-	-	-	-	4,629
Community Environment	1,624,324	-	-	-	-	-
Basic Utility Services	1,991,272	-	-	-	-	-
Transportation	-	8,305,240	-	-	-	758,079
General Government	4,047,968	-	-	-	-	10,850
Capital Outlay	28,182	99,618	-	-	-	529,389
Debt Service:	-	-	-	-	-	-
Principal Retirement	-	-	-	1,095,000	50,000	-
Interest and Fiscal Charges	-	-	-	1,731,212	343,916	-
Total Expenditures	<u>19,245,973</u>	<u>8,404,858</u>	<u>7,062,516</u>	<u>2,826,212</u>	<u>393,916</u>	<u>1,302,947</u>
Excess of Revenues (Under) Expenditures	<u>11,859,771</u>	<u>(3,622,965)</u>	<u>(2,344,749)</u>	<u>1,521,357</u>	<u>326,690</u>	<u>(591,759)</u>
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	46,262	73,365	-	-	-	-
Transfers In	-	3,370,000	2,365,000	200,000	659,099	300,000
Transfers Out	(9,092,000)	-	-	(1,318,399)	-	-
Total Other Financing Sources (Uses)	<u>(9,045,738)</u>	<u>3,443,365</u>	<u>2,365,000</u>	<u>(1,118,399)</u>	<u>659,099</u>	<u>300,000</u>
Net Change in Fund Balances	2,814,033	(179,600)	20,251	402,958	985,789	(291,759)
Fund Balances - Beginning of Year	12,934,590	3,852,217	769,415	(1,023,508)	(3,942,203)	1,642,087
Fund Balances - End of Year	<u>\$15,748,623</u>	<u>\$ 3,672,617</u>	<u>\$ 789,666</u>	<u>\$ (620,550)</u>	<u>\$(2,956,414)</u>	<u>\$ 1,350,328</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 1,153,984	\$ 9,114,409
-	29,472,936
-	181,064
324,002	324,002
-	646,363
147,400	866,597
696,848	5,818,163
6,668	143,795
68,379	810,323
52,166	687,176
4,085,044	4,412,698
17,150	36,375
-	196,199
650	226,958
<u>6,552,291</u>	<u>52,937,058</u>
2,685,113	20,813,310
311,680	587,350
4,520,116	4,737,621
90,262	1,714,586
55,996	2,047,268
105,207	9,168,526
39,604	4,098,422
2,620,455	3,277,644
100,000	1,245,000
20,150	2,095,278
<u>10,548,583</u>	<u>49,785,005</u>
<u>(3,996,292)</u>	<u>3,152,053</u>
1,200	120,827
3,567,000	10,461,099
(50,700)	(10,461,099)
<u>3,517,500</u>	<u>120,827</u>
(478,792)	3,272,880
3,866,725	18,099,323
<u>\$ 3,387,933</u>	<u>\$ 21,372,203</u>

*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, 2012*

Net Change in Fund Balances-Total Governmental Funds **\$ 3,272,880**

*Amounts reported for Governmental Activities in the Statement of Activities
are different because:*

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

Capital Outlay	\$3,277,644	
Depreciation	<u>(8,427,668)</u>	
Total		(5,150,024)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (16,458)

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

Delinquent Property taxes	(39,305)	
Municipal income taxes	361,469	
Special assessments	(205,582)	
Intergovernmental	(162,238)	
Franchise Taxes	59,800	
Charges for services	<u>(28,749)</u>	
Total		(14,605)

Repayment of bond principal is an expenditure in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,245,000

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

Compensated absences	(16,708)	
Accrued interest on bonds	3,775	
Amortization of bond premiums	117,889	
Amortization of deferral on refunding	<u>(130,048)</u>	
Total		(25,092)

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. (2,192)

Change in Net Position of Governmental Activities \$ (690,491)

City of Strongsville, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 24,000,000	\$ 26,050,000	\$ 26,085,973	\$ 35,973
Property Taxes	474,187	429,559	422,891	(6,668)
Hotel Taxes	160,000	183,000	180,726	(2,274)
Intergovernmental Revenues	1,120,255	2,128,087	2,266,882	138,795
Charges for Services	213,400	321,900	310,903	(10,997)
Fees, Licenses, and Permits	651,900	759,800	740,049	(19,751)
Fines and Forfeitures	547,500	649,000	645,197	(3,803)
Interest Income	50,000	60,000	56,356	(3,644)
Contributions and Donations	3,000	3,000	1,000	(2,000)
Miscellaneous	566,700	594,000	580,874	(13,126)
<i>Total Revenues</i>	<u>27,786,942</u>	<u>31,178,346</u>	<u>31,290,851</u>	<u>112,505</u>
Expenditures:				
Current:				
Security of Persons and Property	10,778,900	11,084,100	10,579,286	504,814
Public Health Services	289,400	288,200	274,816	13,384
Leisure Time Activities	206,300	227,900	213,751	14,149
Community Environment	1,655,500	1,716,600	1,613,104	103,496
Basic Utility Services	2,353,000	2,358,000	1,996,156	361,844
General Government	4,855,600	5,006,400	4,542,464	463,936
<i>Total Expenditures</i>	<u>20,138,700</u>	<u>20,681,200</u>	<u>19,219,577</u>	<u>1,461,623</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	7,648,242	10,497,146	12,071,274	1,574,128
Other Financing Sources (Uses)				
Sale of Capital Assets	20,000	43,000	46,262	3,262
Advances In	500,000	1,636,000	636,000	(1,000,000)
Advances Out	-	(2,826,000)	(2,826,000)	-
Transfers Out	(8,261,300)	(10,092,000)	(10,092,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(7,741,300)</u>	<u>(11,239,000)</u>	<u>(12,235,738)</u>	<u>(996,738)</u>
<i>Net Change in Fund Balance</i>	(93,058)	(741,854)	(164,464)	577,390
<i>Fund Balance - Beginning of Year</i>	7,596,631	7,596,631	7,596,631	-
<i>Fund Balance - End of Year</i>	<u>\$ 7,503,573</u>	<u>\$ 6,854,777</u>	<u>\$ 7,432,167</u>	<u>\$ 577,390</u>

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

City of Strongsville, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 3,000,000	\$ 3,100,000	\$ 3,071,206	\$ (28,794)
Intergovernmental Revenues	1,620,000	1,760,000	1,761,336	1,336
Charges for Services	-	500	350	(150)
Interest Income	10,000	9,000	7,914	(1,086)
<i>Total Revenues</i>	<u>4,630,000</u>	<u>4,869,500</u>	<u>4,840,806</u>	<u>(28,694)</u>
Expenditures:				
Current:				
Total Transportation	8,502,400	8,803,300	8,143,482	659,818
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,872,400)	(3,933,800)	(3,302,676)	631,124
Other Financing Sources				
Sale of Capital Assets	-	80,000	73,365	(6,635)
Transfers In	3,170,000	3,370,000	3,370,000	-
<i>Total Other Financing Sources</i>	<u>3,170,000</u>	<u>3,450,000</u>	<u>3,443,365</u>	<u>(6,635)</u>
<i>Net Change in Fund Balance</i>	(702,400)	(483,800)	140,689	624,489
<i>Fund Balance - Beginning of Year</i>	2,703,821	2,703,821	2,703,821	-
<i>Fund Balance - End of Year</i>	<u>\$ 2,001,421</u>	<u>\$ 2,220,021</u>	<u>\$ 2,844,510</u>	<u>\$ 624,489</u>

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

City of Strongsville, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual
 Fire Levy Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,691,853	\$ 4,137,870	\$ 4,125,762	\$ (12,108)
Intergovernmental Revenues	465,284	579,383	571,780	(7,603)
Charges for Services	300	100	30	(70)
Fees, Licenses, and Permits	1,800	2,000	1,895	(105)
Contributions and Donations	-	18,300	18,225	(75)
Miscellaneous	1,000	500	75	(425)
<i>Total Revenues</i>	<u>5,160,237</u>	<u>4,738,153</u>	<u>4,717,767</u>	<u>(20,386)</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>7,047,100</u>	<u>7,400,900</u>	<u>7,012,318</u>	<u>388,582</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,886,863)	(2,662,747)	(2,294,551)	368,196
Other Financing Sources				
Transfers In	<u>2,365,000</u>	<u>2,365,000</u>	<u>2,365,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	478,137	(297,747)	70,449	368,196
<i>Fund Balance - Beginning of Year</i>	940,338	940,338	940,338	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,418,475</u>	<u>\$ 642,591</u>	<u>\$ 1,010,787</u>	<u>\$ 368,196</u>

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

City of Strongsville, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2012

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Fund
ASSETS		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 4,007,392	\$ 1,123,135
Accrued Interest Receivable	1,493	-
Accounts Receivable	2,211,173	-
Prepaid Items	53,470	27,268
Special Assessments Receivable	1,209,465	-
<i>Total Current Assets</i>	<u>7,482,993</u>	<u>1,150,403</u>
Noncurrent Assets:		
Capital Assets:		
Land	1,508,079	-
Construction in Progress	28,136	-
Depreciable Assets, Net of Depreciation	45,651,894	-
<i>Total Noncurrent Assets</i>	<u>47,188,109</u>	<u>-</u>
Total Assets	<u>54,671,102</u>	<u>1,150,403</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	235,540	-
Accrued Wages and Benefits	43,301	-
Matured Compensated Absences Payable	37,565	-
Intergovernmental Payable	6,592	197,110
Accrued Interest Payable	967	-
Compensated Absences Payable	134,795	-
Claims Payable	-	28,294
General Obligation Bonds Payable	205,000	-
OWDA Loans Payable	203,575	-
<i>Total Current Liabilities</i>	<u>867,335</u>	<u>225,404</u>
Noncurrent Liabilities:		
Compensated Absences Payable	130,385	-
Claims Payable	-	897,731
General Obligation Bonds Payable	210,000	-
OWDA Loans Payable	2,919,553	-
<i>Total Noncurrent Liabilities</i>	<u>3,259,938</u>	<u>897,731</u>
Total Liabilities	<u>4,127,273</u>	<u>1,123,135</u>
NET POSITION		
Net Investment in Capital Assets	43,649,981	-
Unrestricted	6,893,848	27,268
Total Net Position	<u>\$ 50,543,829</u>	<u>\$ 27,268</u>

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

City of Strongsville, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Fund
OPERATING REVENUES		
Charges for Services	\$ 5,558,932	\$ 555,400
Other Services	129,114	-
Total Operating Revenues	5,688,046	555,400
OPERATING EXPENSES		
Salaries	1,015,911	-
Fringe Benefits	364,798	-
Materials and Supplies	160,270	-
Utilities	1,893	-
Contractual Services	2,755,207	223,298
Depreciation	2,257,474	-
Claims	-	334,294
Other	16,562	-
Total Operating Expense	6,572,115	557,592
Operating Income (Loss)	(884,069)	(2,192)
NONOPERATING REVENUES (EXPENSES)		
Interest	26,220	-
Interest and Fiscal Charges	(142,693)	-
Total Nonoperating Revenues (Expenses)	(116,473)	-
Capital Contributions from Special Assessments	902,868	-
Capital Contributions from Grants	5,235	-
Capital Contributions from Tap In Fees	193,000	-
Change in Net Position	100,561	(2,192)
Net Position - Beginning of Year	50,443,268	29,460
Net Position - End of Year	\$ 50,543,829	\$ 27,268

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

City of Strongsville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Charges for Services	\$ 5,401,260	\$ 555,400
Cash Payments to Employees for Services	(929,696)	-
Cash Payments for Employee Benefits	(364,236)	-
Cash Payments for Goods and Services	(2,794,542)	(270,206)
Cash Payments for Claims	-	(104,986)
Other Cash Payments	(16,562)	-
Net Cash Provided by Operating Activities	<u>1,296,224</u>	<u>180,208</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants Received	37,791	-
Capital Contributions from Tap In Fees	193,000	-
Capital Contributions from Special Assessments	294,884	-
Principal Paid on Debt	(383,258)	-
Interest Paid on Debt	(143,115)	-
Payments for Capital Acquisitions	(36,136)	-
Debt Proceeds	655,678	-
Net Cash Provided by Capital and Related Financing Activities	<u>618,844</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	12,640	-
Net Cash Provided by Investing Activities	<u>12,640</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	1,927,708	180,208
Cash and Cash Equivalents - Beginning of Year	2,079,684	942,927
Cash and Cash Equivalents - End of Year	<u><u>\$ 4,007,392</u></u>	<u><u>\$ 1,123,135</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (884,069)	\$ (2,192)
Adjustments:		
Depreciation	2,257,474	-
(Increase) Decrease in Assets:		
Accounts Receivable	(286,786)	-
Prepaid Items	8,539	2,192
Increase (Decrease) in Liabilities:		
Accounts Payable	114,289	-
Accrued Wages	3,226	-
Matured Compensated Absences Payable	37,565	-
Intergovernmental Payable	562	(49,100)
Claims Payable	-	229,308
Compensated Absences Payable	45,424	-
Net Cash Provided by Operating Activities	<u><u>\$ 1,296,224</u></u>	<u><u>\$ 180,208</u></u>

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

City of Strongsville, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2012

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 377,011
Cash and Cash Equivalents:	
in Segregated Accounts	<u>32,456</u>
Total Assets	<u><u>\$ 409,467</u></u>
Liabilities	
Deposits Held and Due to Others	<u>\$ 409,467</u>
Total Liabilities	<u><u>\$ 409,467</u></u>

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 1 – Description of the City and Reporting Entity

The City of Strongsville, Cuyahoga County, Ohio (City) was incorporated under the laws of the State of Ohio in 1958. The City operates under and is governed by a Mayor/Council form of government in accordance with the general laws of the State of Ohio. In addition, the City may exercise all powers of local self-government under the Ohio Constitution, to the extent not in conflict with the applicable general laws of Ohio.

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. This definition of reporting entity is found in GASB Statement No. 14, *The Financial Reporting Entity*.

The City's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides the following services as authorized by its Charter: police and fire protection, road maintenance and repair, snow removal, traffic signalization, street lighting, storm and sanitary sewers, waste collection and general administrative services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The City's financial statements include all organizations, activities, and functions for which the City is financially accountable.

Also, the City is associated with five jointly governed organizations that are further described in Note 18.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position 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 position 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. As a general rule, the activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

B. Fund Accounting

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

General Fund – This fund is used to account for all financial resources, except for those required to be accounted for in another fund. Major revenue sources of this fund include: municipal income taxes, estate taxes, local government assistance funds; and to a lesser degree, various fees, licenses and permits, property taxes, and fines and forfeitures. This fund is the primary operating fund of the City.

Street Construction, Maintenance, and Repair (SCMR) Fund - This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.50% of these revenues be used for the maintenance and repair of streets within the City. As provided in the Codified Ordinance Section 880.34, this fund is credited with one-sixth of the proceeds realized from the first 1.50% (referred to as the Base Tax) of the 2.00% municipal income tax. Operating deficiencies are subsidized by an operating transfer from the General Fund.

Fire Levy Fund - This fund is used to account for the proceeds of two voted property tax levies (gross millage 3.50, effective millage 3.452296 for tax year 2011/collection year 2012) approved for the purpose of providing and maintaining a full-time Fire Department. Transfers from the General Fund are necessary to cover the operating costs in excess of operating revenues.

General Bond Retirement Fund – This fund accounts for the proceeds of a 2.30 mill inside property tax levy, a 0.5 mill voted (Library) property tax levy, and the proceeds of various special assessments levied against the benefitting property owners to accumulate resources for the payment of principal, interest and fiscal charges on general obligation and special assessment debt.

Pearl Road TIF Fund - This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road and the area along Route 82 between Pearl and Howe Roads.

General Capital Improvement Fund - This fund accounts for the Cable TV Franchise fees and other resources that are used to construct, equip and furnish the capital assets used by the various departments of the city, as well as for various infrastructure projects.

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

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's only enterprise fund is the Sanitary Sewer Fund which accounts for sewer construction projects and sanitary sewer services provided to the residential and commercial users in the City.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is the Workers' Compensation Reserve Fund. This fund accounts for the accumulation of funds to pay workers' compensation claims.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. 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 account for the activities of the Mayor's court and for deposits received from contractors and developers which will be refunded upon successful completion of the projects.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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 deferred outflows of resources along with current liabilities and deferred inflows of resources 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.

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period 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 nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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

E. Cash and Cash Equivalents

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

During 2012, the portfolio of the City was limited to nonparticipating interest-earning investment contracts (e.g., Certificates of Deposit). Nonparticipating investment contracts such as Certificates of Deposit are reported at cost.

The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2012 amounted to \$54,958, which includes \$41,743 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City's treasury.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Receivables

Receivables at December 31, 2012, consist of income taxes, property taxes, other local taxes, amounts due from other governments, accounts (billings for user charged services), and special assessments. All are deemed collectible in full.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, bridges, water mains, storm sewers, culverts, sidewalks, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	15-20 years	15-20 years
Buildings	50 years	50 years
Furniture and Fixtures	7-10 years	7-10 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	3-6 years	3-6 years
Infrastructure	25-50 years	50 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund receivables/payables." Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Leave time that has been earned but is unavailable for use as paid time off, or as some other form of compensation, because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that conditions for compensation will be met in the future.

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave is recognized when earned. All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation leave balance will carry over into the next fiscal year if it is not used. Upon retirement, termination, lay-off or death, employees or their estate are paid accumulated vacation leave. Sick leave may accrue with various limits based upon contracts and the City's codified ordinances. Upon retirement, an employee with at least fifteen years of continuous service is paid one-half (½) of his or her accumulated sick leave, based on their contract agreements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-term Obligations

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

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

M. 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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.

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.

N. Net Position

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The government-wide statement of net position reports \$12,312,614 of the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

O. Grants and Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for sewer services and the interfund charges of the workers' compensation program. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. Contributions of Capital

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2012.

T. 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 Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

U. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2012.

Encumbrances - Encumbrances outstanding at year end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed. Encumbrances outstanding at year end are reported as part of restricted, committed, or assigned fund balance for subsequent year expenditures in the governmental funds. The City had no outstanding encumbrances at December 31, 2012.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

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

Note 3 – Changes in Accounting Principles and Prior Period Adjustments

Changes in Accounting Principles

GASB Statement Number 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

GASB Statement Number 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

GASB Statement Number 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the City.

Prior Period Adjustments

In prior periods, the City had reported assets related to unamortized debt issuance costs in the Governmental Activities entity-wide financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The implementation of GASB Statement Number 65 requires a restatement of prior period's net position as follows:

	Governmental Activities
Net Position, December 31, 2011	\$ 160,096,097
Prior Period Adjustments:	
Unamortized Debt Issuance Costs	(738,897)
Restated Net Position, December 31, 2011	\$ 159,357,200

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Note 4 – Accountability

Fund balances at December 31, 2012 included the following individual fund deficits:

	<u>Deficit</u>
Major Governmental Funds:	
General Bond Retirement	\$ 620,550
Pearl Road TIF	2,956,414
Nonmajor Governmental Fund:	
Drainage Levy	506,214

The General Fund is liable for any deficits in these funds and provides transfers when cash is required not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities in accordance with generally accepted accounting principles (GAAP).

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City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund and the major special revenue funds are 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:

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis);
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the major special revenue funds.

	General	Street Construction, Maintenance and Repair	Fire Levy
Net Change in Fund Balance - GAAP Basis	\$2,814,033	(\$179,600)	\$20,251
Net Adjustment			
Revenue Accruals	468,712	58,913	0
Expenditure Accruals	(2,859,822)	261,376	50,198
Funds with Separate Legally Adopted Budgets	(587,387)	0	0
Net Change in Fund Balance - Budgetary Basis	<u>(\$164,464)</u>	<u>\$140,689</u>	<u>\$70,449</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Note 6 – Fund Balance

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	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	Pearl Road TIF	General Capital Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>								
Prepaid Items	\$ 44,255	\$ 28,091	\$ 33,373	\$ -	\$ -	\$ -	\$ 49,985	\$ 155,704
Inventories	12,997	480,518	2,105	-	-	-	250	495,870
Total Nonspendable	57,252	508,609	35,478	-	-	-	50,235	651,574
<i>Restricted for</i>								
Police Pension	-	-	-	-	-	-	56,798	56,798
Fire Pension	-	-	-	-	-	-	26,661	26,661
Fire Services	-	-	754,188	-	-	-	-	754,188
Other Law Enforcement	-	-	-	-	-	-	98,759	98,759
Streets and Highways	-	3,164,008	-	-	-	-	413,200	3,577,208
Clerk of Court Computerization	-	-	-	-	-	-	207,962	207,962
Royalton Road TIF	-	-	-	-	-	-	117,579	117,579
Capital Improvements	-	-	-	-	-	1,350,328	-	1,350,328
Pearl Road Capital Improvements	-	-	-	-	-	-	152,608	152,608
Total Restricted	-	3,164,008	754,188	-	-	1,350,328	1,073,567	6,342,091
<i>Committed to</i>								
Termination Benefits	1,587,387	-	-	-	-	-	-	1,587,387
Emergency Vehicles	-	-	-	-	-	-	2,277,610	2,277,610
Recreation Center	-	-	-	-	-	-	126,116	126,116
Tree Maintenance	-	-	-	-	-	-	148,461	148,461
Recreation Capital Improvements	-	-	-	-	-	-	218,158	218,158
Total Committed	1,587,387	-	-	-	-	-	2,770,345	4,357,732
<i>Assigned to</i>								
Fiscal Year 2013 Appropriations	174,133	-	-	-	-	-	-	174,133
Total Assigned	174,133	-	-	-	-	-	-	174,133
<i>Unassigned (Deficit)</i>								
	13,929,851	-	-	(620,550)	(2,956,414)	-	(506,214)	9,846,673
Total Fund Balances	\$ 15,748,623	\$ 3,672,617	\$ 789,666	\$ (620,550)	\$ (2,956,414)	\$ 1,350,328	\$ 3,387,933	\$ 21,372,203

Note 7 - Deposits and Investments

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

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

Inactive deposits are deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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 may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasury Asset Reserve of Ohio (STAR Ohio).

The City may also invest any monies not required to be used for a period of 6 months or more in the following:

1. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
2. 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. An investment must mature within 5 years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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

Cash on Hand

At December 31, 2012, the City had \$10,011 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At December 31, 2012, the carrying amount of the City's deposits was \$27,966,855 (including \$8,500,000 in certificates of deposit and \$32,456 in cash in segregated accounts of the court). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2012, \$13,047,191 of the City's bank balance of \$28,647,623 was covered by Federal Depository Insurance and \$15,600,432 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks approved by the City Council. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve Bank in the name of the City.

Investments

The City has a formal investment policy. The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. As of December 31, 2012, the City was not invested in any investments as defined by GASB Statement No. 31.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within 5 years from the date of purchase, and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Credit Risk

The City has no investment policy that would further limit its investment choices other than the limitations imposed by the Ohio Revised Code. As of December 31, 2012, the City did not carry any investments.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The 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. As of December 31, 2012, the City did not carry any investments.

Reconciliation of Cash and Investments per the Footnote to the Statements

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments reported on the statement of net position as of December 31, 2012.

<u>Cash and Investments per Footnote</u>	
Carrying Amount of Deposits	\$ 27,966,855
Cash on Hand	<u>10,011</u>
Total Cash and Investments per Footnote	<u>\$27,976,866</u>
<u>Cash and Investments per Statements</u>	
Governmental Activities	\$ 23,560,007
Business-Type Activities	4,007,392
Agency Funds	<u>409,467</u>
Total Cash and Investments per Statements	<u>\$27,976,866</u>

Note 8 - Receivables

Receivables at December 31, 2012, consisted primarily of municipal income taxes, property and other local taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billing for utility services). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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 2012. 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. 2012 public utility property taxes which became a lien at December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The 2011 assessed value upon which the 2012 tax receipts were based on was \$1,445,561,400. The full tax rate for all City operations applied to taxable property for the year ended December 31, 2011, was \$9.9 per \$1,000 of assessed valuation.

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.

Municipal Income Taxes

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are granted a 75 percent credit up to 2.0 percent of the income taxes paid to another municipality.

Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City monthly.

Municipal income taxes are allocated by City ordinance as follows: 16.67 percent of the first 1.50 percent of the total of 2.00 percent of the City income tax is credited to the Street Construction, Maintenance and Repair Fund with the remainder credited to the General Fund.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Special Assessments

Special assessments include assessments for debt obligations. Special assessments for debt obligations are levied against specific property owners who primarily benefitted from the project.

Special assessments are payable by the timetable and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's assessments include sidewalk repair, sewer maintenance, sewer rehabilitation, paving and curbing, and water main tap-ins which are billed and collected by the County Fiscal Officer. The County Fiscal Officer periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Since all assessment collections are remitted to the City outside of the available period, the entire amount has been deferred on the fund financial statements.

At December 31, 2012, governmental and business-type activities reported special assessments receivable in the amounts of \$755,304 and \$1,209,465, respectively. Of these amounts reported, delinquent special assessments for governmental and business-type activities are \$2,857 and \$5,144, respectively.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Local Government	\$ 195,699
Estate Tax	310,230
Homestead and Rollback	560,494
Gasoline Tax	751,346
Auto Registration	168,397
Muni Income Tax (HB 433) and Commercial Activity Tax	34,991
Payment in Lieu of Taxes	850,000
Other	77,020
Total Intergovernmental Receivables	\$ 2,948,177

Payments in Lieu of Taxes

According to State law, the City has established two tax incremental financing districts within the City, under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments would generally reflect all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the cost of the improvement has been paid or the agreement expires, whichever comes first. Future development by these owners to others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the cost of the improvements to a larger number of property owners.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Note 9 – Interfund Balances and Transfers

As of the year ended December 31, 2012, interfund balances are as follows:

	Receivable	Payable
Governmental Activities:		
<u>General</u>	\$2,690,000	\$0
<u>Special Revenue Fund:</u>		
Drainage Levy	0	690,000
<u>Capital Projects Fund:</u>		
Pearl Road Capital Improvement	0	2,000,000
Total	\$2,690,000	\$2,690,000

The amount payable to the General Fund relates to a working capital loan made to the Drainage Levy Special Revenue Fund and the Pearl Road Capital Improvement Fund. These loans will be repaid in 2013.

Transfers made during the year ended December 31, 2012 were as follows:

	TRANSFERS OUT			
	Governmental activities			
	Major Funds		Nonmajor Fund	
	General	Bond Retirement	Royalton Road TIF	Total
TRANSFERS IN	General	Bond Retirement	Royalton Road TIF	Total
Governmental Activities				
<u>Major Funds:</u>				
Street Construction, Maintenance and Repair	\$3,370,000	\$0	\$0	\$3,370,000
Fire Levy	2,365,000	0	0	2,365,000
General Bond Retirement	200,000	0	0	200,000
General Capital Improvement	300,000	0	0	300,000
Pearl Road TIF	0	608,399	50,700	659,099
<u>Nonmajor Funds:</u>				
Multi-Complex	1,200,000	0	0	1,200,000
Police Pension	640,000	0	0	640,000
Fire Pension	767,000	0	0	767,000
Recreation Capital Improvement	250,000	710,000	0	960,000
Total Governmental Activities	\$9,092,000	\$1,318,399	\$50,700	\$10,461,099

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

During 2012, GAAP transfers were required to reflect the principal retirement of \$5,060,000 in Bond Anticipation Notes. These transfers were necessary to record the retirement in the proper governmental funds.

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$7,393,905	\$3,214,393	\$0	\$10,608,298
Construction in Progress	15,869,294	2,214,336	(15,732,755)	2,350,875
<i>Total Capital Assets, Not Being Depreciated</i>	<u>23,263,199</u>	<u>5,428,729</u>	<u>(15,732,755)</u>	<u>12,959,173</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	51,581,069	132,961	0	51,714,030
Land Improvements	2,788,643	335,830	0	3,124,473
Machinery and Equipment	2,604,052	83,189	0	2,687,241
Furniture and Fixtures	915,009	0	0	915,009
Vehicles	11,799,962	608,235	(263,154)	12,145,043
Infrastructure:				
Streets	157,812,813	5,281,750	0	163,094,563
Bridges	203,000	0	0	203,000
Storm Sewers	77,784,759	5,735,717	0	83,520,476
Sidewalks	7,719,647	499,779	0	8,219,426
Traffic Signalization	4,921,510	904,209	0	5,825,719
<i>Total Capital Assets, Being Depreciated</i>	<u>318,130,464</u>	<u>13,581,670</u>	<u>(263,154)</u>	<u>331,448,980</u>
Less Accumulated Depreciation:				
Buildings	(8,305,103)	(982,875)	0	(9,287,978)
Land Improvements	(1,035,799)	(123,531)	0	(1,159,330)
Machinery and Equipment	(1,630,458)	(256,974)	0	(1,887,432)
Furniture and Fixtures	(456,467)	(77,059)	0	(533,526)
Vehicles	(9,058,535)	(815,689)	246,696	(9,627,528)
Infrastructure:				
Streets	(90,240,797)	(4,107,956)	0	(94,348,753)
Bridges	0	(7,735)	0	(7,735)
Storm Sewers	(35,107,861)	(1,589,511)	0	(36,697,372)
Sidewalks	(4,991,158)	(244,449)	0	(5,235,607)
Traffic Signalization	(1,608,291)	(221,889)	0	(1,830,180)
<i>Total Accumulated Depreciation</i>	<u>(152,434,469)</u>	<u>(8,427,668) *</u>	<u>246,696</u>	<u>(160,615,441)</u>
Total Capital Assets, Being Depreciated, Net	<u>165,695,995</u>	<u>5,154,002</u>	<u>(16,458)</u>	<u>170,833,539</u>
Governmental Activities Capital Assets, Net	<u>\$188,959,194</u>	<u>\$10,582,731</u>	<u>(\$15,749,213)</u>	<u>\$183,792,712</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

* Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$1,184,394
Leisure Time Activities	660,497
Transportation	6,440,310
General Government	142,467
Total Depreciation Expense	\$8,427,668

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$1,508,079	\$0	\$0	\$1,508,079
Construction in Progress	9,950	18,186	0	28,136
<i>Total Capital Assets, Not Being Depreciated</i>	<u>1,518,029</u>	<u>18,186</u>	<u>0</u>	<u>1,536,215</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	9,892,551	17,950	0	9,910,501
Land Improvements	3,852,402	0	0	3,852,402
Machinery and Equipment	8,965,454	0	0	8,965,454
Furniture and Fixtures	19,748	0	0	19,748
Vehicles	1,651,812	0	0	1,651,812
Infrastructure:				
Sanitary Sewers	98,446,332	0	0	98,446,332
<i>Total Capital Assets, Being Depreciated</i>	<u>122,828,299</u>	<u>17,950</u>	<u>0</u>	<u>122,846,249</u>
Less Accumulated Depreciation:				
Buildings	(5,132,533)	(182,506)	0	(5,315,039)
Land Improvements	(3,615,543)	(2,957)	0	(3,618,500)
Machinery and Equipment	(7,816,860)	(102,083)	0	(7,918,943)
Furniture and Fixtures	(18,762)	0	0	(18,762)
Vehicles	(1,347,940)	(94,312)	0	(1,442,252)
Infrastructure:				
Sanitary Sewers	(57,005,243)	(1,875,616)	0	(58,880,859)
<i>Total Accumulated Depreciation</i>	<u>(74,936,881)</u>	<u>(2,257,474)</u>	<u>0</u>	<u>(77,194,355)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,891,418</u>	<u>(2,239,524)</u>	<u>0</u>	<u>45,651,894</u>
Business-Type Activities Capital Assets, Net	<u>\$49,409,447</u>	<u>(\$2,221,338)</u>	<u>\$0</u>	<u>\$47,188,109</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Note 11 – Risk Management

Commercial Insurance

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' 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 2012, the City contracted with Governmental Underwriters of America, Inc. to manage its insurance coverage through Argonut Insurance as follows:

<u>Type of Coverage</u>	<u>Coverage Limits</u>		<u>Deductible</u>
	<u>Per Occurrence</u>	<u>Aggregate</u>	
Commercial and Personal Property Coverage (Includes Boiler and Machinery Coverage)	\$90,607,428		\$1,000
Ancillary Equipment (Rented)	\$150,000		\$1,000
Earthquake Damage	\$1,000,000		\$50,000
Flood Damage	\$1,000,000		\$50,000
Inland Marine	\$6,288,788		\$1,000
Crime Coverage			
Theft, Disappearance and Destruction	\$25,000		\$250
Employee Dishonesty	\$100,000		\$1,000
Forgery and Alteration	\$100,000		\$1,000
Computer Fraud	\$50,000		\$1,000
Comprehensive General Liability	\$1,000,000	\$3,000,000	\$0
Employee Benefits Liability	\$1,000,000	\$3,000,000	\$1,000
Stop Gap	\$1,000,000		
Public Officials Liability	\$1,000,000	\$3,000,000	\$5,000
Police Professional Liability	\$1,000,000	\$3,000,000	\$5,000
Property Liability	\$1,000,000	\$3,000,000	\$0
Pesticide/Herbicide Liability	\$1,000,000	\$3,000,000	\$0
Cemetery Professional Liability	Included		Included
EMT/Paramedic Malpractice Liability	Included		Included
Sewer Liability	Included		Included
Certified Acts of Terrorism	Included		Included
Automobile Liability and Physical Damage Coverage	\$1,000,000		\$0
Auto Liability Comprehensive			
Fire Vehicles	Replacement Cost		\$500
Other Vehicles	Actual Cash Value		\$500
Auto Liability Collision			
Fire Vehicles	Replacement Cost		\$500
Other Vehicles	Actual Cash Value		\$500
Hired or Borrowed Vehicle Rentals	\$50,000		\$500
Miscellaneous			
Electronic Data Processing	\$1,267,925		\$0
Umbrella Coverage	\$15,000,000		\$0
Cyber Liability	\$1,000,000	\$1,000,000	\$5,000

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

The City also carries flood insurance through the National Flood Insurance Plan (NFIP). A portion of the City has been mapped and designated an “A” area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, and thus the City is eligible to purchase coverage of \$500,000 for both Building and Contents with a \$1,000 deductible.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage limits in any of the past five fiscal years.

Workers’ Compensation Retrospective Rating Plan

The City has established a formal self-insurance program for liabilities arising from the City’s participation in the Workers’ Compensation Retrospective Rating Plan. This exposure is accounted for in the Workers Compensation Reserve Internal Service Fund, which is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements, and purchasing other specified insurance policies.

The claims liability of \$926,025 reported in the fund at December 31, 2012, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. Changes in the fund’s claims liability amount in 2011 and 2012 were as follows:

		Balance at <u>Beginning of Year</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2011	\$	547,493	\$ 246,403	\$ 97,179	\$ 696,717
2012		696,717	334,294	104,986	926,025

Note 12 - Pension Plans

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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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.shtml, 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, 2012, 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 2012. The pension allocation for the Combined Plan was 7.95 percent during calendar year 2012. The City's required pension contributions for the Traditional Pension and Combined plans for the years ended December 31, 2012, 2011, and 2010 were \$1,058,908, \$1,089,128, and \$880,536, respectively; 100 percent has been contributed for 2012, 2011 and 2010.

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.

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 the OP&F for police and firefighters were \$729,404 and \$895,979 for the year ended December 31, 2012, \$751,204 and \$927,285 for the year ended December 31, 2011, and \$696,232 and \$811,840 for the year ended December 31, 2010. The full amount has been contributed for 2012, 2011 and 2010.

Note 13 – Post-Employment Benefits

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 benefit 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

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 the OPEB Plan 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.shtml, 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 coverage. The 2012 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.

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 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to health care was lowered to 1.00 percent for both plans, as recommended by the OPERS Actuary. 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 actual employer contributions for December 31, 2012, 2011 and 2010 which were used to fund post-employment benefits were \$423,563, \$435,651, and \$508,415, respectively; 100 percent has been contributed for 2012, 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit 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.

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. That report is also available on OP&F's website at www.op-f.org.

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, 2012, 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 to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$386,155 and \$350,600 for the year ended December 31, 2012, \$397,696 and \$362,850 for the year ended December 31, 2011, and \$368,593 and \$317,677 for the year ended December 31, 2010, respectively. The full amount has been contributed for 2012, 2011 and 2010.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Note 14 – Short-Term Notes Payable

The City’s note activity, including the amount outstanding and the interest rate, is as follows:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Governmental Activities:				
<i>Various Purpose Improvement Notes, Series 2011</i>				
Street Improvements - 1.25%, 10/25/2012	\$4,350,000	\$0	(\$4,350,000)	\$0
Multi-Purpose Complex Impr. - 1.25%, 10/25/2012	710,000	0	(710,000)	0
<i>Total Various Purpose Improvement Notes, Series 2011</i>	<u>5,060,000</u>	<u>0</u>	<u>(5,060,000)</u>	<u>0</u>
<i>Library Refunding Notes, Series 2011</i>				
Library - 1.25%, 10/25/2012	2,600,000	0	(2,600,000)	0
<i>Various Purpose Improvement Notes, Series 2012</i>				
Street Improvements - 1.00%, 10/23/2013	0	3,500,000	0	3,500,000
<i>Library Refunding Notes, Series 2012</i>				
Library - 1.00%, 10/23/2013	0	1,950,000	0	1,950,000
Unamortized Premiums on Notes	56,240	37,878	(63,204)	30,914
Total Governmental Activities	<u>\$ 7,716,240</u>	<u>\$ 5,487,878</u>	<u>\$ (7,723,204)</u>	<u>\$ 5,480,914</u>

In 2012, the City issued \$3,500,000 in Various Purpose Improvement Notes. The Notes were used to retire the 2011 Street Improvement Notes that matured during 2012. These Notes will mature on October 23, 2013. The original proceeds from the Notes were not used for capital related activities.

In 2012, the City issued \$1,950,000 in Library Refunding Notes. The proceeds from these Notes were used to retire the 2011 Library Refunding Notes. These Notes will mature on October 23, 2013.

The notes are backed by the full faith and credit of the City and mature within one year. The note liabilities are reflected in the funds which received the proceeds. The premium and issuance costs are recorded in the General Bond Retirement Fund.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Note 15 – Long-Term Obligations

The original issuance date, maturity date, interest rate, and original issuance amounts for the City’s long-term obligations were as follows:

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
Governmental Activities:				
<u>General Obligation Bonds</u>				
<i>Various Purpose Improvements, Series 2005:</i>				
Service Department Vehicles/Equipment	6/29/2005	12/1/2010	3.000 - 3.200%	\$ 790,000
Aerial Platform Fire Truck	6/29/2005	12/1/2015	3.000 - 5.000%	835,000
Street Improvements	6/29/2005	12/1/2015	3.000 - 5.000%	1,305,000
Foltz Industrial Parkway Extension	6/29/2005	12/1/2025	3.000 - 5.000%	1,285,000
Royalton Road Improvements	6/29/2005	12/1/2025	3.000 - 5.000%	<u>2,470,000</u>
<i>Total Various Purpose Improvements, Series 2005</i>				6,685,000
<i>Various Purpose Improvements, Series 2006:</i>				
Service Department Motor Vehicles	9/14/2006	12/1/2011	3.750%	755,000
Technology Project	9/14/2006	12/1/2016	3.750 - 4.000%	860,000
Safety System (911 Equipment and Generator)	9/14/2006	12/1/2016	3.750 - 4.000%	575,000
Police/City Hall	9/14/2006	12/1/2026	3.750 - 5.125%	550,000
Municipal Service Center	9/14/2006	12/1/2026	3.750 - 5.125%	1,000,000
New Fire Station Ward 4	9/14/2006	12/1/2026	3.750 - 5.125%	<u>8,000,000</u>
<i>Total Various Purpose Improvements, Series 2006</i>				11,740,000
<i>Various Purpose Improvements, Series 2009-01:</i>				
Street Improvements Refunding	5/13/2009	12/1/2009	2.500%	460,000
Police Station, Jail, and Mayor's Court	5/13/2009	12/1/2034	2.250 - 5.000%	13,000,000
Intersection of Drake & Howe Roads	5/13/2009	12/1/2029	2.250 - 5.000%	1,550,000
Recreation Land Acquisition (Lunn Road)	5/13/2009	12/1/2029	2.250 - 5.000%	1,455,000
Intersection of Royalton Road and W. 130th	5/13/2009	12/1/2029	2.250 - 5.000%	<u>445,000</u>
<i>Total Various Purpose Improvements, Series 2009-01</i>				16,910,000
<i>Various Purpose Improvements, Series 2009-02:</i>				
Street Improvements (Pearl Road Widening)	12/8/2009	12/1/2029	1.500 - 5.000%	7,000,000
<i>Various Purpose Refundings, Series 2011:</i>				
Multi-Purpose Complex Refunding	9/6/2011	12/1/2021	2.000 - 4.000%	8,300,000
Police & Fire Communications Equipment	9/6/2011	12/1/2016	2.00%	485,000
Service Center Complex Renovations	9/6/2011	12/1/2021	2.000 - 4.000%	365,000
Fire Station #3	9/6/2011	12/1/2021	2.000 - 4.000%	<u>1,585,000</u>
<i>Total Various Purpose Refundings, Series 2011</i>				10,735,000

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
Governmental Activities:				
<u>Special Assessment Bonds</u>				
<i>Various Purpose Improvements, Series 1994:</i>				
Brady Lane	8/15/1994	12/1/2014	4.000 - 6.000%	112,000
Howe Road	8/15/1994	12/1/2014	4.000 - 6.000%	630,000
Royalton Road	8/15/1994	12/1/2014	4.000 - 6.000%	428,000
<i>Total Various Purpose Improvements, Series 1994</i>				1,170,000
 <i>Various Purpose Improvements, Series 1996:</i>				
Drake Road	8/15/1996	12/1/2016	4.000 - 6.700%	35,000
Lunn Road	8/15/1996	12/1/2016	4.000 - 6.700%	488,000
Howe and Royalton Roads	8/15/1996	12/1/2016	4.000 - 6.700%	732,000
<i>Total Various Purpose Improvements, Series 1996</i>				1,255,000
 <i>Street Improvements, Series 1998:</i>				
Foltz Parkway	8/15/1998	12/1/2018	4.550 - 5.500%	305,000
 Business-Type Activities:				
<u>General Obligation Bonds</u>				
<i>Various Purpose Improvements, Series 1994:</i>				
Sanitary Sewer System	8/15/1994	12/1/2014	4.000 - 8.700%	2,565,000
 <i>Various Purpose Improvements, Series 2009-01:</i>				
Sanitary Sewer Refunding, Series 1997	5/13/2009	12/1/2014	2.250 - 2.500%	1,075,000
 <u>Ohio Water Development Authority (OWDA) Loans</u>				
Westwood Park Sanitary Sewer	6/27/2002	7/1/2022	4.700%	948,523
Force Main, Pump Station and Sanitary Sewers	1/30/2003	7/1/2023	4.400%	2,259,707
Sewer Construction	5/27/2010	7/1/2030	3.390%	544,038
Drake Road East Sanitary Sewer Extension	12/9/2010	7/1/2032	2.870%	655,678
<i>Total OWDA Loans</i>				4,407,946

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Changes in the long-term obligations of the City during 2012 were as follows:

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012	Amounts Due in One Year
Governmental Activities:					
<u>General Obligation Bonds</u>					
<i>Various Purpose Improvements, Series 2005:</i>					
Aerial Platform Fire Truck	\$ 445,000	\$ -	\$ (100,000)	\$ 345,000	\$ 110,000
Street Improvements	690,000	-	(150,000)	540,000	180,000
Foltz Industrial Parkway Extension	1,200,000	-	(35,000)	1,165,000	50,000
Royalton Road Improvements	2,335,000	-	(60,000)	2,275,000	90,000
<i>Total Various Purpose Improvements, Series 2005</i>	4,670,000	-	(345,000)	4,325,000	430,000
<i>Various Purpose Improvements, Series 2006:</i>					
Technology Project	540,000	-	(65,000)	475,000	65,000
Safety System (911 Equipment and Generator)	315,000	-	(60,000)	255,000	60,000
Police/City Hall	470,000	-	(25,000)	445,000	20,000
Municipal Service Center	870,000	-	(50,000)	820,000	35,000
New Fire Station Ward 4	7,640,000	-	(125,000)	7,515,000	135,000
<i>Total Various Purpose Improvements, Series 2006</i>	9,835,000	-	(325,000)	9,510,000	315,000
<i>Various Purpose Improvements, Series 2009-01:</i>					
Police Station, Jail, and Mayor's Court	12,980,000	-	(10,000)	12,970,000	10,000
Intersection of Drake & Howe Roads	1,530,000	-	(15,000)	1,515,000	20,000
Recreation Land Acquisition (Lunn Road)	1,435,000	-	(10,000)	1,425,000	10,000
Intersection of Royalton Road and W. 130th	425,000	-	(10,000)	415,000	10,000
<i>Total Various Purpose Improvements, Series 2009-01</i>	16,370,000	-	(45,000)	16,325,000	50,000
<i>Various Purpose Improvements, Series 2009-02:</i>					
Street Improvements (Pearl Road Widening)	6,925,000	-	(50,000)	6,875,000	50,000
<i>Various Purpose Refundings, Series 2011:</i>					
Multi-Purpose Complex Refunding, Series 2001	8,300,000	-	(125,000)	8,175,000	835,000
Police & Fire Communications Equipment	485,000	-	(90,000)	395,000	110,000
Service Center Complex Renovations	365,000	-	(40,000)	325,000	60,000
Fire Station #3	1,585,000	-	(40,000)	1,545,000	150,000
<i>Total Various Purpose Refunding, Series 2011</i>	10,735,000	-	(295,000)	10,440,000	1,155,000
<i>Total General Obligation Bonds</i>	48,535,000	-	(1,060,000)	47,475,000	2,000,000
<u>Special Assessment Bonds</u>					
<i>Various Purpose Improvements, Series 1994:</i>					
Brady Lane	30,000	-	(10,000)	20,000	10,000
Howe Road	140,000	-	(45,000)	95,000	45,000
Royalton Road	95,000	-	(30,000)	65,000	30,000
<i>Total Various Purpose Improvements, Series 1994</i>	265,000	-	(85,000)	180,000	85,000
<i>Various Purpose Improvements, Series 1996:</i>					
Drake Road	13,000	-	(2,000)	11,000	2,000
Lunn Road	175,000	-	(31,000)	144,000	33,000
Howe and Royalton Roads	262,000	-	(47,000)	215,000	50,000
<i>Total Various Purpose Improvements, Series 1996</i>	450,000	-	(80,000)	370,000	85,000
<i>Street Improvements, Series 1998:</i>					
Foltz Parkway	150,000	-	(20,000)	130,000	20,000
<i>Total Special Assessment Bonds</i>	865,000	-	(185,000)	680,000	190,000

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012	Amounts Due in One Year
Governmental Activities (Continued):					
<u>Other Long-Term Obligations</u>					
Unamortized Bond Premiums	\$ 1,506,267	\$ -	\$ (117,889)	\$ 1,388,378	\$ -
Workers' Compensation Claims	696,717	334,294	(104,986)	926,025	28,294
Compensated Absences	3,212,973	1,481,212	(1,500,226)	3,193,959	1,545,233
<i>Total Other Long-Term Obligations</i>	<u>5,415,957</u>	<u>1,815,506</u>	<u>(1,723,101)</u>	<u>5,508,362</u>	<u>1,573,527</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$ 54,815,957</u>	<u>\$ 1,815,506</u>	<u>\$ (2,968,101)</u>	<u>\$ 53,663,362</u>	<u>\$ 3,763,527</u>
Business-Type Activities:					
<u>General Obligation Bonds</u>					
<i>Various Purpose Improvements, Series 1994:</i>					
Sanitary Sewer System	\$ 50,000	\$ -	\$ (15,000)	\$ 35,000	\$ 15,000
<i>Various Purpose Improvements, Series 2009-01:</i>					
Sanitary Sewer Refunding, Series 1997	565,000	-	(185,000)	380,000	190,000
<i>Total General Obligation Bonds</i>	<u>615,000</u>	<u>-</u>	<u>(200,000)</u>	<u>415,000</u>	<u>205,000</u>
<u>Ohio Water Development Authority (OWDA) Loans</u>					
Westwood Park Sanitary Sewer	605,101	-	(45,766)	559,335	47,943
Force Main, Pump Station and Sanitary Sewers	1,530,915	-	(104,841)	1,426,074	109,504
Sewer Construction	514,692	-	(20,402)	494,290	21,100
Drake Road East Sanitary Sewer Extension	-	655,678	(12,249)	643,429	25,028
<i>Total OWDA Loans</i>	<u>2,650,708</u>	<u>655,678</u>	<u>(183,258)</u>	<u>3,123,128</u>	<u>203,575</u>
<u>Other Long-Term Obligations</u>					
Compensated Absences	219,756	176,293	(130,869)	265,180	134,795
<i>Total Other Long-Term Obligations</i>	<u>219,756</u>	<u>176,293</u>	<u>(130,869)</u>	<u>265,180</u>	<u>134,795</u>
Total Business-Type Activities					
Long-Term Obligations	<u>\$ 3,485,464</u>	<u>\$ 831,971</u>	<u>\$ (514,127)</u>	<u>\$ 3,803,308</u>	<u>\$ 543,370</u>
Total Entity-Wide Long-Term Obligations	<u>\$ 58,301,421</u>	<u>\$ 2,647,477</u>	<u>\$ (3,482,228)</u>	<u>\$ 57,466,670</u>	<u>\$ 4,306,897</u>

Ohio Water Development Authority (OWDA) loans will be paid from sewer user charges and special assessments collected in the Sanitary Sewer Fund. General obligation bonds will be paid from the General Bond Retirement Fund, Emergency Vehicle Fund, Pearl Road TIF Fund, and Sanitary Sewer Fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners paid from the General Bond Retirement Fund. In the event that a property owner would fail to pay the assessment, payment would be made by the City. Workers' Compensation claims will be paid from the Workers' Compensation Reserve Fund (refer to Note 11 for further information). The compensated absences liability will primarily be paid from the General Fund.

In prior periods, the City was approved for a loan from the OWDA. In May 2012, the City received the loan proceeds in the amount of \$655,678 with an interest rate of 2.87 percent. This loan was obtained to finance the residents' share of the construction costs associated with the installation of approximately 6,000 linear feet of gravity sanitary sewer, 2,300 linear feet of 3" force main, one lift station and appurtenances, to facilitate Greenbrier Drive and a portion of Drake Road. This project eliminated 105 septic systems within the City. This loan will be repaid from the proceeds of special assessments levied against the property owners that benefitted from the project.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2012 are as follows:

Governmental Activities						
Years	General Obligation Bonds		Special Assessment Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$2,000,000	\$1,951,235	\$190,000	\$40,340	\$2,190,000	\$1,991,575
2014	2,055,000	1,896,873	205,000	28,615	2,260,000	1,925,488
2015	2,115,000	1,835,829	115,000	16,505	2,230,000	1,852,334
2016	2,180,000	1,770,769	120,000	9,800	2,300,000	1,780,569
2017	2,340,000	1,708,719	50,000	4,125	2,390,000	1,712,844
2018-2022	12,620,000	7,146,672	0	0	12,620,000	7,146,672
2023-2027	13,860,000	4,291,271	0	0	13,860,000	4,291,271
2028-2032	7,780,000	1,510,606	0	0	7,780,000	1,510,606
2033-2037	2,525,000	176,444	0	0	2,525,000	176,444
Total	<u>\$47,475,000</u>	<u>\$22,288,418</u>	<u>\$680,000</u>	<u>\$99,385</u>	<u>\$48,155,000</u>	<u>\$22,387,803</u>

Business-Type Activities						
Years	General Obligation Bonds		OWDA Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$205,000	\$11,600	\$203,575	\$122,155	\$408,575	\$133,755
2014	210,000	5,950	212,171	113,560	422,171	119,510
2015	0	0	221,137	104,592	221,137	104,592
2016	0	0	230,490	95,239	230,490	95,239
2017	0	0	240,248	85,482	240,248	85,482
2018-2022	0	0	1,326,181	265,631	1,326,181	265,631
2023-2027	0	0	418,092	72,415	418,092	72,415
2028-2032	0	0	271,234	17,887	271,234	17,887
Total	<u>\$415,000</u>	<u>\$17,550</u>	<u>\$3,123,128</u>	<u>\$876,961</u>	<u>\$3,538,128</u>	<u>\$894,511</u>

Note 16 – Construction Commitments and Operating Lease

As of December 31, 2012, the City had the following significant commitments with respect to capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>
Pearl Road Widening Phase II	\$ 1,679,118
Albion and Prospect	<u>94,922</u>
Total Construction Commitments	<u>\$ 1,774,040</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Operating Lease

In September 2002, the City entered in a 15 year lease agreement for the use of portions of a privately owned ice rink facility. The lease expires on August 31, 2017 and the City has the option to renew the lease at that time. Based on accounting for leases, this lease is accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations. During 2012, expenditures for the operating lease totaled \$275,000.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2012.

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$ 275,000
2014	275,000
2015	275,000
2016	275,000
2017	206,250
Total	<u>\$ 1,306,250</u>

Note 17 – Contingent Liabilities

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Note 18 - Jointly Governed Organizations

Southwest General Health Center

The Southwest General Health Center is an Ohio nonprofit corporation providing health services. The Health Center is a jointly governed organization among the communities of Berea, Brook Park, Columbia Township, Middleburg Heights, Olmsted Falls and Strongsville.

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, and the president and the vice president of the medical staff. The legislative body of each political subdivision elects their own member to serve on the Board of Trustees of the Health Center.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2012, the City of Strongsville contributed \$313,983 to the Health Center. Financial information may be obtained by writing to the Southwest General Health Center, 18697 Bagley Road, Middleburg Heights, Ohio 44130-3497.

Regional Council of Governments

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 208 municipalities throughout the State of Ohio. The City was one of the original members of RCOG. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio, 44141.

Southwest Council of Governments

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions, and regional development. The Council's Board is comprised of one member from each of the 19 participating cities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT"), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2012, the City of Strongsville contributed \$15,000 to the Council. Financial information may be obtained by writing to the Finance Director of the City of Berea, at 11 Berea Commons, Berea, Ohio 44017.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 173 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the ten-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012
(Continued)

Southwest Regional Communications

The Southwest Regional Communications is a jointly-governed organization between the City and three other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of the Southwest Regional Communications is to establish, own, operate, maintain, and administer, a regional communications network for public safety and public service purposes for the mutual benefit of the participating communities. This organization is controlled by a governing body consisting of each participating community's mayor or his/her delegate or representative. The degree of control exercised by any member is limited to its representation on the governing board. All members agree to contribute the sums of money on a shared basis as agreed per the requirements set forth in the Articles of Understanding. In accordance with GASB Statement No. 14, the City does not have an equity interest in the organization. Financial information may be obtained by writing to the Finance Director of the City of Brook Park, at 6161 Engle Road, Brook Park, Ohio 44142 or by calling 216-433-1300.

Note 19 – Revenue Sharing Agreement

In 2012, the City continued to share income tax revenue with the Strongsville City School District for properties within the City's business parks that received tax abatement through the Enterprise Zone program. In 2012, the City paid \$355,394 to the School District as a result of the revenue sharing agreements.

Combining Statements

Fund Descriptions – 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:

Police Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (19.50 percent) of the current police pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

State Highway Maintenance Fund - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and motor vehicle registration fees. State law requires that these taxes be used for maintenance and repair of the state highways within the City.

Motor Vehicle Fund - This fund accounts for the additional \$5 tax levied upon the vehicles registered within the City to be used specifically for the maintenance of public roads and highways within the City.

Emergency Vehicle Fund - This fund accounts for the revenues generated by the charges for emergency medical services to be used for the acquisition of emergency medical service vehicles, or any other equipment related to or required for emergency medical services operations, and any other public safety related vehicles or equipment utilized at the time of and in conjunction with calls for emergency medical services.

Fire Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (24.00 percent) of the current fire pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

Clerk of Courts Computerization Fund - This fund accounts for the revenue received from court costs assessed under the authority of Ohio Revised Code Section 1901.261(b) by the Mayor's Court on the filing of each cause of action or appeal, certificate of judgment or modifications of judgment for the purpose of procuring or maintaining computer systems of the office of the clerk of the Mayor's Court.

Drainage Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 0.5, effective millage 0.092756 for tax year 2011/collection year 2012) approved for the purpose of constructing, reconstructing and renovating storm sewers and storm drainage facilities.

Multi-Purpose Complex Fund – This fund accounts for the revenue received from various recreation/senior membership and user fees. Transfers are made from the General Fund to provide additional resources.

Southwest General Hospital Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 1.0, effective millage 0.185512 for tax year 2011/collection year 2012) approved for the use, maintenance and support of Southwest General Hospital by the residents of Strongsville.

Law Enforcement Federal Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the United States government that was relinquished in accordance with the Comprehensive Drug Penalty Act of 1984 to be used by local law enforcement.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

Law Enforcement State Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the Cuyahoga County Common Pleas Court with the State of Ohio, which was relinquished in accordance with Section (D) (1) to (8) of Ohio Revised Code Section 2933.41. Eighty percent of the seizure or forfeiture is to be used by local law enforcement while the remaining twenty percent is forwarded to the Cuyahoga County Prosecuting Attorney's Office.

Law Enforcement Drug Fine Fund – This fund accounts for all fines imposed and bail forfeited by an individual convicted of certain drug offenses to be used by local law enforcement.

Law Enforcement DWI/DUI Fund - This fund accounts for fines and penalties received for DWI/DUI violations. These funds are to be used for costs incurred in enforcing DWI/DUI laws, incarceration costs and public education.

Tree Fund - This fund accounts for various fees and permits charged pursuant to City Ordinances for the purpose of planting, replacing, maintaining, protecting and promoting trees within the City.

Community Diversion Fund - This fund accounts for the revenue received from the Juvenile Court Division of the Cuyahoga County Court of Common Pleas. The purpose of this program is to divert local youth who are juvenile offenders of misdemeanor and status offenses from formal court action and to utilize community resources to ameliorate the situations.

Earned Benefits Fund - This fund accounts for the revenue set-aside by City Council used for the payment of accumulated sick and vacation leave balances upon the termination of employment by employees of the City and to provide funds for the payment of salaries and related fringes during a twenty-seven pay per year per Ohio Revised Code Section 5705.13. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

Nonmajor Debt Service Fund

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City's debt service fund follows:

Royalton Road TIF Fund – This fund accounts for the revenue received by Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2008-220. The general area affected by this TIF is north of Route 82 and Howe Road intersection.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project 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:

Recreation Capital Improvement Fund – This fund accounts for resources restricted for recreation improvements. Resources include federal, state, and local grants, dedicated building fees and debt proceeds.

Pearl Road Capital Improvement Fund – This fund accounts for federal, state, and local grants, debt proceeds and other resources used to make major improvements to Pearl Road.

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED				
OUTFLOWS OF RESOURCES				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,755,575	\$ 117,567	\$ 2,460,542	\$ 6,333,684
Materials and Supplies Inventory	250	-	-	250
Accrued Interest Receivable	1,067	12	-	1,079
Accounts Receivable	264,382	-	-	264,382
Intergovernmental Receivable	155,668	139,000	-	294,668
Prepaid Items	49,985	-	-	49,985
Property Taxes Receivable	1,143,807	-	-	1,143,807
Permissive Motor Vehicle Taxes Receivable	23,541	-	-	23,541
<i>Total Assets</i>	<u>5,394,275</u>	<u>256,579</u>	<u>2,460,542</u>	<u>8,111,396</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,394,275</u>	<u>\$ 256,579</u>	<u>\$ 2,460,542</u>	<u>\$ 8,111,396</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 54,348	\$ -	\$ 70,945	\$ 125,293
Accrued Wages and Benefits	83,687	-	-	83,687
Contracts Payable	112,049	-	18,831	130,880
Intergovernmental Payable	120,759	-	-	120,759
Retainage Payable	9,476	-	-	9,476
Interfund Payable	690,000	-	2,000,000	2,690,000
<i>Total Liabilities</i>	<u>1,070,319</u>	<u>-</u>	<u>2,089,776</u>	<u>3,160,095</u>
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	1,098,219	139,000	-	1,237,219
Unavailable Revenue - Delinquent Property Taxes	45,588	-	-	45,588
Unavailable Revenue - Other	280,561	-	-	280,561
<i>Total Deferred Inflows of Resources</i>	<u>1,424,368</u>	<u>139,000</u>	<u>-</u>	<u>1,563,368</u>
Fund Balances:				
Nonspendable	50,235	-	-	50,235
Restricted	803,380	117,579	152,608	1,073,567
Committed	2,552,187	-	218,158	2,770,345
Unassigned	(506,214)	-	-	(506,214)
<i>Total Fund Balances (Deficits)</i>	<u>2,899,588</u>	<u>117,579</u>	<u>370,766</u>	<u>3,387,933</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,394,275</u>	<u>\$ 256,579</u>	<u>\$ 2,460,542</u>	<u>\$ 8,111,396</u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 1,153,984	\$ -	\$ -	\$ 1,153,984
Permissive Motor Vehicle Taxes	324,002	-	-	324,002
Payments in Lieu of Taxes	-	147,400	-	147,400
Intergovernmental	361,893	-	334,955	696,848
Interest	6,599	69	-	6,668
Fees, Licenses, and Permits	68,379	-	-	68,379
Fines and Forfeitures	52,166	-	-	52,166
Charges for Services	4,033,944	-	51,100	4,085,044
Contributions and Donations	17,150	-	-	17,150
All Other Revenues	650	-	-	650
Total Revenues	<u>6,018,767</u>	<u>147,469</u>	<u>386,055</u>	<u>6,552,291</u>
EXPENDITURES				
Security of Persons and Property	2,685,113	-	-	2,685,113
Public Health Services	311,680	-	-	311,680
Leisure Time Activities	4,520,116	-	-	4,520,116
Community Environment	90,262	-	-	90,262
Basic Utility Services	55,996	-	-	55,996
Transportation	105,207	-	-	105,207
General Government	37,177	2,427	-	39,604
Capital Outlay	1,732,893	-	887,562	2,620,455
Debt Service:				
Principal Retirement	100,000	-	-	100,000
Interest and Fiscal Charges	20,150	-	-	20,150
Total Expenditures	<u>9,658,594</u>	<u>2,427</u>	<u>887,562</u>	<u>10,548,583</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,639,827)</u>	<u>145,042</u>	<u>(501,507)</u>	<u>(3,996,292)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,200	-	-	1,200
Transfers In	2,607,000	-	960,000	3,567,000
Transfers Out	-	(50,700)	-	(50,700)
Total Other Financing Sources (Uses)	<u>2,608,200</u>	<u>(50,700)</u>	<u>960,000</u>	<u>3,517,500</u>
Net Change in Fund Balances	(1,031,627)	94,342	458,493	(478,792)
Fund Balances - Beginning of Year	3,931,215	23,237	(87,727)	3,866,725
Fund Balances - End of Year	<u>\$ 2,899,588</u>	<u>\$ 117,579</u>	<u>\$ 370,766</u>	<u>\$ 3,387,933</u>

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	<u>Police Pension</u>	<u>State Highway Maintenance</u>	<u>Motor Vehicle</u>	<u>Emergency Vehicle</u>	<u>Fire Pension</u>
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 110,984	\$ 212,162	\$ 162,816	\$ 2,168,737	\$ 80,319
Materials and Supplies Inventory	-	-	-	-	-
Accrued Interest Receivable	-	62	125	880	-
Accounts Receivable	-	-	-	264,382	-
Intergovernmental Receivable	23,565	68,981	-	8,430	23,565
Prepaid Items	-	-	-	-	-
Property Taxes Receivable	358,314	-	-	-	358,314
Permissive Motor Vehicle Taxes Receivable	-	-	23,541	-	-
<i>Total Assets</i>	<u>492,863</u>	<u>281,205</u>	<u>186,482</u>	<u>2,442,429</u>	<u>462,198</u>
Total Assets and Deferred					
Outflows of Resources	<u>\$ 492,863</u>	<u>\$ 281,205</u>	<u>\$ 186,482</u>	<u>\$ 2,442,429</u>	<u>\$ 462,198</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 14,632	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Contracts Payable	-	-	-	-	-
Intergovernmental Payable	54,186	-	-	-	53,658
Retainage Payable	-	-	-	-	-
Interfund Payable	-	-	-	-	-
<i>Total Liabilities</i>	<u>54,186</u>	<u>-</u>	<u>-</u>	<u>14,632</u>	<u>53,658</u>
Deferred Inflows of Resources:					
Property Taxes	344,041	-	-	-	344,041
Unavailable Revenue - Delinquent Property Taxes	14,273	-	-	-	14,273
Unavailable Revenue - Other	23,565	54,487	-	150,187	23,565
<i>Total Deferred Inflows of Resources</i>	<u>381,879</u>	<u>54,487</u>	<u>-</u>	<u>150,187</u>	<u>381,879</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	56,798	226,718	186,482	-	26,661
Committed	-	-	-	2,277,610	-
Unassigned	-	-	-	-	-
<i>Total Fund Balances (Deficit)</i>	<u>56,798</u>	<u>226,718</u>	<u>186,482</u>	<u>2,277,610</u>	<u>26,661</u>
Total Liabilities, Deferred Inflows of					
Resources and Fund Balances	<u>\$ 492,863</u>	<u>\$ 281,205</u>	<u>\$ 186,482</u>	<u>\$ 2,442,429</u>	<u>\$ 462,198</u>

<u>Clerk of Courts Computerization</u>	<u>Drainage Levy</u>	<u>Multi- Purpose Complex</u>	<u>Southwest General Hospital Levy</u>	<u>Law Enforcement Federal Seizure</u>	<u>Law Enforcement State Seizure</u>	<u>Law Enforcement Drug Fine</u>
\$ 208,451	\$ 305,311	\$ 260,120	\$ -	\$ 40,794	\$ 24,933	\$ 727
-	-	250	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
845	11,045	-	17,712	-	-	-
-	-	49,985	-	-	-	-
-	142,394	-	284,785	-	-	-
-	-	-	-	-	-	-
<u>209,296</u>	<u>458,750</u>	<u>310,355</u>	<u>302,497</u>	<u>40,794</u>	<u>24,933</u>	<u>727</u>
<u>\$ 209,296</u>	<u>\$ 458,750</u>	<u>\$ 310,355</u>	<u>\$ 302,497</u>	<u>\$ 40,794</u>	<u>\$ 24,933</u>	<u>\$ 727</u>
\$ 1,334	\$ -	\$ 37,402	\$ -	\$ -	\$ -	\$ -
-	-	83,687	-	-	-	-
-	112,049	-	-	-	-	-
-	-	12,915	-	-	-	-
-	9,476	-	-	-	-	-
-	690,000	-	-	-	-	-
<u>1,334</u>	<u>811,525</u>	<u>134,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	136,713	-	273,424	-	-	-
-	5,681	-	11,361	-	-	-
-	11,045	-	17,712	-	-	-
<u>-</u>	<u>153,439</u>	<u>-</u>	<u>302,497</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	50,235	-	-	-	-
207,962	-	-	-	40,794	24,933	727
-	-	126,116	-	-	-	-
-	(506,214)	-	-	-	-	-
<u>207,962</u>	<u>(506,214)</u>	<u>176,351</u>	<u>-</u>	<u>40,794</u>	<u>24,933</u>	<u>727</u>
<u>\$ 209,296</u>	<u>\$ 458,750</u>	<u>\$ 310,355</u>	<u>\$ 302,497</u>	<u>\$ 40,794</u>	<u>\$ 24,933</u>	<u>\$ 727</u>

(Continued)

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2012

	Law Enforcement DWI/DUI	Tree	Community Diversion	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED				
OUTFLOWS OF RESOURCES				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 28,211	\$ 149,441	\$ 2,569	\$ 3,755,575
Materials and Supplies Inventory	-	-	-	250
Accrued Interest Receivable	-	-	-	1,067
Accounts Receivable	-	-	-	264,382
Intergovernmental Receivable	25	-	1,500	155,668
Prepaid Items	-	-	-	49,985
Property Taxes Receivable	-	-	-	1,143,807
Permissive Motor Vehicle Taxes Receivable	-	-	-	23,541
<i>Total Assets</i>	<u>28,236</u>	<u>149,441</u>	<u>4,069</u>	<u>5,394,275</u>
Total Assets and Deferred				
Outflows of Resources	<u>\$ 28,236</u>	<u>\$ 149,441</u>	<u>\$ 4,069</u>	<u>\$ 5,394,275</u>
LIABILITIES, DEFERRED INFLOWS OF				
RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 980	\$ -	\$ 54,348
Accrued Wages and Benefits	-	-	-	83,687
Contracts Payable	-	-	-	112,049
Intergovernmental Payable	-	-	-	120,759
Retainage Payable	-	-	-	9,476
Interfund Payable	-	-	-	690,000
<i>Total Liabilities</i>	<u>-</u>	<u>980</u>	<u>-</u>	<u>1,070,319</u>
Deferred Inflows of Resources:				
Property Taxes	-	-	-	1,098,219
Unavailable Revenue - Delinquent Property Taxes	-	-	-	45,588
Unavailable Revenue - Other	-	-	-	280,561
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,424,368</u>
Fund Balances:				
Nonspendable	-	-	-	50,235
Restricted	28,236	-	4,069	803,380
Committed	-	148,461	-	2,552,187
Unassigned	-	-	-	(506,214)
<i>Total Fund Balances (Deficit)</i>	<u>28,236</u>	<u>148,461</u>	<u>4,069</u>	<u>2,899,588</u>
Total Liabilities, Deferred Inflows of				
Resources and Fund Balances	<u>\$ 28,236</u>	<u>\$ 149,441</u>	<u>\$ 4,069</u>	<u>\$ 5,394,275</u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Police Pension	State Highway Maintenance	Motor Vehicle	Emergency Vehicle	Fire Pension
REVENUES					
Property Taxes	\$ 365,547	\$ -	\$ -	\$ -	\$ 365,547
Permissive Motor Vehicle Taxes	-	-	324,002	-	-
Intergovernmental	63,064	134,700	-	7,558	63,064
Interest	-	410	888	5,301	-
Fees, Licenses, and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	-	-	999,980	-
Contributions and Donations	-	-	-	10,000	-
All Other Revenues	-	-	-	-	-
Total Revenues	428,611	135,110	324,890	1,022,839	428,611
EXPENDITURES					
Security of Persons and Property	1,118,109	-	-	296,845	1,253,080
Public Health Services	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	-	-
Basic Utility Services	-	-	-	-	-
Transportation	-	105,207	-	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	300,000	525,525	-
Debt Service:					
Principal Retirement	-	-	-	100,000	-
Interest and Fiscal Charges	-	-	-	20,150	-
Total Expenditures	1,118,109	105,207	300,000	942,520	1,253,080
Excess of Revenues Over (Under) Expenditures	(689,498)	29,903	24,890	80,319	(824,469)
OTHER FINANCING SOURCES					
Sale of Capital Assets	-	-	-	-	-
Transfer In	640,000	-	-	-	767,000
Total Other Financing Sources	640,000	-	-	-	767,000
Net Change in Fund Balances	(49,498)	29,903	24,890	80,319	(57,469)
Fund Balances - Beginning of Year	106,296	196,815	161,592	2,197,291	84,130
Fund Balances (Deficit) - End of Year	\$ 56,798	\$ 226,718	\$186,482	\$2,277,610	\$ 26,661

(Continued)

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2012

	Clerk of Courts Computerization	Drainage Levy	Multi- Purpose Complex	Southwest General Hospital Levy
REVENUES				
Property Taxes	\$ -	\$ 140,963	\$ -	\$ 281,927
Permissive Motor Vehicle Taxes	-	-	-	-
Intergovernmental	-	39,754	15,000	29,753
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	15,750	-	-	-
Charges for Services	-	-	3,033,964	-
Contributions and Donations	-	-	7,150	-
All Other Revenues	-	650	-	-
Total Revenues	15,750	181,367	3,056,114	311,680
EXPENDITURES				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	311,680
Leisure Time Activities	-	-	4,520,116	-
Community Environment	-	-	-	-
Basic Utility Services	-	55,996	-	-
Transportation	-	-	-	-
General Government	37,177	-	-	-
Capital Outlay	-	862,912	44,456	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	37,177	918,908	4,564,572	311,680
Excess of Revenues Over (Under) Expenditures	(21,427)	(737,541)	(1,508,458)	-
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	1,200	-
Transfer In	-	-	1,200,000	-
Total Other Financing Sources	-	-	1,201,200	-
Net Change in Fund Balances	(21,427)	(737,541)	(307,258)	-
Fund Balances - Beginning of Year	229,389	231,327	483,609	-
Fund Balances (Deficit) - End of Year	\$ 207,962	\$(506,214)	\$ 176,351	\$ -

Law Enforcement Federal Seizure	Law Enforcement State Seizure	Law Enforcement Drug Fine	Law Enforcement DWI/DUI	Tree	Community Diversion	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,153,984
-	-	-	-	-	-	324,002
-	-	-	-	-	9,000	361,893
-	-	-	-	-	-	6,599
-	-	-	-	68,379	-	68,379
31,341	270	200	1,615	-	2,990	52,166
-	-	-	-	-	-	4,033,944
-	-	-	-	-	-	17,150
-	-	-	-	-	-	650
<u>31,341</u>	<u>270</u>	<u>200</u>	<u>1,615</u>	<u>68,379</u>	<u>11,990</u>	<u>6,018,767</u>
-	325	2,809	195	-	13,750	2,685,113
-	-	-	-	-	-	311,680
-	-	-	-	-	-	4,520,116
-	-	-	-	90,262	-	90,262
-	-	-	-	-	-	55,996
-	-	-	-	-	-	105,207
-	-	-	-	-	-	37,177
-	-	-	-	-	-	1,732,893
-	-	-	-	-	-	100,000
-	-	-	-	-	-	20,150
-	325	2,809	195	90,262	13,750	9,658,594
<u>31,341</u>	<u>(55)</u>	<u>(2,609)</u>	<u>1,420</u>	<u>(21,883)</u>	<u>(1,760)</u>	<u>(3,639,827)</u>
-	-	-	-	-	-	1,200
-	-	-	-	-	-	2,607,000
-	-	-	-	-	-	2,608,200
<u>31,341</u>	<u>(55)</u>	<u>(2,609)</u>	<u>1,420</u>	<u>(21,883)</u>	<u>(1,760)</u>	<u>(1,031,627)</u>
9,453	24,988	3,336	26,816	170,344	5,829	3,931,215
<u>\$ 40,794</u>	<u>\$ 24,933</u>	<u>\$ 727</u>	<u>\$ 28,236</u>	<u>\$148,461</u>	<u>\$ 4,069</u>	<u>\$2,899,588</u>

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	<u>Recreation Capital Improvement</u>	<u>Pearl Road Capital Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES			
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 218,158	\$ 2,242,384	\$ 2,460,542
Total Assets and Deferred			
Outflows of Resources	<u>\$ 218,158</u>	<u>\$ 2,242,384</u>	<u>\$ 2,460,542</u>
LIABILITIES, DEFERRED INFLOWS OF			
RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	-	70,945	70,945
Contracts Payable	-	18,831	18,831
Interfund Payable	-	2,000,000	2,000,000
<i>Total Liabilities</i>	<u>-</u>	<u>2,089,776</u>	<u>2,089,776</u>
Fund Balances:			
Restricted	-	152,608	152,608
Committed	218,158	-	218,158
<i>Total Fund Balance</i>	<u>218,158</u>	<u>152,608</u>	<u>370,766</u>
Total Liabilities, Deferred Inflows of			
Resources and Fund Balances	<u>\$ 218,158</u>	<u>\$ 2,242,384</u>	<u>\$ 2,460,542</u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2012

	Recreation Capital Improvement	Pearl Road Capital Improvement	Total Nonmajor Capital Projects Funds
REVENUES			
Intergovernmental	\$ -	\$ 334,955	\$ 334,955
Charges for Services	51,100	-	51,100
Total Revenues	51,100	334,955	386,055
EXPENDITURES			
Capital Outlay	262,548	625,014	887,562
Total Expenditures	262,548	625,014	887,562
Excess of Revenues (Under) Expenditures	(211,448)	(290,059)	(501,507)
OTHER FINANCING SOURCES			
Transfer In	960,000	-	960,000
Total Other Financing Sources	960,000	-	960,000
Net Change in Fund Balances	748,552	(290,059)	458,493
Fund Balances - Beginning of Year	(530,394)	442,667	(87,727)
Fund Balances - End of Year	\$ 218,158	\$ 152,608	\$ 370,766

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Bond Escrow Fund – This fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to insure compliance with various City ordinances.

Mayor's Court Fund – This fund is used to account for the receipt of fines collected through the Mayor's Court established by the Ohio Revised Code and City ordinances.

City of Strongsville, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	<u>Balance</u> <u>12/31/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2012</u>
Bond Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 288,481	\$ 412,066	\$ 323,536	\$ 377,011
Liabilities				
Deposits Held and Due to Others	\$ 288,481	\$ 412,066	\$ 323,536	\$ 377,011
Mayor's Court				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 57,841	\$ 753,822	\$ 779,207	\$ 32,456
Liabilities				
Deposits Held and Due to Others	\$ 57,841	\$ 753,822	\$ 779,207	\$ 32,456
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 288,481	\$ 412,066	\$ 323,536	\$ 377,011
Cash and Cash Equivalents: in Segregated Accounts	57,841	753,822	779,207	32,456
Total Assets	<u>\$ 346,322</u>	<u>\$1,165,888</u>	<u>\$1,102,743</u>	<u>\$ 409,467</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 346,322</u>	<u>\$1,165,888</u>	<u>\$1,102,743</u>	<u>\$ 409,467</u>

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

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 24,000,000	\$ 26,050,000	\$ 26,085,973	\$ 35,973
Property Taxes	474,187	429,559	422,891	(6,668)
Hotel Taxes	160,000	183,000	180,726	(2,274)
Intergovernmental Revenues	1,120,255	2,128,087	2,266,882	138,795
Charges for Services	213,400	321,900	310,903	(10,997)
Fees, Licenses, and Permits	651,900	759,800	740,049	(19,751)
Fines and Forfeitures	547,500	649,000	645,197	(3,803)
Interest Income	50,000	60,000	56,356	(3,644)
Contributions and Donations	3,000	3,000	1,000	(2,000)
Miscellaneous	566,700	594,000	580,874	(13,126)
<i>Total Revenues</i>	<u>27,786,942</u>	<u>31,178,346</u>	<u>31,290,851</u>	<u>112,505</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Public Safety Director:				
Personal Services	-	32,300	26,179	6,121
Other	-	3,000	11	2,989
Total Police	<u>-</u>	<u>35,300</u>	<u>26,190</u>	<u>9,110</u>
Police:				
Personal Services	9,426,100	9,579,700	9,320,402	259,298
Other	1,352,800	1,069,100	886,384	182,716
Total Police	<u>10,778,900</u>	<u>10,648,800</u>	<u>10,206,786</u>	<u>442,014</u>
Street Lighting:				
Other	-	400,000	346,310	53,690
Total Security of Persons and Property	<u>10,778,900</u>	<u>11,084,100</u>	<u>10,579,286</u>	<u>504,814</u>
Public Health Services:				
Cemetery:				
Personal Services	105,200	104,000	94,313	9,687
Other	184,200	12,200	8,663	3,537
Total Cemetery	<u>289,400</u>	<u>116,200</u>	<u>102,976</u>	<u>13,224</u>
County Board of Health:				
Other	-	172,000	171,840	160
Total Public Health Services	<u>289,400</u>	<u>288,200</u>	<u>274,816</u>	<u>13,384</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2012
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities:				
Parks:				
Personal Services	91,300	91,800	91,031	769
Other	115,000	136,100	122,720	13,380
Total Leisure Time Activities	<u>206,300</u>	<u>227,900</u>	<u>213,751</u>	<u>14,149</u>
Community Environment:				
Building:				
Personal Services	812,700	820,800	816,744	4,056
Other	148,000	178,000	125,990	52,010
Total Building	<u>960,700</u>	<u>998,800</u>	<u>942,734</u>	<u>56,066</u>
Architectural Board of Review:				
Other	<u>5,000</u>	<u>6,000</u>	<u>2,376</u>	<u>3,624</u>
Planning Commission:				
Personal Services	87,900	93,400	90,290	3,110
Other	71,800	82,800	79,229	3,571
Total Planning Commission	<u>159,700</u>	<u>176,200</u>	<u>169,519</u>	<u>6,681</u>
Board of Appeals:				
Other	<u>9,500</u>	<u>10,500</u>	<u>7,982</u>	<u>2,518</u>
Board of Building Standards:				
Other	<u>1,000</u>	<u>2,000</u>	<u>51</u>	<u>1,949</u>
Economic Development:				
Personal Services	115,000	118,500	116,170	2,330
Other	404,600	44,600	18,878	25,722
Total Economic Development	<u>519,600</u>	<u>163,100</u>	<u>135,048</u>	<u>28,052</u>
Strongsville City Schools Revenue Sharing:				
Other	<u>-</u>	<u>360,000</u>	<u>355,394</u>	<u>4,606</u>
Total Community Environment	<u>1,655,500</u>	<u>1,716,600</u>	<u>1,613,104</u>	<u>103,496</u>
Basic Utility Services:				
Rubbish:				
Other	2,353,000	2,358,000	1,996,156	361,844
Total Basic Utility Services	<u>2,353,000</u>	<u>2,358,000</u>	<u>1,996,156</u>	<u>361,844</u>

(Continued)

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2012
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
Council:				
Personal Services	303,700	309,500	307,923	1,577
Other	18,000	22,000	12,744	9,256
Total Council	<u>321,700</u>	<u>331,500</u>	<u>320,667</u>	<u>10,833</u>
Mayor's Office:				
Personal Services	416,000	386,900	374,057	12,843
Other	14,300	16,300	7,867	8,433
Total Mayor's Office	<u>430,300</u>	<u>403,200</u>	<u>381,924</u>	<u>21,276</u>
Human Resources:				
Personal Services	133,500	137,000	135,434	1,566
Other	28,200	86,700	69,588	17,112
Total Human Resources	<u>161,700</u>	<u>223,700</u>	<u>205,022</u>	<u>18,678</u>
Finance:				
Personal Services	500,800	549,100	533,058	16,042
Other	21,900	21,900	12,732	9,168
Total Finance	<u>522,700</u>	<u>571,000</u>	<u>545,790</u>	<u>25,210</u>
Law:				
Personal Services	403,800	409,000	406,703	2,297
Other	186,300	186,300	66,019	120,281
Total Legal	<u>590,100</u>	<u>595,300</u>	<u>472,722</u>	<u>122,578</u>
Communication and Technology:				
Personal Services	450,800	452,500	443,946	8,554
Other	877,000	852,000	724,117	127,883
Total Communication and Technology	<u>1,327,800</u>	<u>1,304,500</u>	<u>1,168,063</u>	<u>136,437</u>
Mayor's Court:				
Personal Services	129,400	130,300	126,409	3,891
Other	80,700	80,700	76,052	4,648
Total Mayor's Court	<u>210,100</u>	<u>211,000</u>	<u>202,461</u>	<u>8,539</u>
Civil Service:				
Other	45,000	45,000	29,329	15,671

(Continued)

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2012
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Miscellaneous:				
Other	1,246,200	1,321,200	1,216,486	104,714
Total General Government	4,855,600	5,006,400	4,542,464	463,936
<i>Total Expenditures</i>	<u>20,138,700</u>	<u>20,681,200</u>	<u>19,219,577</u>	<u>1,461,623</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	7,648,242	10,497,146	12,071,274	1,574,128
Other Financing Sources (Uses)				
Sale of Capital Assets	20,000	43,000	46,262	3,262
Advances In	500,000	1,636,000	636,000	(1,000,000)
Advances Out	-	(2,826,000)	(2,826,000)	-
Transfers Out	(8,261,300)	(10,092,000)	(10,092,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(7,741,300)</u>	<u>(11,239,000)</u>	<u>(12,235,738)</u>	<u>(996,738)</u>
<i>Net Change in Fund Balance</i>	(93,058)	(741,854)	(164,464)	577,390
<i>Fund Balance - Beginning of Year</i>	<u>7,596,631</u>	<u>7,596,631</u>	<u>7,596,631</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 7,503,573</u>	<u>\$ 6,854,777</u>	<u>\$ 7,432,167</u>	<u>\$ 577,390</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 3,000,000	\$ 3,100,000	\$ 3,071,206	\$ (28,794)
Intergovernmental Revenues	1,620,000	1,760,000	1,761,336	1,336
Charges for Services	-	500	350	(150)
Interest Income	10,000	9,000	7,914	(1,086)
<i>Total Revenues</i>	<u>4,630,000</u>	<u>4,869,500</u>	<u>4,840,806</u>	<u>(28,694)</u>
Expenditures:				
Current:				
Transportation:				
Street Repairs:				
Personal Services	4,150,900	4,174,700	3,975,115	199,585
Other	1,734,500	2,132,900	1,944,378	188,522
Total Street Repairs	<u>5,885,400</u>	<u>6,307,600</u>	<u>5,919,493</u>	<u>388,107</u>
Traffic Signal Maintenance:				
Personal Services	208,700	206,100	184,712	21,388
Other	246,800	246,800	182,826	63,974
Total Traffic Signal Maintenance	<u>455,500</u>	<u>452,900</u>	<u>367,538</u>	<u>85,362</u>
Snow Removal:				
Other	660,000	550,000	503,535	46,465
Municipal Garage:				
Personal Services	633,200	624,500	591,829	32,671
Other	868,300	868,300	761,087	107,213
Total Municipal Garage	<u>1,501,500</u>	<u>1,492,800</u>	<u>1,352,916</u>	<u>139,884</u>
<i>Total Expenditures</i>	<u>8,502,400</u>	<u>8,803,300</u>	<u>8,143,482</u>	<u>659,818</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,872,400)	(3,933,800)	(3,302,676)	631,124
Other Financing Sources				
Sale of Capital Assets	-	80,000	73,365	(6,635)
Transfers In	3,170,000	3,370,000	3,370,000	-
<i>Total Other Financing Sources</i>	<u>3,170,000</u>	<u>3,450,000</u>	<u>3,443,365</u>	<u>(6,635)</u>
<i>Net Change in Fund Balance</i>	(702,400)	(483,800)	140,689	624,489
<i>Fund Balance - Beginning of Year</i>	<u>2,703,821</u>	<u>2,703,821</u>	<u>2,703,821</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 2,001,421</u>	<u>\$ 2,220,021</u>	<u>\$ 2,844,510</u>	<u>\$ 624,489</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire Levy Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,691,853	\$ 4,137,870	\$ 4,125,762	\$ (12,108)
Intergovernmental Revenues	465,284	579,383	571,780	(7,603)
Charges for Services	300	100	30	(70)
Fees, Licenses, and Permits	1,800	2,000	1,895	(105)
Contributions and Donations	-	18,300	18,225	(75)
Miscellaneous	1,000	500	75	(425)
<i>Total Revenues</i>	<u>5,160,237</u>	<u>4,738,153</u>	<u>4,717,767</u>	<u>(20,386)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	6,471,200	6,765,200	6,512,260	252,940
Other	387,900	409,800	370,710	39,090
Total Fire	<u>6,859,100</u>	<u>7,175,000</u>	<u>6,882,970</u>	<u>292,030</u>
Fire Station Ward 1:				
Other	37,800	46,700	26,198	20,502
Fire Station Ward 2:				
Other	27,300	38,600	23,043	15,557
Fire Station Ward 3:				
Other	27,700	39,700	19,081	20,619
Fire Station Ward 4:				
Other	95,200	100,900	61,026	39,874
<i>Total Expenditures</i>	<u>7,047,100</u>	<u>7,400,900</u>	<u>7,012,318</u>	<u>388,582</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,886,863)	(2,662,747)	(2,294,551)	368,196
Other Financing Sources				
Transfers In	2,365,000	2,365,000	2,365,000	-
<i>Net Change in Fund Balance</i>	478,137	(297,747)	70,449	368,196
<i>Fund Balance - Beginning of Year</i>	940,338	940,338	940,338	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,418,475</u>	<u>\$ 642,591</u>	<u>\$ 1,010,787</u>	<u>\$ 368,196</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Bond Retirement Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 3,880,408	\$ 3,431,126	\$ 3,411,772	\$ (19,354)
Intergovernmental Revenues	611,326	683,474	683,473	(1)
Special Assessments	218,700	244,900	244,373	(527)
Interest Income	6,000	10,000	9,352	(648)
<i>Total Revenues</i>	<u>4,716,434</u>	<u>4,369,500</u>	<u>4,348,970</u>	<u>(20,530)</u>
Expenditures:				
Current:				
General Government:				
Other	22,907	22,907	22,907	-
Debt Service:				
Principal	4,405,000	5,005,000	5,005,000	-
Interest & Fiscal Charges	1,773,985	1,773,985	1,773,326	659
Debt Issuance Costs	-	60,000	33,155	26,845
<i>Total Expenditures</i>	<u>6,201,892</u>	<u>6,861,892</u>	<u>6,834,388</u>	<u>27,504</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,485,458)	(2,492,392)	(2,485,418)	6,974
Other Financing Sources				
General Obligation Notes Issued	1,779,000	1,950,000	1,950,000	-
Premium on Debt Issuance	-	37,900	37,878	(22)
Transfers In	-	200,000	200,000	-
<i>Total Other Financing Sources</i>	<u>1,779,000</u>	<u>2,187,900</u>	<u>2,187,878</u>	<u>(22)</u>
<i>Net Change in Fund Balance</i>	293,542	(304,492)	(297,540)	6,952
<i>Fund Balance - Beginning of Year</i>	1,660,375	1,660,375	1,660,375	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,953,917</u>	<u>\$ 1,355,883</u>	<u>\$ 1,362,835</u>	<u>\$ 6,952</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Pearl Road TIF Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 700,000	\$ 720,000	\$ 719,197	\$ (803)
Interest Income	3,000	3,000	1,995	(1,005)
<i>Total Revenues</i>	<u>703,000</u>	<u>723,000</u>	<u>721,192</u>	<u>(1,808)</u>
Expenditures:				
Debt Service:				
Principal	4,280,000	3,750,000	3,750,000	-
Interest & Fiscal Charges	336,992	337,917	337,916	1
<i>Total Expenditures</i>	<u>4,616,992</u>	<u>4,087,917</u>	<u>4,087,916</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,913,992)	(3,364,917)	(3,366,724)	(1,807)
Other Financing Sources				
General Obligation Notes Issued	<u>3,700,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(213,992)	135,083	133,276	(1,807)
<i>Fund Balance - Beginning of Year</i>	416,491	416,491	416,491	-
<i>Fund Balance - End of Year</i>	<u>\$ 202,499</u>	<u>\$ 551,574</u>	<u>\$ 549,767</u>	<u>\$ (1,807)</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Capital Improvement Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Franchise Taxes	\$ 631,000	\$ 697,000	\$ 696,072	\$ (928)
Intergovernmental Revenues	-	44,100	44,080	(20)
Special Assessments	20,100	20,100	18,895	(1,205)
Charges for Services	-	2,000	1,850	(150)
Miscellaneous	-	116,000	115,942	(58)
<i>Total Revenues</i>	<u>651,100</u>	<u>879,200</u>	<u>876,839</u>	<u>(2,361)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Parks:				
Other	-	5,000	4,629	371
Transportation:				
Street Repairs:				
Other	500,000	1,567,295	1,439,975	127,320
General Government:				
Council:				
Other	-	117,000	116,942	58
Mayor's Office:				
Other	-	10,000	9,850	150
Total General Government	-	127,000	126,792	208
Capital Outlay	50,000	628,800	460,636	168,164
<i>Total Expenditures</i>	<u>550,000</u>	<u>2,328,095</u>	<u>2,032,032</u>	<u>296,063</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	101,100	(1,448,895)	(1,155,193)	293,702
Other Financing Sources				
Transfers In	-	300,000	300,000	-
<i>Net Change in Fund Balance</i>	101,100	(1,148,895)	(855,193)	293,702
<i>Fund Balance - Beginning of Year</i>	2,170,928	2,170,928	2,170,928	-
<i>Fund Balance - End of Year</i>	<u>\$ 2,272,028</u>	<u>\$ 1,022,033</u>	<u>\$ 1,315,735</u>	<u>\$ 293,702</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sanitary Sewer Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,240,100	\$ 5,334,900	\$ 5,272,146	\$ (62,754)
Interest Income	15,000	14,000	12,640	(1,360)
Other Services	89,000	133,100	129,114	(3,986)
<i>Total Revenues</i>	<u>5,344,100</u>	<u>5,482,000</u>	<u>5,413,900</u>	<u>(68,100)</u>
Expenses				
Sanitary Sewer:				
Engineering and Administration:				
Personal Services	464,500	474,600	465,449	9,151
Fringe Benefits	159,700	163,900	160,212	3,688
Contractual Services	732,000	729,000	628,816	100,184
Materials and Supplies	8,500	8,500	5,473	3,027
Other	10,500	13,500	9,047	4,453
Total Engineering and Administration	<u>1,375,200</u>	<u>1,389,500</u>	<u>1,268,997</u>	<u>120,503</u>
Plant:				
Utilities	3,700	3,700	1,937	1,763
Contractual Services	1,655,000	1,685,000	1,473,675	211,325
Materials and Supplies	10,000	10,000	-	10,000
Other	12,000	12,000	7,516	4,484
Capital Outlay	-	20,000	17,950	2,050
Total Plant	<u>1,680,700</u>	<u>1,730,700</u>	<u>1,501,078</u>	<u>229,622</u>
Line:				
Personal Services	513,000	496,400	464,246	32,154
Fringe Benefits	213,100	212,100	204,024	8,076
Contractual Services	470,000	526,000	266,243	259,757
Materials and Supplies	208,500	227,500	154,798	72,702
Total Line	<u>1,404,600</u>	<u>1,462,000</u>	<u>1,089,311</u>	<u>372,689</u>
Sewer Capital Improvements:				
Contractual Services	-	272,000	263,601	8,399
Capital Outlay	1,050,000	25,000	18,186	6,814
Total Sewer Capital Improvements	<u>1,050,000</u>	<u>297,000</u>	<u>281,787</u>	<u>15,213</u>

(Continued)

City of Strongsville, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sanitary Sewer Fund
 For the Year Ended December 31, 2012
 (Continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal	371,011	383,311	383,258	53
Interest & Fiscal Charges	128,069	143,469	143,114	355
Total Debt Service	<u>499,080</u>	<u>526,780</u>	<u>526,372</u>	<u>408</u>
<i>Total Expenses</i>	<u>6,009,580</u>	<u>5,405,980</u>	<u>4,667,545</u>	<u>738,435</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(665,480)	76,020	746,355	670,335
Other Financing Sources				
Capital Contribution - Tap-in Fees	100,000	200,000	193,000	(7,000)
Capital Contributions - Special Assessments	555,314	297,580	294,884	(2,696)
Capital Contributions - Grants	-	53,000	37,791	(15,209)
OWDA Loans	1,000,000	656,000	655,678	(322)
<i>Total Other Financing Sources</i>	<u>1,655,314</u>	<u>1,206,580</u>	<u>1,181,353</u>	<u>(25,227)</u>
<i>Net Change in Fund Equity</i>	989,834	1,282,600	1,927,708	645,108
<i>Fund Equity - Beginning of Year</i>	<u>2,079,684</u>	<u>2,079,684</u>	<u>2,079,684</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u>\$ 3,069,518</u>	<u>\$ 3,362,284</u>	<u>\$ 4,007,392</u>	<u>\$ 645,108</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police Pension Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 415,758	\$ 367,619	\$ 365,547	\$ (2,072)
Intergovernmental Revenues	55,478	63,065	63,064	(1)
<i>Total Revenues</i>	<u>471,236</u>	<u>430,684</u>	<u>428,611</u>	<u>(2,073)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	<u>1,115,100</u>	<u>1,165,400</u>	<u>1,115,057</u>	<u>50,343</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(643,864)	(734,716)	(686,446)	48,270
Other Financing Sources				
Transfers In	<u>620,000</u>	<u>640,000</u>	<u>640,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(23,864)	(94,716)	(46,446)	48,270
<i>Fund Balance - Beginning of Year</i>	157,430	157,430	157,430	-
<i>Fund Balance - End of Year</i>	<u>\$ 133,566</u>	<u>\$ 62,714</u>	<u>\$ 110,984</u>	<u>\$ 48,270</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 State Highway Maintenance Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 135,000	\$ 145,000	\$ 142,811	\$ (2,189)
Interest Income	600	600	527	(73)
<i>Total Revenues</i>	<u>135,600</u>	<u>145,600</u>	<u>143,338</u>	<u>(2,262)</u>
Expenditures:				
Current:				
Transportation:				
State Highway Maintenance:				
Other	100,000	105,600	105,207	393
<i>Net Change in Fund Balance</i>	35,600	40,000	38,131	(1,869)
<i>Fund Balance - Beginning of Year</i>	174,031	174,031	174,031	-
<i>Fund Balance - End of Year</i>	<u>\$ 209,631</u>	<u>\$ 214,031</u>	<u>\$ 212,162</u>	<u>\$ (1,869)</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Motor Vehicle Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permissive Motor Vehicle Taxes	\$ 315,000	\$ 326,000	\$ 325,064	\$ (936)
Interest Income	800	1,200	1,055	(145)
<i>Total Revenues</i>	<u>315,800</u>	<u>327,200</u>	<u>326,119</u>	<u>(1,081)</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Other	300,000	300,000	300,000	-
<i>Net Change in Fund Balance</i>	15,800	27,200	26,119	(1,081)
<i>Fund Balance - Beginning of Year</i>	136,697	136,697	136,697	-
<i>Fund Balance - End of Year</i>	<u>\$ 152,497</u>	<u>\$ 163,897</u>	<u>\$ 162,816</u>	<u>\$ (1,081)</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Emergency Vehicle Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 2,500	\$ 4,186	\$ 1,686
Charges for Services	800,000	990,000	993,234	3,234
Interest Income	12,000	34,000	31,342	(2,658)
Contributions and Donations	-	10,000	10,000	-
<i>Total Revenues</i>	<u>812,000</u>	<u>1,036,500</u>	<u>1,038,762</u>	<u>2,262</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Emergency Vehicle:				
Other	1,154,000	1,287,000	823,899	463,101
Debt Service:				
Principal	100,000	100,000	100,000	-
Interest & Fiscal Charges	20,150	20,150	20,150	-
Total Debt Service	<u>120,150</u>	<u>120,150</u>	<u>120,150</u>	<u>-</u>
<i>Total Expenditures</i>	<u>1,274,150</u>	<u>1,407,150</u>	<u>944,049</u>	<u>463,101</u>
<i>Net Change in Fund Balance</i>	(462,150)	(370,650)	94,713	465,363
<i>Fund Balance - Beginning of Year</i>	<u>2,074,024</u>	<u>2,074,024</u>	<u>2,074,024</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,611,874</u>	<u>\$ 1,703,374</u>	<u>\$ 2,168,737</u>	<u>\$ 465,363</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire Pension Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 415,758	\$ 367,619	\$ 365,547	\$ (2,072)
Intergovernmental Revenues	55,478	63,065	63,064	(1)
<i>Total Revenues</i>	<u>471,236</u>	<u>430,684</u>	<u>428,611</u>	<u>(2,073)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	<u>1,208,500</u>	<u>1,263,500</u>	<u>1,246,260</u>	<u>17,240</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(737,264)	(832,816)	(817,649)	15,167
Other Financing Sources				
Transfers In	<u>706,300</u>	<u>767,000</u>	<u>767,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(30,964)	(65,816)	(50,649)	15,167
<i>Fund Balance - Beginning of Year</i>	130,968	130,968	130,968	-
<i>Fund Balance - End of Year</i>	<u>\$ 100,004</u>	<u>\$ 65,152</u>	<u>\$ 80,319</u>	<u>\$ 15,167</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Clerk of Court Computerization Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 15,965	\$ (4,035)
Expenditures:				
Current:				
General Government:				
Clerk of Courts:				
Other	20,000	45,000	35,843	9,157
<i>Net Change in Fund Balance</i>	-	(25,000)	(19,878)	5,122
<i>Fund Balance - Beginning of Year</i>	228,329	228,329	228,329	-
<i>Fund Balance - End of Year</i>	\$ 228,329	\$ 203,329	\$ 208,451	\$ 5,122

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Drainage Levy Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 158,063	\$ 143,187	\$ 140,963	\$ (2,224)
Intergovernmental Revenues	37,476	39,754	39,754	-
Miscellaneous	-	650	650	-
<i>Total Revenues</i>	<u>195,539</u>	<u>183,591</u>	<u>181,367</u>	<u>(2,224)</u>
Expenditures:				
Current:				
Basic Utility Services:				
Drainage Levy:				
Other	255,000	1,086,848	799,088	287,760
<i>Total Expenditures</i>	<u>255,000</u>	<u>1,086,848</u>	<u>799,088</u>	<u>287,760</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(59,461)</u>	<u>(903,257)</u>	<u>(617,721)</u>	<u>285,536</u>
Other Financing Sources (Uses)				
Advances In	-	826,000	826,000	-
Advances Out	-	(136,000)	(136,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>690,000</u>	<u>690,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(59,461)	(213,257)	72,279	285,536
<i>Fund Balance - Beginning of Year</i>	233,032	233,032	233,032	-
<i>Fund Balance - End of Year</i>	<u>\$ 173,571</u>	<u>\$ 19,775</u>	<u>\$ 305,311</u>	<u>\$ 285,536</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Multi-Purpose Complex Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 15,000	\$ 15,000	\$ -
Charges for Services	3,442,800	3,442,800	3,110,679	(332,121)
Contributions and Donations	10,500	10,500	7,150	(3,350)
<i>Total Revenues</i>	<u>3,453,300</u>	<u>3,468,300</u>	<u>3,132,829</u>	<u>(335,471)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Sports Programs:				
Personal Services	247,000	246,000	232,561	13,439
Other	172,500	191,000	176,383	14,617
Total Sports Programs	<u>419,500</u>	<u>437,000</u>	<u>408,944</u>	<u>28,056</u>
Recreation Administration:				
Personal Services	346,000	363,400	353,116	10,284
Other	772,400	634,400	565,449	68,951
Total Recreation Administration	<u>1,118,400</u>	<u>997,800</u>	<u>918,565</u>	<u>79,235</u>
Fitness Programs:				
Personal Services	410,700	441,700	425,677	16,023
Other	109,500	138,500	131,034	7,466
Total Fitness Programs	<u>520,200</u>	<u>580,200</u>	<u>556,711</u>	<u>23,489</u>
Ice Rink:				
Other	<u>282,500</u>	<u>282,500</u>	<u>280,655</u>	<u>1,845</u>
Aquatics Programs:				
Personal Services	557,200	558,800	537,528	21,272
Other	83,000	132,500	125,941	6,559
Total Aquatics Programs	<u>640,200</u>	<u>691,300</u>	<u>663,469</u>	<u>27,831</u>
Recreation Programs:				
Personal Services	190,800	198,900	194,388	4,512
Other	36,700	34,200	28,223	5,977
Total Recreation Programs	<u>227,500</u>	<u>233,100</u>	<u>222,611</u>	<u>10,489</u>

(Continued)

City of Strongsville, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Multi-Purpose Complex Fund
For the Year Ended December 31, 2012
(Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Events:				
Personal Services	55,800	45,800	45,660	140
Other	17,100	17,100	11,712	5,388
Total Special Events	<u>72,900</u>	<u>62,900</u>	<u>57,372</u>	<u>5,528</u>
Old Town Hall:				
Personal Services	5,800	9,700	8,011	1,689
Other	15,500	11,600	6,833	4,767
Total Old Town Hall	<u>21,300</u>	<u>21,300</u>	<u>14,844</u>	<u>6,456</u>
Senior Services:				
Personal Services	477,700	501,200	488,903	12,297
Other	324,800	309,800	278,523	31,277
Total Senior Services	<u>802,500</u>	<u>811,000</u>	<u>767,426</u>	<u>43,574</u>
Recreation Maintenance:				
Personal Services	459,500	490,700	474,380	16,320
Other	177,800	175,800	164,255	11,545
Total Recreation Maintenance	<u>637,300</u>	<u>666,500</u>	<u>638,635</u>	<u>27,865</u>
Program Refunds:				
Other	75,700	60,700	51,937	8,763
Total Expenditures	<u>4,818,000</u>	<u>4,844,300</u>	<u>4,581,169</u>	<u>263,131</u>
Excess of Revenues Over (Under) Expenditures	(1,364,700)	(1,376,000)	(1,448,340)	(72,340)
Other Financing Sources				
Sale of Capital Assets	-	1,200	1,200	-
Transfers In	1,200,000	1,200,000	1,200,000	-
Total Other Financing Sources	<u>1,200,000</u>	<u>1,201,200</u>	<u>1,201,200</u>	<u>-</u>
Net Change in Fund Balance	(164,700)	(174,800)	(247,140)	(72,340)
Fund Balance - Beginning of Year	507,260	507,260	507,260	-
Fund Balance - End of Year	<u>\$ 342,560</u>	<u>\$ 332,460</u>	<u>\$ 260,120</u>	<u>\$ (72,340)</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Southwest General Hospital Levy Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 316,126	\$ 311,472	\$ 281,927	\$ (29,545)
Intergovernmental Revenues	25,099	29,753	29,753	-
<i>Total Revenues</i>	<u>341,225</u>	<u>341,225</u>	<u>311,680</u>	<u>(29,545)</u>
Expenditures:				
Current:				
Public Health Services:				
Other	314,561	343,528	313,983	29,545
<i>Net Change in Fund Balance</i>	26,664	(2,303)	(2,303)	-
<i>Fund Balance - Beginning of Year</i>	2,303	2,303	2,303	-
<i>Fund Balance - End of Year</i>	<u>\$ 28,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement Federal Seizures Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 31,500	\$ 31,341	\$ (159)
<i>Total Revenues</i>	<u>1,000</u>	<u>31,500</u>	<u>31,341</u>	<u>(159)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	(1,000)	29,500	31,341	1,841
<i>Fund Balance - Beginning of Year</i>	9,453	9,453	9,453	-
<i>Fund Balance - End of Year</i>	<u>\$ 8,453</u>	<u>\$ 38,953</u>	<u>\$ 40,794</u>	<u>\$ 1,841</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement State Seizures Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 270	\$ (2,730)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	2,000	2,000	325	1,675
<i>Net Change in Fund Balance</i>	1,000	1,000	(55)	(1,055)
<i>Fund Balance - Beginning of Year</i>	24,988	24,988	24,988	-
<i>Fund Balance - End of Year</i>	<u>\$ 25,988</u>	<u>\$ 25,988</u>	<u>\$ 24,933</u>	<u>\$ (1,055)</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement Drug Fine Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 400	\$ 700	\$ 200	\$ (500)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	1,000	3,000	2,809	191
<i>Net Change in Fund Balance</i>	(600)	(2,300)	(2,609)	(309)
<i>Fund Balance - Beginning of Year</i>	3,336	3,336	3,336	-
<i>Fund Balance - End of Year</i>	\$ 2,736	\$ 1,036	\$ 727	\$ (309)

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement DWI/DUI Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 1,715	\$ (285)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	10,000	10,000	195	9,805
<i>Net Change in Fund Balance</i>	(8,000)	(8,000)	1,520	9,520
<i>Fund Balance - Beginning of Year</i>	26,691	26,691	26,691	-
<i>Fund Balance - End of Year</i>	<u>\$ 18,691</u>	<u>\$ 18,691</u>	<u>\$ 28,211</u>	<u>\$ 9,520</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Tree Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ 30,000	\$ 70,000	\$ 68,379	\$ (1,621)
<i>Total Revenues</i>	<u>30,000</u>	<u>70,000</u>	<u>68,379</u>	<u>(1,621)</u>
Expenditures:				
Current:				
Community Environment:				
Tree Maintenance:				
Other	100,000	100,000	91,180	8,820
<i>Net Change in Fund Balance</i>	(70,000)	(30,000)	(22,801)	7,199
<i>Fund Balance - Beginning of Year</i>	172,242	172,242	172,242	-
<i>Fund Balance - End of Year</i>	<u>\$ 102,242</u>	<u>\$ 142,242</u>	<u>\$ 149,441</u>	<u>\$ 7,199</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Community Diversion Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 8,400	\$ 8,400	\$ 8,250	\$ (150)
Fines and Forfeitures	3,500	3,500	2,990	(510)
<i>Total Revenues</i>	<u>11,900</u>	<u>11,900</u>	<u>11,240</u>	<u>(660)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	13,400	10,200	9,550	650
Other	1,000	4,200	4,200	-
<i>Total Expenditures</i>	<u>14,400</u>	<u>14,400</u>	<u>13,750</u>	<u>650</u>
<i>Net Change in Fund Balance</i>	(2,500)	(2,500)	(2,510)	(10)
<i>Fund Balance - Beginning of Year</i>	5,079	5,079	5,079	-
<i>Fund Balance - End of Year</i>	<u>\$ 2,579</u>	<u>\$ 2,579</u>	<u>\$ 2,569</u>	<u>\$ (10)</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Earned Benefits Fund
 For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	\$ 300,000	\$ 265,000	\$ 188,931	\$ 76,069
Fire Department:				
Personal Services	100,000	225,000	214,049	10,951
Total Security of Persons and Property	<u>400,000</u>	<u>490,000</u>	<u>402,980</u>	<u>87,020</u>
Community Environment:				
Building:				
Personal Services	-	10,000	9,633	367
General Government:				
Mayor's Office:				
Personal Services	50,000	-	-	-
Finance:				
Personal Services	50,000	-	-	-
Total General Government	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Expenditures</i>	<u>500,000</u>	<u>500,000</u>	<u>412,613</u>	<u>87,387</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(500,000)	(500,000)	(412,613)	87,387
Other Financing Sources				
Transfers In	<u>200,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(300,000)	500,000	587,387	87,387
<i>Fund Balance - Beginning of Year</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 700,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,587,387</u>	<u>\$ 87,387</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Royalton Road TIF Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 154,000	\$ 148,000	\$ 147,400	\$ (600)
Interest Income	-	200	103	(97)
<i>Total Revenues</i>	<u>154,000</u>	<u>148,200</u>	<u>147,503</u>	<u>(697)</u>
Expenditures:				
Debt Service:				
Principal	120,000	50,000	50,000	-
Interest & Fiscal Charges	1,500	700	700	-
Debt Issuance Costs	18,000	5,000	2,427	2,573
<i>Total Expenditures</i>	<u>139,500</u>	<u>55,700</u>	<u>53,127</u>	<u>2,573</u>
<i>Net Change in Fund Balance</i>	14,500	92,500	94,376	1,876
<i>Fund Balance - Beginning of Year</i>	23,191	23,191	23,191	-
<i>Fund Balance - End of Year</i>	<u>\$ 37,691</u>	<u>\$ 115,691</u>	<u>\$ 117,567</u>	<u>\$ 1,876</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Recreation Capital Improvement Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 25,000	\$ 53,000	\$ 51,100	\$ (1,900)
<i>Total Revenues</i>	<u>25,000</u>	<u>53,000</u>	<u>51,100</u>	<u>(1,900)</u>
Expenditures:				
Current:				
Capital Outlay	-	280,000	262,548	17,452
<i>Excess of Revenues Over (Under) Expenditures</i>	25,000	(227,000)	(211,448)	15,552
Other Financing Sources				
Transfers In	-	250,000	250,000	-
<i>Net Change in Fund Balance</i>	25,000	23,000	38,552	15,552
<i>Fund Balance - Beginning of Year</i>	179,606	179,606	179,606	-
<i>Fund Balance - End of Year</i>	<u>\$ 204,606</u>	<u>\$ 202,606</u>	<u>\$ 218,158</u>	<u>\$ 15,552</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Pearl Road Capital Improvement Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 625,987	\$ 625,985	\$ (2)
<i>Total Revenues</i>	<u>-</u>	<u>625,987</u>	<u>625,985</u>	<u>(2)</u>
Expenditures:				
Current:				
Capital Outlay	100,000	2,776,423	1,534,037	1,242,386
<i>Excess of Revenues Over (Under) Expenditures</i>	(100,000)	(2,150,436)	(908,052)	1,242,384
Other Financing Sources (Uses)				
Advances In	-	2,000,000	2,000,000	-
Advances Out	(500,000)	(1,500,000)	(500,000)	1,000,000
<i>Total Other Financing Sources (Uses)</i>	<u>(500,000)</u>	<u>500,000</u>	<u>1,500,000</u>	<u>1,000,000</u>
<i>Net Change in Fund Balance</i>	(600,000)	(1,650,436)	591,948	2,242,384
<i>Fund Balance - Beginning of Year</i>	1,650,436	1,650,436	1,650,436	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,050,436</u>	<u>\$ -</u>	<u>\$ 2,242,384</u>	<u>\$ 2,242,384</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Workers' Compensation Reserve Fund
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 555,400	\$ 555,400	\$ 555,400	\$ -
Miscellaneous	61,000	21,100	20,886	(214)
<i>Total Revenues</i>	<u>616,400</u>	<u>576,500</u>	<u>576,286</u>	<u>(214)</u>
Expenses:				
Contractual Services	47,000	46,500	45,088	1,412
Claims	425,000	366,000	350,990	15,010
<i>Total Expenses</i>	<u>472,000</u>	<u>412,500</u>	<u>396,078</u>	<u>16,422</u>
<i>Net Change in Fund Equity</i>	144,400	164,000	180,208	16,208
<i>Fund Equity - Beginning of Year</i>	942,927	942,927	942,927	-
<i>Fund Equity - End of Year</i>	<u>\$ 1,087,327</u>	<u>\$ 1,106,927</u>	<u>\$ 1,123,135</u>	<u>\$ 16,208</u>

STATISTICAL SECTION



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City of Strongsville, Ohio

Statistical Section

This part of City'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 – S15
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S16 – S23
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.	S24 – S29
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.	S30 – S32
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.	S33 – S38

Sources: Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year.

City of Strongsville, Ohio

Net Position by Component

Accrual Basis of Accounting

Last Ten Years

	<u>2012</u>	<u>2011 (1)</u>	<u>2010 (1)</u>	<u>2009</u>
Governmental Activities				
Net Investment in Capital Assets	\$132,674,654	\$135,950,267	\$132,311,472	\$125,782,137
Restricted	12,312,614	13,792,283	16,619,046	24,275,156
Unrestricted	<u>13,679,441</u>	<u>9,614,650</u>	<u>12,359,330</u>	<u>13,247,353</u>
<i>Total Governmental Activities Net Position</i>	<u>\$158,666,709</u>	<u>\$159,357,200</u>	<u>\$161,289,848</u>	<u>\$163,304,646</u>
Business Type - Activities				
Net Investment in Capital Assets	\$43,649,981	\$46,143,739	\$46,710,018	\$49,376,535
Unrestricted	<u>6,893,848</u>	<u>4,299,529</u>	<u>4,998,720</u>	<u>3,897,142</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$50,543,829</u>	<u>\$50,443,268</u>	<u>\$51,708,738</u>	<u>\$53,273,677</u>
Primary Government				
Net Investment in Capital Assets	\$176,324,635	\$182,094,006	\$179,021,490	\$175,158,672
Restricted	12,312,614	13,792,283	16,619,046	24,275,156
Unrestricted	<u>20,573,289</u>	<u>13,914,179</u>	<u>17,358,050</u>	<u>17,144,495</u>
<i>Total Primary Government Net Position</i>	<u>\$209,210,538</u>	<u>\$209,800,468</u>	<u>\$212,998,586</u>	<u>\$216,578,323</u>

(1) - Restated

Table 1

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$143,431,182	\$140,167,160	\$127,579,183	\$126,225,599	\$110,076,605	\$114,753,051
11,326,386	15,960,953	24,010,977	13,989,296	10,151,206	6,759,828
<u>11,150,219</u>	<u>13,042,068</u>	<u>11,785,162</u>	<u>8,150,659</u>	<u>11,290,033</u>	<u>3,189,256</u>
<u>\$165,907,787</u>	<u>\$169,170,181</u>	<u>\$163,375,322</u>	<u>\$148,365,554</u>	<u>\$131,517,844</u>	<u>\$124,702,135</u>
\$49,248,305	\$49,079,857	\$46,347,516	\$47,389,915	\$48,489,963	\$52,832,137
5,485,942	4,679,290	6,027,143	6,497,464	6,328,598	6,117,056
<u>\$54,734,247</u>	<u>\$53,759,147</u>	<u>\$52,374,659</u>	<u>\$53,887,379</u>	<u>\$54,818,561</u>	<u>\$58,949,193</u>
\$192,679,487	\$189,247,017	\$173,926,699	\$173,615,514	\$158,566,568	\$167,585,188
11,326,386	15,960,953	24,010,977	13,989,296	10,151,206	6,759,828
<u>16,636,161</u>	<u>17,721,358</u>	<u>17,812,305</u>	<u>14,648,123</u>	<u>17,618,631</u>	<u>9,306,312</u>
<u>\$220,642,034</u>	<u>\$222,929,328</u>	<u>\$215,749,981</u>	<u>\$202,252,933</u>	<u>\$186,336,405</u>	<u>\$183,651,328</u>

City of Strongsville, Ohio

*Changes in Net Position
Accrual Basis of Accounting
Last Ten Years*

	2012	2011 (1)	2010 (1)	2009
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$248,566	\$188,192	\$1,732,960	\$2,317,001
Security of Persons and Property	1,864,219	1,683,289	1,106,800	894,314
Public Health Services	56,200	44,925	50,778	60,244
Leisure Time Activities	3,085,539	3,068,427	3,126,816	3,151,756
Community Environment	826,526	874,340	74,865	57,393
Basic Utility Services	42,703	70,961	0	457
Transportation	2,200	1,400	25,258	12,793
Subtotal - Charges for Services	<u>6,125,953</u>	<u>5,931,534</u>	<u>6,117,477</u>	<u>6,493,958</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	95,342	58,953	32,195	496,956
Public Health Services	0	0	0	0
Leisure Time Activities	6,675	4,176	0	0
Community Environment	4,000	29,750	3,500	0
Basic Utility Services	0	0	0	0
Transportation	1,909,109	1,993,922	1,881,165	1,822,652
Subtotal - Operating Grants and Contributions	<u>2,015,126</u>	<u>2,086,801</u>	<u>1,916,860</u>	<u>2,319,608</u>
Capital Grants and Contributions:				
Security of Persons and Property	38,341	0	624,893	0
Leisure Time Activities	15,000	486,787	190,500	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	300,761
Transportation	220,100	5,287,070	4,900,599	620,630
Subtotal - Capital Grants and Contributions	<u>273,441</u>	<u>5,773,857</u>	<u>5,715,992</u>	<u>921,391</u>
<i>Total Governmental Activities Program Revenues</i>	<u>8,414,520</u>	<u>13,792,192</u>	<u>13,750,329</u>	<u>9,734,957</u>
Business-Type Activities:				
Charges for Services:				
Sanitary Sewer	5,688,046	5,225,116	5,420,941	5,104,311
Capital Grants and Contributions				
Sanitary Sewer	1,101,103	538,368	904,765	206,265
<i>Total Business-Type Activities Program Revenues</i>	<u>6,789,149</u>	<u>5,763,484</u>	<u>6,325,706</u>	<u>5,310,576</u>
<i>Total Primary Government Program Revenues</i>	<u>\$15,203,669</u>	<u>\$19,555,676</u>	<u>\$20,076,035</u>	<u>\$15,045,533</u>

Table 2

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$2,684,589	\$2,437,564	\$3,515,444	\$2,467,031	\$2,327,997	\$2,074,074
885,578	953,819	759,474	1,051,273	798,451	698,320
48,089	60,876	83,896	50,197	56,605	42,338
3,138,885	3,008,295	2,836,202	3,017,690	2,870,919	2,884,123
52,172	0	181,432	118,374	115,528	151,180
0	0	30,198	0	0	0
131,402	57,820	268,943	9,786	28,063	14,901
<u>6,940,715</u>	<u>6,518,374</u>	<u>7,675,589</u>	<u>6,714,351</u>	<u>6,197,563</u>	<u>5,864,936</u>
0	0	4,722	1,242	10,911	3,304
196,699	97,091	526,860	217,861	231,514	51,332
0	0	0	0	0	27,200
728	0	50,811	75,384	4,057	12,795
102,883	10,000	0	20,401	0	0
0	0	0	7,780	0	64,139
<u>1,950,319</u>	<u>1,455,121</u>	<u>1,886,351</u>	<u>1,692,342</u>	<u>1,467,207</u>	<u>1,281,944</u>
<u>2,250,629</u>	<u>1,562,212</u>	<u>2,468,744</u>	<u>2,015,010</u>	<u>1,713,689</u>	<u>1,440,714</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	170,663	0	0	25,384	0
112,682	16,467	980,643	170,069	156,004	47,724
<u>1,563,836</u>	<u>0</u>	<u>203,138</u>	<u>8,350,275</u>	<u>7,387,037</u>	<u>6,804,652</u>
<u>1,676,518</u>	<u>187,130</u>	<u>1,183,781</u>	<u>8,520,344</u>	<u>7,568,425</u>	<u>6,852,376</u>
<u>10,867,862</u>	<u>8,267,716</u>	<u>11,328,114</u>	<u>17,249,705</u>	<u>15,479,677</u>	<u>14,158,026</u>
6,027,451	6,113,473	8,947,352	8,818,144	8,470,409	8,229,006
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>6,027,451</u>	<u>6,113,473</u>	<u>8,947,352</u>	<u>8,818,144</u>	<u>8,470,409</u>	<u>8,229,006</u>
<u>\$16,895,313</u>	<u>\$14,381,189</u>	<u>\$20,275,466</u>	<u>\$26,067,849</u>	<u>\$23,950,086</u>	<u>\$22,387,032</u>

Continued

City of Strongsville, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Years

	<u>2012</u>	<u>2011 (1)</u>	<u>2010 (1)</u>	<u>2009</u>
Expenses				
Governmental Activities:				
General Government	\$4,302,219	\$5,530,388	\$6,269,187	\$6,508,706
Security of Persons and Property:	21,838,362	21,516,765	19,977,428	19,224,379
Public Health Services	588,830	601,590	576,471	664,106
Leisure Time Activities	5,436,655	5,748,672	5,765,092	5,699,830
Community Environment	1,718,686	1,746,987	1,160,407	1,342,951
Basic Utility Services	2,047,268	2,076,197	2,552,751	2,527,962
Transportation	15,681,631	19,356,513	19,202,006	15,647,804
Interest and Fiscal Charges	2,103,662	2,339,292	2,637,914	2,586,722
<i>Total Governmental Activities Expenses</i>	<u>53,717,313</u>	<u>58,916,404</u>	<u>58,141,256</u>	<u>54,202,460</u>
Business-Type Activities				
Sanitary Sewer	6,714,808	7,068,791	6,435,645	6,771,146
<i>Total Business-Type Activities Expenses</i>	<u>6,714,808</u>	<u>7,068,791</u>	<u>6,435,645</u>	<u>6,771,146</u>
<i>Total Primary Government Program Expenses</i>	<u>60,432,121</u>	<u>65,985,195</u>	<u>64,576,901</u>	<u>60,973,606</u>
Net (Expense)/Revenue				
Governmental Activities	(45,302,793)	(45,124,212)	(44,390,927)	(44,467,503)
Business-Type Activities	74,341	(1,305,307)	(109,939)	(1,460,570)
<i>Total Primary Government Net Expense</i>	<u>(45,228,452)</u>	<u>(46,429,519)</u>	<u>(44,500,866)</u>	<u>(45,928,073)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$419,991	\$424,295	\$434,211	\$557,971
Other Purposes	5,253,644	5,324,748	5,405,637	5,664,398
Debt Service	3,401,469	3,460,320	3,585,239	3,893,170
Capital Outlay	0	0	0	0
Municipal Income Taxes Levied For:				
General Purposes	26,677,393	26,251,391	22,863,432	23,250,680
Other Purposes	3,157,012	2,625,174	2,622,417	2,680,482
Other Local Taxes Levied For:				
General Purposes	0	0	722,501	1,237,868
Other Purposes	0	0	318,728	313,231
Hotel Taxes	181,064	171,572	0	0
Permissive Motor Vehicle Taxes	324,002	325,245	0	0
Franchise Taxes	706,163	645,974	0	0
Payments in Lieu of Taxes	866,597	848,939	609,562	349,651

Table 2

2008	2007	2006	2005	2004	2003
\$7,098,680	\$6,786,628	\$6,733,553	\$5,629,536	\$4,706,740	\$4,774,546
19,002,791	18,018,132	15,574,728	15,451,039	14,055,241	13,918,171
673,737	691,325	1,159,001	791,859	1,531,421	1,702,553
5,683,148	5,489,674	4,692,170	4,193,433	4,361,827	4,434,228
1,315,155	1,412,973	1,185,523	1,324,095	1,415,563	1,334,952
2,535,449	2,512,831	2,534,684	1,339,811	3,960,528	2,366,707
15,736,157	14,221,684	4,964,705	12,091,595	10,795,267	11,343,328
2,128,048	1,983,198	1,817,551	1,607,729	1,409,310	1,531,385
<u>54,173,165</u>	<u>51,116,445</u>	<u>38,661,915</u>	<u>42,429,097</u>	<u>42,235,897</u>	<u>41,405,870</u>
<u>7,196,930</u>	<u>7,865,730</u>	<u>10,576,957</u>	<u>9,314,213</u>	<u>9,902,797</u>	<u>9,301,693</u>
<u>7,196,930</u>	<u>7,865,730</u>	<u>10,576,957</u>	<u>9,314,213</u>	<u>9,902,797</u>	<u>9,301,693</u>
<u>61,370,095</u>	<u>58,982,175</u>	<u>49,238,872</u>	<u>51,743,310</u>	<u>52,138,694</u>	<u>50,707,563</u>
(43,305,303)	(42,848,729)	(27,333,801)	(25,179,392)	(26,756,220)	(27,247,844)
<u>(1,169,479)</u>	<u>(1,752,257)</u>	<u>(1,629,605)</u>	<u>(496,069)</u>	<u>(1,432,388)</u>	<u>(1,072,687)</u>
<u>(44,474,782)</u>	<u>(44,600,986)</u>	<u>(28,963,406)</u>	<u>(25,675,461)</u>	<u>(28,188,608)</u>	<u>(28,320,531)</u>
\$500,118	\$522,343	\$560,017	\$570,936	\$541,604	\$584,274
4,464,616	4,610,482	4,849,411	4,745,207	3,511,137	3,608,915
3,745,667	3,853,875	3,559,667	3,440,258	3,397,281	3,361,459
0	0	0	0	0	38,379
24,737,583	24,573,922	24,161,083	24,447,153	19,424,237	16,313,603
2,880,291	2,831,795	3,247,691	2,443,378	2,583,142	2,020,308
1,105,006	2,385,214	1,423,291	1,387,698	158,290	125,193
290,111	317,247	312,444	290,385	341,933	338,262
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Continued

City of Strongsville, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Years

	<u>2012</u>	<u>2011 (1)</u>	<u>2010 (1)</u>	<u>2009</u>
Grants and Entitlements not Restricted to				
Specific Programs	3,376,078	3,673,797	4,137,516	3,351,151
Investment Income	143,795	174,298	221,886	565,760
Gain (Loss) on Sale of Capital Assets	104,369	0	0	0
Miscellaneous	725	4,708	0	0
Transfers	0	0	650,000	0
<i>Total Governmental Activities</i>	<u>44,612,302</u>	<u>43,930,461</u>	<u>41,571,129</u>	<u>41,864,362</u>
Business-Type Activities				
Investment Income	26,220	39,837	0	0
Transfers	0	0	(650,000)	0
<i>Total Business-Type Activities Expenses</i>	<u>26,220</u>	<u>39,837</u>	<u>(650,000)</u>	<u>0</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>44,638,522</u>	<u>43,970,298</u>	<u>40,921,129</u>	<u>41,864,362</u>
Change in Net Position				
Governmental Activities	(690,491)	(1,193,751)	(2,819,798)	(2,603,141)
Business-Type Activities	100,561	(1,265,470)	(759,939)	(1,460,570)
<i>Total Primary Government Change in Net Position</i>	<u>(\$589,930)</u>	<u>(\$2,459,221)</u>	<u>(\$3,579,737)</u>	<u>(\$4,063,711)</u>

(1) - Restated

Table 2

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
3,588,997	2,201,145	1,743,170	2,442,618	3,224,703	2,344,109
740,975	1,765,591	1,488,166	784,251	350,735	180,822
116,910	0	0	382,940	55,497	19,935
17,214	0	100,798	11,175	0	4,200
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>42,187,488</u>	<u>43,061,614</u>	<u>41,445,738</u>	<u>40,945,999</u>	<u>33,588,559</u>	<u>28,939,459</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>42,187,488</u>	<u>43,061,614</u>	<u>41,445,738</u>	<u>40,945,999</u>	<u>33,588,559</u>	<u>28,939,459</u>
(1,117,815)	212,885	14,111,937	15,766,607	6,832,339	1,691,615
<u>(1,169,479)</u>	<u>(1,752,257)</u>	<u>(1,629,605)</u>	<u>(496,069)</u>	<u>(1,432,388)</u>	<u>(1,072,687)</u>
<u>(\$2,287,294)</u>	<u>(\$1,539,372)</u>	<u>\$12,482,332</u>	<u>\$15,270,538</u>	<u>\$5,399,951</u>	<u>\$618,928</u>

City of Strongsville, Ohio

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

	2012	2011	2010	2009	2008
General Fund					
Nonspendable	\$57,252	\$87,347	\$356,036	\$0	\$0
Committed	1,587,387	1,000,000	6,800	0	0
Assigned	174,133	93,058	0	0	0
Unassigned	13,929,851	11,754,185	11,333,325	0	0
Reserved for Inventories, Prepaids, and Encumbrances	0	0	0	342,856	299,324
Unreserved	0	0	0	11,161,498	11,537,393
Total General Fund	15,748,623	12,934,590	11,696,161	11,504,354	11,836,717
All Other Governmental Funds					
Nonspendable	594,322	788,206	552,153	0	0
Restricted	6,342,091	7,100,443	10,975,566	0	0
Committed	2,770,345	2,772,189	3,059,448	0	0
Unassigned (Deficit)	(4,083,178)	(5,496,105)	0	0	0
Reserved for Inventories, Prepaids, and Encumbrances	0	0	0	538,166	498,903
Reserved for Debt Service				2,107,301	2,308,787
Unreserved, Undesignated, Reported in:					
Special Revenue funds	0	0	0	7,873,397	8,256,585
Capital Projects funds	0	0	0	11,008,764	12,078,222
Total All Other Governmental Funds	5,623,580	5,164,733	14,587,167	21,527,628	23,142,497
Total Governmental Funds	\$21,372,203	\$18,099,323	\$26,283,328	\$33,031,982	\$34,979,214

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.

Table 3

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
272,177	345,796	346,567	426,209	751,086
<u>10,809,794</u>	<u>9,633,392</u>	<u>5,461,370</u>	<u>4,602,828</u>	<u>2,650,342</u>
<u>11,081,971</u>	<u>9,979,188</u>	<u>5,807,937</u>	<u>5,029,037</u>	<u>3,401,428</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
435,090	468,581	529,250	1,002,581	2,823,237
2,991,563	2,978,000	3,027,327	2,284,051	1,403,889
8,360,462	10,768,958	6,158,376	4,219,341	1,084,410
<u>1,387,781</u>	<u>6,415,873</u>	<u>1,030,393</u>	<u>(2,137,642)</u>	<u>(2,484,163)</u>
<u>13,174,896</u>	<u>20,631,412</u>	<u>10,745,346</u>	<u>5,368,331</u>	<u>2,827,373</u>
<u>\$24,256,867</u>	<u>\$30,610,600</u>	<u>\$16,553,283</u>	<u>\$10,397,368</u>	<u>\$6,228,801</u>

City of Strongsville, Ohio

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

	2012	2011 (1)	2010	2009
Revenues				
Municipal Income Taxes	\$29,472,936	\$28,203,761	\$26,460,113	\$25,926,979
Property Taxes	9,114,409	9,327,017	9,474,306	9,895,558
Other Taxes	0	0	1,041,230	2,265,750
Hotel Taxes	181,064	171,572	0	0
Permissive Motor Vehicle Taxes	324,002	325,245	0	0
Franchise Taxes	646,363	645,974	0	0
Payment in Lieu of Taxes	866,597	848,939	609,562	0
Intergovernmental	5,818,163	9,660,513	12,337,923	6,397,976
Special Assessments	196,199	181,198	173,606	150,000
Charges for Services	4,412,698	4,270,678	4,306,774	4,746,566
Fees, Licenses and Permits	810,323	829,427	778,914	1,422,755
Fines and Forfeitures	687,176	575,280	635,519	0
Contributions and Donations	36,375	1,744,177	0	0
Interest	143,795	174,298	221,886	540,955
All Other Revenues	226,958	259,071	300,964	311,725
<i>Total Revenues</i>	<u>52,937,058</u>	<u>57,217,150</u>	<u>56,340,797</u>	<u>51,658,264</u>
Expenditures				
Current:				
General Government	4,098,422	4,684,119	6,023,550	6,384,644
Security of Persons and Property	20,813,310	20,322,032	18,953,918	18,400,681
Public Health Services	587,350	606,142	602,857	653,054
Leisure Time Activities	4,737,621	5,412,647	5,149,526	5,084,001
Community Environment	1,714,586	1,716,758	1,112,484	1,334,368
Basic Utility Services	2,047,268	2,076,197	2,552,751	2,527,962
Transportation	9,168,526	13,710,377	12,504,482	8,758,272
Capital Outlay	3,277,644	8,128,639	11,616,943	12,387,291
Debt Service:				
Principal Retirement	1,245,000	2,315,000	2,563,688	19,234,457
Interest and Fiscal Charges	2,095,278	2,336,917	2,690,882	2,870,106
Bond Issuance Costs	0	241,499	0	0
Advance Refunding Escrow	0	1,499,540	0	0
<i>Total Expenditures</i>	<u>49,785,005</u>	<u>63,049,867</u>	<u>63,771,081</u>	<u>77,634,836</u>

Table 4

2008	2007	2006	2005	2004	2003
\$27,521,333	\$27,508,910	\$28,107,643	\$25,519,065	\$21,290,278	\$18,619,664
8,930,246	8,928,671	9,002,409	8,880,090	7,417,393	7,295,628
2,236,940	2,404,471	1,343,366	138,452	157,638	463,455
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,737,481	4,180,607	5,505,589	14,772,386	12,705,263	5,788,063
145,000	140,000	130,000	120,000	115,000	273,454
4,668,474	4,754,916	4,749,111	4,401,014	4,216,975	4,152,963
1,477,214	1,365,786	1,882,449	1,584,620	1,729,275	1,433,608
0	0	0	0	0	0
0	0	0	0	0	0
725,526	1,750,142	1,478,794	780,964	353,545	180,822
1,841,875	441,968	1,093,104	706,707	288,749	261,224
<u>53,284,089</u>	<u>51,475,471</u>	<u>53,292,465</u>	<u>56,903,298</u>	<u>48,274,116</u>	<u>38,468,881</u>
6,699,678	6,478,223	6,591,496	6,051,552	4,206,014	4,255,456
17,811,396	17,291,565	15,761,969	15,180,804	13,539,845	13,583,133
667,697	689,121	716,829	1,396,935	1,416,726	1,394,520
5,075,995	4,943,165	4,470,869	4,237,233	3,823,204	4,283,508
1,277,746	1,517,796	1,328,728	1,318,533	1,364,405	1,347,534
2,535,449	2,512,831	2,534,684	2,544,551	2,608,315	2,366,707
8,806,301	7,684,081	8,992,748	9,420,531	6,300,387	5,157,813
10,600,177	12,248,397	6,389,425	14,386,155	7,674,935	7,531,660
2,659,457	2,529,457	4,446,539	8,590,466	1,809,454	1,740,000
2,022,217	1,965,418	1,738,124	1,614,200	1,414,761	1,557,766
0	0	204,661	0	0	15,971
0	0	0	0	0	0
<u>58,156,113</u>	<u>57,860,054</u>	<u>53,176,072</u>	<u>64,740,960</u>	<u>44,158,046</u>	<u>43,234,068</u>

City of Strongsville, Ohio

Changes in Fund Balances, Governmental Funds (continued)

Modified Accrual Basis of Accounting

Last Ten Years

	2012	2011 (1)	2010	2009
<i>Excess of Revenues Over (Under) Expenditures</i>	3,152,053	(5,832,717)	(7,430,284)	(25,976,572)
Other Financing Sources (Uses)				
Sale of Capital Assets	120,827	54,159	31,630	26,320
General Obligation Notes and Bonds Issued	0	0	0	24,985,000
Refunding Bonds Issued	0	10,735,000	0	0
Premium on Debt Issuance	0	734,553	0	553,020
Payment to Refunded Bond Escrow Account	0	(13,875,000)	0	(1,535,000)
Transfers In	10,461,099	15,045,506	10,000,250	10,324,632
Transfers Out	(10,461,099)	(15,045,506)	(9,350,250)	(10,324,632)
<i>Total Other Financing Sources (Uses)</i>	120,827	(2,351,288)	681,630	24,029,340
<i>Net Change in Fund Balances</i>	<u>\$3,272,880</u>	<u>(\$8,184,005)</u>	<u>(\$6,748,654)</u>	<u>(\$1,947,232)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.2%	8.6%	10.1%	33.9%

(1) In 2011, the City reclassified several revenues for a more proper presentation.

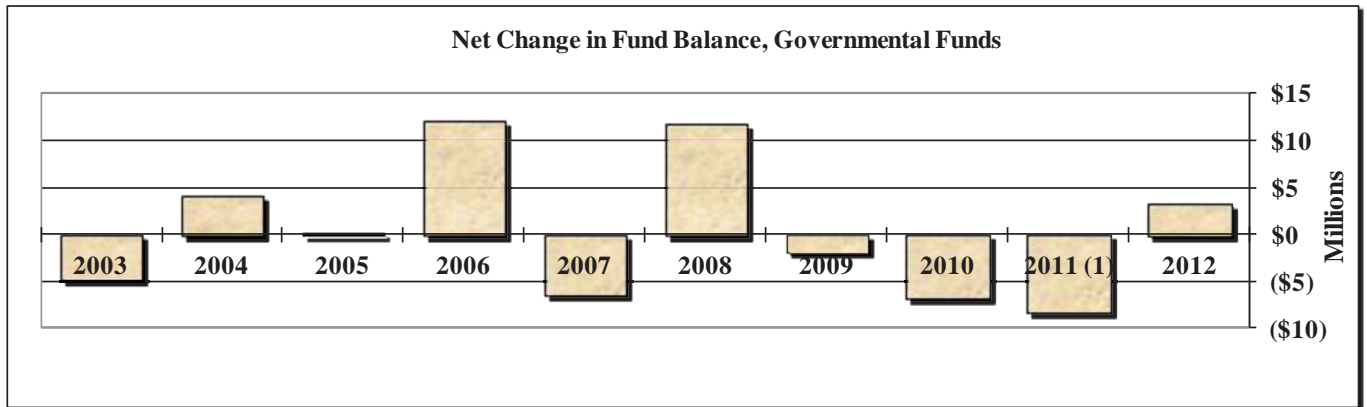


Table 4

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>(4,872,024)</u>	<u>(6,384,583)</u>	<u>116,393</u>	<u>(7,837,662)</u>	<u>4,116,070</u>	<u>(4,765,187)</u>
33,950	30,850	23,223	1,266,830	55,497	19,936
16,450,000	0	11,740,000	6,685,000	0	0
0	0	0	0	0	0
0	0	243,248	65,749	0	0
0	0	0	0	0	0
10,434,101	10,625,955	8,775,000	9,318,405	6,977,000	6,351,560
<u>(10,434,101)</u>	<u>(10,625,955)</u>	<u>(8,775,000)</u>	<u>(9,318,405)</u>	<u>(6,980,000)</u>	<u>(6,351,560)</u>
<u>16,483,950</u>	<u>30,850</u>	<u>12,006,471</u>	<u>8,017,579</u>	<u>52,497</u>	<u>19,936</u>
<u>\$11,611,926</u>	<u>(\$6,353,733)</u>	<u>\$12,122,864</u>	<u>\$179,917</u>	<u>\$4,168,567</u>	<u>(\$4,745,251)</u>
9.8%	9.9%	13.2%	20.3%	8.8%	9.2%

City of Strongsville, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Tax/ Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2011/2012	\$1,069,394,630	\$349,705,480	\$4,054,571,743	\$26,461,290	\$30,069,648
2010/2011	1,065,813,650	351,694,900	4,050,024,429	25,230,750	28,671,307
2009/2010	1,060,500,060	339,966,540	4,001,333,143	24,348,890	27,669,193
2008/2009	1,144,174,580	340,536,050	4,242,030,371	22,889,670	26,010,989
2007/2008	1,134,046,780	329,271,100	4,180,908,229	21,700,330	24,659,466
2006/2007	1,122,917,950	336,777,870	4,170,559,486	27,670,430	31,443,670
2005/2006	1,007,484,400	287,716,880	3,700,575,086	26,848,990	30,510,216
2004/2005	991,788,180	289,543,040	3,660,946,343	29,864,250	33,936,648
2003/2004	976,303,320	275,532,850	3,576,674,771	30,040,120	34,136,500
2002/2003	890,164,230	263,858,260	3,297,207,114	29,893,180	33,969,523

Real property is reappraised every six years with a State mandated update of the current market value 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. General business tangible personal property tax is being phased out beginning in 2006.

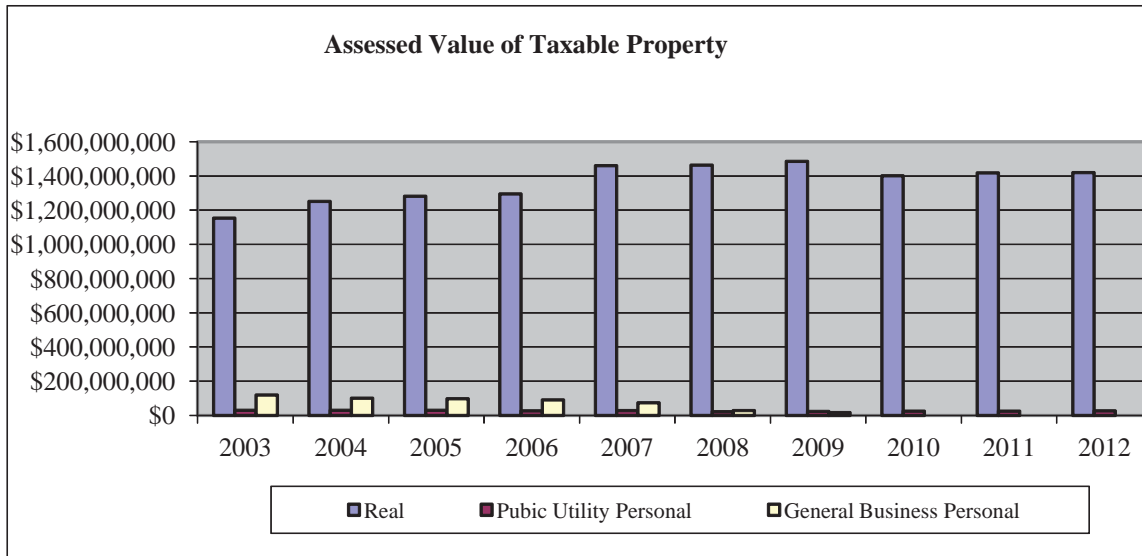
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by 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: Ohio Department of Taxation and Office of the County Fiscal Officer, Cuyahoga County, Ohio

Table 5

Tangible Personal Property

General Business		Total			Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$1,445,561,400	\$4,084,641,391	35.39%	\$9.90
0	0	1,442,739,300	4,078,695,736	35.37	9.90
0	0	1,424,815,490	4,029,002,336	35.36	9.90
16,619,271	265,908,336	1,524,219,571	4,533,949,696	33.62	9.90
28,361,669	453,786,704	1,513,379,879	4,659,354,399	32.48	10.10
73,437,883	587,503,064	1,560,804,133	4,789,506,220	32.59	10.10
91,439,271	487,676,112	1,413,489,541	4,218,761,414	33.50	10.60
96,894,867	516,772,624	1,408,090,337	4,211,655,615	33.43	10.60
99,891,928	434,312,730	1,381,768,218	4,045,124,001	34.16	11.60
118,512,051	515,269,787	1,302,427,721	3,846,446,424	33.86	11.60



City of Strongsville, Ohio

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

Last Ten Years

	Tax Year/ Collection Year 2011/2012	Tax Year/ Collection Year 2010/2011	Tax Year/ Collection Year 2009/2010	Tax Year/ Collection Year 2008/2009
City of Strongsville				
Unvoted Millage				
Debt	\$2.3000	\$2.3000	\$2.3000	\$2.3000
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	2.9000	2.9000	2.9000	2.9000
Voted Millage by Levy				
1976 Current Expense	1.5000	1.5000	1.5000	1.5000
1976 Fire	0.0000	0.0000	0.0000	0.0000
1976 Recreational	0.0000	0.0000	0.0000	0.0000
1976 Southwest Hospital	1.0000	1.0000	1.0000	1.0000
1976 Sewage	0.5000	0.5000	0.5000	0.5000
1979 Fire	0.0000	0.0000	0.0000	0.0000
2000 Bond	0.5000	0.5000	0.5000	0.5000
2004 Fire	2.0000	2.0000	2.0000	2.0000
2008 Fire	1.5000	1.5000	1.5000	1.5000
<i>Total Voted Millage</i>	7.0000	7.0000	7.0000	7.0000
Total Millage - City	\$9.9000	\$9.9000	\$9.9000	\$9.9000
Overlapping Rates by Taxing District				
<i>Cuyahoga County</i>	13.2200	13.3200	13.3200	13.3200
<i>Strongsville City School District</i>	80.9800	81.1900	81.2900	81.2000
<i>Polaris Joint Vocational School District</i>	2.4000	2.4000	2.4000	2.4000
<i>Cleveland Metroparks</i>	1.8500	1.8500	1.8500	1.8500
<i>Cuyahoga County Library</i>	2.5000	2.5000	2.5000	2.5000
<i>Cuyahoga County Community College</i>	3.1000	3.1000	2.8000	2.8000
<i>Cleveland-Cuyahoga Port Authority</i>	0.1300	0.1300	0.1300	0.1300
Total Millage - Overlapping Governments	104.1800	104.4900	104.2900	104.2000
Grand Total - All Direct and Overlapping Rates	\$114.0800	\$114.3900	\$114.1900	\$114.1000

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

Table 6

Tax Year/ Collection Year 2007/2008	Tax Year/ Collection Year 2006/2007	Tax Year/ Collection Year 2005/2006	Tax Year/ Collection Year 2004/2005	Tax Year/ Collection Year 2003/2004	Tax Year/ Collection Year 2002/2003
\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2.9000	2.9000	2.9000	2.9000	2.9000	2.9000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
0.0000	0.0000	0.0000	0.0000	3.0000	3.0000
0.0000	0.0000	0.5000	0.5000	0.5000	0.5000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
1.7000	1.7000	1.7000	1.7000	1.7000	1.7000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
2.0000	2.0000	2.0000	2.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7.2000	7.2000	7.7000	7.7000	8.7000	8.7000
\$10.1000	\$10.1000	\$10.6000	\$10.6000	\$11.6000	\$11.6000
13.4200	13.4200	13.5200	13.5200	13.5200	11.7200
81.3000	74.8000	74.9000	74.9000	74.9000	73.9000
2.4000	2.4000	2.4000	2.4000	2.4000	2.4000
1.8500	1.8500	1.8500	1.8500	1.5500	1.5500
2.0000	2.0000	2.0000	2.0000	1.4000	1.4000
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
103.9000	97.4000	97.6000	97.6000	96.7000	93.9000
\$114.0000	\$107.5000	\$108.2000	\$108.2000	\$108.3000	\$105.5000

City of Strongsville, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Tax/ Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2011/2012	\$11,654,737	\$10,771,927	92.43 %	\$487,422	\$11,259,349
2010/2011	11,570,511	11,092,903	95.87	246,145	11,339,048
2009/2010	11,224,849	10,854,727	96.70	310,180	11,164,907
2008/2009	11,074,911	10,586,349	95.59	215,394	10,801,743
2007/2008	9,754,760	9,499,418	97.38	314,373	9,813,791
2006/2007	9,902,589	9,511,343	96.05	268,047	9,779,390
2005/2006	9,807,320	9,565,093	97.53	263,329	9,828,422
2004/2005	9,966,510	9,645,472	96.78	245,597	9,891,069
2003/2004	8,293,358	8,013,086	96.62	190,163	8,203,249
2002/2003	7,980,840	7,822,902	98.02	254,792	8,077,694

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(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.

Table 7

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Current Tax Levy</u>
96.61 %	\$579,463	4.97 %
98.00	640,974	5.54
99.47	645,606	5.75
97.53	707,131	6.38
100.61	432,154	4.43
98.76	706,961	7.14
100.22	634,423	6.47
99.24	676,067	6.78
98.91	664,545	8.01
101.21	606,156	7.60

City of Strongsville, Ohio

Principal Taxpayers – Real Estate Tax

2012 and 2011

Table 8

Taxpayer	2012	
	Real Property Assessed Valuation (2)	Percentage of Real Assessed Valuation
Southpark Mall, LLC	\$75,587,220	5.23 %
Cleveland Electric Illuminating Company	22,652,570	1.57
Firstcal Industrial 2 Acquisition	12,816,770	0.89
Vam, LTD.	9,626,140	0.67
Greens of Strongsville, LTD.	8,877,760	0.61
Cherry Street Village	7,828,770	0.54
Polo Club Apartments. LLC.	7,029,690	0.49
Chestnut Lake Apartments	6,322,590	0.44
Wal-Mart Real Estate	5,302,330	0.37
The Higbee Company	5,226,660	0.35
Total	\$161,270,500	11.16 %
Total Assessed Valuation	\$1,445,561,400	
Taxpayer	2011 (1)	
	Real Property Assessed Valuation	Percentage of Real Assessed Valuation
Southpark Mall, LLC	\$65,745,630	4.56 %
Cleveland Electric Illuminating Company	20,722,740	1.44
Vam, LTD.	12,512,750	0.87
Firstcal Industrial 2 Acquisition	11,704,760	0.81
Greens of Strongsville, LTD.	8,858,510	0.61
Cherry Street Village	7,972,310	0.55
Polo Club Apartments. LLC.	7,275,880	0.50
Chestnut Lake Apartments	6,627,620	0.46
Wal-Mart Real Estate	5,915,560	0.41
Ohio Commerce Center Investments	5,250,000	0.37
Total	\$152,585,760	10.58 %
Total Assessed Valuation	\$1,442,739,300	

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(1) Information prior to 2011 is not available

(2) The amounts presented represent the assessed values upon which 2012 collections were based.

City of Strongsville, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

Last Ten Years

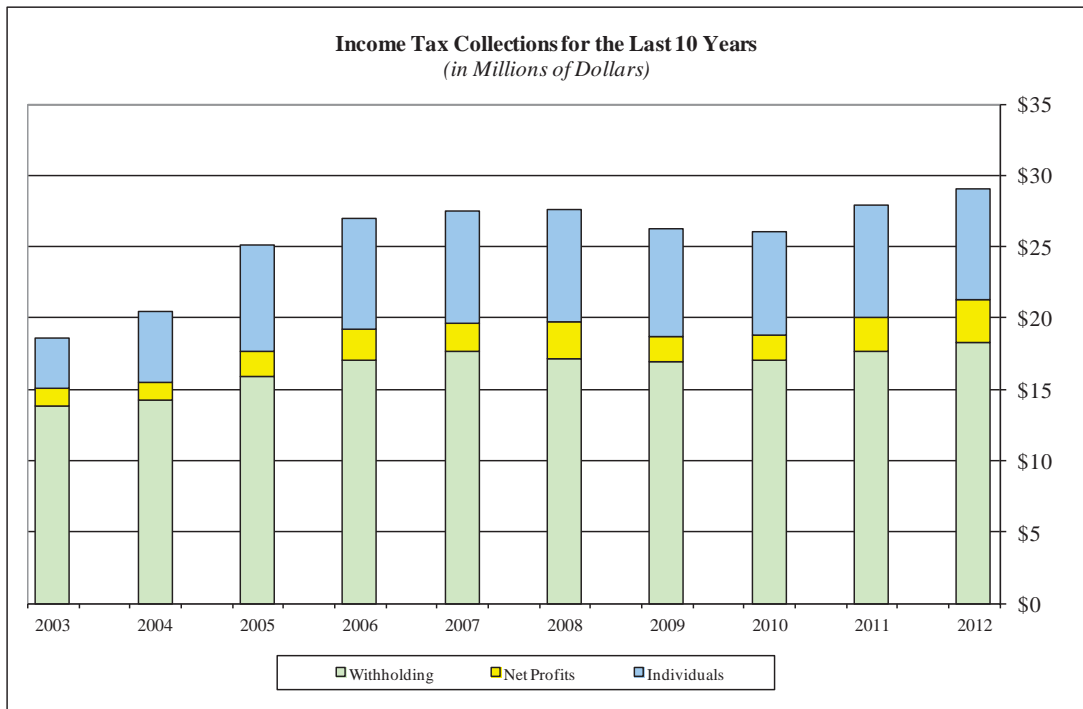
Table 9

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes (1) From Individuals	Percentage of Taxes from Individuals
2012	2.00 %	\$29,074,716	\$18,295,799	62.93 %	\$2,979,071	10.24 %	\$7,799,846	26.83 %
2011	2.00	27,896,316	17,701,146	63.45	2,364,892	8.48	7,830,278	28.07
2010	2.00	26,020,812	17,084,709	65.66	1,721,627	6.62	7,214,476	27.72
2009	2.00	26,215,912	16,980,532	64.77	1,690,117	6.45	7,545,263	28.78
2008	2.00	27,584,664	17,151,422	62.18	2,573,058	9.33	7,860,184	28.49
2007	2.00	27,516,760	17,682,322	64.26	1,955,142	7.11	7,879,296	28.63
2006	2.00	27,017,317	16,997,170	62.91	2,199,879	8.14	7,820,268	28.95
2005	2.00	25,131,216	15,849,436	63.07	1,754,739	6.98	7,527,041	29.95
2004	2.00	20,461,514	14,281,918	69.80	1,165,928	5.70	5,013,668	24.50
2003	2.00	18,633,883	13,858,415	74.37	1,239,778	6.65	3,535,690	18.98

Source: Regional Income Tax Agency (RITA)

(1) City implemented an Income Tax Credit Reduction from 100% to 75%, effective April 1, 2004.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



City of Strongsville, Ohio

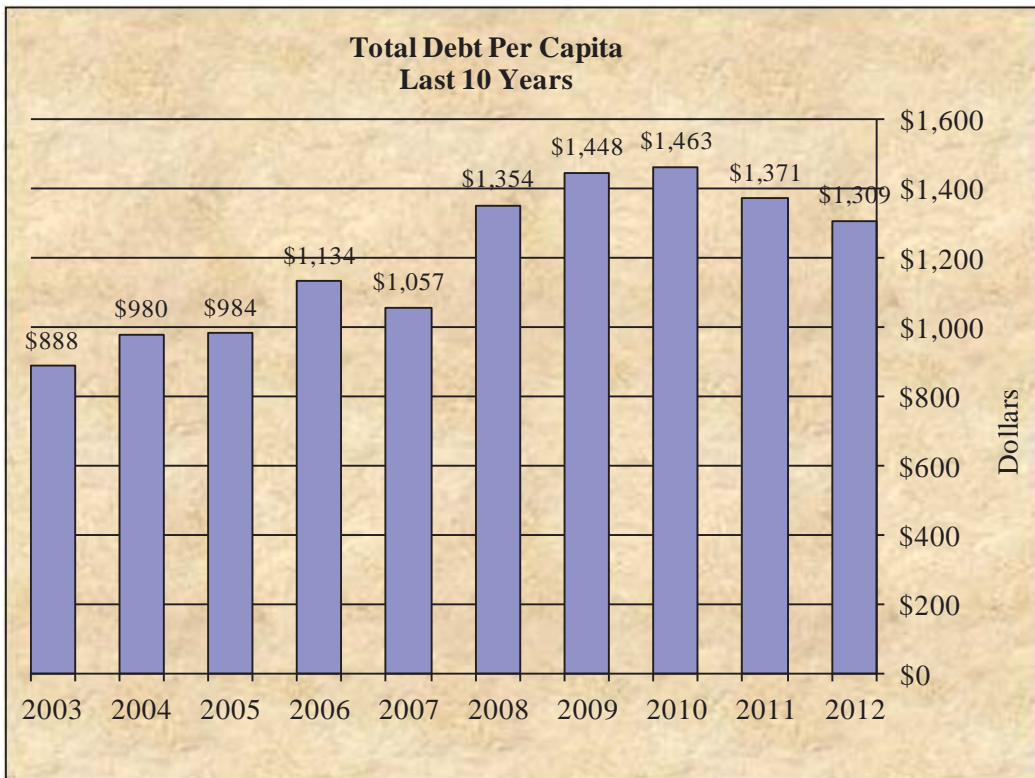
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Table 10

Year	Governmental Activities				Business-Type Activities			Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	OPWC Loans	General Obligation Bonds	OWDA Loans	OPWC Loans			
2012	\$48,476,997	\$680,000	\$5,480,914	\$0	\$415,000	\$3,123,128	\$0	\$58,176,039	3.75 %	\$1,300
2011	49,524,838	865,000	7,716,240	0	615,000	2,650,708	0	61,371,786	3.96	1,371
2010	55,780,684	1,035,000	5,041,458	0	805,000	2,814,500	0	65,476,642	4.22	1,463
2009	57,931,865	1,190,000	0	118,688	990,000	3,177,782	77,946	63,486,281	4.87	1,448
2008	36,167,026	1,340,000	16,450,000	138,145	1,185,000	3,996,756	92,119	59,369,046	4.55	1,354
2007	38,491,528	1,485,000	0	157,602	1,365,000	4,744,483	106,292	46,349,905	3.56	1,057
2006	40,861,030	1,625,000	0	177,059	1,530,000	5,427,460	120,465	49,741,014	3.82	1,134
2005	31,150,532	1,755,000	2,190,000	196,516	1,685,000	6,042,493	134,638	43,154,179	3.31	984
2004	25,965,000	1,875,000	6,750,000	225,700	1,835,000	6,181,730	155,897	42,988,327	3.30	980
2003	27,630,000	1,990,000	2,950,000	245,154	1,965,000	4,016,357	170,070	38,966,581	2.99	888

Note: Population and Personal Income data are presented on page S21.



City of Strongsville, Ohio

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

Table 11

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capital</u>
2012	44,750	b	\$4,084,641,391	\$48,891,997	1.20 %	\$1,092.56
2011	44,750	b	4,078,695,736	50,139,838	1.23	1,120.44
2010	44,750	b	4,029,002,336	56,585,684	1.40	1,264.48
2009	43,858	a	4,533,949,696	58,921,865	1.30	1,343.47
2008	43,858	a	4,659,354,399	37,352,026	0.80	851.66
2007	43,858	a	4,789,506,220	39,856,528	0.83	908.76
2006	43,858	a	4,218,761,414	42,391,030	1.00	966.55
2005	43,858	a	4,211,655,615	32,835,532	0.78	748.68
2004	43,858	a	4,045,124,001	27,800,000	0.69	633.86
2003	43,858	a	3,846,446,424	29,595,000	0.77	674.79

Sources:

- (1) U. S. Bureau of Census, Census of Population.
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census
- (2) Office of the County Fiscal Officer, Cuyahoga County, Ohio
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Strongsville, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2012

Table 12

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Strongsville			
General Obligation Bonds	\$48,476,997	100.00 %	\$48,476,997
Special Assessment Bonds	680,000	100.00	680,000
Bond Anticipation Notes	<u>5,480,914</u>	100.00	<u>5,480,914</u>
<i>Total Direct Debt</i>	<u>54,637,911</u>		<u>54,637,911</u>
Overlapping			
Strongsville City School District	5,209,301	100.00	5,209,301
Cuyahoga County	341,075,645	5.07	17,283,151
Greater Cleveland Regional Transit Authority	<u>129,495,000</u>	5.07	<u>6,561,834</u>
<i>Total Overlapping Debt</i>	<u>475,779,946</u>		<u>29,054,286</u>
Total	<u><u>\$530,417,857</u></u>		<u><u>\$83,692,197</u></u>

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

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



City of Strongsville, Ohio

Legal Debt Margin

Last Ten Years

	2012	2011	2010	2009
Total Assessed Property Value	\$1,445,561,400	\$1,442,739,300	\$1,424,815,490	\$1,524,219,571
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	151,783,947	151,487,627	149,605,626	160,043,055
Debt Outstanding:				
General Obligation Bonds (net)-Governmental Activities	\$48,476,997	\$49,524,838	\$55,780,684	\$57,931,865
General Obligation Bonds-Business Type Activities	415,000	615,000	805,000	990,000
Special Assessment Bonds	680,000	865,000	1,035,000	1,190,000
Bond Anticipation Notes (net)	5,480,914	7,716,240	5,041,458	0
OPWC Loans	0	0	0	196,634
OWDA Loans	3,123,128	2,650,708	2,814,500	3,177,782
Total Gross Indebtedness	58,176,039	61,371,786	65,476,642	63,486,281
Less:				
General Obligation Bonds-Business Type Activities	(415,000)	(615,000)	(805,000)	(990,000)
Special Assessment Bonds	(680,000)	(865,000)	(1,035,000)	(1,190,000)
OPWC Loans	0	0	0	(196,634)
OWDA Loans	(3,123,128)	(2,650,708)	(2,814,500)	(3,177,782)
General Obligation Bond Retirement Fund Balance	0	0	1,568,792	1,265,353
Total Net Debt Applicable to Debt Limit	53,957,911	57,241,078	62,390,934	59,197,218
Legal Debt Margin Within 10 ½ % Limitations	\$97,826,036	\$94,246,549	\$87,214,692	\$100,845,837
Legal Debt Margin as a Percentage of the Debt Limit	64.45%	62.21%	58.30%	63.01%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$79,505,877	\$79,350,662	\$78,364,852	\$83,832,076
Total Gross Indebtedness	58,176,039	61,371,786	65,476,642	63,486,281
Less:				
Voted General Obligation Bonds	0	0	(4,345,000)	(4,680,000)
General Obligation Bonds-Business Type Activities	(415,000)	(615,000)	(805,000)	(990,000)
Special Assessment Bonds	(680,000)	(865,000)	(1,035,000)	(1,190,000)
OPWC Loans	0	0	0	(196,634)
OWDA Loans	(3,123,128)	(2,650,708)	(2,814,500)	(3,177,782)
General Obligation Bond Retirement Fund Balance	0	0	1,568,792	1,265,353
Net Debt Within 5 ½ % Limitations	53,957,911	57,241,078	58,045,934	54,517,218
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$25,547,966	\$22,109,584	\$20,318,918	\$29,314,858
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	32.13%	27.86%	25.93%	34.97%

Source: City Financial Records

Table 13

2008	2007	2006	2005	2004	2003
<u>\$1,513,379,879</u>	<u>\$1,560,804,133</u>	<u>\$1,413,489,541</u>	<u>\$1,408,090,337</u>	<u>\$1,381,768,218</u>	<u>\$1,302,427,721</u>
<u>158,904,887</u>	<u>163,884,434</u>	<u>148,416,402</u>	<u>147,849,485</u>	<u>145,085,663</u>	<u>136,754,911</u>
\$36,167,026	\$38,491,528	\$40,861,030	\$31,150,532	\$25,965,000	\$27,630,000
1,185,000	1,365,000	1,530,000	1,685,000	1,835,000	1,965,000
1,340,000	1,485,000	1,625,000	1,755,000	1,875,000	1,990,000
16,450,000	0	0	2,190,000	6,750,000	2,950,000
230,264	263,894	297,524	331,154	381,597	415,224
<u>3,996,756</u>	<u>4,744,483</u>	<u>5,427,460</u>	<u>6,042,493</u>	<u>6,181,730</u>	<u>4,016,357</u>
<u>59,369,046</u>	<u>46,349,905</u>	<u>49,741,014</u>	<u>43,154,179</u>	<u>42,988,327</u>	<u>38,966,581</u>
(1,185,000)	(1,365,000)	(1,530,000)	(1,685,000)	(1,835,000)	(1,965,000)
(1,340,000)	(1,485,000)	(1,625,000)	(1,755,000)	(1,875,000)	(1,990,000)
(230,264)	(263,894)	(297,524)	(331,154)	(381,597)	(415,224)
(3,996,756)	(4,744,483)	(5,427,460)	(6,042,493)	(6,181,730)	(4,016,357)
<u>1,805,140</u>	<u>1,603,836</u>	<u>2,521,692</u>	<u>2,310,204</u>	<u>1,844,692</u>	<u>993,267</u>
<u>54,422,166</u>	<u>40,095,364</u>	<u>43,382,722</u>	<u>35,650,736</u>	<u>34,559,692</u>	<u>31,573,267</u>
<u>\$104,482,721</u>	<u>\$123,789,070</u>	<u>\$105,033,680</u>	<u>\$112,198,749</u>	<u>\$110,525,971</u>	<u>\$105,181,644</u>
65.75%	75.53%	70.77%	75.89%	76.18%	76.91%
<u>\$83,235,893</u>	<u>\$85,844,227</u>	<u>\$77,741,925</u>	<u>\$77,444,969</u>	<u>\$75,997,252</u>	<u>\$71,633,525</u>
<u>59,369,046</u>	<u>46,349,905</u>	<u>49,741,014</u>	<u>43,154,179</u>	<u>42,988,327</u>	<u>38,966,581</u>
(5,005,000)	(5,315,000)	(5,615,000)	(5,905,000)	(6,190,000)	(6,465,000)
(1,185,000)	(1,365,000)	(1,530,000)	(1,685,000)	(1,835,000)	(1,965,000)
(1,340,000)	(1,485,000)	(1,625,000)	(1,755,000)	(1,875,000)	(1,990,000)
(230,264)	(263,894)	(297,524)	(331,154)	(381,597)	(415,224)
(3,996,756)	(4,744,483)	(5,427,460)	(6,042,493)	(6,181,730)	(4,016,357)
<u>1,805,140</u>	<u>1,603,836</u>	<u>2,521,692</u>	<u>2,310,204</u>	<u>1,844,692</u>	<u>993,267</u>
<u>49,417,166</u>	<u>34,780,364</u>	<u>37,767,722</u>	<u>29,745,736</u>	<u>28,369,692</u>	<u>25,108,267</u>
<u>\$33,818,727</u>	<u>\$51,063,863</u>	<u>\$39,974,203</u>	<u>\$47,699,233</u>	<u>\$47,627,560</u>	<u>\$46,525,258</u>
40.63%	59.48%	51.42%	61.59%	62.67%	64.95%

City of Strongsville, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2012	44,750	\$1,551,393,000	\$34,668	\$78,745	44.2	40.70%
2011	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2010	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2009	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2008	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2007	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2006	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2005	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2004	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2003	43,858	1,303,547,476	29,722	68,660	39.1	37.00%

(1) Source: U. S. Census

(a) Years 2003 through 2009 - 2000 Federal Census

(b) Years 2010 through 2012 - 2010 Federal Census

(2) Source: Treasurer's Office, Strongsville City School District

(3) Source: U.S. Department of Labor/Bureau of Labor Statistics.

(4) Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(5) Computation of per capita personal income multiplied by population

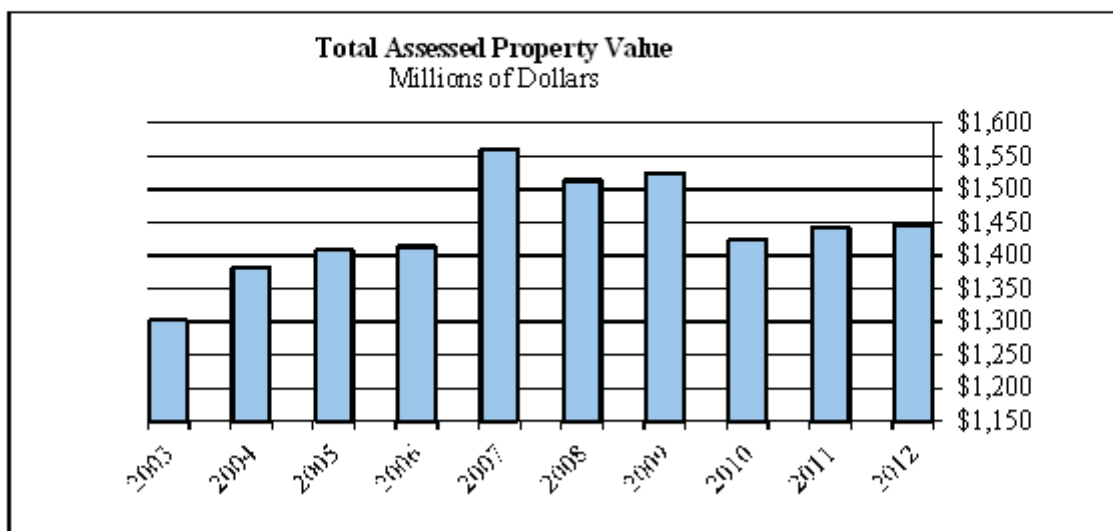
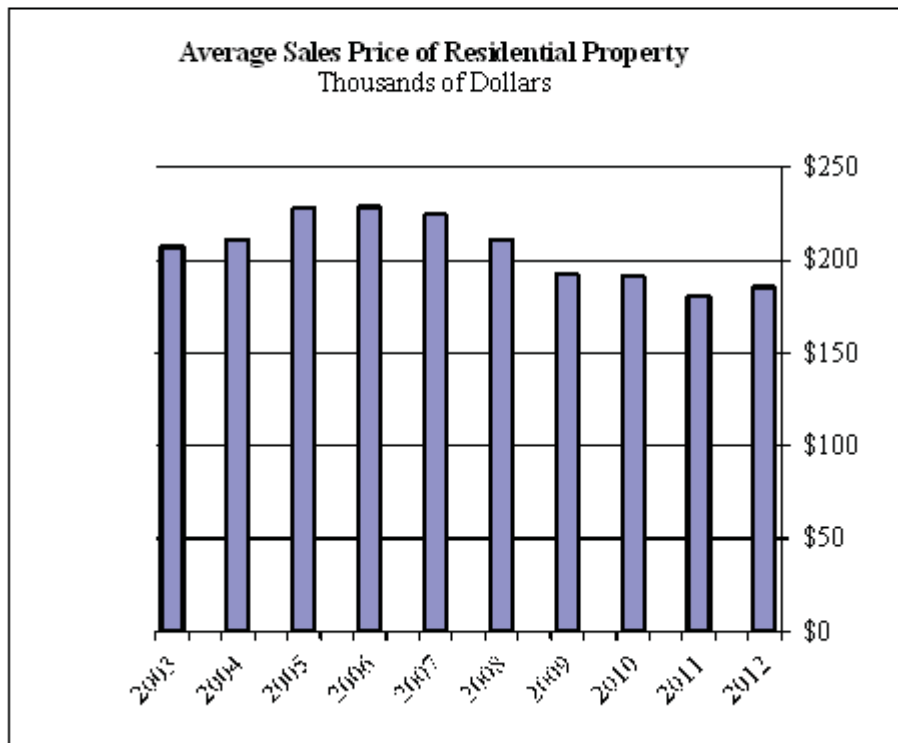


Table 14

School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
6,477	6.60%	\$185,487	\$1,445,561,400
6,784	7.10%	180,480	1,442,739,300
6,617	8.60%	191,594	1,424,815,490
7,003	9.20%	192,630	1,524,219,571
7,183	6.80%	211,289	1,513,379,879
7,241	6.10%	224,604	1,560,804,133
7,394	5.50%	228,636	1,413,489,541
7,374	6.10%	228,200	1,408,090,337
7,340	6.30%	211,372	1,381,768,218
7,214	6.80%	207,143	1,302,427,721



City of Strongsville, Ohio

Principal Municipal Income Tax Withholders

Current and Nine Years Ago

Table 15

2012		
Employer	Nature of Activity	Percentage of Total Income Tax
Strongsville Board of Education	Education	2.87%
Medical Mutual of Ohio	IT Business Solutions	2.67%
Akzo Nobel Paints, LLC	U.S. Corporate Headquarters	2.46%
PNC Bank (formally National City Bank)	Banking Technology Center	2.03%
Lamrite West, Inc.	Corporate Headquarters - Art Supplies	1.55%
City of Strongsville	Municipal Government	1.52%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.35%
Momentive Performance Material	Producer of Advanced Ceramics	1.06%
Avery Dennison Corporation	Pressure Sensitive Adhesive Products	1.02%
Clark Reliance	Precision Boiler Parts	0.82%
Total		17.35%

2003		
Employer	Nature of Activity	Percentage of Total Income Tax
Strongsville Board of Education	Education	4.29%
National City Bank	Banking Technology Center	3.05%
Lamrite West, Inc.	Corporate Headquarters - Art Supplies	1.84%
City of Strongsville	Municipal Government	1.81%
Ceres Administrators, LLC.	Insurance Company	1.77%
Akzo Nobel Paints, LLC	U.S. Corporate Headquarters - Paint	1.56%
PPG Industries, Inc.	Powder & Paint Products	1.14%
Momentive Performance Material	Producer of Advanced Ceramics	1.09%
Avery Dennison Corporation	Pressure Sensitive Adhesive Products	1.08%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.06%
Total		18.69%

Source: Regional Income Tax Agency (RITA)

City of Strongsville, Ohio

Full-Time City Employees by Function/Program

Last Six Years (1)

Table 16

Function/Program	2012	2011	2010	2009	2008	2007
General Government						
Council	2	2	2	2	2	2
Mayor's Office	3	4	4	4	2	2
Human Resources	1	1	1	1	1	1
Finance	4	5	5	5	7	7
Law	4	4	4	4	5	5
Communication & Technology	4	4	4	4	4	4
Mayor's Court	1	1	1	1	1	1
Security of Persons and Property						
Police	96	100	106	98	99	101
Fire	60	65	66	70	72	73
Public Safety	1	0	0	0	0	0
Public Health Services						
Cemetery	1	1	1	1	1	1
Leisure Time Activities						
Parks	1	1	1	1	1	1
Recreation	17	17	19	20	21	21
Senior Services	5	6	6	7	8	9
Community Environment						
Building	10	10	10	10	11	12
Planning	1	1	1	1	1	1
Economic Development	1	1	1	2	2	2
Transportation						
Administration	5	6	6	8	9	9
Street Maintenance	36	39	40	39	42	44
Traffic Control	2	2	3	3	3	3
Vehicle Maintenance	6	6	6	6	6	6
Basic Utility Services						
Engineering	5	6	6	6	7	8
Sanitary Sewer Maintenance	7	6	6	7	7	7
Totals:	<u>273</u>	<u>288</u>	<u>299</u>	<u>300</u>	<u>312</u>	<u>320</u>

Source: City of Strongsville Finance Department

(1) Information prior to 2007 is not available

City of Strongsville, Ohio

Operating Indicators by Function/Program

Last Six Years (1)

Table 17

Function/Program	2012	2011	2010	2009	2008	2007
General Government						
<i>Council and Clerk</i>						
Number of Ordinances Passed	152	166	159	185	194	212
Number of Resolutions Passed	57	49	50	77	76	47
Number of Planning Commission docket items	45	38	52	50	84	95
<i>Finance Department</i>						
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aa1	Aa1	Aa1
Number of AP checks/ vouchers issued	3,453	3,734	4,021	6,267	7,839	7,772
Number of AP EFT's/ vouchers issued	3,890	3,699	3,304	1,214	0	0
Number of W2 Forms	587	594	611	649	687	690
Amount of checks written	\$29,252,993	\$40,018,865	\$47,302,771	\$48,322,101	\$45,493,374	\$47,032,104
Interest earnings for fiscal year (cash basis)	\$121,284	\$83,575	\$107,520	\$452,252	\$623,179	\$1,609,407
<i>Health Insurance Premiums</i>						
Over-age Dependents	\$1,837	\$0	\$0	\$0	\$0	\$0
Family	\$1,401	\$1,308	\$1,308	\$1,187	\$1,094	\$1,094
Single Employees	\$561	\$524	\$476	\$475	\$438	\$438
Gross Wages	\$22,306,968	\$22,210,142	\$21,742,901	\$21,939,433	\$21,807,176	\$20,581,700
<i>Employer Paid:</i>						
Medicare	\$292,415	\$282,545	\$276,169	\$271,242	\$263,184	\$245,987
Ohio Public Employees Retirement System	\$1,479,969	\$1,467,952	\$1,448,436	\$1,486,056	\$1,527,429	\$1,413,161
Police Pension	\$1,115,057	\$1,110,376	\$1,110,118	\$1,118,162	\$1,062,918	\$1,034,036
Fire Pension	\$1,246,260	\$1,243,296	\$1,201,510	\$1,244,986	\$1,142,359	\$1,108,107
Hospitalization	\$3,899,236	\$3,877,306	\$3,624,183	\$3,972,622	\$3,398,669	\$3,346,390
Worker's Compensation	\$555,400	\$526,800	\$486,400	\$513,064	\$462,445	\$448,993
Unemployment	\$9,865	\$655	\$21,444	\$17,941	\$3,821	\$13,681
Group Life Insurance	\$79,041	\$81,960	\$37,075	\$37,483	\$34,696	\$32,246
Total Salaries and Fringes (cash basis)	\$30,984,211	\$30,801,032	\$29,948,236	\$30,600,989	\$29,702,697	\$28,224,301
General Fund Receipts (cash basis)	\$31,973,112	\$30,891,892	\$30,278,694	\$31,976,357	\$33,220,023	\$32,046,240
General Fund Expenditures (cash basis)	\$32,137,577	\$30,866,872	\$30,605,487	\$32,185,566	\$32,128,179	\$30,987,044
General Fund Cash Balances	\$7,432,166	\$7,923,424	\$7,571,611	\$7,898,404	\$8,107,613	\$7,015,769
<i>Civil Service</i>						
Number of police entry tests administered	0	1	0	0	1	0
Number of fire entry tests administered	0	1	0	0	1	0
Number of police promotional tests administered	2	0	0	0	1	0
Number of fire promotional tests administered	2	3	0	0	1	0
Number of hires of Police Officers from certified lists	0	0	0	0	4	0
Number of hires of Fire/Medics from certified lists	0	0	0	0	3	0
Number of promotions from police certified lists	5	0	0	0	6	0
Number of promotions from fire certified lists	4	2	0	0	5	0
<i>Engineer Contracted Services</i>						
Dollar amount of Construction overseen by Engineer	\$3,700,000	\$10,400,000	\$8,000,000	\$1,600,000	\$1,700,000	\$1,600,000

(Continued)

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years (1)

Table 17

Function/Program	2012	2011	2010	2009	2008	2007
Community Environment						
<i>Building Department Indicators</i>						
Construction Permits Issued	238	227	210	292	163	330
Estimated Value of Construction	\$23,976,814	\$51,675,210	\$45,196,478	\$63,072,070	\$86,170,445	\$77,477,796
Number of permits issued	3,276	3,057	3,026	3,192	3,180	2,865
Amount of Revenue generated from permits	\$1,171,893	\$1,086,089	\$1,034,435	\$1,115,596	\$1,097,810	\$1,216,094
Number of contract registrations issued	1,294	1,407	1,438	1,761	1,335	1,694
Leisure Time Activities						
<i>Recreation</i>						
Number of Memberships	13,268	13,823	13,826	13,814	13,798	13,665
Number of Adult Sport League Teams	229	239	241	228	190	180
Youth Baseball/Softball Participants	1,329	1,357	1,530	1,715	1,745	1,766
Youth Basketball Participants	1,568	1,343	1,391	1,368	1,234	1,149
Group Exercise/Spinning Participants	19,551	18,781	20,161	23,527	22,498	20,953
Youth Day Camp Participants	940	969	985	722	867	842
Youth Tennis Lessons	131	139	147	149	130	77
Youth Learn to Swim Participants	1,980	2,014	2,157	1,812	2,195	2,078
Public Health and Welfare						
Cemetery burials	51	51	54	29	53	39
Cemetery sale of lots	73	35	33	41	29	43
Cemetery receipts	\$56,200	\$44,925	\$49,825	\$46,300	\$43,350	\$51,575
Annual County Board of Health Deduction	\$171,840	\$162,275	\$162,275	\$162,275	\$157,889	\$157,889
Population for County Board of Health (US Census)	44,750	43,858	43,858	43,858	43,858	43,858
County Board of Health Fee Per Resident	\$3.84	\$3.70	\$3.70	\$3.70	\$3.60	\$3.60
Basic Utility Services						
Solid Waste Disposal (tonnage)	22,497	19,020	21,692	21,902	22,594	24,790
Solid Waste Disposal Costs	\$1,996,157	\$1,987,709	\$2,502,621	\$2,514,131	\$2,493,878	\$2,507,336
Recycled Materials (tonnage)	8,553	9,105	9,720	10,132	5,951	9,462
Recycled Materials as a percentage of Total Waste	28.0%	32.0%	31.0%	32.0%	21.0%	28.0%
Number of Residential Units	15,680	15,680	15,146	15,146	15,146	15,146
Cost per Residential Unit	\$6.13	\$6.01	\$7.55	\$7.55	\$7.33 to \$7.55	\$7.33
Landfill tipping fee (per ton)	\$33.66	\$33.00	\$43.62 to \$45.24	\$43.62 to \$45.24	\$42.71 to \$43.99	\$42.71 to \$42.35
Security of Persons & Property						
<i>Police</i>						
Number of traffic citations issued	3,304	3,450	3,952	4,745	4,631	5,284
Number of parking citations issued	419	302	261	472	235	333
Number of criminal arrests	1,916	1,601	1,226	1,319	1,287	1,351
Number of accident reports completed	1,134	1,374	1,398	1,399	1,413	1,406
Part 1 Offenses (major offenses)	1,040	1,080	963	985	844	934
Animal Warden service calls responded to per annual report	402	441	366	457	376	353
DUI Arrests	242	354	284	273	279	295
Prisoners	1,521	1,219	822	734	879	886
Prisoner meal costs	\$18,294	\$17,922	\$20,977	\$24,491	\$29,317	\$35,970
Motor Vehicle Accidents	1,751	1,865	1,810	1,758	1,815	1,802
Fatalities from Motor Vehicle Accidents	1	0	2	2	1	1
Community Diversion Program Youths	63	98	99	98	N/A	N/A
Community Diversion Program - community service hours	700	1,435	1,819	1,209	N/A	N/A

(Continued)

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years (1)

Table 17

Function/Program	2012	2011	2010	2009	2008	2007
Security of Persons & Property (continued)						
<i>Fire</i>						
EMS Calls	3,560	3,246	3,410	3,058	3,055	3,127
Ambulance Billing Collections	\$993,234	\$937,404	\$916,097	\$752,969	\$813,840	\$768,772
Fire Calls	1,213	630	471	596	540	576
Fires with Loss	35	79	92	114	89	147
Fires with Losses exceeding \$10K	15	6	5	7	6	9
Fire Losses \$	\$1,414,850	\$301,000	\$767,000	\$3,795,000	\$756,000	\$1,772,777
Fire Safety Inspections	940	652	727	622	573	389
Number of times Mutual Aid given to Fire and EMS	34	61	57	53	66	55
Number of times Mutual Aid received for Fire and EMS	38	20	17	19	14	5
Transportation						
Street Improvements - asphalt overlay (cubic yds)	2,201	4,183	7,139	6,490	549	N/A
Street Repair (Curbs, aprons, berms, asphalt) (hours)	25,664	22,881	38,226	53,572	29,954	26,722
Guardrail Repair (hours)	16	16	184	352	56	504
Cold Patch (hours)	1,616	4,948	7,324	9,700	4,544	3,520
Snow & Ice Removal (hours)	3,568	5,416	7,072	8,728	5,248	5,280
Sewer Crew Calls (hours)	3,544	4,088	5,815	7,542	7,152	6,896
Sewer Crew Preventive Maintenance (hours)	14,144	9,152	9,934	10,716	6,330	6,386
Sewer Jet & Vactor (hours)	1,832	632	2,812	4,992	2,256	2,776
Landscaping Stump-Chipper service (hours)	5,944	3,776	8,288	12,800	9,290	15,544
Leaf collection (hours)	4,048	3,172	5,812	8,452	4,040	4,504
Holiday Lighting & Special Events setup (hours)	444	564	883	1,202	496	2,288
Square Repair after Special Events (hours)	4,648	4,580	5,090	5,600	2,208	2,808
Equipment & Vehicle Repair (hours)	14,403	13,280	19,112	24,944	13,894	11,902
Sign Department (hours)	4,439	4,040	6,482	8,924	5,816	5,736
Park Maintenance (hours)	6,560	8,658	12,262	15,866	8,118	10,352
Utility Repair (hours)	5,344	5,058	7,713	10,368	6,248	4,528
Senior Bus Trips (hours)	703	526	800	1,074	596	625
Animal Control (hours)	2,869	2,389	3,646	4,903	2,362	1,696
Cemetery (hours)	3,272	2,679	4,490	6,302	3,192	3,344
Miscellaneous Repairs & Maintenance (hours)	2,376	2,760	3,732	4,704	2,560	4,008
Number of Trees Planted per year	269	225	340	324	278	665
Tons of snow melting salt purchased	10,622	14,200	13,400	12,000	19,900	16,100
Cost of salt purchased	\$476,321	\$641,228	\$583,302	\$474,840	\$656,302	\$525,182
Gallons of snow & ice road pretreatment purchased	4,708	23,561	7,870	5,080	4,000	8,000
Cost of snow & ice road pretreatment	\$4,849	\$22,854	\$10,791	\$9,499	\$7,480	\$14,986
Unleaded Fuel Average Price per Gallon	\$3.50	\$3.38	\$2.66	\$2.26	\$2.78	\$2.64
Unleaded Fuel Gallons Used	93,470	94,605	104,053	107,151	114,035	102,797
Cost of Unleaded Fuel Used	\$327,145	\$319,765	\$276,781	\$242,161	\$317,017	\$271,384
Diesel Fuel Average Price per Gallon	\$3.55	\$3.39	\$2.63	\$2.13	\$3.38	\$2.56
Diesel Fuel Gallons Used	74,380	78,118	88,742	82,246	85,102	76,749
Cost of Diesel Fuel Used	\$264,049	\$264,820	\$233,391	\$175,184	\$287,645	\$196,477

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years (1)

Table 17

Function/Program	2012	2011	2010	2009	2008	2007
Wastewater Department						
Wastewater Treatment Plants Annual Costs	\$1,501,078	\$1,594,819	\$1,444,869	\$1,424,765	\$1,363,202	\$1,477,898
Total flow of wastewater treatment plants (Billions of Gallons)	0.625	0.787	0.748	0.636	0.627	0.760
Average daily flow (Millions of gallons per day)	1.714	2.156	2.031	1.741	1.718	2.081
Tons of dry sludge removed	305.63	317.81	303.03	290.39	292.33	316.59

Source: Information is provided by the respective City departments.

(1) Information prior to 2007 is not available

City of Strongsville, Ohio

Capital Assets Statistics by Function/Program

Last Six Years (1)

Table 18

Function/Program	2012	2011	2010	2009	2008	2007
General Government						
Square Footage Occupied	9,334	9,334	9,334	9,334	9,334	9,334
Administrative Vehicles	3	3	3	2	1	1
Buildings & Inspection Vehicles	9	9	9	9	9	9
Police						
Stations	1	1	1	1	1	1
Square Footage of Building	60,116	60,116	60,116	17,370	17,370	17,370
Vehicles	61	61	60	60	59	60
Fire						
Stations	4	4	4	4	4	4
Square Footage of Station # 1	10,651	10,651	10,651	10,651	10,651	10,651
Square Footage of Station # 2	5,745	5,745	5,745	5,745	5,745	5,745
Square Footage of Station # 3	8,360	8,360	8,360	8,360	8,360	8,360
Square Footage of Headquarters	36,194	36,194	36,194	36,194	36,194	5,750
Vehicles	20	20	20	20	20	20
Recreation						
Number of Parks	8	8	8	7	7	7
Number of Pools	3	3	3	3	3	3
Number of Tennis Courts	6	6	6	6	6	6
Number of Baseball Diamonds	18	18	18	15	15	13
Number of Soccer Fields	18	18	17	17	17	17
Number of Football Fields	1	1	1	1	1	0
Recreation Centers	1	1	1	1	1	1
Recreation Centers Square Footage	149,721	149,721	149,721	149,721	149,721	149,721
Vehicles	10	10	10	10	10	10
Other Public Works						
Streets (Center Line Miles)	202	202	202	202	202	201
Bridges	1	1	1	1	1	1
Culverts	187	187	187	187	187	187
Water Lines (Miles)	194	194	194	194	193	193
Service Vehicles	68	67	64	62	62	59
Wastewater						
Wastewater Treatment Plants	2	2	2	2	2	2
Wastewater Collection Systems	18	16	15	15	15	15
Wastewater Sewers (Miles)	188	186	186	186	184	184
Storm Sewers (Miles)	195	194	190	190	189	189
Vehicles	21	21	21	21	21	21

Source: City of Strongsville Finance and Engineering Departments

(1) Information prior to 2007 is not available



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Dave Yost • Auditor of State

CITY OF STRONGSVILLE

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
MAY 9, 2013