



Dave Yost • Auditor of State

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY**

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**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity/Grant Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct payment</i>			
Staffing for Adequate Fire and Emergency Response (SAFER)	EMW-2010-FH-00287	97.044	\$584,652
<i>Direct payment</i>			
ARRA - COPS Hiring Recovery Program	2009RKW0673	16.710	<u>204,007</u>
Total U.S. Department of Homeland Security			<u>788,659</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through the City of Cleveland</i>			
ARRA - Edward Byrne Memorial Justice Assistance	2009-RA-A02-2287	16.738	<u>7,837</u>
Total U.S. Department of Homeland Security			<u>7,837</u>
Total			<u><u>\$796,496</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the City Of Warrensville Heights' federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.



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 Warrensville Heights
Cuyahoga County
4301 Warrensville Center Road
Warrensville Heights, Ohio 44128

To the Members of 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, each major fund, and the aggregate remaining fund information of City of Warrensville Heights, 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 December 12, 2013.

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 opinion 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2012-001.

Entity's Response to Findings

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

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.



Dave Yost
Auditor of State
Columbus, Ohio

December 12, 2013



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

City of Warrensville Heights
Cuyahoga County
4301 Warrensville Center Road
Warrensville Heights Ohio 44128

To the Members of Council:

Report on Compliance for Each Major Federal Program

We have audited the City of Warrensville Heights's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Warrensville Heights' major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Warrensville Heights complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

Report on Internal Control over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Warrensville Heights as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated December 12, 2013. We conducted our audit to opine on the City's basic financial statements. We have not performed any procedures to the audited financial statements subsequent to December 12, 2013. The accompanying Schedule of Federal Awards Expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 12, 2013

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**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2012-001

Accuracy of Annual Financial Report – Material Noncompliance

Ohio Rev. Code Section 117.38 states that an entity must file a complete and accurate financial report on an annual basis. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2012
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
(Continued)**

**FINDING NUMBER 2012-001
(Continued)**

Accuracy of Annual Financial Report – Material Noncompliance (Continued)

Although the City filed their financial report within the prescribed deadline, we noted the balances on the report filed with Local Government Services contained totals that were significantly misstated, and did not accurately reflect the City's financial position. By not filing accurate financial reports on time, the City is not fulfilling their duties of accountability and transparency to the public.

We recommend the City compile and present their financial statements in a complete, accurate and timely manner, in accordance with the above Ohio Rev. Code Section.

Official Response: The City will meet with the GAAP converter to ensure that the financial statements are reviewed more thoroughly prior to submission.

3. FINDINGS FOR FEDERAL AWARDS

None

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	Accounting and Record Keeping of Leave Time	No	Re-Issued as Management Letter comment
2011-02	Adequate Support for Credit Card Purchases	Yes	
2011-03	Capital Asset Records	No	Re-Issued as Management Letter comment
2011-04	Negative Cash Fund Balances	Yes	
2011-05	Appropriations in Excess of Estimated Resources	N/A	Finding No Longer Valid
2011-06	Expenditures Plus Encumbrances in Excess of Appropriations	N/A	Finding No Longer Valid
2011-07	Allowable Activities/Allowable Costs for SAFER Federal Program	Yes	



City of Warrensville Heights, Ohio

**Comprehensive Annual Financial Report
Year Ending December 31, 2012**

City of Warrensville Heights, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2012

Issued by the Department of Finance

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

Introductory Section

City of Warrensville Heights

For the Year Ended December 31, 2012

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City of Warrensville Heights

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City of Warrensville Heights

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City of Warrensville Heights

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City of Warrensville Heights

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

Bradley D. Sellers
Mayor

Rubin K. Moultrie, CPA
Finance Director

December 12, 2013

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

We are pleased to submit the *Comprehensive Annual Financial Report of the City of Warrensville Heights* for the year ended December 31, 2012. This report enables the City to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis. It is also in compliance with the Ohio Revised Code Section 117.38, which requires the cities that are reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days after fiscal year end. This report is submitted to satisfy that requirement.

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

The Auditor of State of Ohio, Dave Yost, have issued an unmodified (“clean”) opinion on the City of Warrensville Heights’ 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.

The City and Form of Government

The City of Warrensville Heights, Ohio is located in the southeast portion of Cuyahoga County, eight miles from downtown Cleveland. The City was incorporated as a village in 1927, and became a city in 1960. The City has 13,542 residents (10.4% less than 2000 data) according to the most recent data from the United States Census Bureau.

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

The City operates under, and is governed by, its Charter which was adopted in 1958 by its voters, and has been amended from time to time. The last amendment was made in 2010. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

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

The Mayor with the assistance of the Director of Finance shall prepare and submit to Council, not less than forty-five (45) days before the end of each fiscal year, an estimate of revenue and expenditures for the succeeding fiscal year. The head of each department, board and commission shall submit to the Mayor the necessary information for such estimates. The estimate shall consist of: estimate of revenue from all sources and comparative statement for the current year and one preceding year; estimate of expenses of each department and activity of the Municipality and comparative statement for the current year and one preceding year; amount of debt and schedule of maturities of outstanding bonds and notes; value of current inventory or supplies; and amount of unencumbered balance in each bond and improvement fund.

Council is required to adopt either an annual budget for the ensuing year or a temporary budget covering the first ninety days of the ensuing year, by no later than December 31st of the current year. If a temporary budget is adopted, a permanent budget must be adopted by no later than the ninetieth day of the budget year, normally March 31st. In recent years, Council has adopted an annual budget prior to December 31 of the preceding year.

Economic Condition

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

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

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

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

Northeast Ohio Public Energy Council (NOPEC) and participates in a program for natural gas and electricity for further benefits to the residents.

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

Economic Condition and Outlook

The City is an inner ring suburb of the City of Cleveland. Primarily a residential community of beautifully maintained neighborhoods, it also has a thriving and engaging business community. Each day approximately 13,500 people come to work in Warrensville Heights and are responsible for 83% of the City's General Fund revenue through income taxes. Property tax revenues collected in 2012 represented 3% of the total.

In the first half of 2012, the City of Warrensville Heights successfully completed two major ventures: the construction of the Cuyahoga County Public Library Warrensville Heights Branch and Greater Cleveland YMCA Warrensville Heights recreation center, approved by voters in May 2009.

In 2012, the second year of the State of Ohio biennial budget, aid to the City was cut by 50 %. Also, the State terminated certain other payments that reimburse it for prior state tax cuts and eliminated the estate tax, effective January 1, 2013. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources.

The City came to an agreement with six Collective Bargaining units in 2012 and finalized one with the Firefighters Local in 2013.

In June 2012, Cleveland Clinic, Ohio University Heritage College of Osteopathic Medicine and Warrensville Heights announced South Pointe Hospital would open a new medical extension campus to help address the impending shortage of primary care physicians in the region. By establishing a regional medical campus at South Pointe Hospital, the area is expected to see both direct and indirect economic benefits. According an economic impact report prepared by Tripp Umbach, the school's first class will have 32 students and begin in the year 2015. Once the first class graduates in 2019, the economic impact of the campus is expected to be \$19 million annually. The new extension campus is expected to create more than 100 jobs and generate more than \$700,000 in tax revenues for state and local governments.

Property Tax in Warrensville Heights is administered by the Cuyahoga County Fiscal Office. The property is assessed on 35% of the appraised market value. Every three years the value is updated based on the average sales price of properties sold in the City. The Ohio Revised Code mandates a reappraisal every six years to include any major additions or improvements. Due to the downturn in the housing market, the city experienced an overall reduction in its property values after the 2012 reappraisal.

Major Initiatives

Long-Term Financial Planning

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

In 2012, the City's tax base was valued at \$645 million and remains somewhat concentrated as the top ten taxpayers represent 33.46% of assessed valuation. Despite this moderate concentration, property taxes comprise a small percentage of the City's revenues, mitigating the impact that loss of a property taxpayer could have on the City's financial operations. Income tax collections are slightly more diversified as there is only one payer with a greater than 5% share of total income tax revenues.

To spur economic development, the City established its first Community Reinvestment Area (CRA) in June 1994 under state law. This program offers real property tax abatement for construction and expansion of commercial facilities located within a designated area. The City has been able to recruit new commercial companies and retain existing ones as a result of the CRA program. Abatement has been granted up to 50 percent over 15 years. The City shares a percentage of the increased payroll withholding taxes through the abatement period with the school district.

Additionally, the City receives a modest amount of additional revenue as a member of a Joint Economic Development District (JEDD) with Cleveland and other surrounding areas. The City also benefits from income tax revenue growth due to the construction of a new University Hospital (Ahuja) in nearby Beachwood within the JEDD, with a payment of \$375,000 expected in 2013.

As part of its Strategic Investment and Master plans, the City identified two areas of the city for residential development. The City's portion of public infrastructure construction activities for two major projects, Emery Woods and Cinema Park was financed by the issuance of General Obligation notes in anticipation of the levy and collection of special assessments. Due to the problems in the housing market, slightly over 50% of the units have been sold at Emery Woods and 8% at Cinema Park by December 31, 2012. The Cinema Park project is currently in foreclosure. The notes outstanding for Emery Woods and Cinema Park are \$905,000 and \$ 2,765,000, respectively.

Awards and Acknowledgements

Award – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a '**Certificate of Achievement for Excellence in Financial Reporting**' to the City of Warrensville Heights for its Comprehensive Annual Financial Report for the year ended December 31, 2011.

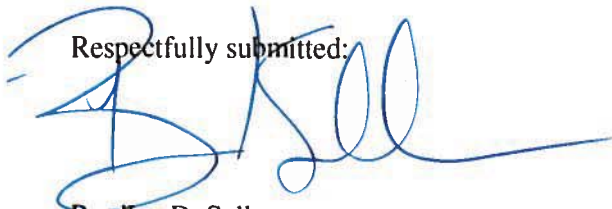
In order to be awarded a '**Certificate of Achievement for Excellence in Financial Reporting**', a government unit must publish a reader friendly and efficiently organized comprehensive annual financial report which satisfies all program standards. Such a report must also conform to generally accepted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

The Award is valid for only one year. We believe that our report for the year ended December 31, 2012 continues to meet the standards of the Award. Therefore, we are submitting it to GFOA at this time.

Acknowledgments

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

Respectfully submitted:

A handwritten signature in blue ink, appearing to read 'B. Sellers', with a long horizontal stroke extending to the right.

Bradley D. Sellers
Mayor

A handwritten signature in blue ink, appearing to read 'Rubin Moultrie', with a long horizontal stroke extending to the right.

Rubin Moultrie
Director of Finance

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

CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART

Citizens of
Warrensville Heights

LEGISLATIVE

City Council

Council Clerk

EXECUTIVE

Mayor

Executive Assistant

Law Director

Prosecutor

Assistant
Law Director

Chief of Staff

Safety Director

Police Chief

Fire Chief

Economic Dev.
Director

Senior Center
Director

Programming
Coordinator

Building
Commissioner

Chief
Building Official

Chief of Housing

Communications
Activities/Director

Inspectors

Clerks

Service
Director

Finance
Director

Personnel
Director

Assistant
Finance Director

Clerks

Payroll
Administrator

Boards and Commissions

- Board of Zoning
- Civil Service Commission
- Planning Commission

CITY OF WARRENSVILLE HEIGHTS

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR BRADLEY D. SELLERS

CITY COUNCIL

Andrea Mitchell, Ward 2

Dorise Hagwood, Ward 1

Elona C. White, Ward 3

Ruby Nelson, Ward 4

Darnell Robertson, Ward 5

Pauline Goode, Ward 6

Kimberly Hodge-Edwards, Ward 7

APPOINTED OFFICIALS

Barbara L. Walker, Chief of Staff

Teresa M. Beasley, Director of Law

Rubin K. Moultrie, Director of Finance

Ted Sims, Director of Service

William Jelenic, Chief of Police

Herbert Waugh, Chief of Fire

Kelli Wilson, Personnel Director

Pequita Hansberry, Economic Development Director

Ashley Gowens, Community Activities Director

Melvin Lester, Building Commissioner

Linda Gay, Director of Civic and Senior Center

GPD Associates, City Engineer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warrensville Heights
Ohio

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

President

Jeffrey R. Emer

Executive Director

Financial Section

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Warrensville Heights
Cuyahoga County
4301 Warrensville Center Road
Warrensville Heights, Ohio 44128

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, 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, each major fund, and the aggregate remaining fund information of City of Warrensville Heights, Cuyahoga County, Ohio, as of December 31, 2012, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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*, 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 statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The Schedule of Federal Awards Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The statements and schedules are management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 December 12, 2013, 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

December 12, 2013

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City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

The discussion and analysis of the City of Warrensville Heights' (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2012 by \$4,923,721.
- Total assets decreased by \$233,873 in 2012 which represents a decrease of 0.63 percent from 2011. The decrease was due primarily to a decrease in equity in pooled cash and cash equivalents
- Total liabilities decreased by \$2,378,265 in 2012, which represents a decrease of 6.88 percent from 2011. Current liabilities decreased \$7,922,370 due mainly to decreases in accounts payable, retainage payable and accrued interest payable. Long-term liabilities increased \$5,544,105, primarily due to the issuance of Certificates of Participation related to the City's recreation center facility project.
- Net position in total increased by \$2,144,392 during 2012. This represents an increase of 77.16 percent from 2011. The main reason for the increase in net position is due to the City's increase in capital assets from the prior year due to the completion of the City's recreation center facility project.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Warrensville Heights as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

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

The City as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position presents information, excluding fiduciary funds, on all the City of Warrensville Heights' assets and liabilities, with the difference between the two reported as net position. This change is important because it serves as a useful indicator of whether the City's financial position is improving or diminishing.

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base, change in the tax law, and the condition of capital assets should also be considered.

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 17. Fund financial reports provide detailed information about the City's major funds. The City has established many funds that account for the multitude of services, facilities, and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Warrensville Heights, the major governmental funds are the General Fund, General Obligation Bond Fund and Town Center Project Fund.

Governmental Funds

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

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Government-wide Financial Analysis – The City as a Whole

As noted earlier, the Statement of Net Position looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2012 compared to 2011.

Table 1 – Net Position

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Assets:		
Current and other assets	\$ 12,686,977	\$ 15,270,781
Capital assets	<u>24,447,657</u>	<u>22,097,726</u>
Total assets	<u>37,134,634</u>	<u>37,368,507</u>
Liabilities:		
Other liabilities	2,314,815	10,237,185
Long term liabilities:		
Due within one year	1,633,457	12,940,758
Due in more than one year	<u>28,262,641</u>	<u>11,411,235</u>
Total liabilities	<u>32,210,913</u>	<u>34,589,178</u>
Net position:		
Investment in capital assets	4,741,934	(1,396,664)
Restricted	1,721,094	3,056,718
Unrestricted (deficit)	<u>(2,676,263)</u>	<u>1,119,275</u>
Total net position	\$ <u>4,923,721</u>	\$ <u>2,779,329</u>

Total assets decreased by \$233,873 from 2011 to 2012. Of that decrease, the most significant changes were in equity in pooled cash and cash equivalents, which decreased by \$2,501,723, and capital assets, which increased by \$2,349,931.

Total liabilities decreased by \$2,378,265 in 2012. The decrease is primarily due to the decreased accounts payable and retainage payable. These decreases are mostly a result of the City's completion of the recreation center facility project.

Total net position had a balance of \$4,923,721 at December 31, 2012, which is a significant increase over last year's balance of \$2,779,329. The largest portion of the City's net position (96 percent) reflects the investment in capital assets, less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Table 2 shows the change in net position for the year ended December 31, 2012 compared to 2011.

Table 2 – Statement of Activities

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Program revenues:		
Charges for services	\$ 1,196,454	\$ 1,465,814
Operating grants and contributions	1,335,220	1,114,875
Capital grants and contributions	<u>270,779</u>	<u>295,780</u>
Total program revenues	<u>2,802,453</u>	<u>2,876,469</u>
General Revenues:		
Property and other taxes	1,879,236	1,936,242
Income taxes	14,228,423	13,185,755
Grants and entitlements	586,783	1,091,130
Investment income	26,502	7,054
Other	<u>180,058</u>	<u>72,301</u>
Total general revenues	<u>16,901,002</u>	<u>16,292,482</u>
Total revenues	<u>19,703,455</u>	<u>19,168,951</u>
Program expenses:		
Security of persons and property:		
Police and Others	4,905,321	5,372,668
Fire	3,677,433	3,626,904
Public health services	52,001	55,903
Leisure time activities	291,803	266,661
Community development	470,806	882,581
Basic utility services	1,201,675	1,024,141
Transportation	1,680,189	1,697,499
General government	4,745,370	3,730,870
Interest and fiscal charges	<u>534,465</u>	<u>849,472</u>
Total program expenses	<u>17,559,063</u>	<u>17,506,699</u>
Change in net position	2,144,392	1,662,252
Net position, beginning of year	<u>2,779,329</u>	<u>1,117,077</u>
Net position, end of year	\$ <u>4,923,721</u>	\$ <u>2,779,329</u>

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Governmental Activities

Several revenue sources mainly fund the governmental activities with the City income tax being the largest contributor. Under the accrual basis of accounting, the City's income tax accounted for \$14,228,423 or 72.21 percent of total revenues. The electorates of the City voted to change the income tax rate from 2.00 percent to 2.60 percent on May 5, 2009, which took effect on July 1, 2009.

Property and other taxes of \$1,879,236 accounted for 9.54 percent of total revenues. Charges for services of \$1,196,454 accounted for 6.07 percent of total revenue. All other revenue sources of \$2,399,342 accounted for the remaining 12.18 percent of the City's 2012 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially income taxes.

Security of persons and property, including the Police and Fire departments, accounted for program expenses of \$8,582,754, which is 48.88 percent of total City expenses for 2012. The general government expenses accounted for \$4,745,370, or 27.03 percent of total expenses. The transportation expenses, primarily the Service Department, accounted for \$1,680,189, or 9.57 percent of total expenses.

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

The City's Funds

Information about the City's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$19,518,843 and expenditures of \$41,556,603 (not including other financing sources and uses). The most significant fund is the General Fund with a fund balance at year-end of \$5,246,833. In 2012, the fund balance of the General Fund increased by \$1,401,494. This increase is mainly due to increases in income tax revenues and fines and forfeitures.

The City's other major funds are the General Obligation Bond Retirement Fund, and the Town Center Project capital projects fund. The General Obligation Bond Retirement fund is used to pay the City's outstanding general obligation bonds and special assessment bonds, and also accounts for property tax and special assessment revenues which help to make it a major fund. The General Obligation Bond Retirement Fund's fund balance increased by \$324,370 to a fund balance of \$1,136,956 at December 31, 2012. This increase in fund balance is mainly due to issuance debt. The Town Center Project Fund accounts for debt proceeds to pay for the costs of construction for a new development in the City's town center and a new recreation center facility. The Town Center Project Fund's fund balance had a decrease of \$3,025,029 to a deficit fund balance of \$55,273 at December 31, 2012. This significant decrease is related to increases in capital outlay expenditures due to the completion of the recreation center facility project during 2012.

The combined fund balance for all of the City's funds had a balance of \$7,531,276. On a cash basis, short-term note proceeds appear as fund revenues, but on a modified accrual basis the short-term notes appear as a liability. The negative balance will be eliminated when the notes are retired with long-term debt obligations.

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

General Fund Budgeting Highlights

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

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

Both the original revenue and expenditure budget is designed to be very conservative, requiring additional spending requests to be approved by Council throughout the year. During the course of 2012, the City amended its General Fund budget in response to departmental needs. The original budgeted revenue amounted to \$15,383,717 and the final budgeted revenue amount was \$15,886,329, for an increase of \$502,612. The increase was due mainly to an increase in income taxes. Actual revenues of \$15,959,269 were \$72,940 more than the final budgeted revenues. This increase is mainly due to interfund receipts received and more income taxes received than budgeted.

The final budgeted expenditure amount exceeded the original budget by \$101,300. Actual expenditures of \$14,842,546 were \$1,250,082 lower than the final budgeted expenditures. This variance can be attributed to the City's efforts to control costs in the current economic environment and transfers out the general obligation bond fund to pay off debt service expenses.

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Capital Assets and Debt Administration

Capital Assets

At the end of 2012, the City had \$24,447,657 invested in land, construction in progress, buildings, land improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure. Table 3 shows 2012 balances of capital assets as compared to 2011.

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

	Governmental Activities	
	2012	2011
Land	\$ 3,133,700	\$ 3,133,700
Construction-in-progress	-	8,131,745
Buildings	12,239,061	1,409,228
Land improvements	259,073	278,374
Machinery and equipment	111,012	113,847
Furniture and fixtures	49,866	52,614
Vehicles	936,568	1,057,837
Infrastructure:		
Roads	4,539,725	4,647,121
Sanitary sewers	1,081,514	1,115,876
Waterlines	948,956	976,940
Storm sewers	1,148,182	1,180,444
Total capital assets	\$ <u>24,447,657</u>	\$ <u>22,097,726</u>

Capital assets increased by \$2,349,931 in 2012. The main reason for this increase is due to the City's completion of the recreation center facility.

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

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Long-Term Obligations

At December 31, 2012, the City had \$26,241,098 in outstanding long-term obligations, of which debt obligations primarily consisted of \$11,730,214 in certificates of participation, and \$14,581,781 in various purpose notes. Table 4 summarizes the long-term obligations outstanding.

Table 4 – Outstanding Long-Term Obligations at December 31

	Governmental Activities	
	2012	2011
General obligation bonds	\$ -	\$ 658,572
Special assessment bonds	-	55,000
Certificates of participation	11,730,214	11,215,829
Bond anticipation notes	14,581,781	8,680,060
Compensated absences	1,961,787	2,042,260
Claims payable	75,935	188,272
Judgments payable	668,671	791,316
Capital leases	877,710	720,684
Total outstanding long-term obligations	\$ <u>29,896,098</u>	\$ <u>24,351,993</u>

The general obligation bonds were issued in 1999 and 2003 for the following purposes: improving Sunset Drive, Banbury Circle, Ascot Lane, and certain other streets by paving and resurfacing them; renovating, remodeling and furnishing City Hall; acquiring a recycling packer for the Service Department; refurbishing the culverts on Mill Creek, Longbrook Road, and South Miles Road; and reconstructing the roof at City Hall, Fire Station Number 2, and the Service Garage. These bonds were fully repaid in 2012.

The special assessment bonds were issued in 1988 and 2003 for neighborhood street improvement projects. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor. These bonds were fully repaid in 2012.

The City issued certificates of participation in 2012 for the constructing, furnishing, and equipping a recreation center facility that the YMCA of Greater Cleveland will build and operate.

The City's overall legal debt margin was \$28,036,028 with an unvoted legal debt margin of \$14,612,205 on December 31, 2012. For more information about the City's long-term obligations and short-term note activity, see Notes 12, 13, and 14 to the basic financial statements.

City of Warrensville Heights

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Current Financial Related Activities

The City continues to struggle with economic issues that are affecting many communities throughout the State of Ohio and the nation. Even though the income tax revenues have continuously increased since 2009, there have been significant reductions in Commercial Activity Tax, State and Local Government Fund, and the elimination of the Tangible Personal Property Tax. The City continues to evaluate potential cost savings measures while addressing the needs of the community. Expenditures are being closely monitored monthly at the department level as well as the Mayoral level. The Mayor encouraged the Directors to operate their departments at a level that will continue City services at a high level.

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

Contacting the City of Warrensville Heights' Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director Rubin Moultrie, at the City of Warrensville Heights, 4301 Warrensville Center Road, Warrensville Heights, Ohio 44128, (216) 587-1135, or e-mail to lreid@cityofwarrensville.com.

Basic Financial Statements

City of Warrensville Heights

Statement of Net position

December 31, 2012

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 5,707,817
Materials and supplies inventory	67,856
Accounts receivable	503,781
Intergovernmental receivable	720,054
Prepaid items	58,312
Income taxes receivable	3,140,535
Property and other taxes receivable	2,009,981
Special assessments receivable	465,427
Deferred charges	13,214
Nondepreciable capital assets	3,133,700
Depreciable capital assets	<u>21,313,957</u>
Total assets	<u>37,134,634</u>
Liabilities:	
Accounts payable and contracts payable	504,952
Accrued wages	50,357
Matured compensated absences	1,909
Intergovernmental payable	629,875
Accrued interest payable	162,387
Unearned revenue	950,335
Notes payable	15,000
Long-term liabilities:	
Due within one year	1,633,457
Due in more than one year	<u>28,262,641</u>
Total liabilities	<u>32,210,913</u>
Net position:	
Investment in capital assets	4,741,934
Restricted for:	
Capital projects	200,257
Streets	616,951
Police	100,840
Fire	129,579
Building levy	203,745
Debt service	1,136,956
Other purposes	469,722
Unrestricted (Deficit)	<u>(2,676,263)</u>
Total net position	\$ <u>4,923,721</u>

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

City of Warrensville Heights

Statement of Activities

For the Year Ended December 31, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Security of persons and property:				
Police and Others	\$ 4,905,321	\$ 117,895	\$ 24,253	\$ -
Fire	3,677,433	291,371	806,566	-
Public health services	52,001	-	-	-
Leisure time activities	291,803	16,793	-	-
Community development	470,806	20,937	2,790	-
Basic utility services	1,201,675	220	-	-
Transportation	1,680,189	-	476,258	-
General government	4,745,370	749,238	25,353	270,779
Interest and fiscal charges	<u>534,465</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	\$ <u>17,559,063</u>	\$ <u>1,196,454</u>	\$ <u>1,335,220</u>	\$ <u>270,779</u>
General revenues:				
Property and other local taxes levied for:				
General purposes				681,322
Debt service				539,409
Special revenues				658,505
Income taxes levied for:				
General purposes				14,228,423
Grants & entitlements not restricted to specific programs				586,783
Investment income				26,502
All other revenues				<u>180,058</u>
Total general revenues				<u>16,901,002</u>
Change in net position				2,144,392
Net position – beginning of year				<u>2,779,329</u>
Net position – end of year				\$ <u>4,923,721</u>

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

City of Warrensville Heights

Balance Sheet – Governmental Funds

For the Year Ended December 31, 2012

	<u>General Fund</u>	<u>General Obligation Bond Retirement</u>	<u>Town Center Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 2,989,480	\$ 1,220,318	\$ 118,517	\$ 1,379,502	\$ 5,707,817
Materials and supplies inventory	67,856	-	-	-	67,856
Accounts receivable	503,781	-	-	-	503,781
Interfund receivable	220,149	-	-	-	220,149
Intergovernmental receivable	320,914	36,874	-	362,266	720,054
Prepaid items	58,312	-	-	-	58,312
Income taxes receivable	3,140,535	-	-	-	3,140,535
Property and other taxes receivable	617,421	569,733	-	822,827	2,009,981
Special assessments receivable	-	465,427	-	-	465,427
Total assets	<u>\$ 7,918,448</u>	<u>\$ 2,292,352</u>	<u>\$ 118,517</u>	<u>\$ 2,564,595</u>	<u>\$ 12,893,912</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable and contracts payable	\$ 183,407	\$ -	\$ 167,817	\$ 153,728	\$ 504,952
Accrued wages	50,357	-	-	-	50,357
Intergovernmental payable	629,875	-	-	-	629,875
Matured compensated absences	1,909	-	-	-	1,909
Accrued interest payable	-	21,408	-	-	21,408
Interfund payable	-	46,954	5,973	167,222	220,149
Deferred revenue	1,806,067	1,072,034	-	1,040,885	3,918,986
Notes payable	-	15,000	-	-	15,000
Total liabilities	<u>2,671,615</u>	<u>1,155,396</u>	<u>173,790</u>	<u>1,361,835</u>	<u>5,362,636</u>
Fund balances:					
Nonspendable	346,317	-	-	-	346,317
Restricted	-	1,136,956	-	1,067,945	2,204,901
Committed	-	-	-	168,120	168,120
Assigned	40,900	-	-	-	40,900
Unassigned (deficits)	4,859,616	-	(55,273)	(33,305)	4,771,038
Total fund balances(deficits)	<u>5,246,833</u>	<u>1,136,956</u>	<u>(55,273)</u>	<u>1,202,760</u>	<u>7,531,276</u>
Total liabilities and fund balances	<u>\$ 7,918,448</u>	<u>\$ 2,292,352</u>	<u>\$ 118,517</u>	<u>\$ 2,564,595</u>	<u>\$ 12,893,912</u>

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

City of Warrensville Heights

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

December 31, 2012

Total Governmental Fund Balances \$ 7,531,276

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 24,447,657

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

Property and other taxes	\$ 1,059,646	
Municipal income taxes	576,012	
Special assessments	465,427	
Intergovernmental	540,286	
Charges for services	<u>327,280</u>	
Total		2,968,651

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (140,979)

Bond issuance costs will be amortized over the life of the bonds on the statement of net position. 13,214

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Certificates of Participation	(11,717,000)	
Unamortized Premiums	(44,935)	
Bond anticipation notes	(14,550,060)	
Capital leases	(877,710)	
Claims payable	(75,935)	
Judgments payable	(668,671)	
Compensated absences	<u>(1,961,787)</u>	
Total		(29,896,098)

Net position of governmental activities \$ 4,923,721

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

City of Warrensville Heights

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

For the Year Ended December 31, 2012

	General Fund	General Obligation Bond Retirement	Town Center Project	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 178,723	\$ 552,146	\$ -	\$ 506,553	\$ 1,237,422
Income taxes	14,165,018	-	-	-	14,165,018
Other taxes	346,199	61,522	-	24,609	432,330
Intergovernmental	591,723	59,722	-	1,433,040	2,084,485
Interest	8,476	18,025	-	1	26,502
Licenses and permits	256,690	-	-	-	256,690
Fines and forfeitures	537,163	-	-	48,857	586,020
Charges for services	431,312	9,362	-	49,446	490,120
Special assessments	-	184,610	-	-	184,610
All other revenues	37,065	-	-	18,581	55,646
Total revenues	<u>16,552,369</u>	<u>885,387</u>	<u>-</u>	<u>2,081,087</u>	<u>19,518,843</u>
Expenditures:					
Security of persons and property:					
Police and other	4,347,172	-	-	562,627	4,909,799
Fire	3,026,585	-	-	699,618	3,726,203
Public health	52,001	-	-	-	52,001
Leisure time activities	276,166	-	-	540	276,706
Community development	458,179	-	-	30,576	488,755
Basic utility service	1,186,379	-	-	-	1,186,379
Transportation	1,120,350	-	271,656	550,531	2,290,622
General government	3,684,047	-	-	134,295	3,470,257
Capital outlay	305,000	-	3,305,373	1,338	3,611,711
Debt service:					
Principal retirement	-	9,405,060	11,200,000	-	20,605,060
Interest and fiscal charges	-	859,732	35,151	-	894,883
Bond issuance costs	-	35,095	9,132	-	44,227
Total expenditures	<u>14,455,879</u>	<u>10,299,887</u>	<u>14,821,312</u>	<u>1,979,525</u>	<u>41,556,603</u>
Excess of revenues over (under) expenditures	<u>2,096,490</u>	<u>(9,414,500)</u>	<u>(14,821,312)</u>	<u>101,562</u>	<u>(22,037,760)</u>
Other financing sources (uses):					
Inception of capital lease	305,000	-	-	-	305,000
Issuance of debt	-	14,400,060	11,717,000	150,000	26,267,060
Premium on issuance of debt	-	95,164	79,283	-	174,447
Transfers in	-	999,996	-	5,756,350	6,756,346
Transfers out	(999,996)	(5,756,350)	-	-	(6,756,346)
Total other financing sources (uses)	<u>(694,996)</u>	<u>9,738,870</u>	<u>11,796,283</u>	<u>5,906,350</u>	<u>26,746,507</u>
Net change in fund balances	1,401,494	324,370	(3,025,029)	6,007,912	4,708,747
Fund balances (deficits) – beginning of year	<u>3,845,339</u>	<u>812,586</u>	<u>2,969,756</u>	<u>(4,805,152)</u>	<u>2,822,529</u>
Fund balances (deficits) – end of year	\$ <u>5,246,833</u>	\$ <u>1,136,956</u>	\$ <u>(55,273)</u>	\$ <u>1,202,760</u>	\$ <u>7,531,276</u>

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

City of Warrensville Heights

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 \$ 4,708,747

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

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

Capital outlay	\$ 3,166,528	
Depreciation	(816,595)	
Total	2,349,933	2,349,933

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

Property and other taxes	218,728	
Municipal income taxes	(70,399)	
Special assessments	145,031	
Intergovernmental	(38,274)	
Charges for services	(70,446)	
Total	184,640	184,640

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

Certificates of Participation issued	(11,717,000)	
Refunding notes issued	(14,550,060)	
Inception of capital leases	(305,000)	
Total	(26,572,060)	(26,572,060)

Repayment of bond, note and capital lease principal is an expenditure in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net position. 20,753,034

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

Accrued interest on bonds	457,698	
Amortization of bond issuance costs	(12,521)	
Amortization of premiums	(29,106)	
Amortization of accounting loss	(11,428)	
Total	404,643	404,643

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

Claims payable	112,337	
Judgments payable	122,645	
Compensated absences	80,473	
Total	315,455	315,455

Change in Net position of Governmental Activities \$ 2,144,392

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

City of Warrensville Heights

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 259,093	\$ 349,593	\$ 234,662	\$ (114,931)
Income taxes	13,409,363	13,835,998	13,937,676	101,678
Other taxes	233,323	241,216	243,016	1,800
Intergovernmental	265,459	274,439	276,487	2,048
Charges for services	350,588	362,447	365,152	2,705
Fees, licenses and permits	228,670	236,405	238,169	1,764
Fines and forfeitures	519,473	537,045	541,053	4,008
Interest	8,138	8,413	8,476	63
All other revenues	39,440	40,773	41,078	305
Total revenues	<u>15,313,547</u>	<u>15,886,329</u>	<u>15,885,769</u>	<u>(560)</u>
Expenditures:				
Current:				
Security of persons and property:				
Police and other	4,565,403	4,710,403	4,363,860	346,543
Fire	3,268,927	3,280,927	2,995,993	284,934
Public health services	57,000	57,000	52,001	4,999
Leisure time activities	358,167	309,167	278,203	30,964
Community development	512,879	513,879	479,363	34,516
Basic utility services	1,108,296	1,215,296	1,203,741	11,555
Transportation	1,275,614	1,290,614	1,248,859	41,755
General government	<u>3,835,042</u>	<u>3,705,342</u>	<u>3,220,530</u>	<u>484,812</u>
Total expenditures	<u>14,981,328</u>	<u>15,082,628</u>	<u>13,842,550</u>	<u>1,240,078</u>
Excess of revenues over (under) expenditures	<u>332,219</u>	<u>803,701</u>	<u>2,043,219</u>	<u>1,239,518</u>
Other financing sources (uses):				
Advances in	70,170	-	73,500	73,500
Transfers out	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>(999,996)</u>	<u>10,004</u>
Total other financing sources (uses)	<u>(939,830)</u>	<u>(1,010,000)</u>	<u>(926,496)</u>	<u>83,504</u>
Net change in fund balance	(607,611)	(206,299)	1,116,723	1,323,022
Fund balance - beginning of year	1,746,486	1,746,486	1,746,486	-
Prior year encumbrances appropriated	<u>64,699</u>	<u>64,699</u>	<u>64,699</u>	<u>-</u>
Fund balance - end of year	\$ <u>1,203,574</u>	\$ <u>1,604,886</u>	\$ <u>2,927,908</u>	\$ <u>1,323,022</u>

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

City of Warrensville Heights

Statement of Fiduciary Net position –
Fiduciary Funds

December 31, 2012

	<u>Agency Funds</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ <u>221,481</u>
Liabilities:	
Deposits held and due to others	\$ <u>221,481</u>

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

City of Warrensville Heights

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

Reporting Entity

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

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

The City is associated with one jointly governed organization. This organization is the First Suburbs Consortium of Northeast Ohio Council of Governments. This organization is presented in Note 20 to the basic financial statements.

Note 2: Summary of Significant Accounting Policies

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net 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. The statements usually distinguish between those activities that are governmental and those that are considered business-type; the City, however, has no business-type activities.

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

Fund Financial Statements

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

B. Fund Accounting

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

Governmental Funds

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

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net 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 are for holding deposits from contractors, for collecting Senior Civic Center rental deposits and for payroll clearing.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus

Government-Wide Financial Statements

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

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

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents

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

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

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

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund, the Bureau of Justice Grant, and the Local Law Enforcement Block Grant special revenue funds. Interest revenue credited to the General Fund during 2012 amounted to \$8,476.

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

F. Prepaid Items

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

G. Inventory

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

H. Capital Assets

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

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

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

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

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

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as "interfund receivables/payables." Interfund loans which do not represent available expendable resources should have an equal offset which would be included in nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. Interfund balance amounts between governmental funds are eliminated in the statement of net position.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance

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

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

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

L. Fund Balance (continued)

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

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

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

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

M. Net Position

Net position represents the difference between assets and liabilities. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restriction imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net position reports \$2,858,050 of restricted net position, none of which is restricted by enabling legislation. Net position restricted for other purposes include various federal and state grant funds.

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

N. Internal Activity

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

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

O. Bond Issuance Costs

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

P. Deferred Loss of Refunding

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

Q. Extraordinary and Special Items

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

R. Estimates

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

S. Budgetary Process

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

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

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

Note 3: Changes in Accounting Principles

For fiscal year 2012, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB Statement No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements which do 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. The implementation of this statement has no impact on the City's financial statements or disclosures.

GASB Statement No. 63 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. The implementation of this statement has no material impact on the City's financial statements or disclosures.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 4: Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of December 31, 2012:

Major Funds:		
Town Center Fund	\$	55,273
Nonmajor Funds:		
Special Revenue Funds:		
Community Development Block Grant		11,319
2007 Nature Works Grant		19,589
Capital Projects Funds:		
Street Improvement		2,397

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

Note 5: Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a part of restricted, committed, and assigned fund balances (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 5: Budgetary Basis of Accounting (continued)

5. Advances-in and Advances-out are operating transactions (budget) as opposed to balance sheet transaction (GAAP).
6. Some funds that could be included in the General Fund (GAAP), but have separate legally adopted budgets (budget).

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$ 1,401,494
Increase (Decrease) Due to:	
Revenue Accruals	(1,045,100)
Advances In	73,500
Expenditure Accruals	1,836,525
Transfers Out	(999,996)
Outstanding Encumbrances	<u>(149,700)</u>
Budgetary Basis	<u>\$ 1,116,723</u>

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 6: Fund Balances

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

	General Fund	General Obligation Bond Retirement	Town Center Project	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 58,312	\$ -	\$ -	\$ -	\$ 58,312
Inventories	67,856	-	-	-	67,856
Interfund balances	<u>220,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,149</u>
Total nonspendable	<u>346,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,317</u>
Restricted for:					
Fire pension	-	-	-	43,388	43,388
Police pension	-	-	-	48,583	48,583
Police and fire services	-	-	-	71,733	71,733
Dare grant	-	-	-	37,278	37,278
Other law enforcement	-	-	-	124,112	124,112
FEMA grant	-	-	-	30,521	30,521
Homeland security grant	-	-	-	1,999	1,999
Sidewalk replacement	-	-	-	7,104	7,104
Civic Center Park restoration grant	-	-	-	38,808	38,808
2008 great grant	-	-	-	29,342	29,342
Streets and highways	-	-	-	217,980	217,980
Street lighting	-	-	-	58,791	58,791
Building levy	-	-	-	149,420	149,420
Debt service	-	1,136,956	-	-	1,136,956
Other purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,886</u>	<u>208,886</u>
Total restricted	<u>-</u>	<u>1,136,956</u>	<u>-</u>	<u>1,067,945</u>	<u>2,204,901</u>
Committed to:					
CRA monitoring fees	-	-	-	109,130	109,130
Economic development	-	-	-	28,150	28,150
Grass refuse	-	-	-	20,655	20,655
Occupancy program	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,185</u>	<u>10,185</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,120</u>	<u>168,120</u>
Assigned to:					
Other purposes	<u>40,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,900</u>
Total assigned	<u>40,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,900</u>
Unassigned (deficit)	<u>4,859,616</u>	<u>-</u>	<u>(55,273)</u>	<u>(33,305)</u>	<u>4,771,038</u>
Total fund balances	<u>\$ 5,246,833</u>	<u>\$ 1,136,956</u>	<u>\$ (55,273)</u>	<u>\$ 1,202,760</u>	<u>\$ 7,531,276</u>

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 7: Deposits and Investments

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

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

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

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

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

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 7: Deposits and Investments (continued)

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party.

At year end, the carrying amount of the City's deposits was \$5,893,115 and the bank balance was \$6,020,639. Of the City's bank balance \$1,807,753 was covered by Federal depository insurance and \$4,212,886 was exposed to custodial credit risk because it was uninsured and uncollateralized. At year end, the City had \$600 in cash on hand. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2012, the City had the following investment:

	Fair Value	Investment Maturities (in years)
STAROhio	\$ <u>30,299</u>	\$ <u>Less than one</u> <u>30,299</u>

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 7: Deposits and Investments (continued)

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

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

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

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer. The following is the City’s allocation as of December 31, 2012:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAROhio	100%

Note 8: Receivables

A. Property Taxes

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values for real property are established by state law at 35 percent of appraised market value. All property is required to be reevaluated every six years. The latest revaluation was completed in 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.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 8: Receivables (continued)

A. Property Taxes (continued)

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

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

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

The full tax rate for all City operations for the year ended December 31, 2012, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 262,113
Public Property	<u>6,363</u>
Total	\$ <u><u>268,476</u></u>

Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2012 and for which there is an enforceable legal claim. In the General Fund, the General Obligation Bond Retirement Fund, and the Police Salary and Equipment, Fire Salary and Equipment, Street Lighting, Building Levy, Fire Pension and Police Pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2012 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

The City levies a municipal income tax of 2.60 percent on income earned within the City. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their Warrensville Heights City income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the General Fund.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 8: Receivables (continued)

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 312,301
Gasoline tax and auto registration fees	227,008
Homestead and rollback	62,281
Public utility reimbursement	3,931
Permissive tax	2,033
Miscellaneous grants	<u>112,500</u>
Total	<u>\$ 720,054</u>

Note 9: Interfund Transfers

Interfund transfers for the year ended December 31, 2012, consisted of the following:

<u>Transfers to</u>	<u>Transfers from</u>		<u>Totals</u>
	<u>General Fund</u>	<u>General Obligation Bond Retirement</u>	
General Obligation Bond Retirement	\$ 999,996	\$ -	\$ 999,996
Nonmajor Governmental Funds	<u>-</u>	<u>5,756,350</u>	<u>5,756,350</u>
	<u>\$ 999,996</u>	<u>\$ 5,756,350</u>	<u>\$ 6,756,346</u>

All transfers during 2012 were made for the annual debt service payments, which included the retirement of notes.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 10: Interfund Balances

Intefund balances at December 31, 2012, consist of the following interfund receivable and payables:

<u>Interfund Payable</u>	<u>Interfund Receivable General</u>
Major Governmental Funds:	
General Obligation Bond Retirement Fund	\$ 46,954
Town Center Project Fund	5,973
Nonmajor Governmental Funds:	
Bureau of Justice Grant	148
Community Development Block Grant	27,919
COPS Grant	21,566
2007 Nature Works Grant	19,589
COPS Hiring Recovery Grant	54,000
Fire Hire Grant	<u>44,000</u>
Total	<u>\$ 220,149</u>

The loans to the other major and non-major governmental funds from the General Fund were made to cover expenditures until reimbursements are received. All of the loans will be repaid in subsequent periods.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 11: Capital Assets

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

	<u>Balances</u> <u>12/31/2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> <u>12/31/2012</u>
Governmental activities:				
Nondepreciable assets:				
Land	\$ 3,133,700	\$ -	\$ -	\$ 3,133,700
Construction in progress	<u>8,131,745</u>	<u>2,985,821</u>	<u>(11,117,566)</u>	<u>-</u>
Total nondepreciable assets	<u>11,265,445</u>	<u>2,985,821</u>	<u>(11,117,566)</u>	<u>3,133,700</u>
Depreciable assets:				
Buildings	2,799,541	11,117,566	-	13,917,107
Land improvements	698,004	-	-	698,004
Machinery and equipment	1,865,212	73,530	-	1,938,742
Furniture and fixtures	92,708	-	-	92,708
Vehicles	5,214,728	107,177	-	5,321,905
Infrastructure:				
Streets	8,068,298	-	-	8,068,298
Sewers	2,583,416	-	-	2,583,416
Water lines	2,162,689	-	-	2,162,689
Storm sewers	<u>2,426,227</u>	<u>-</u>	<u>-</u>	<u>2,426,227</u>
Total depreciable assets	<u>25,910,823</u>	<u>11,298,273</u>	<u>-</u>	<u>37,209,096</u>
Less accumulated depreciation				
Buildings	(1,390,313)	(287,733)	-	(1,678,046)
Land improvements	(419,630)	(19,301)	-	(438,931)
Machinery and equipment	(1,751,365)	(76,365)	-	(1,827,730)
Furniture and fixtures	(40,094)	(2,748)	-	(42,842)
Vehicles	(4,156,891)	(228,446)	-	(4,385,337)
Infrastructure:				
Streets	(3,421,177)	(107,396)	-	(3,528,573)
Sewers	(1,467,540)	(34,362)	-	(1,501,902)
Water lines	(1,185,749)	(27,984)	-	(1,213,733)
Storm sewers	<u>(1,245,783)</u>	<u>(32,262)</u>	<u>-</u>	<u>(1,278,045)</u>
Total accumulated depreciation	<u>(15,078,542)</u>	<u>(816,597)</u>	<u>-</u>	<u>(15,895,139)</u>
Total depreciable assets, net	<u>10,832,281</u>	<u>10,481,676</u>	<u>-</u>	<u>21,313,957</u>
Governmental activities capital assets, net	\$ <u>22,097,726</u>	\$ <u>13,467,497</u>	\$ <u>(11,117,566)</u>	\$ <u>24,447,657</u>

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 11: Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	\$	205,690
Leisure Time Activities		16,873
Transportation		75,537
General Government		<u>518,497</u>
Total Depreciation Expense	\$	<u><u>816,597</u></u>

Note 12: Long-Term Obligations

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Year of Maturity</u>
General Obligation Bonds:			
2003 Various purpose Improvement Refunding Bonds	1.05%-3.125%	\$ 2,131,447	2012
Unamortized Loss	n/a	(114,307)	2012
1999 Street Improvement	3.90%-5.40%	4,155,000	2014
Special Assessment Bonds:			
2003 Various purpose Improvement Refunding Bonds	1.05%-3.125%	493,553	2012
Certificates of Participation:			
2011 Certificates of Participation	4.00%	11,200,000	2012
Unamortized Premium	n/a	94,976	2012
Long-Term Notes:			
2011 Bond Anticipation Note	2.75%	8,680,060	2012
2012 Bond Anticipation Notes	1.50%-1.88%	14,550,060	2013
Unamortized Premium	n/a	31,721	2013
Certificates of Participation:			
2012-1 Certificates of Participation	2.375%	11,717,000	2013
Unamortized Premium	n/a	13,214	2013

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 12: Long-Term Obligations (continued)

	Balance 12/31/2011	Additions	Reductions	Balance 12/31/2012	Amount Due in One Year
Governmental activities:					
General obligation bonds:					
2003 various purpose improvement					
refunding bonds	\$ 185,000	\$ -	\$ (185,000)	\$ -	\$ -
Unamortized loss	(11,428)	-	11,428	-	-
1999 street improvement	485,000	-	(485,000)	-	-
Total general obligation bonds	<u>658,572</u>	<u>-</u>	<u>(658,572)</u>	<u>-</u>	<u>-</u>
Special assessment bonds with governmental commitment:					
2003 various purpose improvement					
refunding bonds	55,000	-	(55,000)	-	-
Total special assessment bonds	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>	<u>-</u>	<u>-</u>
Certificates of participation:					
2011 certificates of participation	11,200,000	-	(11,200,000)	-	-
2012 certificates of participation	-	11,717,000	-	11,717,000	-
Unamortized premium	15,829	79,283	(81,898)	13,214	-
Total certificates of participation	<u>11,215,829</u>	<u>11,796,283</u>	<u>(11,281,898)</u>	<u>11,730,214</u>	<u>-</u>
Long-term notes:					
2012 bond anticipation note	-	1,725,000	-	1,725,000	-
2012 bond anticipation note	-	9,170,060	-	9,170,060	-
2012 bond anticipation note	-	3,655,000	-	3,655,000	-
Unamortized premium	-	95,164	(63,443)	31,721	-
2011 bond anticipation note	8,680,060	-	(8,680,060)	-	-
Total long-term notes	<u>8,680,060</u>	<u>14,645,224</u>	<u>(8,743,503)</u>	<u>14,581,781</u>	<u>-</u>
Other long-term obligations:					
Compensated absences	2,042,260	1,143,864	(1,224,337)	1,961,787	1,057,984
Claims payable	188,272	-	(112,337)	75,935	-
Judgments payable	791,316	194,855	(317,500)	668,671	413,375
Capital leases	720,684	305,000	(147,974)	877,710	162,098
Total governmental activities	\$ <u>24,351,993</u>	\$ <u>28,085,226</u>	\$ <u>(22,541,121)</u>	\$ <u>29,896,098</u>	\$ <u>1,633,457</u>

The voted general obligation and special assessment refunding bonds for various purpose improvements and the street improvement general obligation bonds will be paid with property tax revenue and special assessment revenue from the General Obligation Bond Retirement Fund.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 12: Long-Term Obligations (continued)

The special assessment bonds issued are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The \$8,935,060 (\$255,000 considered short-term), various purpose improvement bond anticipation notes issued February 2, 2011 at 2.75 percent outstanding at December 31, 2011, were rolled over into \$9,170,060 (\$15,000 considered short-term), of various purpose improvement bond anticipation notes, issued February 1, 2012 at 1.50 percent and maturing January 30, 2013. As of December 31, 2012, all of the note proceeds were spent.

The \$1,725,000 various purpose improvement bond anticipation notes issued September 5, 2012 at 1.75 percent and maturing February 26, 2013. As of December 31, 2012, all of the note proceeds were spent.

The \$3,670,000 (\$15,000 considered short-term), various purpose improvement bond anticipation notes issued September 5, 2012 at 1.75 percent and maturing September 4, 2013, were rolled over into \$3,655,000 of various purpose improvement bond anticipation notes, issued September 3, 2013 at 1.88 percent and maturing September 2, 2014.

The \$11,717,000 in Certificates of Participation (COPs) were issued February 28, 2012 at 2.37 percent to retire \$11,200,000 in COPs issued on February 28, 2011 at 4.00 percent. These COPs were issued to provide funds for constructing, furnishing, and equipping a recreation center facility that the YMCA of Greater Cleveland will build and operate, according to an operating agreement the City has entered into with the YMCA. The COPs are backed by the full faith and credit of the City and a portion of the debt will be paid from the YMCA upon completion of the construction project. As of December 31, 2011, the City has used \$11,117,566 of the proceeds received from the issuance of the COPs for capital related activities.

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

In prior years, the City identified \$1,059,543 that needs to be paid to the Warrensville City School District (School District). This repayment is for an underpayment of revenue to the School District for 2007 through 2012 related to a revenue sharing program between the City and the School District. As of December 31, 2012, the City paid \$300,000 of this balance. The City will use General Fund resources to repay this liability.

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

As of December 31, 2012, the City's overall legal debt margin was \$28,036,028 and the unvoted legal debt margin was \$14,612,205.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 12: Long-Term Obligations (continued)

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

	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ <u>11,717,000</u>	\$ <u>277,506</u>	\$ <u>11,994,506</u>

Note 13: Note Debt

In 2012, the City issued \$3,670,000 in various improvement bond anticipation notes on September 5, 2012 at 1.75 percent and maturing September 4, 2013. On September 3, 2013, \$3,655,000 of this balance was reissued in various improvement bond anticipation notes and considered long term. The remaining \$15,000 balance is considered short-term. See Note 22 for further discussion on bond anticipation note issuance.

<u>Types/Issues</u>	<u>Balance</u> <u>12/31/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2012</u>
2012 Bond Anticipation Notes	\$ -	\$ 15,000	\$ -	\$ 15,000
2011 Bond Anticipation Notes	255,000	-	(255,000)	-
2011 Bond Anticipation Notes	<u>5,452,000</u>	<u>-</u>	<u>(5,452,000)</u>	<u>-</u>
Total Governmental Funds	\$ <u>5,707,000</u>	\$ <u>15,000</u>	\$ <u>(5,707,000)</u>	\$ <u>15,000</u>

All the notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the funds which received the proceeds. As of December 31, 2012, all of the short-term note proceeds have been expended. The notes will be paid out of the various capital projects funds and the General Fund.

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 14: Leases

Capital Leases

During 2012, the City entered into several lease agreement for various vehicles and equipment. The City also has existing leases for various other items. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, *Accounting for Leases*, and have been recorded on the government-wide statements. The machinery, equipment, and vehicles have been capitalized in the amount of \$987,856, the present value of the minimum lease payments at the inception of the lease.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 553,693
Vehicles	<u>434,163</u>
Total historical cost	987,856
Less: Accumulated depreciation	<u>(200,221)</u>
Total book value as of December 31, 2012	<u>\$ 787,635</u>

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

<u>Year Ending December 31,</u>	
2013	\$ 192,799
2014	180,842
2015	180,843
2016	148,641
2017	128,014
2018-2022	<u>160,836</u>
Total Minimum Lease Payments	\$ 991,975
Less: Amount Representing Interest	<u>(114,265)</u>
Present Value of Minimum Lease	<u>\$ 877,710</u>

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 15: Contingencies

A. Litigation

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

B. Grants

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

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2012.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 16: Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During 2012, the City contracted with U.S. Specialty Insurance Company for various types of insurance as follows:

<u>Company</u>	<u>Coverage</u>	<u>Amount</u>
U.S. Specialty Ins. Company	General Liability (per Occurrence/Aggregate)	\$1,000,000/\$3,000,000
	Fire Damage Liability	50,000
	Premises Medical Payments (per Person)	10,000
	Employee Benefits Liability (per Occurrence/Aggregate)	1,000,000/3,000,000
	Ohio Stop Gap	1,000,000
	Automobile Liability and Physical Damage Coverage:	
	Combined Bodily Injury and Property Damage	1,000,000
	Medical Payments	5,000
	Law Enforcement Liability (per Occurrence/Aggregate)	1,000,000/1,000,000
	Public Officials Liability (per Occurrence/Aggregate)	1,000,000/1,000,000
	Crime:	
	Forgery and Alteration	10,000
	Computer Fraud	50,000
	Theft, Disappearance and Destruction	25,000
	Employee Dishonesty	50,000
	Flood	500,000
	Earthquake	500,000
	Electronic Data Processing Systems	309,920
	Property (Building and Contents) Coverage	14,397,524
	Inland Marine Coverage	2,224,825
	Umbrella Liability	5,000,000

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

B. Workers' Compensation

The City participates in the State Workers' Compensation retrospective rating and payment plan. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at December 31, 2012, represents an estimate of the liability for unpaid claims costs provided by Bureau of Workers' Compensation. The claims liability for the Workers' Compensation retrospective rating and payment system at December 31, 2012, was \$73,935. All of the claims are paid from the General Fund.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 16: Risk Management (continued)

B. Workers' Compensation (continued)

The claims liability reported at December 31, 2012 for workers' compensation is based on the requirements of Governmental Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated adjustment expenses. Changes in claims activity for the years 2010 through 2012 are as follows:

	Beginning of Year	Claims	Payments	End of year
2010	\$ 288,631	\$ 39,467	\$ 95,487	\$ 232,611
2011	232,611	-	44,339	188,272
2012	188,272	-	112,337	75,935

Note 17: Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System ("OPERS"). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2012 member contribution rates were 10.00% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 11.50% and 12.10%, respectively.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 17: Defined Benefit Pension Plans (continued)

A. Ohio Public Employees Retirement System (continued)

Effective January 1, 2013 the member contribution rates for public safety and law enforcement members increased to 12.00% and 12.60% respectively. The 2012 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer rate was 18.10% of covered payroll.

The City's required contributions for pension obligations to the Traditional Pension and Combined plans for the years ended December 31, 2012, 2011, and 2010 were \$437,597, \$321,218, and \$283,940, respectively; 92 percent has been contributed for 2012 and 100 percent has been contributed for 2011 and 2010.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The City's contributions to OP&F for police and firefighters for the years ending December 31, 2012, 2011, and 2010 were \$332,201 and \$399,714, \$315,146 and \$403,288, \$318,591 and \$358,172, respectively; 73.19 percent for police and 74.05 percent for firefighters has been contributed for 2012 and 100 percent for 2011 and 2010.

Note 18: Postemployment Benefits

A. Ohio Public Employees Retirement System

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

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 18: Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability 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 the OPEB Plan 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. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml> writing to OPERS, 277 East 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 coverage 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. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.00% of covered payroll. And public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. 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 healthcare was lowered to 1 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 required employer contributions for 2012, 2011, and 2010 which were used to fund postemployment benefits were \$125,021, \$128,487 and \$164,474, respectively. 92 percent has been contributed for 2012 and 100 percent has been contributed for 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.

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 18: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or 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% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 18: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The City's contributions for 2012, 2011, and 2010 were \$175,752 for police and \$156,217 for firefighters, \$166,842 for police and \$157,808 for firefighters and \$168,666 for police and \$140,514 for firefighters, respectively. 73.52 percent for police and 73.71 for firefighters has been contributed for 2012 and 100 percent for 2011 and 2010.

Note 19: Compensated Absences

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

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

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

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

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

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 20: Jointly Governed Organization

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

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair, and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2012, the City contributed \$4,000 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

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 over 126 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 eight-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. The City of Warrensville Heights did not contribute to NOPEC during 2012. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, and 31320 Solon Road, Suite 20 Solon, Ohio 44139 or at the website www.nopecinfo.org.

Note 21: Other Significant Commitments

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	<u>Encumbrances</u>
General fund	\$ 40,900
Other governmental funds	<u>46,289</u>
Total governmental funds	<u>\$ 87,189</u>

City of Warrensville Heights

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 22: Subsequent Events

On January 24, 2013, the City issued various purpose general obligation bonds in the amount of \$9,173,000 with an interest rate of 2.77%, maturing on December 1, 2032, to retire previously outstanding various improvement notes. Original notes were issued to improve several public streets and sidewalks, to provide additional resources for the City's voice and data network project, Warrensville town center project and crack sealing program, and to pay a settlement of claims approved by a court.

On February 7, 2013, the City issued various purpose general obligation bonds in the amount of \$1,725,000 with an interest rate of 2.00%, maturing on December 1, 2029, to retire previously outstanding various improvement notes. Original notes were issued to provide additional resources for the City's Emery Woods and Cinema Park improvement projects.

On February 25, 2013, the City issued certificates of participation in the amount of \$9,800,000 with an interest rate of 4.00%, maturing on December 1, 2037, to refinance a portion of the 2012 certificates of participation in the amount of \$ 11,717,000.

On September 3, 2013, the City issued bond anticipation notes in the amount of \$3,655,000 with an interest rate of 1.88%, maturing on September 2, 2014 to refinance a portion of the 2012 bond anticipation notes in the amount of \$ 3,655,000.

Combining and Individual Fund Statements and Schedules

City of Warrensville Heights

Combining Statements – Nonmajor Governmental Funds

For the Year Ended December 31, 2012

Non-Major Special Revenue Funds

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

Street Construction, Maintenance, and Repair Fund

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

State Highway Fund

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

Police Salary and Equipment Fund

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

Fire Salary and Equipment Fund

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

Street Lighting Fund

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

Building Levy Fund

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

Law Enforcement Trust Fund

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

Bureau of Justice Grant Fund

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

Fire Pension Fund

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

Police Pension Fund

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

DARE Grant Fund

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

City of Warrensville Heights

Combining Statements – Nonmajor Governmental Funds (continued)

For the Year Ended December 31, 2012

Community Development Block Grant Fund

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

Juvenile Diversion Program Fund

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

Fire Department Child Safety Grant Fund

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

EMS Computer Grant Fund

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

Local Law Enforcement Block Grant Fund

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

Sidewalk Replacement Fund

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

COPS Grant Fund

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

FEMA Grant Fund

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

Cleveland Browns Foundation Fund

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

CRA Monitoring Fee Fund

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

The Cleveland Foundation Fund

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

City of Warrensville Heights

Combining Statements – Nonmajor Governmental Funds (continued)

For the Year Ended December 31, 2012

Economic Development Stimulus Incentive Grant Fund

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

Grass Refuse Fund

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

Homeland Security Grant Fund

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

Civic Center Park Restoration Grant Fund

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

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

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

Police Hiring Grant Fund

The Police Hiring Grant Fund accounts for Federal Stimulus Funds flow through from the U.S. Department of Justice to the State of Ohio to be used for police retention. There was no budgetary information for 2012.

Fire Reporting Grant Fund

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

COPS Hiring Recovery Fund

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

2007 NatureWorks Grant Fund

The NatureWorks Grant accounts for revenues received from the Ohio Department of Natural Resources and City's matching funds. The fund expends funds in compliance with the NatureWorks Local Grant Program State/Local Project Agreement, which includes: new playground equipment and various other improvements at the Green Road Civic Center and Park. There was no budgetary information for 2012.

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

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

City of Warrensville Heights

Combining Statements – Nonmajor Governmental Funds (continued)

For the Year Ended December 31, 2012

Residential Demolition Fund

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

Master Plan Grant Fund

The Master Plan Grant fund accounts for revenues received from the Cuyahoga County Department of Development to be used for maintaining the City's master plan which is a plan to create and maintain a quality way of life for the City's residents and businesses in both the immediate and longer-term future.

Warrensville Heights Occupancy Program Fund

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

Edward Byrne Memorial Justice Assistance Fund

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

SAFER Hiring Program Fund

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

Community Recycling Grant Fund

The Community Recycling Grant Fund accounts for funds received from the Cuyahoga County Solid Waste District to be used for community recycling programs.

Nonmajor Capital Projects Funds

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

Street Improvement Fund

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

Building Repair and Improvement Fund

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

Information Technology System Fund

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

Land Acquisition Fund

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

City of Warrensville Heights

Combining Statements – Nonmajor Governmental Funds (continued)

For the Year Ended December 31, 2012

Snavely Project Fund

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

Emery Woods Project Fund

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

Siren Warning System Fund

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

Route 8/Northfield Road Project Fund

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

Sidewalk Repair and Replacement Project Fund

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

Generators Fund

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

Green Road Park Improvement Fund

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

City Hall Boiler Replacement Fund

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

Cinema Park Fund

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

City of Warrensville Heights

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,087,463	\$ 292,039	\$ 1,379,502
Intergovernmental receivable	362,266	-	362,266
Property taxes receivable	<u>822,827</u>	<u>-</u>	<u>822,827</u>
Total assets	<u>\$ 2,272,556</u>	<u>\$ 292,039</u>	<u>\$ 2,564,595</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 59,549	\$ 94,179	\$ 153,728
Interfund payable	167,222	-	167,222
Deferred revenue	<u>1,040,885</u>	<u>-</u>	<u>1,040,885</u>
Total liabilities	<u>1,267,656</u>	<u>94,179</u>	<u>1,361,835</u>
Fund balances:			
Restricted	867,688	200,257	1,067,945
Committed	168,120	-	168,120
Unassigned (deficits)	<u>(30,908)</u>	<u>(2,397)</u>	<u>(33,305)</u>
Total fund balances (deficits)	<u>1,004,900</u>	<u>197,860</u>	<u>1,202,760</u>
Total liabilities and fund balances	<u>\$ 2,272,556</u>	<u>\$ 292,039</u>	<u>\$ 2,564,595</u>

City of Warrensville Heights

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

December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 506,553	\$ -	\$ 506,553
Other taxes	24,609	-	24,609
Intergovernmental	1,408,040	25,000	1,433,040
Interest	1	-	1
Fines and forfeitures	48,857	-	48,857
Charges for services	49,446	-	49,446
All other revenues	18,581	-	18,581
Total revenues	<u>2,056,087</u>	<u>25,000</u>	<u>2,081,087</u>
Expenditures:			
Security of persons and property:			
Police and others	562,627	-	562,627
Fire	699,618	-	699,618
Leisure time activities	540	-	540
Community development	30,576	-	30,576
Transportation	421,614	128,917	550,531
General government	134,295	-	134,295
Capital outlay	-	1,338	1,338
Total expenditures	<u>1,849,270</u>	<u>130,255</u>	<u>1,979,525</u>
Excess of revenues under expenditures	<u>206,817</u>	<u>(105,255)</u>	<u>101,562</u>
Other financing sources (uses):			
Issuance of debt	-	150,000	150,000
Transfer in	-	5,756,350	5,756,350
Total other financing sources (uses)	<u>-</u>	<u>5,906,350</u>	<u>5,906,350</u>
Net change in fund balances	<u>206,817</u>	<u>5,801,095</u>	<u>6,007,912</u>
Fund balances (deficit) - beginning of year	<u>798,083</u>	<u>(5,603,235)</u>	<u>(4,805,152)</u>
Fund balances (deficit) - end of year	<u>\$ 1,004,900</u>	<u>\$ 197,860</u>	<u>\$ 1,202,760</u>

City of Warrensville Heights

Combining Balance Sheet – Nonmajor Special Revenue Funds

December 31, 2012

	<u>Street Construction Maintenance and Repair</u>	<u>State Highway</u>	<u>Police Salary and Equipment</u>	<u>Fire Salary and Equipment</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 121,825	\$ 64,636	\$ 21,497	\$ 50,236
Intergovernmental receivable	207,209	21,832	5,942	5,942
Property taxes receivable	-	-	136,978	136,978
Total assets	<u>\$ 329,034</u>	<u>\$ 86,468</u>	<u>\$ 164,417</u>	<u>\$ 193,156</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 14,472	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-
Deferred revenue	164,047	19,003	142,920	142,920
Total liabilities	<u>178,519</u>	<u>19,003</u>	<u>142,920</u>	<u>142,920</u>
Fund balances:				
Restricted	150,515	67,465	21,497	50,236
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	<u>150,515</u>	<u>67,465</u>	<u>21,497</u>	<u>50,236</u>
Total liabilities and fund balances	<u>\$ 329,034</u>	<u>\$ 86,468</u>	<u>\$ 164,417</u>	<u>\$ 193,156</u>

<u>Street Lighting</u>	<u>Building Levy</u>	<u>Law Enforcement Trust</u>	<u>Bureau of Justice Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>DARE Grant</u>
\$ 88,953	\$ 164,335	\$ 36,592	\$ 4,802	\$ 43,388	\$ 48,583	\$ 37,278
12,220	2,438	-	-	4,233	4,233	-
<u>275,961</u>	<u>97,408</u>	<u>-</u>	<u>-</u>	<u>87,751</u>	<u>87,751</u>	<u>-</u>
\$ <u>377,134</u>	\$ <u>264,181</u>	\$ <u>36,592</u>	\$ <u>4,802</u>	\$ <u>135,372</u>	\$ <u>140,567</u>	\$ <u>37,278</u>
\$ 30,162	\$ 14,915	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	148	-	-	-
<u>288,181</u>	<u>99,846</u>	<u>-</u>	<u>-</u>	<u>91,984</u>	<u>91,984</u>	<u>-</u>
<u>318,343</u>	<u>114,761</u>	<u>-</u>	<u>148</u>	<u>91,984</u>	<u>91,984</u>	<u>-</u>
58,791	149,420	36,592	4,654	43,388	48,583	37,278
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>58,791</u>	<u>149,420</u>	<u>36,592</u>	<u>4,654</u>	<u>43,388</u>	<u>48,583</u>	<u>37,278</u>
\$ <u>377,134</u>	\$ <u>264,181</u>	\$ <u>36,592</u>	\$ <u>4,802</u>	\$ <u>135,372</u>	\$ <u>140,567</u>	\$ <u>37,278</u>

(continued)

City of Warrensville Heights

Combining Balance Sheet – Nonmajor Special Revenue Funds (continued)

December 31, 2012

	Community Development <u>Block Grant</u>	Juvenile Diversion <u>Program</u>	Fire Department Child Safety <u>Grant</u>	EMS Computer <u>Grant</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 16,600	\$ 3,023	\$ 808	\$ 6,225
Intergovernmental receivable	-	2,000	-	-
Property taxes receivable	-	-	-	-
Total assets	<u>\$ 16,600</u>	<u>\$ 5,023</u>	<u>\$ 808</u>	<u>\$ 6,225</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable	27,919	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>27,919</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	5,023	808	6,225
Committed	-	-	-	-
Unassigned (deficit)	<u>(11,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>(11,319)</u>	<u>5,023</u>	<u>808</u>	<u>6,225</u>
Total liabilities and fund balances	<u>\$ 16,600</u>	<u>\$ 5,023</u>	<u>\$ 808</u>	<u>\$ 6,225</u>

<u>Local Law Enforcement Block Grant</u>	<u>Sidewalk Replacement</u>	<u>COPS Grant</u>	<u>FEMA Grant</u>	<u>Cleveland Browns Foundation</u>	<u>CRA Monitoring Fee</u>	<u>The Cleveland Foundation</u>
\$ 21	\$ 7,104	\$ 27,949	\$ 30,521	\$ 568	\$ 109,130	\$ 4,819
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 27,949</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 109,130</u>	<u>\$ 4,819</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	21,566	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>21,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
21	7,104	6,383	30,521	568	-	4,819
-	-	-	-	-	109,130	-
-	-	-	-	-	-	-
<u>21</u>	<u>7,104</u>	<u>6,383</u>	<u>30,521</u>	<u>568</u>	<u>109,130</u>	<u>4,819</u>
<u>\$ 21</u>	<u>\$ 7,104</u>	<u>\$ 27,949</u>	<u>\$ 30,521</u>	<u>\$ 568</u>	<u>\$ 109,130</u>	<u>\$ 4,819</u>

(continued)

City of Warrensville Heights

Combining Balance Sheet – Nonmajor Special Revenue Funds (continued)

December 31, 2012

	Economic Development Stimulus <u>Incentive Grant</u>	Grass Refuse <u>Refuse</u>	Homeland Security <u>Grant</u>	Civic Center Park Restoration <u>Grant</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 28,150	\$ 20,655	\$ 1,999	\$ 38,808
Intergovernmental receivable	-	-	-	-
Property taxes receivable	-	-	-	-
Total assets	<u>\$ 28,150</u>	<u>\$ 20,655</u>	<u>\$ 1,999</u>	<u>\$ 38,808</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	-	1,999	38,808
Committed	28,150	20,655	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	<u>28,150</u>	<u>20,655</u>	<u>1,999</u>	<u>38,808</u>
Total liabilities and fund balances	<u>\$ 28,150</u>	<u>\$ 20,655</u>	<u>\$ 1,999</u>	<u>\$ 38,808</u>

<u>G.R.E.A.T. Grant</u>	<u>Fire Reporting Grant</u>	<u>COPS Hiring Recovery</u>	<u>2007 Nature Works Grant</u>	<u>2008 G.R.E.A.T. Grant</u>	<u>Residential Demolition</u>	<u>Master Plan Grant</u>
\$ 3,668	\$ 188	\$ 966	\$ -	\$ 29,342	\$ 31	\$ 25,353
-	-	53,035	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,668</u>	<u>\$ 188</u>	<u>\$ 54,001</u>	<u>\$ -</u>	<u>\$ 29,342</u>	<u>\$ 31</u>	<u>\$ 25,353</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	54,000	19,589	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>54,000</u>	<u>19,589</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,668	188	1	-	29,342	31	25,353
-	-	-	-	-	-	-
-	-	-	(19,589)	-	-	-
<u>3,668</u>	<u>188</u>	<u>1</u>	<u>(19,589)</u>	<u>29,342</u>	<u>31</u>	<u>25,353</u>
<u>\$ 3,668</u>	<u>\$ 188</u>	<u>\$ 54,001</u>	<u>\$ -</u>	<u>\$ 29,342</u>	<u>\$ 31</u>	<u>\$ 25,353</u>

(continued)

City of Warrensville Heights

Combining Balance Sheet – Nonmajor Special Revenue Funds (continued)

December 31, 2012

	Warrensville Heights Occupancy Program	Edward Byrne Memorial Justice Assistance	SAFER Hiring Program	Community Recycling Grant	Nonmajor Special Revenue Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 10,185	\$ -	\$ 39,225	\$ -	\$ 1,087,463
Intergovernmental receivable	-	-	43,182	-	362,266
Property taxes receivable	-	-	-	-	822,827
Total assets	<u>\$ 10,185</u>	<u>\$ -</u>	<u>\$ 82,407</u>	<u>\$ -</u>	<u>\$ 2,272,556</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 59,549
Interfund payable	-	-	44,000	-	167,222
Deferred revenue	-	-	-	-	1,040,885
Total liabilities	<u>-</u>	<u>-</u>	<u>44,000</u>	<u>-</u>	<u>1,267,656</u>
Fund balances:					
Restricted	-	-	38,407	-	867,688
Committed	10,185	-	-	-	168,120
Unassigned (deficit)	-	-	-	-	(30,908)
Total fund balances (deficits)	<u>10,185</u>	<u>-</u>	<u>38,407</u>	<u>-</u>	<u>1,004,900</u>
Total liabilities and fund balances	<u>\$ 10,185</u>	<u>\$ -</u>	<u>\$ 82,407</u>	<u>\$ -</u>	<u>\$ 2,272,556</u>

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City of Warrensville Heights

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

December 31, 2012

	Street Construction Maintenance and Repair	State Highway	Police Salary and Equipment	Fire Salary and Equipment
Revenues:				
Property taxes	\$ -	\$ -	\$ 78,206	\$ 78,206
Other taxes	-	-	-	-
Intergovernmental	431,853	44,405	5,785	5,786
Interest	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
All other revenue	-	-	-	-
Total revenues	<u>431,853</u>	<u>44,405</u>	<u>83,991</u>	<u>83,992</u>
Expenditures:				
Security of persons and property:				
Police and others	-	-	66,749	-
Fire	-	-	-	65,800
Community development	-	-	-	-
Transportation	346,886	18,751	-	-
General government	-	-	-	-
Total expenditures	<u>346,886</u>	<u>18,751</u>	<u>66,749</u>	<u>65,800</u>
Net change in fund balances	84,967	25,654	17,242	18,192
Fund balances (deficits) - beginning of year	<u>65,548</u>	<u>41,811</u>	<u>4,255</u>	<u>32,044</u>
Fund balances (deficits) - end of year	\$ <u>150,515</u>	\$ <u>67,465</u>	\$ <u>21,497</u>	\$ <u>50,236</u>

<u>Street Lighting</u>	<u>Building Levy</u>	<u>Law Enforcement Trust</u>	<u>Bureau of Justice Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>DARE Grant</u>
\$ 171,485	\$ 55,956	\$ -	\$ -	\$ 61,350	\$ 61,350	\$ -
15,381	-	-	-	4,614	4,614	-
18,342	4,875	-	3,500	6,636	6,636	17,953
-	-	-	1	-	-	-
-	-	150	-	-	-	-
-	-	-	-	-	-	-
-	-	18,041	-	-	-	-
<u>205,208</u>	<u>60,831</u>	<u>18,191</u>	<u>3,501</u>	<u>72,600</u>	<u>72,600</u>	<u>17,953</u>
211,179	-	15,000	1,762	-	44,000	7,245
-	-	-	-	46,667	-	-
-	-	-	-	-	-	-
-	55,977	-	-	-	-	-
-	-	-	-	-	-	-
<u>211,179</u>	<u>55,977</u>	<u>15,000</u>	<u>1,762</u>	<u>46,667</u>	<u>44,000</u>	<u>7,245</u>
(5,971)	4,854	3,191	1,739	25,933	28,600	10,708
<u>64,762</u>	<u>144,566</u>	<u>33,401</u>	<u>2,915</u>	<u>17,455</u>	<u>19,983</u>	<u>26,570</u>
\$ <u>58,791</u>	\$ <u>149,420</u>	\$ <u>36,592</u>	\$ <u>4,654</u>	\$ <u>43,388</u>	\$ <u>48,583</u>	\$ <u>37,278</u>

(continued)

City of Warrensville Heights

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

December 31, 2012

	Community Development <u>Block Grant</u>	Juvenile Diversion <u>Program</u>	Fire Department Child Safety <u>Grant</u>	EMS Computer <u>Grant</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	4,800	-	2,500
Interest	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
All other revenue	-	540	-	-
Total revenues	<u>-</u>	<u>5,340</u>	<u>-</u>	<u>2,500</u>
Expenditures:				
Security of persons and property:				
Police and others	-	4,850	-	-
Fire	-	-	-	2,500
Community development	-	-	-	-
Transportation	-	-	-	-
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>4,850</u>	<u>-</u>	<u>2,500</u>
Net change in fund balances	-	490	-	-
Fund balances (deficits) - beginning of year	<u>(11,319)</u>	<u>4,533</u>	<u>808</u>	<u>6,225</u>
Fund balances (deficits) - end of year	\$ <u><u>(11,319)</u></u>	\$ <u><u>5,023</u></u>	\$ <u><u>808</u></u>	\$ <u><u>6,225</u></u>

<u>Local Law Enforcement Block Grant</u>	<u>Sidewalk Replacement</u>	<u>COPS Grant</u>	<u>FEMA Grant</u>	<u>Cleveland Browns Foundation</u>	<u>CRA Monitoring Fee</u>	<u>The Cleveland Foundation</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	48,707	-
-	-	-	-	-	27,100	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,807</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,295</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,295</u>	<u>-</u>
-	-	-	-	-	(58,488)	-
<u>21</u>	<u>7,104</u>	<u>6,383</u>	<u>30,521</u>	<u>568</u>	<u>167,618</u>	<u>4,819</u>
\$ <u>21</u>	\$ <u>7,104</u>	\$ <u>6,383</u>	\$ <u>30,521</u>	\$ <u>568</u>	\$ <u>109,130</u>	\$ <u>4,819</u>

(continued)

City of Warrensville Heights

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

December 31, 2012

	Economic Development Stimulus <u>Incentive Grant</u>	Grass Refuse	Homeland Security <u>Grant</u>	Civic Center Park Restoration <u>Grant</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	21,596	-	-
All other revenue	-	-	-	-
Total revenues	<u>-</u>	<u>21,596</u>	<u>-</u>	<u>-</u>
Expenditures:				
Security of persons and property:				
Police and others	-	-	-	-
Fire	-	-	-	-
Community development	-	28,678	-	-
Transportation	-	-	-	-
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>28,678</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(7,082)	-	-
Fund balances (deficits) - beginning of year	<u>28,150</u>	<u>27,737</u>	<u>1,999</u>	<u>38,808</u>
Fund balances (deficits) - end of year	\$ <u><u>28,150</u></u>	\$ <u><u>20,655</u></u>	\$ <u><u>1,999</u></u>	\$ <u><u>38,808</u></u>

<u>G.R.E.A.T. Grant</u>	<u>Fire Reporting Grant</u>	<u>COPS Hiring Recovery</u>	<u>2007 Nature Works Grant</u>	<u>2008 G.R.E.A.T. Grant</u>	<u>Residential Demolition</u>	<u>Master Plan Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	204,007	-	-	-	25,353
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>204,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,353</u>
-	-	204,006	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>204,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	1	-	-	-	25,353
<u>3,668</u>	<u>188</u>	<u>-</u>	<u>(19,589)</u>	<u>29,342</u>	<u>31</u>	<u>-</u>
\$ <u>3,668</u>	\$ <u>188</u>	\$ <u>1</u>	\$ <u>(19,589)</u>	\$ <u>29,342</u>	\$ <u>31</u>	\$ <u>25,353</u>

(continued)

City of Warrensville Heights

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

December 31, 2012

	Warrensville Heights Occupancy Program	Edward Byrne Memorial Justice Assistance	SAFER Hiring Program	Community Recycling Grant	Nonmajor Special Revenue Funds
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 506,553
Other taxes	-	-	-	-	24,609
Intergovernmental	-	-	623,171	2,438	1,408,040
Interest	-	-	-	-	1
Fines and forfeitures	-	-	-	-	48,857
Charges for services	750	-	-	-	49,446
All other revenue	-	-	-	-	18,581
Total revenues	<u>750</u>	<u>-</u>	<u>623,171</u>	<u>2,438</u>	<u>2,056,087</u>
Expenditures:					
Security of persons and property:					
Police and others	-	7,836	-	-	562,627
Fire	-	-	584,651	-	699,618
Community development	-	-	-	2,438	31,116
Transportation	-	-	-	-	421,614
General government	-	-	-	-	134,295
Total expenditures	<u>-</u>	<u>7,836</u>	<u>584,651</u>	<u>2,438</u>	<u>1,849,270</u>
Net change in fund balances	750	(7,836)	38,520	-	206,817
Fund balances (deficits) – beginning of year	<u>9,435</u>	<u>7,836</u>	<u>(113)</u>	<u>-</u>	<u>798,083</u>
Fund balances (deficits) – end of year	\$ <u>10,185</u>	\$ <u>-</u>	\$ <u>38,407</u>	\$ <u>-</u>	\$ <u>1,004,900</u>

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City of Warrensville Heights

Combining Balance Sheet – Nonmajor Capital Projects Funds

December 31, 2012

	<u>Street Improvement</u>	<u>Building Repair and Improvement</u>	<u>Information Technology System</u>	<u>Land Acquisition</u>	<u>Snavely Project</u>	<u>Emery Woods Project</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ <u>90,920</u>	\$ <u>1,738</u>	\$ <u>21,683</u>	\$ <u>4,989</u>	\$ <u>2,286</u>	\$ <u>105,567</u>
Total assets	\$ <u><u>90,920</u></u>	\$ <u><u>1,738</u></u>	\$ <u><u>21,683</u></u>	\$ <u><u>4,989</u></u>	\$ <u><u>2,286</u></u>	\$ <u><u>105,567</u></u>
Liabilities and fund balances:						
Liabilities:						
Accounts payable	\$ <u>93,317</u>	\$ <u>-</u>	\$ <u>862</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total liabilities	<u>93,317</u>	<u>-</u>	<u>862</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted	-	1,738	20,821	4,989	2,286	105,567
Unassigned (deficit)	<u>(2,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>(2,397)</u>	<u>1,738</u>	<u>20,821</u>	<u>4,989</u>	<u>2,286</u>	<u>105,567</u>
Total liabilities and fund balances	\$ <u><u>90,920</u></u>	\$ <u><u>1,738</u></u>	\$ <u><u>21,683</u></u>	\$ <u><u>4,989</u></u>	\$ <u><u>2,286</u></u>	\$ <u><u>105,567</u></u>

<u>Siren Warning System</u>	<u>Route 8 & Northfield Road Project</u>	<u>Sidewalk Repair and Replacement Project</u>	<u>Generators</u>	<u>Green Road Park Improvement</u>	<u>City Boiler Replacement</u>	<u>Cinema Park</u>	<u>Nonmajor Capital Projects Funds</u>
\$ <u>457</u>	\$ <u>3,841</u>	\$ <u>81</u>	\$ <u>10,666</u>	\$ <u>7,151</u>	\$ <u>24,027</u>	\$ <u>18,633</u>	\$ <u>292,039</u>
\$ <u>457</u>	\$ <u>3,841</u>	\$ <u>81</u>	\$ <u>10,666</u>	\$ <u>7,151</u>	\$ <u>24,027</u>	\$ <u>18,633</u>	\$ <u>292,039</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>94,179</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,179</u>
457	3,841	81	10,666	7,151	24,027	18,633	200,257
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,397)</u>
<u>457</u>	<u>3,841</u>	<u>81</u>	<u>10,666</u>	<u>7,151</u>	<u>24,027</u>	<u>18,633</u>	<u>197,860</u>
\$ <u>457</u>	\$ <u>3,841</u>	\$ <u>81</u>	\$ <u>10,666</u>	\$ <u>7,151</u>	\$ <u>24,027</u>	\$ <u>18,633</u>	\$ <u>292,039</u>

City of Warrensville Heights

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

For the Year Ended December 31, 2012

	<u>Street Improvement</u>	<u>Building Repair and Improvement</u>	<u>Information Technology System</u>	<u>Land Acquisition</u>	<u>Snavelly Project</u>	<u>Emery Woods Project</u>
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:						
Transportation	102,058	-	862	-	-	18,102
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>102,058</u>	<u>-</u>	<u>862</u>	<u>-</u>	<u>-</u>	<u>18,102</u>
Excess of revenues under expenditures	<u>(102,058)</u>	<u>-</u>	<u>(862)</u>	<u>-</u>	<u>-</u>	<u>(18,102)</u>
Other financing sources (uses):						
Issuance of debt	150,000	-	-	-	-	-
Transfers in	<u>233,204</u>	<u>-</u>	<u>128,151</u>	<u>35,882</u>	<u>1,623,754</u>	<u>925,268</u>
Total other financing sources (uses)	<u>383,204</u>	<u>-</u>	<u>128,151</u>	<u>35,882</u>	<u>1,623,754</u>	<u>925,268</u>
Net change in fund balances	281,146	-	127,289	35,882	1,623,754	907,166
Fund balances (deficits) beginning of year	<u>(283,543)</u>	<u>1,738</u>	<u>(106,468)</u>	<u>(30,893)</u>	<u>(1,621,468)</u>	<u>(801,599)</u>
Fund balances (deficits) end of year	\$ <u>(2,397)</u>	\$ <u>1,738</u>	\$ <u>20,821</u>	\$ <u>4,989</u>	\$ <u>2,286</u>	\$ <u>105,567</u>

<u>Siren Warning System</u>	<u>Route 8 & Northfield Road Project</u>	<u>Sidewalk Repair and Replacement Project</u>	<u>Generators</u>	<u>Green Road Park Improvement</u>	<u>City Boiler Replacement</u>	<u>Cinema Park</u>	<u>Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
-	-	-	-	-	25,000	-	25,000
-	-	-	-	-	1,095	6,800	128,917
-	-	-	-	-	1,338	-	1,338
-	-	-	-	-	2,433	6,800	130,255
-	-	-	-	-	22,567	(6,800)	(105,255)
-	-	-	-	-	-	-	150,000
-	5,126	5,126	5,126	-	-	2,794,713	5,756,350
-	5,126	5,126	5,126	-	-	2,794,713	5,906,350
-	5,126	5,126	5,126	-	22,567	2,787,913	5,801,095
457	(1,285)	(5,045)	5,540	7,151	1,460	(2,769,280)	(5,603,235)
\$ 457	\$ 3,841	\$ 81	\$ 10,666	\$ 7,151	\$ 24,027	\$ 18,633	\$ 197,860

City of Warrensville Heights

Combining Statement – Agency Funds

December 31, 2012

Agency Funds

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

Developers Deposits Fund

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

Senior Civic Center Rental Fund

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

Payroll Clearing Fund

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

City of Warrensville Heights

Combining Statement – Agency Funds

December 31, 2012

	Beginning Balance <u>12/31/2011</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>12/31/2012</u>
Developers' Deposits Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>245,481</u>	\$ <u>1,180</u>	\$ <u>85,503</u>	\$ <u>161,158</u>
Liabilities:				
Deposits held and due to others	\$ <u>245,481</u>	\$ <u>17,960</u>	\$ <u>102,283</u>	\$ <u>161,158</u>
Senior Civic Center Rental Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>225</u>	\$ <u>1,950</u>	\$ <u>1,420</u>	\$ <u>755</u>
Liabilities:				
Deposits held and due to others	\$ <u>225</u>	\$ <u>530</u>	\$ <u>-</u>	\$ <u>755</u>
Payroll Clearing Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>67,124</u>	\$ <u>-</u>	\$ <u>7,556</u>	\$ <u>59,568</u>
Liabilities:				
Deposits held and due to others	\$ <u>67,124</u>	\$ <u>-</u>	\$ <u>7,556</u>	\$ <u>59,568</u>
Total All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>312,830</u>	\$ <u>3,130</u>	\$ <u>94,479</u>	\$ <u>221,481</u>
Liabilities:				
Deposits held and due to others	\$ <u>312,830</u>	\$ <u>18,490</u>	\$ <u>109,839</u>	\$ <u>221,481</u>

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

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 259,093	\$ 349,593	\$ 234,662	\$ (114,931)
Income taxes	13,409,363	13,835,998	13,937,676	101,678
Other taxes	233,323	241,216	243,016	1,800
Intergovernmental	265,459	274,439	276,487	2,048
Interest	350,588	362,447	365,152	2,705
Fees, licenses and permits	228,670	236,405	238,169	1,764
Fines and forfeitures	519,473	537,045	541,053	4,008
Charges for services	8,138	8,413	8,476	63
All other revenues	39,440	40,773	41,078	305
Total revenues	<u>15,313,547</u>	<u>15,886,329</u>	<u>15,885,769</u>	<u>(560)</u>
Expenditures:				
Current:				
Security of persons and property:				
Police department:				
Personal services	3,919,601	4,064,601	3,981,860	82,741
Materials and supplies	239,451	239,451	181,861	57,590
Contractual services	394,877	394,877	193,001	201,876
Capital outlay	11,474	11,474	7,138	4,336
Total police department	<u>4,565,403</u>	<u>4,710,403</u>	<u>4,363,860</u>	<u>346,543</u>
Fire department:				
Personal services	3,046,617	3,046,617	2,877,742	168,875
Materials and supplies	143,010	143,010	51,217	91,793
Contractual services	71,300	71,300	54,971	16,329
Capital outlay	8,000	20,000	12,063	7,937
Total fire department	<u>3,268,927</u>	<u>3,280,927</u>	<u>2,995,993</u>	<u>284,934</u>
Total security of persons and property	<u>7,834,330</u>	<u>7,991,330</u>	<u>7,359,853</u>	<u>631,477</u>
Public health services:				
Health and human services:				
Contractual services	<u>57,000</u>	<u>57,000</u>	<u>52,001</u>	<u>4,999</u>
Leisure time activities:				
Community activities:				
Personal services	66,244	51,244	55,787	(4,543)
Materials and supplies	75,800	78,300	57,829	20,471
Contractual services	-	-	451	(451)
Total community activities	<u>142,044</u>	<u>129,544</u>	<u>114,067</u>	<u>15,477</u>

Continued

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civic center:				
Personal services	212,023	172,023	158,435	13,588
Materials and supplies	3,200	6,700	5,701	999
Contractual services	900	900	-	900
Total civic center	<u>216,123</u>	<u>179,623</u>	<u>164,136</u>	<u>15,487</u>
Total leisure time activities	<u>358,167</u>	<u>309,167</u>	<u>278,203</u>	<u>30,964</u>
Community development:				
Economic development:				
Personal services	68,108	68,108	70,590	(2,482)
Materials and supplies	4,809	5,809	663	5,146
Contractual services	-	-	137	(137)
Total economic development	<u>72,917</u>	<u>73,917</u>	<u>71,390</u>	<u>2,527</u>
Building department:				
Personal services	371,002	371,002	373,670	(2,668)
Materials and supplies	18,960	18,960	5,408	13,552
Contractual services	50,000	50,000	28,895	21,105
Total building department	<u>439,962</u>	<u>439,962</u>	<u>407,973</u>	<u>31,989</u>
Total community development	<u>512,879</u>	<u>513,879</u>	<u>479,363</u>	<u>34,516</u>
Basic utility services:				
Solid waste:				
Personal services	916,296	1,023,296	1,028,788	(5,492)
Contractual services	192,000	192,000	174,953	17,047
Total basic utility services	<u>1,108,296</u>	<u>1,215,296</u>	<u>1,203,741</u>	<u>11,555</u>
Transportation:				
Service department:				
Personal services	740,475	769,975	752,049	17,926
Materials and supplies	492,639	472,639	451,544	21,095
Contractual services	42,500	48,000	45,266	2,734
Total transportation	<u>1,275,614</u>	<u>1,290,614</u>	<u>1,248,859</u>	<u>41,755</u>

Continued

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government:				
City council:				
Personal services	166,583	170,583	166,122	4,461
Materials and supplies	131,405	131,405	25,413	105,992
Contractual services	<u>6,000</u>	<u>6,000</u>	<u>46,290</u>	<u>(40,290)</u>
Total city council	<u>303,988</u>	<u>307,988</u>	<u>237,825</u>	<u>70,163</u>
Mayor:				
Personal services	346,586	346,586	348,518	(1,932)
Materials and supplies	24,700	25,700	7,247	18,453
Contractual services	-	-	420	(420)
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>2,656</u>	<u>(1,656)</u>
Total mayor	<u>372,286</u>	<u>373,286</u>	<u>358,841</u>	<u>14,445</u>
Finance department:				
Personal services	332,960	347,960	346,074	1,886
Materials and supplies	9,057	9,057	7,767	1,290
Contractual services	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total finance department	<u>342,517</u>	<u>357,517</u>	<u>353,841</u>	<u>3,676</u>
Income tax:				
Personal services	21,268	23,268	22,004	1,264
Materials and supplies	1,300	1,300	-	1,300
Contractual services	<u>310,000</u>	<u>270,000</u>	<u>365,536</u>	<u>(95,536)</u>
Total income tax	<u>332,568</u>	<u>294,568</u>	<u>387,540</u>	<u>(92,972)</u>
Legal:				
Personal services	126,257	132,457	134,457	(2,000)
Materials and supplies	8,250	11,350	9,477	1,873
Contractual services	<u>312,500</u>	<u>212,500</u>	<u>161,180</u>	<u>51,320</u>
Total legal	<u>447,007</u>	<u>356,307</u>	<u>305,113</u>	<u>51,193</u>
Human resources:				
Personal services	87,988	75,988	67,774	8,214
Materials and supplies	12,140	12,140	1,203	10,937
Contractual services	<u>4,500</u>	<u>4,500</u>	<u>3,064</u>	<u>1,436</u>
Total human resources	<u>104,628</u>	<u>92,628</u>	<u>72,041</u>	<u>20,587</u>

Continued

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board and commissions:				
Personal services	10,772	12,172	8,944	3,228
Materials and supplies	<u>1,175</u>	<u>1,775</u>	<u>1,159</u>	<u>616</u>
Total boards and commissions	<u>11,947</u>	<u>13,947</u>	<u>10,103</u>	<u>3,844</u>
Engineering:				
Contractual services	<u>94,700</u>	<u>59,700</u>	<u>3,857</u>	<u>55,843</u>
Election:				
Contractual services	<u>25,000</u>	<u>36,000</u>	<u>35,838</u>	<u>162</u>
Information technology:				
Contractual services	<u>303,000</u>	<u>303,000</u>	<u>216,943</u>	<u>86,057</u>
Lands and buildings:				
Materials and supplies	278,443	283,443	239,411	44,032
Contractual services	99,151	99,151	125,926	(26,775)
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>446</u>	<u>1,554</u>
Total lands and buildings	<u>379,594</u>	<u>384,594</u>	<u>365,783</u>	<u>18,811</u>
Other government:				
Personal services	116,001	124,001	121,268	2,733
Materials and supplies	49,617	49,617	13,606	36,011
Contractual services	952,189	952,189	730,568	221,621
Capital outlay	<u>-</u>	<u>-</u>	<u>7,362</u>	<u>(7,362)</u>
Total other government	<u>1,117,807</u>	<u>1,125,807</u>	<u>872,804</u>	<u>253,003</u>
Total general government	<u>3,835,042</u>	<u>3,705,342</u>	<u>3,220,530</u>	<u>484,812</u>
Total expenditures	<u>14,981,328</u>	<u>15,082,628</u>	<u>13,842,550</u>	<u>1,240,078</u>
Excess of revenues over (under) expenditures	<u>332,219</u>	<u>803,701</u>	<u>2,043,219</u>	<u>1,207,666</u>
Other financing sources (uses):				
Advances out	70,170	-	73,500	73,500
Transfers out	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>(999,996)</u>	<u>10,004</u>
Total other financing sources (uses)	<u>(939,830)</u>	<u>(1,010,000)</u>	<u>(926,496)</u>	<u>83,504</u>
Net change in fund balance	(607,611)	(206,299)	1,116,723	1,323,022
Fund balance – beginning of year	1,746,486	1,746,486	1,746,486	-
Prior year encumbrances appropriated	<u>64,699</u>	<u>64,699</u>	<u>64,699</u>	<u>-</u>
Fund balance – end of year	\$ <u>1,203,574</u>	\$ <u>1,604,886</u>	\$ <u>2,927,908</u>	\$ <u>1,323,022</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Obligation Bond Retirement Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 634,565	\$ 611,869	\$ 611,868	\$ (1)
Municipal income taxes	67,364	65,427	61,522	(3,905)
Special assessment	202,139	196,329	184,610	(11,719)
Charges for services	10,251	9,956	9,362	(594)
Investment income	19,736	19,169	18,025	(1,144)
All other revenues	<u>15,887,973</u>	<u>15,431,336</u>	<u>14,510,224</u>	<u>(921,111)</u>
Total revenue	<u>16,822,028</u>	<u>16,334,086</u>	<u>15,395,611</u>	<u>(938,475)</u>
Expenditures:				
Debt service:				
Principal – G.O. Bonds	492,000	746,000	725,000	21,000
Principal – notes	14,889,000	15,318,083	14,387,060	931,023
Interest and fiscal charges – G.O. Bonds	37,000	38,133	32,116	6,017
Interest and fiscal charges – Notes	393,397	477,071	822,480	(345,409)
Bond issuance costs	-	-	68,172	(68,172)
Total debt service:	<u>15,811,397</u>	<u>16,579,287</u>	<u>16,034,828</u>	<u>544,459</u>
Total expenditures	<u>15,811,397</u>	<u>16,579,287</u>	<u>16,034,828</u>	<u>544,459</u>
Excess of revenues over (under) expenditures	<u>1,010,631</u>	<u>(245,201)</u>	<u>(639,217)</u>	<u>(394,016)</u>
Other financing sources (uses):				
Transfers in	-	-	999,996	999,996
Net change in fund balance	1,010,631	(245,201)	360,779	605,980
Fund balance - beginning of the year	<u>859,539</u>	<u>859,539</u>	<u>859,539</u>	<u>-</u>
Fund balance at the end of the year	\$ <u>1,870,170</u>	\$ <u>614,338</u>	\$ <u>1,220,318</u>	\$ <u>605,980</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Town Center Project Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay:				
Contractual services	\$ <u>6,516,987</u>	\$ <u>6,516,987</u>	\$ <u>5,191,243</u>	\$ <u>1,325,744</u>
Excess of revenues over (under) expenditures	(6,516,987)	(6,516,987)	(5,191,243)	1,325,744
Other financing sources (uses):				
Proceeds from the sale of debt	<u>11,242,428</u>	<u>2,000,000</u>	<u>596,283</u>	<u>(1,403,717)</u>
Net change in fund balance	4,725,441	(4,516,987)	(4,594,960)	(77,973)
Prior year encumbrances appropriated	11,390	11,390	11,390	-
Fund balance - beginning of year	<u>4,702,087</u>	<u>4,702,087</u>	<u>4,702,087</u>	<u>-</u>
Fund balance - end of year	\$ <u>9,438,918</u>	\$ <u>196,490</u>	\$ <u>118,517</u>	\$ <u>(77,973)</u>

City of Warrensville Heights

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

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>457,000</u>	\$ <u>457,000</u>	\$ <u>433,222</u>	\$ <u>(23,778)</u>
Expenditures:				
Current:				
Transportation:				
Street maintenance:				
Personal services	214,325	214,325	185,374	28,951
Materials and supplies	<u>25,072</u>	<u>25,072</u>	<u>23,226</u>	<u>1,846</u>
Total street maintenance	<u>239,397</u>	<u>239,397</u>	<u>208,600</u>	<u>30,797</u>
Snow and ice removal:				
Materials and supplies	<u>168,297</u>	<u>168,297</u>	<u>123,591</u>	<u>44,706</u>
Traffic control:				
Materials and supplies	<u>49,088</u>	<u>49,088</u>	<u>31,379</u>	<u>17,709</u>
Total expenditures	<u>456,782</u>	<u>456,782</u>	<u>363,570</u>	<u>93,212</u>
Net change in fund balance	218	218	69,652	69,434
Fund balance - beginning of year	19,983	19,983	19,983	-
Prior year encumbrances appropriated	<u>1,034</u>	<u>1,034</u>	<u>1,034</u>	-
Fund balance - end of year	\$ <u>21,235</u>	\$ <u>21,235</u>	\$ <u>90,669</u>	\$ <u>69,434</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – State Highway Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>46,000</u>	\$ <u>44,712</u>	\$ <u>45,187</u>	\$ <u>475</u>
Expenditures:				
Current:				
Transportation:				
Street maintenance:				
Personal services	25,000	25,000	18,751	6,249
Materials and supplies	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>18,751</u>	<u>26,249</u>
Net change in fund balance	1,000	(288)	26,436	26,724
Fund balance - beginning of year	<u>38,200</u>	<u>38,200</u>	<u>38,200</u>	<u>-</u>
Fund balance - end of year	\$ <u>39,200</u>	\$ <u>37,912</u>	\$ <u>64,636</u>	\$ <u>26,724</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Police Salary and Equipment Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 89,342	\$ 83,992	\$ 78,206	\$ (5,786)
Intergovernmental	<u>-</u>	<u>1,000</u>	<u>5,785</u>	<u>4,785</u>
Total revenues	89,342	84,992	83,991	(1,001)
Expenditures:				
Current:				
Security of persons and property:				
Police and others:				
Personal services	<u>89,000</u>	<u>89,000</u>	<u>66,749</u>	<u>22,251</u>
Net change in fund balance	342	(4,008)	17,242	21,250
Fund balance - beginning of year	<u>4,255</u>	<u>4,255</u>	<u>4,255</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>4,597</u></u>	\$ <u><u>247</u></u>	\$ <u><u>21,497</u></u>	\$ <u><u>21,250</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Fire Salary and Equipment Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 89,342	\$ 83,992	\$ 78,206	\$ (5,786)
Intergovernmental	<u>-</u>	<u>1,000</u>	<u>5,786</u>	<u>4,786</u>
Total revenues	89,342	84,992	83,992	(1,000)
Expenditures:				
Current:				
Security of persons and property:				
Fire:				
Personal services	<u>89,000</u>	<u>89,000</u>	<u>65,800</u>	<u>23,200</u>
Net change in fund balance	342	(4,008)	18,192	22,200
Fund balance - beginning of year	<u>32,044</u>	<u>32,044</u>	<u>32,044</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>32,386</u></u>	\$ <u><u>28,036</u></u>	\$ <u><u>50,236</u></u>	\$ <u><u>22,200</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Street Lighting Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 196,812	\$ 189,827	\$ 171,485	\$ (18,342)
Other taxes	-	-	15,381	15,381
Intergovernmental	-	-	18,342	18,342
Total revenues	<u>196,812</u>	<u>189,827</u>	<u>205,208</u>	<u>15,381</u>
Expenditures:				
Current:				
Community Development:				
Street lighting:				
Contractual services	<u>196,855</u>	<u>199,855</u>	<u>198,966</u>	<u>889</u>
Net change in fund balance	(43)	(10,028)	6,242	16,270
Fund balance - beginning of year	<u>82,711</u>	<u>82,711</u>	<u>82,711</u>	<u>-</u>
Fund balance - end of year	<u>\$ 82,668</u>	<u>\$ 72,683</u>	<u>\$ 88,953</u>	<u>\$ 16,270</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Building Levy Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 64,164	\$ 60,832	\$ 55,956	\$ (4,876)
Intergovernmental	-	-	4,875	4,875
Total revenues	64,164	60,832	60,831	(1)
Expenditures:				
Current:				
General government:				
Building levy:				
Materials and supplies	60,000	60,000	63,560	(3,560)
Capital outlay	4,000	4,000	2,185	1,815
Total expenditures	64,000	64,000	65,745	(1,745)
Net change in fund balance	164	(3,168)	(4,914)	(1,746)
Fund balance - beginning of year	144,566	144,566	144,566	-
Fund balance - end of year	\$ 144,730	\$ 141,398	\$ 139,652	\$ (1,746)

City of Warrensville Heights

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

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 247	\$ 247	\$ 150	\$ (97)
All other revenues	<u>29,753</u>	<u>29,753</u>	<u>18,041</u>	<u>(11,712)</u>
Total revenues	30,000	30,000	18,191	(11,809)
Expenditures:				
Current:				
Security of persons and property:				
Police:				
Materials and supplies	<u>10,000</u>	<u>25,000</u>	<u>15,000</u>	<u>10,000</u>
Net change in fund balance	20,000	5,000	3,191	(1,809)
Fund balance - beginning of year	<u>33,401</u>	<u>33,401</u>	<u>33,401</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>53,401</u></u>	\$ <u><u>38,401</u></u>	\$ <u><u>36,592</u></u>	\$ <u><u>(1,809)</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Bureau of Justice Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,999	\$ 25,346	\$ 3,500	\$ (21,846)
All other revenues	<u>1</u>	<u>7</u>	<u>1</u>	<u>(6)</u>
Total revenues	5,000	25,353	3,501	(21,852)
Expenditures:				
Current:				
Security of persons and property:				
Police:				
Materials and supplies	<u>2,000</u>	<u>2,000</u>	<u>1,762</u>	<u>238</u>
Net change in fund balance	3,000	23,353	1,739	(21,614)
Fund balance - beginning of year	<u>3,063</u>	<u>3,063</u>	<u>3,063</u>	<u>-</u>
Fund balance - end of year	\$ <u>6,063</u>	\$ <u>26,416</u>	\$ <u>4,802</u>	\$ <u>(21,614)</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Fire Pension Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 70,507	\$ 67,985	\$ 61,350	\$ (6,635)
Other taxes	-	-	4,614	4,614
Intergovernmental	-	-	6,636	6,636
Total revenues	<u>70,057</u>	<u>67,985</u>	<u>72,600</u>	<u>4,615</u>
Expenditures:				
Current:				
Security of persons and property:				
Fire:				
Personal services	<u>70,000</u>	<u>70,000</u>	<u>46,667</u>	<u>23,333</u>
Net change in fund balance	507	(2,015)	25,933	27,948
Fund balance - beginning of year	<u>17,455</u>	<u>17,455</u>	<u>17,455</u>	<u>-</u>
Fund balance - end of year	<u>\$ 17,962</u>	<u>\$ 15,440</u>	<u>\$ 43,388</u>	<u>\$ 27,948</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Police Pension Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 70,507	\$ 67,985	\$ 61,350	\$ (6,635)
Other taxes	-	-	4,614	4,614
Intergovernmental	-	-	6,636	6,636
Total revenues	<u>70,507</u>	<u>67,985</u>	<u>72,600</u>	<u>4,615</u>
Expenditures:				
Current:				
Security of persons and property:				
Police:				
Personal services	<u>70,000</u>	<u>70,000</u>	<u>44,000</u>	<u>26,000</u>
Net change in fund balance	507	(2,015)	28,600	30,615
Fund balance - beginning of year	<u>19,983</u>	<u>19,983</u>	<u>19,983</u>	<u>-</u>
Fund balance - end of year	<u>\$ 20,490</u>	<u>\$ 17,968</u>	<u>\$ 48,583</u>	<u>\$ 30,615</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – DARE Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,000	\$ 17,953	\$ 17,953	\$ -
Expenditures:				
Current:				
Security of persons and property:				
Police:				
Personal services	<u>25,000</u>	<u>25,000</u>	<u>7,245</u>	<u>17,755</u>
Net change in fund balance	(18,000)	(7,047)	10,708	17,755
Fund balance - beginning of year	<u>26,570</u>	<u>26,570</u>	<u>26,570</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>8,570</u></u>	\$ <u><u>19,523</u></u>	\$ <u><u>37,278</u></u>	\$ <u><u>17,755</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Community Development Block Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All other revenues	\$ <u> -</u>	\$ <u> 18,191</u>	\$ <u> -</u>	\$ <u> (18,191)</u>
Net change in fund balance	-	18,191	-	(18,191)
Fund balance - beginning of year	<u> 16,600</u>	<u> 16,600</u>	<u> 16,600</u>	<u> -</u>
Fund balance - end of year	\$ <u> 16,600</u>	\$ <u> 34,791</u>	\$ <u> 16,600</u>	\$ <u> (18,191)</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Juvenile Diversion Program Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,030	\$ 2,800	\$ 2,800	\$ -
All other revenues	<u>970</u>	<u>540</u>	<u>540</u>	<u>-</u>
Total revenues	6,000	3,340	3,340	-
Expenditures:				
Current:				
Security of persons and property:				
Police and others:				
Personal services	6,000	6,000	4,800	1,200
Materials and supplies	<u>1,000</u>	<u>1,000</u>	<u>50</u>	<u>950</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>4,850</u>	<u>2,150</u>
Net change in fund balance	(1,000)	(3,660)	(1,510)	2,150
Fund balance - beginning of year	<u>4,533</u>	<u>4,533</u>	<u>4,533</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>3,533</u></u>	\$ <u><u>873</u></u>	\$ <u><u>3,023</u></u>	\$ <u><u>2,150</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Fire Department Child Safety Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All other revenues	\$ <u> -</u>	\$ <u> 2,500</u>	\$ <u> -</u>	\$ <u> (2,500)</u>
Net change in fund balance	-	2,500	-	-
Fund balance - beginning of year	<u> 808</u>	<u> 808</u>	<u> 808</u>	<u> -</u>
Fund balance - end of year	\$ <u> 808</u>	\$ <u> 3,308</u>	\$ <u> 808</u>	\$ <u> (2,500)</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – EMS Computer Grant Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for service	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 2,500</u>	\$ <u> 2,500</u>
Expenditures:				
Current:				
Security of persons and property:				
Fire:				
Capital outlay	<u> -</u>	<u> 2,500</u>	<u> 2,500</u>	<u> -</u>
Net change in fund balance	-	(2,500)	-	2,500
Fund balance - beginning of year	<u> 6,225</u>	<u> 6,225</u>	<u> 6,225</u>	<u> -</u>
Fund balance - end of year	\$ <u> 6,225</u>	\$ <u> 3,725</u>	\$ <u> 6,225</u>	\$ <u> 2,500</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Local Law Enforcement Block Grant Fund

For the Year Ended December 31, 2012

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>21</u>	\$ <u>21</u>	\$ <u>21</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>21</u></u>	\$ <u><u>21</u></u>	\$ <u><u>21</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Sidewalk Replacement Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance - beginning of year	\$ <u>7,104</u>	\$ <u>7,104</u>	\$ <u>7,104</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>7,104</u></u>	\$ <u><u>7,104</u></u>	\$ <u><u>7,104</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – COPS Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fund balance - beginning of year	\$ <u>27,949</u>	\$ <u>27,949</u>	\$ <u>27,949</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>27,949</u></u>	\$ <u><u>27,949</u></u>	\$ <u><u>27,949</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – FEMA Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fund balance - beginning of year	\$ <u>30,521</u>	\$ <u>30,521</u>	\$ <u>30,521</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>30,521</u></u>	\$ <u><u>30,521</u></u>	\$ <u><u>30,521</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Cleveland Browns Foundation Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>568</u>	\$ <u>568</u>	\$ <u>568</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>568</u></u>	\$ <u><u>568</u></u>	\$ <u><u>568</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – CRA Monitoring Fee Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for service	\$ 7,432	\$ 27,100	\$ 27,100	\$ -
Fines and forfeitures	<u>13,358</u>	<u>48,707</u>	<u>48,707</u>	<u>-</u>
Total revenues	20,790	75,807	75,807	-
Expenditures:				
Current:				
General government:				
Contractual services	-	133,000	132,295	705
Materials and supplies	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>135,000</u>	<u>134,295</u>	<u>705</u>
Net change in fund balance	20,790	(59,193)	(58,488)	705
Fund balance - beginning of year	<u>167,618</u>	<u>167,618</u>	<u>167,618</u>	<u>-</u>
Fund balance - end of year	\$ <u>188,408</u>	\$ <u>108,425</u>	\$ <u>109,130</u>	\$ <u>705</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – The Cleveland Foundation Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance - beginning of year	\$ <u>4,819</u>	\$ <u>4,819</u>	\$ <u>4,819</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>4,819</u></u>	\$ <u><u>4,819</u></u>	\$ <u><u>4,819</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Economic Development Stimulus Incentive Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fund balance - beginning of year	\$ <u>28,150</u>	\$ <u>28,150</u>	\$ <u>28,150</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u>28,150</u>	\$ <u>28,150</u>	\$ <u>28,150</u>	\$ <u>-</u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Grass Refuse Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 15,000	\$ 21,576	\$ 21,596	\$ 20
Expenditures:				
Current:				
Community development:				
Building:				
Contractual services	<u>15,000</u>	<u>29,000</u>	<u>28,714</u>	<u>286</u>
Net change in fund balance	-	(7,424)	(7,118)	306
Fund balance - beginning of year	<u>27,737</u>	<u>27,737</u>	<u>27,737</u>	-
Fund balance - end of year	\$ <u><u>27,737</u></u>	\$ <u><u>20,313</u></u>	\$ <u><u>20,619</u></u>	\$ <u><u>306</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Homeland Security Grant Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance - beginning of year	\$ <u>1,999</u>	\$ <u>1,999</u>	\$ <u>1,999</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>1,999</u></u>	\$ <u><u>1,999</u></u>	\$ <u><u>1,999</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Civic Center Park Restoration Grant Fund

For the Year Ended December 31, 2012

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>38,808</u>	\$ <u>38,808</u>	\$ <u>38,808</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>38,808</u></u>	\$ <u><u>38,808</u></u>	\$ <u><u>38,808</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – G.R.E.A.T. Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance - beginning of year	\$ <u>3,668</u>	\$ <u>3,668</u>	\$ <u>3,668</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>3,668</u></u>	\$ <u><u>3,668</u></u>	\$ <u><u>3,668</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Fire Reporting Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance - beginning of year	\$ <u>188</u>	\$ <u>188</u>	\$ <u>188</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>188</u></u>	\$ <u><u>188</u></u>	\$ <u><u>188</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – COPS Hiring Recovery Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 200,000	\$ 209,000	\$ 203,942	\$ (5,058)
Expenditures:				
Current:				
Security of property and persons:				
Police and Others:				
Personal Services	<u>163,836</u>	<u>208,836</u>	<u>150,006</u>	<u>58,830</u>
Other financing sources (uses):				
Advances out	<u>-</u>	<u>-</u>	<u>53,000</u>	<u>(53,000)</u>
Net change in fund balance	36,164	164	936	772
Fund balance - beginning of year	\$ <u>30</u>	\$ <u>30</u>	\$ <u>30</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>36,194</u></u>	\$ <u><u>194</u></u>	\$ <u><u>966</u></u>	\$ <u><u>772</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – 2008 G.R.E.A.T. Works Grant Fund

For the Year Ended December 31, 2012

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>29,342</u>	\$ <u>29,342</u>	\$ <u>29,342</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>29,342</u></u>	\$ <u><u>29,342</u></u>	\$ <u><u>29,342</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Residential Demolition Fund

For the Year Ended December 31, 2012

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>31</u>	\$ <u>31</u>	\$ <u>31</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>31</u></u>	\$ <u><u>31</u></u>	\$ <u><u>31</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Master Plan Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 25,353	\$ 25,353
Net change in fund balance	-	-	25,353	25,353
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 25,353	\$ 25,353

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Warrensville Heights Occupancy Program Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 150,000	\$ 150,000	\$ 750	\$ (149,250)
Expenditures:				
Current:				
Community Development:				
Contractual services	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Net change in fund balance	-	-	750	750
Fund balance - beginning of year	<u>9,435</u>	<u>9,435</u>	<u>9,435</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>9,435</u></u>	\$ <u><u>9,435</u></u>	\$ <u><u>10,185</u></u>	\$ <u><u>750</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Edward Byrne Memorial Justice Assistance Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
All other revenues	\$ <u>25,000</u>	\$ <u>35,000</u>	\$ <u>-</u>	\$ <u>(35,000)</u>
Expenditures:				
Current:				
Security of persons and property:				
Police and others:				
Personal services	\$ 27,851	\$ 27,851	\$ 7,836	\$ 20,015
Capital outlay	<u>12,062</u>	<u>12,062</u>	<u>-</u>	<u>12,062</u>
Total expenditures	<u>39,913</u>	<u>39,913</u>	<u>7,836</u>	<u>32,077</u>
Net change in fund balance	(14,913)	(4,913)	(7,836)	(2,923)
Fund balance - beginning of year	<u>7,836</u>	<u>7,836</u>	<u>7,836</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>(7,077)</u></u>	\$ <u><u>(2,923)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(2,923)</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – SAFER Hiring Program Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 588,000	\$ 588,000	\$ 600,124	\$ 12,124
Expenditures:				
Current:				
Security of persons and property:				
Fire:				
Personal services	<u>587,326</u>	<u>587,326</u>	<u>540,651</u>	<u>46,675</u>
Excess of revenues over (under) expenditures	674	674	59,473	58,799
Other financing sources (uses):				
Advances out	<u>-</u>	<u>-</u>	<u>20,500</u>	<u>(20,500)</u>
Net change in fund balance	674	674	38,973	38,299
Fund balance - beginning of year	<u>252</u>	<u>252</u>	<u>252</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>926</u></u>	\$ <u><u>926</u></u>	\$ <u><u>39,225</u></u>	\$ <u><u>38,299</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Community Recycling Grant Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 4,000	\$ 2,438	\$ (1,562)
Expenditures:				
Current:				
Leisure time activities:				
Community development	-	-	2,438	(2,438)
Net change in fund balance	-	4,000	-	(4,000)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 4,000	\$ -	\$ (4,000)

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Street Improvement Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All other revenues	\$ <u>-</u>	\$ <u>22,000</u>	\$ <u>150,000</u>	\$ <u>128,000</u>
Expenditures:				
Current:				
Transportation				
Personal Services	-	2,500	2,173	327
Contractual services	<u>-</u>	<u>100,000</u>	<u>99,885</u>	<u>115</u>
Total expenditures	<u>-</u>	<u>102,500</u>	<u>102,058</u>	<u>442</u>
Net change in fund balance	-	(80,500)	47,942	128,442
Fund balance - beginning of year	<u>(50,339)</u>	<u>(50,339)</u>	<u>(50,339)</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>(50,339)</u></u>	\$ <u><u>(130,839)</u></u>	\$ <u><u>90,920</u></u>	\$ <u><u>128,442</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Building Repair and Improvement Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>1,738</u>	\$ <u>1,738</u>	\$ <u>1,738</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>1,738</u></u>	\$ <u><u>1,738</u></u>	\$ <u><u>1,738</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Information Technology System Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
All other revenues	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Expenditures:				
Current:				
Capital outlay:				
Contractual services	20,000	20,000	19,475	525
Net change in fund balance	5,000	5,000	(19,475)	(24,475)
Fund balance - beginning of year	21,683	21,683	21,683	-
Fund balance - end of year	\$ 26,683	\$ 26,683	\$ 2,208	\$ (24,475)

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Land Acquisition Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>4,989</u>	\$ <u>4,989</u>	\$ <u>4,989</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>4,989</u></u>	\$ <u><u>4,989</u></u>	\$ <u><u>4,989</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Snavelly Project Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>2,286</u>	\$ <u>2,286</u>	\$ <u>2,286</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>2,286</u></u>	\$ <u><u>2,286</u></u>	\$ <u><u>2,286</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Emery Woods Project Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Expenditures:				
Capital outlay:				
Contractual services	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>18,167</u>	\$ <u>81,833</u>
Net change in fund balance	(100,000)	(100,000)	(18,167)	81,833
Fund balance - beginning of year	<u>123,669</u>	<u>123,669</u>	<u>123,669</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>23,669</u></u>	\$ <u><u>23,669</u></u>	\$ <u><u>105,502</u></u>	\$ <u><u>81,833</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Siren Warning System Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance - beginning of year	\$ <u>457</u>	\$ <u>457</u>	\$ <u>457</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>457</u></u>	\$ <u><u>457</u></u>	\$ <u><u>457</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Route 8/Northfield Road Project Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>3,841</u>	\$ <u>3,841</u>	\$ <u>3,841</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>3,841</u></u>	\$ <u><u>3,841</u></u>	\$ <u><u>3,841</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual – Sidewalk Repair and Replacement Project Fund

For the Year Ended December 31, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fund balance - beginning of year	\$ <u>81</u>	\$ <u>81</u>	\$ <u>81</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>81</u></u>	\$ <u><u>81</u></u>	\$ <u><u>81</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Generators Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>10,666</u>	\$ <u>10,666</u>	\$ <u>10,666</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>10,666</u></u>	\$ <u><u>10,666</u></u>	\$ <u><u>10,666</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Budgetary Basis) and Actual – Green Road Park Improvement Fund

For the Year Ended December 31, 2012

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Fund balance - beginning of year	\$ <u>7,151</u>	\$ <u>7,151</u>	\$ <u>7,151</u>	\$ <u>-</u>
Fund balance - end of year	\$ <u><u>7,151</u></u>	\$ <u><u>7,151</u></u>	\$ <u><u>7,151</u></u>	\$ <u><u>-</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – City Hall Boiler Replacement Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 25,000	\$ 25,000	\$ -
Expenditures:				
Capital outlay:				
Contractual services	<u>-</u>	<u>3,000</u>	<u>2,634</u>	<u>366</u>
Net change in fund balance	-	22,000	22,366	366
Fund balance - beginning of year	<u>1,661</u>	<u>1,661</u>	<u>1,661</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>1,661</u></u>	\$ <u><u>23,661</u></u>	\$ <u><u>24,027</u></u>	\$ <u><u>366</u></u>

City of Warrensville Heights

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Cinema Park Fund

For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Transportation:				
Contractual services	\$ <u> -</u>	\$ <u> 6,800</u>	\$ <u> 6,800</u>	\$ <u> -</u>
Net change in fund balance	-	(6,800)	(6,800)	-
Fund balance - beginning of year	<u> 25,433</u>	<u> 25,433</u>	<u> 25,433</u>	<u> -</u>
Fund balance - end of year	\$ <u> 25,433</u>	\$ <u> 18,633</u>	\$ <u> 18,633</u>	\$ <u> -</u>

Statistical Section

City of Warrensville Heights

Statistical Section

December 31, 2012

This part of City of Warrensville Heights's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	146-151
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	152-157
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.	158-162
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.	163-164
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.	165-169

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Warrensville Heights

Net position by Component – Accrual Basis of Accounting

Last Ten Years

Table 1

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:										
Investment in capital assets(1)	\$ 4,741,934	\$ (1,396,664)	\$ (1,790,978)	\$ (2,121,770)	\$ (2,136,804)	\$ (777,382)	\$ (614,457)	\$ 1,893,723	\$ 1,815,033	\$ 3,349,635
Restricted for:										
Capital projects	200,257	133,539	135,117	857,341	490,388	-	-	803,927	2,229,153	52,718
Debt service	1,136,956		1,553,049	799,916	359,660	507,624	442,118	-	8,333	522,748
885,749										
Streets	616,951	477,528	451,898	555,791	500,392	535,939	552,258	275,643	223,231	202,700
Police	100,840	130,420	123,898	96,712	91,134	114,889	224,613	107,801	151,774	200,209
Fire	129,579	147,844	89,282	76,928	108,076	90,273	80,301	220,475	159,505	68,363
Building levy	203,745	183,607	130,156	58,305	147,560	-	-	-	-	-
Other purposes	469,722	430,731	377,815	400,742	315,479	296,327	189,078	111,153	67,074	84,299
Unrestricted (deficit)	<u>(2,676,263)</u>	<u>1,119,275</u>	<u>799,973</u>	<u>(1,491,137)</u>	<u>(438,790)</u>	<u>(185,216)</u>	<u>(9,958)</u>	<u>(1,638,328)</u>	<u>(2,447,685)</u>	<u>(3,040,172)</u>
Total governmental activities net position	\$ <u>4,923,721</u>	\$ <u>2,779,329</u>	\$ <u>1,117,077</u>	\$ <u>(1,207,428)</u>	\$ <u>(414,941)</u>	\$ <u>516,948</u>	\$ <u>421,835</u>	\$ <u>1,782,727</u>	\$ <u>2,720,833</u>	\$ <u>1,803,501</u>

Notes:

(1) – Item reported as Invested in capital assets, net of related debt through December 31, 2011.

City of Warrensville Heights

Net position by Component – Accrual Basis of Accounting

Last Ten Years

Table 2

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program revenues:										
Governmental activities:										
Charges for services:										
Security of persons and property:										
Police and others	\$ 117,895	\$ 599,807	\$ 204,229	\$ 212,881	\$ 255,246	\$ 361,456	\$ 313,492	\$ 393,133	\$ 340,291	\$ 319,549
Fire	291,371	453,935	392,027	363,966	315,518	267,729	211,625	261,603	251,186	158,352
Public health services	-	-	-	-	-	3,857	3,057	4,312	4,218	2,312
Leisure time activities	16,793	18,912	21,341	28,409	31,273	20,764	15,816	20,300	29,167	16,224
Community development	20,937	18,387	138,768	19,149	28,383	64,823	51,681	81,530	53,263	26,513
Basic utility services	220	50	-	-	-	4,327	69,129	107,642	114,253	23,818
Transportation	-	1,518	780	4,031	941	252,906	103,251	135,615	139,022	149,413
General government	<u>749,238</u>	<u>373,205</u>	<u>228,995</u>	<u>285,557</u>	<u>348,619</u>	<u>193,833</u>	<u>182,754</u>	<u>206,353</u>	<u>229,899</u>	<u>150,756</u>
Subtotal – charges for services	<u>1,196,454</u>	<u>1,465,814</u>	<u>986,140</u>	<u>913,993</u>	<u>979,980</u>	<u>1,169,695</u>	<u>950,805</u>	<u>1,210,488</u>	<u>1,161,299</u>	<u>846,937</u>
Operating grants and contributions:										
Security of persons and property:										
Police and others	24,253	204,041	323,149	17,337	160,050	24,799	62,244	61,567	114,500	156,790
Fire	806,566	403,087	-	-	3,000	8,399	2,500	84,303	232,682	78,811
Public health services	-	-	-	-	-	-	2,112	-	-	-
Leisure time activities	-	-	-	-	-	-	-	2,100	-	-
Community development	2,790	37,833	33,917	-	-	290,475	388,722	218,345	225,048	286,294
Transportation	476,258	469,914	495,784	481,369	516,508	736,232	598,391	531,359	481,407	428,710
General government	<u>25,353</u>	<u>-</u>	<u>-</u>	<u>49,740</u>	<u>28,250</u>	<u>23,278</u>	<u>5,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal - operating grants and contributions	<u>1,335,220</u>	<u>1,114,875</u>	<u>852,850</u>	<u>548,446</u>	<u>707,808</u>	<u>1,083,183</u>	<u>1,059,569</u>	<u>897,674</u>	<u>1,053,637</u>	<u>967,325</u>
Capital grants and contributions:										
Security of persons and property:										
Police and others	-	-	-	100,000	-	15,033	-	-	-	77,000
Fire	-	-	-	-	-	-	-	-	-	49,258
Public health services	-	-	-	-	-	-	-	-	-	660
Leisure time activities	-	-	-	122,409	-	-	-	-	-	4,906
Community development	-	33,766	69,100	269,416	578,433	-	-	-	-	15,920
Basic utility services	-	-	-	-	-	-	-	85,000	106,460	6,807
Transportation	-	-	-	-	-	-	384,163	244,517	975,197	274,723
General government	<u>270,779</u>	<u>262,014</u>	<u>287,175</u>	<u>278,796</u>	<u>76,060</u>	<u>324,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,813</u>
Subtotal - capital grants and contributions	<u>270,779</u>	<u>295,780</u>	<u>356,275</u>	<u>770,621</u>	<u>654,493</u>	<u>339,511</u>	<u>384,163</u>	<u>329,517</u>	<u>1,081,657</u>	<u>475,087</u>
Total governmental activities program revenues	<u>2,802,453</u>	<u>2,876,469</u>	<u>2,195,265</u>	<u>2,233,060</u>	<u>2,342,281</u>	<u>2,592,389</u>	<u>2,394,537</u>	<u>2,437,679</u>	<u>3,296,593</u>	<u>2,289,349</u>

(continued)

City of Warrensville Heights

Net position by Component – Accrual Basis of Accounting

Last Ten Years

Table 2

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses:										
Governmental activities:										
Security of persons and property:										
Police and others	4,905,321	5,372,668	4,780,991	5,097,249	6,024,849	5,138,945	5,708,747	5,408,241	4,890,454	4,653,737
Fire	3,677,433	3,626,904	3,471,641	4,140,298	3,685,852	3,806,397	3,543,673	3,810,719	3,219,919	3,003,340
Public health services	52,001	55,903	27,952	55,903	54,833	54,834	65,802	56,006	47,829	40,420
Leisure time activities	291,803	266,661	227,379	302,387	326,782	295,210	329,692	295,706	361,980	323,941
Community development	470,806	882,581	1,087,614	953,234	1,256,777	1,122,810	1,091,122	1,169,496	1,066,080	960,744
Basic utility services	1,201,675	1,024,141	1,136,196	1,562,976	1,772,473	1,489,299	1,358,581	1,457,364	1,355,302	499,304
Transportation	1,680,189	1,697,499	2,052,226	1,773,859	2,209,178	1,966,685	2,308,721	2,399,454	2,384,519	3,096,239
General government	4,745,370	3,730,870	3,156,023	2,907,654	3,078,419	2,755,794	3,233,323	2,732,119	2,799,313	2,721,824
Interest and fiscal charges	<u>534,465</u>	<u>849,472</u>	<u>543,135</u>	<u>565,318</u>	<u>627,851</u>	<u>704,801</u>	<u>549,714</u>	<u>544,927</u>	<u>421,671</u>	<u>378,320</u>
Total governmental activities expense	<u>17,559,063</u>	<u>17,506,699</u>	<u>16,483,157</u>	<u>17,358,878</u>	<u>19,037,014</u>	<u>17,334,775</u>	<u>18,189,375</u>	<u>17,874,032</u>	<u>16,547,067</u>	<u>15,677,869</u>
Net (expense)/revenue governmental activities	<u>(14,756,610)</u>	<u>(14,630,230)</u>	<u>(14,287,892)</u>	<u>(15,125,818)</u>	<u>(16,694,733)</u>	<u>(14,742,386)</u>	<u>(15,794,838)</u>	<u>(15,436,353)</u>	<u>(13,250,474)</u>	<u>(13,388,520)</u>
General revenues:										
Governmental activities:										
Property and other local taxes levied for:										
General purposes	681,322	611,674	801,710	664,309	1,053,510	1,028,599	1,236,022	1,061,074	1,106,842	957,923
Debt service	539,409	661,791	406,829	573,336	662,896	724,197	553,998	547,017	496,018	512,457
Other purposes	658,505	662,777	598,037	610,702	711,090	783,059	712,565	667,078	631,777	681,792
Municipal income taxes levied for:										
General purposes	13,725,936	13,185,755	13,158,561	10,857,890	11,735,849	10,658,860	10,625,219	10,318,081	10,527,562	9,860,864
Grants and entitlements not restricted to specific programs	586,783	1,091,130	1,478,918	1,514,445	1,418,423	1,430,120	1,073,104	1,456,018	1,117,195	1,258,968
Investment earnings	26,502	7,054	1,742	2,137	40,642	166,362	173,564	126,112	37,376	60,835
Gain on sale of capital assets	-	-	-	-	-	354	-	-	-	-
Miscellaneous	<u>180,058</u>	<u>72,301</u>	<u>166,600</u>	<u>110,512</u>	<u>140,434</u>	<u>45,948</u>	<u>59,474</u>	<u>322,867</u>	<u>251,036</u>	<u>301,129</u>
Total general revenues	<u>16,901,002</u>	<u>16,292,482</u>	<u>16,612,397</u>	<u>14,333,331</u>	<u>15,762,844</u>	<u>14,837,499</u>	<u>14,433,946</u>	<u>14,498,247</u>	<u>14,167,806</u>	<u>13,633,968</u>
Change in net position:										
Governmental activities	\$ <u>2,144,392</u>	\$ <u>1,662,252</u>	\$ <u>2,324,505</u>	\$ <u>(792,487)</u>	\$ <u>(931,889)</u>	\$ <u>95,113</u>	\$ <u>(1,360,892)</u>	\$ <u>(938,106)</u>	\$ <u>917,332</u>	\$ <u>245,448</u>

City of Warrensville Heights

Fund Balances, Governmental Funds – Modified Accrual Basis of Accounting

Last Ten Years

Table 3

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General fund										
Nonspendable	\$ 346,317	\$ 373,140	\$ 395,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	40,900	600,805	49,993	-	-	-	-	-	-	-
Unassigned	4,859,616	2,871,394	2,222,634	-	-	-	-	-	-	-
Reserved	-	-	-	48,312	52,875	68,891	92,809	-	2,278	35,480
Unreserved	-	-	-	221,247	600,550	577,945	1,073,732	1,243,030	915,727	932,055
Total general fund	<u>5,246,833</u>	<u>3,845,339</u>	<u>2,667,909</u>	<u>269,559</u>	<u>653,425</u>	<u>646,836</u>	<u>1,166,541</u>	<u>1,243,030</u>	<u>918,005</u>	<u>967,535</u>
All other governmental funds										
Restricted	2,204,901	4,394,852	3,159,390	-	-	-	-	-	-	-
Committed	168,120	232,940	194,003	-	-	-	-	-	-	-
Unassigned (deficit)	(88,578)	(5,650,602)	(5,687,816)	-	-	-	-	-	-	-
Reserved	-	-	-	3,747	29,442	8,980	28,436	172,879	19,412	150,024
Unreserved, undesignated, reported in:										
Special revenue funds	-	-	-	755,159	441,210	566,702	698,309	357,868	242,907	191,374
Debt service funds	-	-	-	257,832	(22,889)	66,393	69,298	164,888	149,615	216,163
Capital project funds	-	-	-	(5,455,083)	(4,442,972)	(2,727,398)	(2,217,021)	2,253,502	(3,878,347)	2,094,931
Total all other governmental funds	<u>2,284,443</u>	<u>(1,022,810)</u>	<u>(2,334,423)</u>	<u>(4,438,345)</u>	<u>(3,995,209)</u>	<u>(2,085,323)</u>	<u>(1,420,978)</u>	<u>2,949,137</u>	<u>(3,466,413)</u>	<u>2,652,492</u>
Total governmental funds	\$ <u>7,531,276</u>	\$ <u>2,822,529</u>	\$ <u>333,486</u>	\$ <u>(4,168,786)</u>	\$ <u>(3,341,784)</u>	\$ <u>(1,438,487)</u>	\$ <u>(254,437)</u>	\$ <u>4,192,167</u>	\$ <u>(2,548,408)</u>	\$ <u>3,620,027</u>

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

City of Warrensville Heights

Fund Balances, Governmental Funds – Modified Accrual Basis of Accounting

Last Ten Years

Table 5

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Property and other taxes	\$ 1,669,752	\$ 1,824,328	\$ 1,711,860	\$ 1,799,439	\$ 2,377,955	\$ 2,326,090	\$ 2,444,893	\$ 2,258,293	\$ 2,400,560	\$ 2,139,615
Income taxes	14,165,018	13,326,443	12,829,743	11,099,006	11,934,424	10,739,288	10,568,048	10,369,292	10,388,957	9,997,534
Special assessments	184,610	222,362	242,138	690,621	446,947	382,781	475,297	236,742	150,739	231,652
Intergovernmental	2,084,485	2,261,416	2,179,335	2,424,082	2,208,652	2,321,745	2,211,419	2,436,351	3,404,790	2,216,899
Interest	26,502	7,054	1,742	2,137	40,642	166,362	173,564	126,112	37,376	60,835
Licenses and permits	256,690	385,966	267,270	265,502	362,746	356,550	430,681	437,052	530,536	162,383
Fines and forfeitures	586,020	597,017	192,370	209,213	246,287	296,926	283,167	259,304	313,302	319,506
Rentals	-	-	-	-	-	-	-	10,045	-	-
Charges for services	490,120	433,371	352,805	425,150	514,392	295,782	334,341	340,695	349,355	402,595
Contributions and donations	-	139,200	2,050	7,350	-	-	-	85,010	-	-
Other	55,646	71,101	278,151	119,100	213,860	45,948	59,474	322,867	251,036	301,129
Total revenues	<u>19,518,843</u>	<u>19,268,258</u>	<u>18,057,464</u>	<u>17,041,600</u>	<u>18,345,905</u>	<u>16,931,472</u>	<u>16,980,884</u>	<u>16,881,763</u>	<u>17,826,651</u>	<u>15,832,148</u>
Expenditures										
Current:										
Security of persons and property:										
Police and others	4,909,799	5,454,369	4,762,219	4,968,400	5,826,037	5,048,633	4,809,157	4,797,841	5,014,605	4,580,861
Fire	3,726,203	4,063,276	3,406,521	4,049,393	3,726,265	3,510,938	3,200,162	3,239,053	3,562,045	2,802,671
Public health services	52,001	55,903	27,952	55,903	54,392	54,392	50,615	50,615	46,838	39,132
Leisure time activities	276,706	227,370	178,910	288,646	301,870	278,762	261,904	238,295	330,820	293,508
Community development	488,755	882,581	1,091,745	949,103	1,267,359	1,153,715	918,719	1,058,386	1,058,781	946,701
Basic utility services	1,186,379	995,680	1,025,838	1,310,451	1,677,865	1,427,767	1,144,734	1,263,610	1,346,571	338,356
Transportation	2,290,622	1,739,710	1,777,858	1,889,374	1,593,785	2,130,634	1,812,967	2,060,585	1,874,273	2,939,556
General government	3,470,257	3,264,306	2,785,533	2,779,632	2,947,051	2,619,985	2,726,545	2,495,624	2,503,986	2,741,396
Capital outlay	3,611,711	7,233,855	1,218,367	392,590	760,435	1,552,707	2,404,728	2,572,219	2,924,756	3,220,808
Debt service:										
Principal retirement	20,605,060	4,030,000	450,000	938,478	730,000	899,393	970,136	959,466	7,383,810	2,577,462
Interest and fiscal charges	894,883	491,367	461,207	525,906	610,612	755,494	598,501	351,231	427,176	342,161
Bond issuance costs	44,227	86,600	-	-	-	-	-	-	-	113,000
Total expenditures	<u>41,556,603</u>	<u>28,525,017</u>	<u>17,186,150</u>	<u>18,147,876</u>	<u>19,495,671</u>	<u>19,432,420</u>	<u>18,898,168</u>	<u>19,086,925</u>	<u>26,473,661</u>	<u>20,935,612</u>
Excess of revenues over (under) expenditures	<u>(22,037,760)</u>	<u>(9,256,759)</u>	<u>871,314</u>	<u>(1,106,276)</u>	<u>(1,149,766)</u>	<u>(2,500,948)</u>	<u>(1,917,284)</u>	<u>(2,205,162)</u>	<u>(8,647,010)</u>	<u>(5,103,464)</u>

(continued)

City of Warrensville Heights

Fund Balances, Governmental Funds – Modified Accrual Basis of Accounting

Last Ten Years

Table 5

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other financing sources (uses):										
Sale of capital assets	\$ -	\$ -	\$ -	\$ 1,960	\$ -	\$ 1,673	\$ -	\$ -	\$ 12,052	\$ 15,475
Inception of capital leases	305,000	705,826	27,898	203,314	30,469	198,225	10,680	146,041	171,523	80,459
Certificates of participation issued	11,717,000	11,200,000	-	-	-	-	-	-	-	-
Bond anticipation notes issued	10,895,060	-	-	-	-	-	-	-	2,295,000	6,475,000
Refunding notes issued	-	8,680,060	12,495,060	8,892,000	8,818,000	9,602,000	6,580,000	11,025,000	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-	2,625,000
Premium on debt issuance	83,308	94,976	-	-	-	-	-	69,696	-	-
Current refunding	-	(8,935,060)	(8,892,000)	(8,818,000)	(9,602,000)	(8,485,000)	(9,120,000)	(2,295,000)	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(2,506,282)
Transfers in	6,756,346	1,617,682	533,756	173,704	130,640	506,397	1,479,263	1,157,274	6,620,665	13,000
Transfers out	<u>(6,756,346)</u>	<u>(1,617,682)</u>	<u>(533,756)</u>	<u>(173,704)</u>	<u>(130,640)</u>	<u>(506,397)</u>	<u>(1,479,263)</u>	<u>(1,157,274)</u>	<u>(6,620,665)</u>	<u>(13,000)</u>
Total other financing sources (uses)	<u>26,746,507</u>	<u>11,745,802</u>	<u>3,630,958</u>	<u>279,274</u>	<u>(753,531)</u>	<u>1,316,898</u>	<u>(2,529,320)</u>	<u>8,945,737</u>	<u>2,478,575</u>	<u>6,689,652</u>
Net change in fund balances	\$ <u>4,708,747</u>	\$ <u>2,489,043</u>	\$ <u>4,502,272</u>	\$ <u>(827,002)</u>	\$ <u>(1,903,297)</u>	\$ <u>(1,184,050)</u>	\$ <u>(4,446,604)</u>	\$ <u>6,740,575</u>	\$ <u>(6,168,435)</u>	\$ <u>1,586,188</u>
Debt service as a percentage of Noncapital expenditures	55.83%	22.38%	5.65%	8.31%	7.00%	9.47%	9.39%	7.94%	33.17%	17.12%

City of Warrensville Heights

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Table 6

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU			Assessed Value
2012	\$ 114,113,300	\$ 148,000,100	\$ 748,895,429	\$ 6,363,060	\$ 6,363,060
2011	115,140,720	146,856,870	748,564,543	6,107,320	6,940,136
2010	115,592,130	137,838,050	724,086,229	5,816,510	6,609,670
2009	121,729,160	136,218,930	736,994,543	5,346,390	6,075,443
2008	121,100,670	136,965,560	737,332,086	5,098,070	5,793,261
2007	121,171,620	143,841,240	757,179,600	747,885	5,983,080
2006	121,805,680	139,133,100	745,539,371	2,792,947	14,895,716
2005	103,386,585	113,790,495	620,505,943	12,772,240	14,513,909
2004	104,986,970	108,882,400	611,055,343	12,828,990	14,578,398
2003	102,192,535	108,387,635	601,657,629	13,379,180	15,203,614

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

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

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

Source: Cuyahoga County, Ohio; County Fiscal Office

City of Warrensville Heights

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Table 6

<u>Tangible Personal Property</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Direct Tax Rate</u>
<u>General Business</u>		<u>Assessed Value</u>	<u>Estimated Actual Value</u>		
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>		
\$ -	\$ -	\$ 268,476,460	\$ 755,258,489	35.55%	\$ 9.70
-	-	268,104,910	755,504,679	35.49	9.70
-	-	259,246,690	730,695,899	35.48	9.70
12,215,192	-	275,509,672	743,069,986	37.08	9.70
24,039,677	384,634,832	287,203,977	1,127,760,179	25.47	9.70
13,016,219	104,129,752	278,776,964	867,292,432	32.14	13.20
28,901,882	154,143,371	292,633,609	914,578,458	32.00	13.20
35,108,650	140,434,600	265,057,970	775,454,452	34.18	13.20
35,229,342	140,917,368	261,927,702	766,551,109	34.17	13.20
36,972,668	147,890,672	260,932,018	764,751,915	34.12	13.20

City of Warrensville Heights

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

Last Ten Years

Table 6

Collection Year	City of Warrensville Heights				Warrensville Heights School District	Orange City School District	Cuyahoga County	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special (1) Funds	Debt Service	Total Levy					
2012	\$ 2.90	\$ 4.10	\$ 2.70	\$ 9.70	\$ 89.00	\$ 91.10	\$ 13.22	\$ 7.58	\$ 210.60
2011	3.40	3.60	2.70	9.70	89.00	91.10	13.22	7.58	210.60
2010	3.60	4.10	2.00	9.70	89.50	86.10	13.32	7.58	206.20
2009	3.60	4.10	2.00	9.70	90.10	86.00	13.32	7.28	206.40
2008	3.30	4.10	2.30	9.70	90.10	86.00	13.32	7.28	206.40
2007	6.80	4.10	2.30	13.20	90.10	86.10	13.42	6.78	209.60
2006	6.80	4.10	2.30	13.20	89.60	86.10	13.52	6.78	209.20
2005	6.80	4.10	2.30	13.20	89.40	86.10	13.52	6.78	209.00
2004	6.80	4.10	2.30	13.20	80.30	81.10	13.52	5.88	194.00
2003	6.80	4.10	2.30	13.20	80.30	81.10	11.72	5.88	192.20

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) Policy Levy, Fire Levy, Street Lighting, Building Levy, Fire Pension, and Police Pension special revenue funds

(2) Cleveland Metro Parks, Cuyahoga County Library, Cuyahoga Community College and Cleveland-Cuyahoga Port Authority

City of Warrensville Heights

Property Tax Levies and Collections

Last Ten Years

Table 7

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Total Tax Levy</u>
2012	\$ 1,671,028	\$ 1,291,783	77.31%	\$ 139,276	\$ 1,431,059	85.64%	\$ 950,335	56.87%
2011	1,683,572	1,473,818	87.54	114,013	1,587,831	94.31	840,918	49.95
2010	1,690,295	1,487,774	88.02	111,273	1,599,047	94.60	692,722	40.98
2009	1,709,587	1,528,821	89.43	103,153	1,631,974	95.46	634,288	37.10
2008	2,242,841	2,007,496	89.51	158,913	2,166,409	96.59	584,743	26.07
2007	2,144,001	1,915,149	89.33	110,223	2,025,372	94.47	433,791	20.23
2006	2,199,723	3,465,835	157.56	196,497	3,662,332	166.49	327,207	14.87
2005	2,712,282	2,152,970	79.38	123,932	2,276,902	83.95	425,420	15.68
2004	2,741,976	2,209,096	80.57	150,782	2,359,878	86.06	345,986	12.62
2003	2,670,825	2,157,433	80.78	157,680	2,315,113	86.68	349,299	13.08

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) State reimbursement of rollback and homestead exemptions are included.

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

City of Warrensville Heights

Property Tax Levies and Collections

2012 and 2003

Table 8

<u>Name of Taxpayer</u>	<u>2012</u>	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
JP JLP Harvard Park, LLC	\$ 13,009,150	4.96%
Cleveland East Hotel	10,510,710	4.01%
Meridia Healthcare	7,131,530	2.72%
Highlandwood Apartments, NS	6,346,600	2.42%
Cleveland Illuminating Company	5,422,650	2.07%
Clarkwood Apartments LTD	4,987,570	1.90%
Granada Apartments Company	4,460,770	1.70%
Overlook Court Apartment, LP	4,086,580	1.56%
Sherwin-Williams	3,133,550	1.20%
Galaxy Dev Limited	2,825,010	1.08%
Total	<u>\$ 61,914,120</u>	<u>23.62%</u>
Total Assessed Valuation	<u>\$ 262,113,400</u>	

<u>Name of Taxpayer</u>	<u>2003</u>	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
Alltel Ohio Limited Partnership	\$ 5,029,450	2.39%
Heinens, Inc.	5,511,330	2.62%
Clarkwood Apartments, LTD	4,882,750	2.32%
Dalebridge Renaissance, LTD	4,561,210	2.17%
Cleveland Illuminating Company	4,011,300	1.90%
Sherwin-Williams	4,434,240	2.11%
Locite Corporation	3,191,130	1.52%
BJ's Wholesale Club	2,784,120	1.32%
Granada Apartments Company	2,771,060	1.32%
Highland Business Park LLC.	2,071,580	0.98%
Total	<u>\$ 39,248,170</u>	<u>18.64%</u>
Total Assessed Valuation	<u>\$ 210,580,170</u>	

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) Excludes Public Utilities

City of Warrensville Heights

Income Tax Revenue Base Collections

Last Ten Years

Table 9

<u>Tax Year (1)</u>	<u>Tax Rate (2)</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2012	2.60%	\$ 13,398,636	\$ 10,805,480	80.65%	\$ 1,230,748	9.18%	\$ 1,360,394	10.15%
2011	2.60	13,185,755	11,020,654	83.58	995,525	7.55	1,169,576	8.87
2010	2.60	13,158,561	10,405,766	79.08	1,199,094	9.11	1,553,701	11.81
2009	2.60	10,857,890	8,551,674	78.76	993,497	9.15	1,312,719	12.09
2008	2.00	11,735,849	9,257,333	78.88	1,065,149	9.08	1,413,367	12.04
2007	2.00	10,658,860	8,229,196	77.21	1,075,261	10.09	1,354,403	12.71
2006	2.00	10,625,219	8,567,114	80.63	1,100,773	10.36	957,332	9.01
2005	2.00	10,318,081	8,431,976	81.72	888,228	8.61	997,877	9.67
2004	2.00	10,527,562	8,025,091	76.23	1,143,457	10.86	1,359,014	12.91
2003	2.00	9,860,864	7,339,861	74.43	711,895	7.22	1,809,108	18.35

(1) Effective July 1, 2009, the City's Electors voted to increase the City's income tax rate from 2.00% to 2.60%.

(2) The City is statutorily prohibited from presenting individual taxpayers.

City of Warrensville Heights

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

Last Ten Years

Table 10

Fiscal Year (1)	Governmental Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	C.O.P.s	Long-term Notes	Capital Leases			
2012	\$ -	\$ -	\$ 11,730,885	\$ 10,895,060	\$ 877,710	\$ 23,503,655	8.92%	\$ 1,736
2011	658,572	55,000	11,215,829	8,680,060	720,684	21,330,145	8.10	1,575
2010	1,054,608	117,533	-	12,495,060	181,011	13,848,212	5.26	1,023
2009	1,437,037	173,673	-	8,892,000	339,394	10,842,104	3.86	718
2008	2,110,162	229,117	-	8,818,000	334,558	11,491,837	4.09	761
2007	2,758,983	298,865	-	9,602,000	499,401	13,159,249	4.68	871
2006	3,378,500	362,917	-	8,485,000	505,569	12,731,986	4.53	843
2005	3,978,714	456,272	-	11,025,000	760,025	16,220,011	5.77	1,074
2004	4,564,624	548,931	-	8,385,000	883,450	14,382,005	5.11	952
2003	5,098,571	683,553	-	6,475,000	940,737	13,197,861	4.69	874

Note: Population and Personal Income data are presented on page 164.

City of Warrensville Heights

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

Last Ten Years

Table 11

<u>Year</u>	<u>Population</u>	<u>Estimated Actual Value of Taxable Property</u>	<u>General Obligation Debt (3)</u>	<u>Resources Available for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
2012	13,542	\$ 645,271,571	\$ 11,730,885	\$ 1,136,956	\$ 14,248,929	2.21%	1,052.20
2011	13,542 b	755,504,679	11,874,401	812,585	11,061,816	1.46	\$ 816.85
2010	13,542 b	730,695,899	1,054,608	152,856	901,752	0.12	66.59
2009	15,109 a	743,069,986	1,437,037	257,832	1,179,205	0.16	78.05
2008	15,109 a	1,127,760,179	2,110,162	-	2,110,162	0.19	139.66
2007	15,109 a	867,292,432	2,758,983	-	2,758,983	0.32	182.61
2006	15,109 a	914,578,458	3,378,500	69,298	3,309,202	0.36	219.02
2005	15,109 a	775,454,452	3,978,714	164,888	3,813,826	0.49	252.42
2004	15,109 a	766,551,109	4,564,624	149,615	4,415,009	0.58	292.21
2003	15,109 a	764,751,915	5,098,571	216,163	4,882,408	0.64	323.15

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Cuyahoga County, Ohio; County Fiscal Office

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

City of Warrensville Heights

Legal Debt Margin

Last Ten Years

Table 12

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Total assessed property value \$	<u>268,476,460</u>	<u>268,104,910</u>	<u>259,246,690</u>	<u>275,509,672</u>	<u>287,203,977</u>	<u>278,776,964</u>	<u>292,633,609</u>	<u>265,057,970</u>	<u>261,927,702</u>	<u>260,932,018</u>
Debt limit - 10 1/2 % of assessed valuation	\$ 28,190,028	\$ 28,151,016	\$ 27,220,902	\$ 28,928,516	\$ 30,156,418	\$ 29,271,581	\$ 30,726,529	\$ 27,831,087	\$ 27,502,409	\$ 27,397,862
Debt outstanding:										
General obligation bonds	-	658,572	1,054,608	1,437,037	2,110,162	2,758,983	3,378,500	4,058,728	4,656,069	5,201,447
Special assessment bonds	-	55,000	117,533	173,673	229,117	298,865	362,917	456,272	548,931	683,553
Certificates of participation	11,730,885	11,215,829	-	-	-	-	-	-	-	-
Bond anticipation notes	<u>14,565,060</u>	<u>14,387,060</u>	<u>18,153,560</u>	<u>14,889,000</u>	<u>14,323,000</u>	<u>12,726,000</u>	<u>12,479,000</u>	<u>11,025,000</u>	<u>8,385,000</u>	<u>6,475,000</u>
Total gross indebtedness	26,295,945	26,316,461	19,325,701	16,499,710	16,662,279	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000
Less:										
Notes issued in anticipation of the levy or collection										
Of municipal income taxes	(9,170,060)	(8,935,060)	(9,118,560)	(9,192,000)	(8,654,500)	(7,976,000)	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding city's portion)	(5,241,000)	(5,357,000)	(5,442,533)	(5,870,673)	(5,897,617)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)
Certificates of participation	(11,730,885)	(11,215,829)	-	-	-	-	-	-	-	-
General obligation bond retirement fund balance	-	(812,585)	(152,856)	(257,832)	-	-	(69,298)	(164,888)	(149,615)	(216,163)
Total net debt applicable to debt limit	<u>154,000</u>	<u>(4,013)</u>	<u>4,611,752</u>	<u>1,179,205</u>	<u>2,110,162</u>	<u>3,770,348</u>	<u>4,107,904</u>	<u>3,343,840</u>	<u>4,506,454</u>	<u>4,985,284</u>
Legal debt margin within 10 1/2% limitations	\$ <u>28,036,028</u>	\$ <u>28,155,029</u>	\$ <u>22,609,150</u>	\$ <u>27,749,311</u>	\$ <u>28,046,256</u>	\$ <u>25,501,233</u>	\$ <u>26,618,625</u>	\$ <u>24,487,247</u>	\$ <u>22,995,955</u>	\$ <u>22,412,578</u>
Legal debt margin as a percentage of the debt limit	99.45%	100.01%	83.06%	95.92%	93.00%	87.12%	86.63%	87.99%	83.61%	81.80%

(Continued)

City of Warrensville Heights

Legal Debt Margin

Last Ten Years

Table 12

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limitation -5.5% of Assessed unvoted value	\$ 14,766,205	\$ 14,745,770	\$ 14,258,568	\$ 15,153,032	\$ 15,796,219	\$ 15,332,733	\$ 16,094,848	\$ 14,578,188	\$ 14,406,024	\$ 14,351,261
Total gross indebtedness	26,295,945	26,316,461	19,325,701	16,499,710	16,662,279	15,783,848	16,220,417	15,540,000	13,590,000	12,360,000
Less:										
Notes issued in anticipation of the levy or collection of municipal income taxes	(9,170,060)	(8,935,060)	(9,118,560)	(9,192,000)	(8,654,500)	(7,976,000)	(9,218,000)	(8,155,000)	(7,785,000)	(3,605,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding city's portion)	(5,241,000)	(5,357,000)	(5,442,533)	(5,870,673)	(5,897,617)	(4,037,500)	(2,825,215)	(3,876,272)	(1,148,931)	(3,553,553)
Certificates of participation	(11,730,885)	(11,215,829)	-	-	-	-	-	-	-	-
General obligation bond retirement fund balance	-	(812,585)	(152,856)	(257,832)	-	-	(69,298)	(164,888)	(149,615)	(216,163)
Net debt within 5 1/2% limitations	<u>154,000</u>	<u>(4,013)</u>	<u>4,611,752</u>	<u>1,179,205</u>	<u>2,110,162</u>	<u>3,770,348</u>	<u>4,107,904</u>	<u>3,343,840</u>	<u>4,506,454</u>	<u>4,985,284</u>
Unvoted legal debt margin within 5 1/2% limitations	\$ <u>14,612,205</u>	\$ <u>14,749,783</u>	\$ <u>9,646,816</u>	\$ <u>13,973,827</u>	\$ <u>13,686,057</u>	\$ <u>11,562,385</u>	\$ <u>11,986,944</u>	\$ <u>11,234,348</u>	\$ <u>9,899,570</u>	\$ <u>9,365,977</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	98.96%	100.03%	67.66%	92.22%	86.64%	75.41%	74.48%	77.06%	68.72%	65.26%

Source: City Financial Records

City of Warrensville Heights

Computation of Direct and Overlapping Governmental Activities Debt

Last Ten Years

Table 13

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City(1)	Amount Applicable to City of Warrensville Heights
Direct debt:			
City of Warrensville Heights			
Certificates of participation	\$ 11,730,885	100.00%	11,730,885
Capital leases	877,710	100.00%	877,710
General obligation notes	<u>14,565,060</u>	100.00%	<u>14,565,060</u>
Total direct debt	<u>27,173,655</u>		<u>27,173,655</u>
Overlapping debt:			
Warrensville Heights City School District	16,749,977	55.54%	9,302,937
Orange Local School District	21,320,030	0.74%	157,768
Cuyahoga County	341,075,645	0.82%	2,796,820
Regional Transit Authority (RTA)	<u>129,495,000</u>	0.82%	<u>1,061,859</u>
Total overlapping debt	<u>508,640,652</u>		<u>13,319,384</u>
Total direct and overlapping debt	\$ <u>535,814,307</u>		\$ <u>40,493,039</u>

Source: Cuyahoga County, Ohio; County Fiscal Office

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

City of Warrensville Heights

Principal Employers

Current Year and Eight Years Ago

Table 14

2012 (1)		
<u>Employer</u>	<u>Employees</u>	<u>Employment</u>
Cleveland Clinic Foundation	1,603	12.97%
Warrensville Heights Board of Education	442	3.58%
Group Management Services	427	3.46%
University Hospital Health System	347	2.81%
Sherwin - Williams Co.	336	2.72%
Heinen's Inc.	267	2.16%
Progressive Interchange Healthcare Inc.	245	1.98%
Select Employment Services	240	1.94%
GMRI/Olive Garden	201	1.63%
Cleveland East Hotel	154	1.25%
Total	<u>4,262</u>	<u>34.49%</u>
Total Employment within the City	<u>12,357</u>	

2005 (2)		
<u>Employer</u>	<u>Employees</u>	<u>Employment</u>
Meridia South Pointe Hospital	1,800	N/A
Warrensville Heights Board of Education	569	N/A
Heinen's, Inc.	507	N/A
Smart Choice Marketing Inc.	364	N/A
Sherwin-Williams Automotive Finishes Corp	271	N/A
LLA Corp	269	N/A
University Hospital Home Care Services	229	N/A
City of Warrensville Heights	225	N/A
BJ's Wholesale Club	215	N/A
Littles Sisters of the Poor	202	N/A
Total	<u>4,651</u>	
Total Employment within the City	<u>N/A</u>	

Source: (1) City of Cleveland Central Collection Agency
 (2) 2005 was the earliest year with available information
 N/A - Information not available

City of Warrensville Heights

Demographic and Economic Statistics

Last Ten Years

Table 15

<u>Year</u>	<u>Population</u>	<u>Total Personal Income(4)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County, Ohio Unemployment Rate (3)</u>	<u>Total Assessed Property Value</u>
2012	13,542 b	\$ 263,432,526	\$ 19,453 b	\$ 36,461 b	39.2 b	14.40% b	1,700	6.6%	\$ 268,476,460
2011	13,542 b	263,432,526	19,453 b	36,461 b	39.2 b	14.40 b	1,956	8.0	268,104,910
2010	13,542 b	263,432,526	19,453 b	36,461 b	39.2 b	14.40 b	2,145	8.9	259,246,690
2009	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,273	8.9	275,509,672
2008	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,321	7.1	287,203,977
2007	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,536	6.1	278,776,964
2006	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,700	5.7	292,633,609
2005	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,864	5.7	265,057,970
2004	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,783	6.2	261,927,702
2003	15,109 a	281,193,599	18,611 a	37,204 a	37.7 a	16.40 a	2,876	6.4	260,932,018

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Ohio Department of Education for Warrensville Heights City School District

(3) U. S. Bureau of Labor Statistics

(4) Total Personal Income is calculated by multiplying Population times Personal Income per Capita

City of Warrensville Heights

Operating Indicators by Function/Program

Last Ten Years

Table 16

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Council and clerk										
Number of ordinances passed	188	104	114	155	155	171	178	211	177	174
Number of resolutions Passed	50	60	59	51	51	64	57	88	88	51
Finance department										
Number of checks/vouchers issued	2,407	2,452	2,369	3,087	3,087	3,145	3,075	2,881	3,104	829
Amount of checks written	\$10,442,701	\$ 11,008,059	\$ 6,535,315	\$ 8,867,036	\$ 8,867,036	\$ 12,106,582	\$ 10,439,805	\$ 12,162,486	\$ 12,336,381	n/a
General fund interest earnings										
for fiscal year (cash basis)	\$ 8,476	\$ 7,054	\$ 1,742	\$ 40,625	\$ 40,625	\$ 156,973	\$ 173,560	\$ 119,692	\$ 37,030	\$ 55,476
Number of receipts issued	3,502	3,300	3,466	3,267	3,267	3,806	4,098	4,200	4,125	4,075
Number of budget adjustments issued	30	16	61	10	10	82	162	201	152	22
Agency ratings - Moody's financial services	A-1	A-1	A-1	A-3	A-3	A-3	A-3	A-3	A-3	A-3
Health insurance costs vs. general fund expenditures (cash basis)	8.56%	8.61%	11.70%	9.74%	9.74%	10.80%	9.71%	10.36%	9.78%	8.80%
General fund receipts (cash basis)	\$15,559,787	\$ 15,748,605	\$ 15,908,238	\$ 15,259,941	\$ 15,259,941	\$ 14,178,286	\$ 14,224,242	\$ 14,078,484	\$ 14,042,599	\$ 13,111,055
General fund expenditures (cash basis)	\$14,716,911	\$ 14,899,241	\$ 14,680,884	\$ 15,764,972	\$ 15,764,972	\$ 14,415,510	\$ 13,916,892	\$ 13,937,358	\$ 13,635,555	\$ 13,256,165
General fund cash balances	\$2,911,044	\$ 1,739,885	\$ 786,116	\$ -	\$ -	\$ 259,541	\$ 694,777	\$ 424,384	\$ 368,460	\$ (29,396)
Building department indicators										
Construction permits issued	609	647	631	631	631	213	820	1,026	624	580
Estimated value of construction	\$4,515,733	\$ 14,970,841	\$ 8,335,467	\$ 11,450,970	\$ 11,450,970	\$ 11,625,337	\$ 13,677,990	\$ 15,254,686	\$ 40,106,403	\$ 3,028,904
Number of plumbing and electrical permits issued	206	193	202	258	258	693	601	1,024	558	300
Amount of revenue generated from permits	\$222,617	\$ 422,070	\$ 186,986	\$ 237,736	\$ 237,736	\$ 313,340	\$ 238,583	\$ 131,497	\$ 285,295	\$ 48,709
Number of contract registrations issued	249	408	346	354	354	700	454	486	485	337
Number of rental inspections performed	662	572	833	544	544	414	662	500	550	455
Number of point of sale inspections	662	1,831	1,234	192	192	403	600	400	350	415

City of Warrensville Heights

Operating Indicators by Function/Program

Last Ten Years

Table 16

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Security of persons and property:										
Police and others:										
Total calls for services	14,470	14,012	15,312	15,918	15,918	15,492	13,244	14,358	12,207	n/a
Number of traffic citations issued	1,765	1,698	2,138	1,965	1,965	1,935	2,137	2,934	n/a	3,652
Number of parking citations issued	762	820	1,114	1,580	1,580	1,900	1,631	1,813	n/a	2,080
Number of criminal arrests	593	639	589	867	867	1,027	894	965	1,057	966
Number of accident reports completed	763	744	731	763	763	784	683	797	841	873
Part 1 offenses (major offenses)	554	575	546	633	633	614	535	455	485	647
DUI arrests	17	12	9	17	17	21	10	31	17	20
Prisoners	76	142	117	1,000	1,000	965	896	974	1,195	1,268
Prisoner meal costs	\$ -	\$ 149	\$ 437	\$ 15,706	\$ 15,706	\$ 29,816	\$ 18,552	\$ 17,017	\$ 14,998	\$ 17,198
Motor vehicle accidents	763	744	731	763	763	784	683	797	841	873
Property damage accidents	684	651	640	665	665	682	598	688	720	766
Fatalities from motor vehicle accidents	-	-	1	1	1	1	1	2	3	2
Gasoline costs of fleet	\$ 28,211	\$ 60,000	\$ 36,539	\$ 89,170	\$ 89,170	\$ 53,701	\$ 74,767	\$ 40,538	\$ 47,570	n/a
Community diversion program youths	18	21	23	40	40	25	29	30	18	35
Community diversion program - community service hours	490	470	640	728	728	806	494	576	747	1,386
Fire:										
EMS calls	1,899	1,902	1,678	1,869	1,869	1,991	1,775	1,757	1,722	1,885
Ambulance billing collections (net)	\$ 353,520	\$ 353,557	\$ 380,413	\$ 378,967	\$ 378,967	\$ 205,810	\$ 282,057	\$ 301,030	\$ 294,356	\$ 282,868
Fire calls	519	360	94	807	807	316	278	289	265	302
Fires with loss	41	23	16	46	46	37	24	32	40	42
Fires with losses exceeding \$10k	12	13	9	9	9	16	4	9	7	8
Fire losses	\$ 580,000	\$ 514,850	\$ 613,250	\$ 590,100	\$ 590,100	\$ 883,920	\$ 170,940	\$ 574,600	\$ 281,180	\$ 514,010
Fire safety inspections	49	192	247	257	257	265	257	236	195	145
Number of times mutual aid given to fire and EMS	4	44	44	44	44	75	72	89	100	113
Number of times mutual aid received for fire and EMS	19	90	105	12	12	12	14	10	13	5

City of Warrensville Heights

Operating Indicators by Function/Program

Last Ten Years

Table 16

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Basic utility services:										
Refuse disposal per year (in tons)	3,987	4,708	4,209	4,450	4,450	4,862	5,912	5,222	5,422	5,790
Refuse disposal costs per year (calendar year)	\$ 147,021	\$ 164,043	\$ 163,936	\$ 169,966	\$ 169,966	\$ 231,743	\$ 236,377	\$ 228,596	\$ 222,154	\$ 234,364
Annual recycling tonnage (excluding leaf, and compost items)	107	n/a	868	777	777	733	696	692	625	642
Percentage of waste recycled	2.61%	n/a	23.00%	15.21%	15.21%	13.57%	10.53%	11.70%	10.34%	9.98%
Transportation:										
Street repair (curbs, aprons, berms, asphalt) (hours)	520	320	824	803	803	905	812	864	880	886
Guardrail repair (hours)	60	16	132	144	144	120	180	198	174	162
Paint striping (hours)	150	40	205	326	326	366	324	390	406	356
Street sweeper (hours)	625	112	726	805	805	841	880	896	810	856
Cold patch (hours)	725	392	824	872	872	883	808	816	820	810
Snow and ice removal overtime hours	2,145	2,456	-	-	-	-	-	-	3,652	4,458
Landscaping stump-chipper service (hours)	50	32	826	799	799	847	804	813	867	913
Holiday lights setup (hours)	86	80	88	96	96	88	76	80	88	84
Sign department (hours)	60	40	263	316	316	294	304	346	285	357
Number of trees planted per year	-	-	3	10	10	26	6	3	7	27
Tons of snow melting salt purchased (Nov - Mar)	5,600	4,835	4,991	7,100	7,100	5,391	3,413	4,435	3,408	3,627
Cost of salt purchased	\$ 190,512	\$ 220,444	\$ 230,055	\$ 180,461	\$ 180,461	\$ 177,783	\$ 104,967	\$ 141,218	\$ 112,640	\$ 119,920

Source: Information for operating indicators was obtained from the various departments within the City.

City of Warrensville Heights

Capital Assets Statistics by Function/Program

Last Ten Years

Table 17

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Security of persons and property:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840
Vehicles	29	29	32	36	32	32	26	26	24	24
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Square footage of building	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460
Vehicles	11	11	11	11	12	12	12	11	11	11
Leisure time activities:										
Recreation:										
Number of parks	6	6	6	6	6	6	6	6	6	6
YMCA Square footage	40,000	-	-	-	-	-	-	-	-	-
Senior Community Center:										
Square footage of building	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300
Vehicles	1	1	1	1	1	1	1	1	1	1
Transportation:										
Public works:										
Square footage of building	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360
Vehicles	37	37	40	40	39	39	37	37	37	35
Streets (miles)	52	52	52	52	52	52	52	51	51	51
General government:										
Square footage occupied	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515
Administrative vehicles	-	1	1	1	1	1	1	2	2	2
Inspection vehicles	7	7	7	7	7	7	6	6	6	5

Source: City's capital asset records

City of Warrensville Heights

Full-Time Equivalent City Governmental Employees by Function/Program

Last Ten Years

Table 18

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Security of persons and property:										
Police	33.00	33.00	33.00	36.00	36.00	36.00	36.00	34.00	38.00	40.00
Police- auxiliary/guards	3.50	4.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.50
Police - dispatchers/office/other	9.00	9.00	10.00	11.00	11.00	11.00	11.00	9.00	8.00	8.00
Police- jailers	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	2.00	2.00
Police - animal wardens	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire	31.00	32.00	28.00	35.00	35.00	35.00	35.00	33.00	34.00	36.00
Fire - secretary - other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure time activities:										
Senior and civic center	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	7.00
Community activities	-	-	-	-	0.50	0.50	1.00	1.00	1.00	1.00
Community development:										
Building	8.50	8.50	10.00	10.00	10.00	10.00	9.00	8.00	9.00	8.50
Economic development	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Transportation:										
Service	28.00	27.00	30.00	38.00	41.00	41.00	39.00	37.00	43.00	45.00
General government:										
Council	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Executive administration	5.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	5.00	4.00	5.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	1.00	1.50	1.50	1.50	1.00	1.00	1.50	1.50	1.50	1.50
Personnel	1.00	1.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00
Planning	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Civil service	1.50	1.50	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Community activities	1.00	-	-	-	-	-	-	-	-	-
Totals	<u>146.50</u>	<u>145.00</u>	<u>148.50</u>	<u>168.00</u>	<u>172.50</u>	<u>172.50</u>	<u>170.00</u>	<u>162.00</u>	<u>176.00</u>	<u>185.00</u>

Source City Payroll Department Payroll Register

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

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Dave Yost • Auditor of State

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 24, 2013**