

City of Middleburg Heights, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2000**





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Honorable Mayor and Members of City Council
City of Middleburg Heights

We have reviewed the Independent Auditor's Report of the City of Middleburg Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc. for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

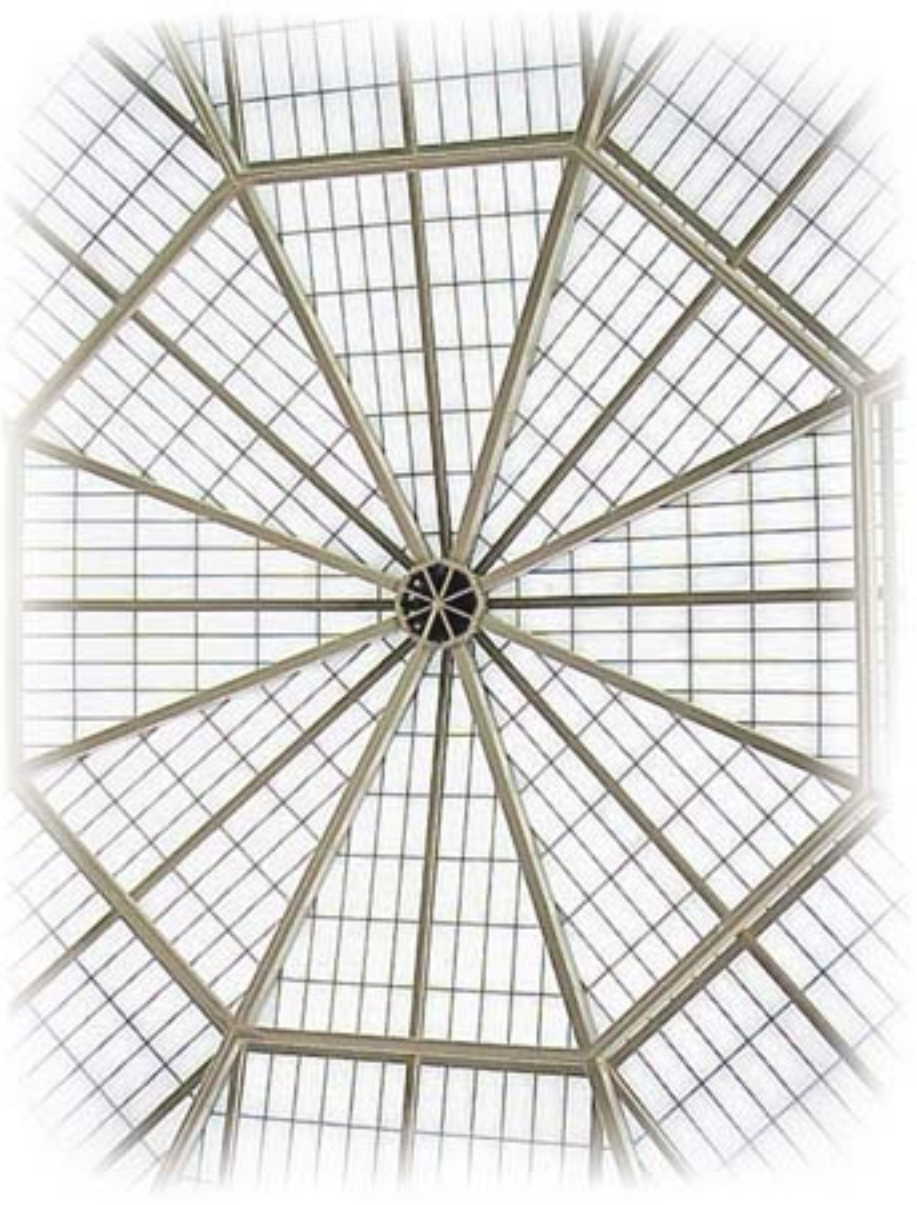
Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Middleburg Heights is responsible for compliance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

JIM PETRO
Auditor of State

May 24, 2001

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INTRODUCTORY SECTION



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CITY OF MIDDLEBURG HEIGHTS, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2000

Prepared by:

THE DEPARTMENT OF FINANCE

**Timothy Pope, CPA
Director**

**Stephanie A. Lyons, CPA
Assistant Director**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Finance Department
CITY OF MIDDLEBURG HEIGHTS

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Gary W. Starr
Mayor

Timothy Pope, CPA
Director of Finance



March 16, 2001

Honorable Mayor Gary Starr,
Members of City Council
and the Citizens of Middleburg Heights, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Middleburg Heights (the "City") for the year ended December 31, 2000. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 2000 that should be useful to citizens and taxpayers. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

This report is presented in three sections: the Introductory Section, which contains the table of contents, this transmittal letter, a listing of City officials and the City's organizational structure; the Financial Section, which contains the independent accountants report, general purpose financial statements, notes to the financial statements and more detailed combining and individual fund and account group statements and schedules; and the Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

CITY ORGANIZATION

The City of Middleburg Heights is approximately 8 square miles and is located in Northeastern Ohio, southwest of Cleveland, within the boundaries of Cuyahoga County. The City's population from the 2000 federal census was 15,542. The City was first established as a village in 1927 and was incorporated as a City in 1961 under the laws of the State of Ohio.

The City operates under and is governed by its Charter, which was first adopted by the voters in 1961. The Charter has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the City Constitution, the City may exercise all powers of local self-government and police powers to the extent not 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. Three members are elected at-large and four members are elected from wards, for two-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected at large by the electors for a two-year term. The Charter establishes certain administrative departments; the Council may establish divisions within these departments and additional departments.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters. Historically the Mayor held that office for a two-year term. Commencing with the November 2001 election, the elected Mayor shall hold office for a four-year term.

The Mayor appoints, subject to the approval of a majority of the members of Council, the Directors of the City's departments. The major appointed officials are the Directors of Finance, Law, Public Service, Recreation and Public Safety. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

All elected officials, except the Mayor, serve part-time.

REPORTING ENTITY

Reporting Entity: The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. This definition of reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity."

The City of Middleburg Heights primary government consists of all funds and departments, which are not legally separate from the City. They include a police force, a fire fighting and emergency medical transport force, a service department, a building department, a recreation department, and a staff to provide essential support to these service providers.

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

The Southwest General Health Center is an Ohio nonprofit corporation providing health services to the communities of Berea, Brook Park, Middleburg Heights, Olmsted Falls, Strongsville, and Columbia Township. Each of these governments supports the hospital through property tax levies and has representation on the board of trustees. The Southwest General Hospital Agency Fund accounts for the property tax resources, which are subsequently distributed to the Health Center. The Southwest General Health Center is a jointly governed organization.

ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy: Location is one of the greatest assets of the City of Middleburg Heights. As a major suburb of the City of Cleveland, its proximity to Cleveland Hopkins Airport and easy access to three interstate highways has contributed to the City’s continued outstanding economic growth. Major development of the commercial corridor, west of Interstate 71, during the last ten years is responsible for an increase in service industry jobs in the City. Assessed valuation of commercial property in the City has increased by over \$223,000,000 over the last 10 years, indicating continued growth in that area. Construction of Hepburn Road has added 70 acres of commercially zoned land accessible for future expansion. According to an article in *Crain’s Cleveland Business*, “The Middleburg Heights commercial market has prospered by filling a niche between the high-end corporate office space and the older commercial space of Cleveland and suburbs bordering the airport.”

Income tax collections remained strong and account for nearly 59% of all General Fund revenues. On August 5, 1997, residents of the City approved an increase in the municipal income tax rate, effective January 1, 1998, from 1% to 1.75% to provide funds to pay the costs of constructing, equipping, operating and maintaining the Community Center and Service Center and to provide additional funds to fix and maintain roads and to improve safety forces. To that end, the Service Center was completed and opened in 1999, the Community Center was completed and opened in 2000, the City continues to spend more on its streets, and in December 2000, the Mayor announced plans to hire more safety forces in 2001. After voters approved the tax increase, City Council increased the income tax credit for residents who work outside the City from 75% to 100%. This tax increase enables the City of Middleburg Heights to remain in excellent financial position while reducing the overall local tax burden of 40% of the City’s residents.

The General Fund’s fund balance continues to demonstrate that the City is financially sound. The following schedule shows the City’s General Fund GAAP basis fund balance over the last ten years:

YEAR	BALANCE
1991	\$ 822,505
1992	770,901
1993	1,016,087
1994	1,520,238
1995	2,165,450
1996	2,654,212
1997	2,397,135
1998	5,772,699
1999	6,350,391
2000	7,799,074

Major Industries Affecting the City Economy: With the expansion of its commercial base, the City has experienced substantial growth in its lodgings industry. Again, location is a major contributing factor in the expansion of this segment of the City economy. With a major airport and the International Exposition Center only two miles away and downtown Cleveland only twelve miles away, the City’s hotel industry reports occupancy rates of 65% or better throughout the year. This makes lodging taxes one of the major revenue sources of the City. The City collects a transient guest tax of three percent on hotel and motel room receipts. The hotels and motels generated \$594,662 and \$642,558 in lodging tax in 1999 and in 2000. There are currently over 1,500 rooms available in these hotels. The latest additions and renovations to Hotels in the City include the Hampton Inn and Suites, which was opened in 1998. The Courtyard by Marriott and the TownePlace Suites were completed in 1999, while the Clarion’s major renovation was completed in 2000.

The following is a list of hotels and motels located in the City of Middleburg Heights:

	Current Number of Rooms
Clarion Hotel	238
Comfort Inn	136
Courtyard by Marriott	154
Cross Country Inn	112
Hampton Inn and Suites	97
Motel 6	95
Radisson Hotel	237
Red Roof Inn	117
Residence Inn	158
Studio Plus Hotels	71
TownePlace Suites	95
Totals	1,510

The Engle/Bagley Road business district continues to grow and play a vital role in providing the City of Middleburg Heights tax dollars. There is over 2,239,560 square feet of commercial space in the Engle/Bagley Road area with over 1,000,000 square feet proposed for the future. In December 2000, the Ohio Department of Transportation (ODOT) awarded a \$12.5 million contract for the reconstruction and widening of Engle Road. This project should serve to improve traffic flow in the Engle/Bagley Road business district, assuring continued growth in this area.

The City of Middleburg Heights’ major industries include a significant number of health care, education and government employers. Therefore, the City’s economic health is not based solely upon the success or failure of a single industry.

Future Economic Outlook: Since its founding in 1920, the Southwest General Health Center has served southwestern Cuyahoga, eastern Lorain and northern Medina counties from its primary facility located in Middleburg Heights. The health center is a private, not-for-profit, 336-bed facility.

The 1997 partnership with University Hospitals HealthSystem made Southwest General the flagship hospital for University on Cleveland’s west side. The agreement brought the world-renowned services of Rainbow Babies & Children’s Hospital, MacDonald Women’s Hospital and the Ireland Cancer Center to the Southwest campus. The partnership also opened the door for perinatal and neonatal services to be available at Southwest General.

During the past few years, Southwest General has expanded its services and enhanced its capabilities in several ways.

In 1998, a comprehensive cardiac care program was launched which included enhanced catheterization capabilities and the initiation of open-heart surgery procedures. In 1999, a new 84,000-square-foot fitness center, LifeWorks of Southwest General, was opened. Another 84,000-square-foot Surgery Pavilion was also opened to expand the center’s surgical capabilities and meet increased demand for medical treatment related to the feet.

The new Ireland Cancer Center at Southwest General Health Center consists of two distinct areas: chemotherapy and radiation therapy. The chemotherapy unit is housed in the main health center building, adjacent to the newly constructed building which houses the radiation therapy equipment. The entire center opened to patients in 2000.

The City continued to attract new businesses, as well as assist in the expansion of several existing businesses during 2000. For instance, BJ's Wholesale Club opened in the latter part of 2000, CVS Pharmacy built and opened a stand-alone store, and Bob Evans Restaurants completed a new brick building to replace an existing restaurant. These new building projects epitomize the controlled development that has occurred in the City of Middleburg Heights over the past twenty years. Intricate brick detail and stone pediments are being incorporated into not only city government buildings, but also commercial developments.

Other new buildings and projects completed in 2000 include the following:

- Commerce Center of Middleburg – 2 new warehouse/office buildings – 41,360 Sq./Ft. each
- Pleasant Hills United Methodist Church expansion
- Regal Cinemas' expansion
- St. Bart's meeting rooms
- Flowerama
- Tool Producers addition

New buildings or projects proposed for 2001 include a joint effort involving Ford Motor Company, the United Auto Workers union and automotive supplier Visteon Corp. to construct an \$8.5 million family service and community outreach center. The proposed 32,809 square foot facility, which would offer child care, after-school programs, wellness classes, health screenings, volunteer activities and other services, would be one of 13 centers opened by 2003 in areas with large concentrations of Ford and Visteon workers. Other new building projects proposed for 2001 include the following:

- Walgreens
- Parkside Villa – Nursing Home
- Big Creek Pet Hospital
- Bethel Lutheran Addition
- Nova Machine Products Corp.
- MidPark Branch Post Office expansion

The City is not only seeing expansion of its industrial and commercial base, but also continues to see new residential construction projects. Current residential construction includes:

- Crystal Lakes - Misty Lakes - 344 Townhouse Units/Attached Clusters
- Ivy Woods - 12 Detached Cluster Units
- Nantucket Woods - 48 Detached Cluster Units
- Silver Oaks - 104 Detached Cluster Units
- The Lake Isaac Reserve Subdivision - 28 Upscale Cluster Residential Units, 13 Cluster Units
- The Brookstone Subdivision - 60 Cluster Residential Units
- Deer Creek Estates – 22 Homes
- Vito Ragone – 4 Unit Apartment Building

MAJOR INITIATIVES

Current year projects: The City of Middleburg Heights contracted for over \$1.2 million in repairs and improvements on streets and sidewalks in various parts of the city in 2000.

During 2000, the City of Middleburg Heights also completed construction of its citywide traffic signalization project. The project involved installing new high-tech signals and equipment at 45 intersections in the city. The system, which uses microcomputers, loop detectors and modems to make on-the-spot timing adjustments, is designed to alleviate traffic congestion and reduce air pollution. The City was awarded a federal grant in the amount of \$2.355 million to cover the construction costs. Middleburg Heights paid for the design and engineering work.

In addition to completing the signalization project, the City also upgraded and replaced worn-out, obsolete equipment. These purchases included three new police cruisers, one all wheel drive utility vehicle and a computerized records management system for the Police Department, thermal imaging equipment and a one ton truck for the Fire Department, five trucks for the Service Department--including a salt truck, a front-end wheel loader, as well as several mowers, plows, and a sign plotter. The City also contracted for the purchase of a state-of-the-art emergency medical transport vehicle.

Besides receiving recognition for the Community Center (as discussed below), the City of Middleburg Heights was honored with the prestigious Tree City USA award from The National Arbor Day Foundation for the fourth consecutive year. The City has planted over 2,000 trees throughout the city since 1991.

Future Projects: City Council appropriated over \$1.35 million for the resurfacing of various streets throughout the City in 2001. In cooperation with the Ohio Department of Transportation, the City will begin widening and reconstructing Engle Road from Bagley Road to the north corporation line and complete the resurfacing of Pearl Road from Sprague Road to West 130th Street during 2001. Additionally, the City was awarded a grant for the purchase of a senior transportation vehicle in December 2000. The shuttle purchased with the grant proceeds in the ensuing year will enhance the transportation services currently provided to seniors in the community.

In 2001, the City will increase its safety forces by 8 additional safety personnel in an effort to reduce response times and put more police on the streets. As part of the 2001 annual appropriations measure, the Mayor proposed the hiring of four new fire fighter paramedics and four new police officers. City Council confirmed the notion by appropriating the funds to accomplish this goal.

Department Focus: On June 1, 2000 the City opened its Community Center, "on time and on budget". The new Community Center is located on city-owned property on Bagley Road, west of the police and fire stations. Early in 1998, the city selected Richard L. Bowen and Associates as the engineering architect and Turner Construction Company as the construction manager. They joined James Larsen who is the design architect of this project.

The new Community Center is a state-of-the-art facility that was built as part of our current city hall campus. The facility's architecture matches the style evolving throughout the City. Approximately 81,000 square feet, the \$17.3 million building features a central atrium and has an open design that makes all activity areas visible from one location. It includes a wing devoted to community activities that features catered kitchen facilities and multifunction meeting rooms. It also features an indoor and an outdoor pool, a four-lane running track, gymnasiums, exercise equipment, free weights and other facilities.

The building has already been recognized as the standard by which all other recreation/community centers will be judged in Ohio. The facility recently received the 2000 Outstanding Facility Award from the Ohio Parks and Recreation Association. This award distinguishes the Community Center as Ohio's most outstanding recreation facility to open in 2000. The facility was also featured in the August 7, 2000 edition of *USA Today*, and in

January 2001, the building won four Craftsmanship Awards for the following: the building's exterior masonry; the wood flooring in the gymnasium and aerobics room; the stair and rail system; and, the exterior and interior curtain wall and skylight. The Craftsmanship Awards are presented annually by The Builders Exchange, a construction industry organization serving Northern Ohio. The competition included such buildings and projects as the Cleveland Browns Stadium, The Cleveland Clinic, the Case Western Reserve University Science Center and Severance Hall.

Various pictures included on the cover and the section dividers of this financial report depict the construction, grand opening and the completed building.

The City also made about \$1.8 million in improvements to its city hall grounds in conjunction with the construction of the Community Center. These improvements include expanded parking, a gazebo/pavilion, a service building and a veterans memorial.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Accounting System: The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by generally accepted accounting principles ("GAAP") and the number of individual funds established is determined by sound financial administration.

In the preparation of its annual report, the City uses the modified accrual basis of accounting for governmental and fiduciary funds and the full accrual basis for enterprise and internal service funds. When using the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. The accrual basis recognizes revenues when earned and expenses when incurred. This timing enables management to improve the quality of its decision making process by providing more consistent, comparable information regarding the current and past operations and financial position of the City.

Budgetary System: The City adopts a permanent operating appropriations measure before January 1 of each year for that fiscal year. The calendar year is used as the City's fiscal year. Department heads submit their annual budget needs to the Mayor and Director of Finance who then submit the appropriation document to Council for review and passage. Capital improvements undergo the same process with Council passing a capital improvement appropriations ordinance around April 1. All disbursements require appropriation authority. The operating appropriations are made by department in two major categories, "Wages and Fringe Benefits" and "Other". The "Other" category includes items such as Travel and Transportation, Contractual Services, Operating Supplies, Debt Service, and Refunds and Reimbursements. The legal level of budgetary control is major category, supported by line item detail. The Director of Finance may, upon request of the department head and approval of the Mayor, transfer appropriations between line items within a department and a major category. No appropriations may be transferred between departments or major categories without approval of Council. Capital items are appropriated by line item and must be approved by Council for any increase or transfer. All purchases require a purchase order.

General Government

Revenues for all Governmental Fund Type operations, which include the General, Special Revenue, Debt Service and Capital Projects Funds, amounted to \$20,951,634 for 2000. The amount of revenues on a GAAP basis, including the increases (decreases) over the prior year are shown in the following tabulation:

	2000	% of	1999	% of	Increase
	Actual	Total	Actual	Total	(Decrease)
					Over 1999
REVENUES					
Property taxes	\$ 1,866,997	8.9%	\$ 1,846,314	7.6%	\$ 20,683
Income taxes	12,834,407	61.2%	12,331,122	50.5%	503,285
Other local taxes	718,032	3.4%	679,142	2.8%	38,890
Intergovernmental revenues	2,296,007	11.0%	6,677,949	27.3%	(4,381,942)
Special assessments	129,693	0.6%	120,116	0.5%	9,577
Charges for services	811,018	3.9%	199,220	0.8%	611,798
Fines, licenses and permits	775,737	3.7%	817,432	3.3%	(41,695)
Interest earnings	1,212,912	5.8%	1,490,742	6.1%	(277,830)
Miscellaneous revenue	306,831	1.5%	270,118	1.1%	36,713
TOTAL REVENUES	\$ 20,951,634	100.0%	\$ 24,432,155	100.0%	\$ (3,480,521)

Income taxes continue to increase due to a good economy and low unemployment. The decrease in intergovernmental revenues is due to the City receiving a majority of the signalization project's federal funding during the previous year. The increase in charges for services is due to the opening of the Community Center in June 2000. The slight decline in interest earnings is due to lower cash balances in the Capital Project Funds. In October 1998, \$29,685,000 of bond proceeds was received, with a majority of the proceeds being spent in 1999.

Expenditures for all Governmental Fund Type operations, which include the General, Special Revenue, Debt Service and Capital Projects Funds, amounted to \$26,476,716 for 2000. The amount of expenditures on a GAAP basis, including the increases (decreases) over the prior year are shown in the following tabulation:

	2000	% of	1999	% of	Increase
	Actual	Total	Actual	Total	(Decrease)
					Over 1999
EXPENDITURES					
Current:					
Public safety	\$ 4,872,848	18.5%	\$ 4,877,775	26.8%	\$ (4,927)
Public health and welfare	20,879	0.1%	19,522	0.2%	1,357
Culture and recreation	1,592,893	6.0%	435,125	2.4%	1,157,768
Community development	404,481	1.5%	389,869	2.2%	14,612
Sanitation	641,825	2.4%	612,496	3.6%	29,329
Streets and highways	837,694	3.2%	914,634	4.5%	(76,940)
General government	4,511,307	17.0%	3,857,675	19.2%	653,632
Capital outlay	10,473,147	39.7%	22,946,586	37.3%	(12,473,439)
Debt service:					
Principal retirement	1,657,008	6.3%	1,435,100	1.8%	221,908
Interest and other charges	1,342,310	5.1%	1,775,295	2.0%	(432,985)
TOTAL EXPENDITURES	\$ 26,354,392	100.0%	\$ 37,264,077	100.0%	\$ (10,909,685)

The sharp decline in total expenditures and capital outlay was due to completing the construction of the Service Center in 1999 and the Community Center during the first part of 2000. Excluding capital outlay, expenditures rose in 2000 as a result of a 4.00% pay increase granted to all policemen and a 3.5% pay increase to all other City employees on January 1, 2000. The increase in culture and recreation is due to the Community Center being open for operations during the latter part of 2000. The general government increase was due to the hiring of additional employees in the service department.

Debt Administration

The principal amounts outstanding at December 31, 2000 are as follows:

	Balance January 1, 2000	Debt Issued	Debt Retired	Balance December 31, 2000
General Obligation Bonds	\$ 27,858,536		\$ (1,594,398)	\$ 26,264,138
Special Assessment Bonds	1,418,764		(62,609)	1,356,155
Bond Anticipation Notes Payable	1,600,000	\$ 920,000	(1,600,000)	920,000
Total	\$ 30,877,300	\$ 920,000	\$ (3,257,007)	\$ 28,540,293

During the year ended December 31, 2000, the City issued bond anticipation notes "BANs" in the aggregate amount of \$920,000. The City intends to retire \$350,000 of the BANs upon maturity with available cash, issue bonds to retire \$450,000 and replace \$120,000 of the BANs with other BANs that mature more than twelve months after the balance sheet date.

In 1999, the City issued \$216,000 of manuscript bonds to pay, in anticipation of the collection of special assessments levied, the property owners' portion of the cost of improving Fowles Road and Big Creek Parkway between certain termini by constructing sanitary sewers. The outstanding principal balance as of December 31, 2000 is \$214,093.

In 1998, the City defeased a general obligation bond issue by placing the proceeds of new bonds in an irrevocable escrow account to provide for all future debt service payments on the old bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's General Long-Term Obligation Account Group. As of December 31, 2000, the amount of defeased debt outstanding amounted to \$2,995,000.

The City currently has a bond rating of Aa2 from Moody's Investors Service.

Enterprise Funds

Effective December 30, 1992, the City discontinued operations of its sewage treatment plant by contracting with the Northeast Ohio Regional Sewer District to provide sewer services. The assets of the sewage treatment plant consist primarily of land and buildings that are to be sold and have been reclassified, at their net realizable value, to net assets held for sale.

Internal Service Funds

The City maintains a self-insurance fund (internal service) for employee health benefits with excess insurance coverage for claims over a specified amount. This fund accounts for self-insured claims and payment of premiums for the excess liability insurance coverage. Operating revenues of the fund consist of payments from other City funds and are based upon self-insured losses, estimated insurance policy premiums and other operating expenses.

General Fixed Assets

The general fixed assets of the City include all City-owned land, buildings, furniture and fixtures, and machinery and equipment used in the performance of general governmental functions. Infrastructure such as roads, curbs, and sidewalks are not included in the fixed assets of the General Fixed Assets Account Group. The general fixed assets excludes the fixed assets of the Proprietary Funds. Fixed assets associated with the Proprietary Funds are recorded in the appropriate proprietary fund. As of December 31, 2000, the general fixed assets of the City amounted to \$37,891,422.

Cash Management

All City cash is pooled for investment purposes in order to generate the highest possible yield. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least one hundred five percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, hold the collateral.

Risk Management

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 the year the City contracted with Phelan Risk Management Services Company to manage our insurance coverage. The coverage limits on December 31, 2000, per occurrence, for all types of coverage are as follows:

Type of Coverage	Carrier	Coverage
Comprehensive general liability	Specialty National Ins. Co.	\$1million per occurrence/ 3 million aggregate
Blanket building and contents	Specialty National Ins. Co.	37,350,577
Boiler and machinery coverage	Travelers Property and Casualty	20 million
Inland marine coverage	Specialty National Ins. Co.	535,679
Automobile liability	Specialty National Ins. Co.	1 million
Public officials liability	Specialty National Ins. Co.	1 million
Police professional liability	Specialty National Ins. Co.	1 million
Public employee blanket bond	Specialty National Ins. Co.	100,000
Excess umbrella liability	Specialty National Ins. Co.	10 million

Settled claims have not exceeded coverage for the past three years.

The City provides two different medical plans for full time employees and council members and their families. A traditional plan with a Preferred Provider Organization is self-funded and administered by a third party administrator. A Health Maintenance Organization plan is also offered at no cost to the employee. All covered employees also receive prescription benefits, vision and dental plans. Full time employees are covered by a \$20,000 term life insurance policy.

For the traditional plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has purchased stop loss coverage of \$40,000 per individual and \$889,416 aggregate. In 2000, the City funded the self-insurance reserve \$295 per month for single coverage and \$750 per month for family coverage. These rates are paid by the fund from which the employee's compensation is paid.

The claims liability of \$44,887, as estimated by the third party administrator and reported in the internal service fund at December 31, 2000, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claim liability amount for the years-ended 1999 and 2000 are as follows:

	Estimated Claims Payable January 1	Current-Year Claims and Changes in Estimates	Claims Payments	Estimated Claims Payable December 31
1999	\$ 82,601	\$ 729,841	\$ (777,746)	\$ 34,696
2000	34,696	701,487	(691,296)	44,887

The State of Ohio provides worker's compensation coverage. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

OTHER INFORMATION

Independent Audit: In accordance with Ohio law, annual independent audits are required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. The City of Middleburg Heights selected Ciuni & Panichi, Inc., to perform these services for 2000. Their report is presented in the financial section of this report.

GFOA Certificate of Achievement 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 Middleburg Heights, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Middleburg Heights has received a Certificate of Achievement for the last 5 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments: The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. We would like to express our appreciation to all staff members who have contributed or assisted in its preparation.

In closing, we would like to thank the Mayor and the members of Middleburg Heights City Council, and the citizens of this fine City, for without your continued support, the preparation of this report to help ensure the continued financial integrity of the City, would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Pope". The signature is fluid and cursive, with a long horizontal stroke at the end.

Timothy Pope, CPA
Director of Finance

A handwritten signature in black ink, appearing to read "Stephanie A. Lyons". The signature is cursive and clearly legible.

Stephanie A. Lyons, CPA
Assistant Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Middleburg Heights,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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.



Anne Spray Kinsey
President

Jeffrey L. Essler
Executive Director

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CITY OF MIDDLEBURG HEIGHTS, OHIO

LISTING OF PRINCIPAL CITY OFFICIALS

AS OF DECEMBER 31, 2000

ELECTED OFFICIALS

Mayor..... Gary W. Starr
Council President..... Alan C. Budney
Councilman At-Large Michael G. Oros
Councilman At-Large James F. Sheppard
Councilman Ward 1 Tim Ali
Council Member Ward 2 Barbara A. Becker
Councilman Ward 3 Joseph W. Caterini
Councilman Ward 4 Raymond G. Guttman

APPOINTED OFFICIALS

Director of Finance Timothy Pope, CPA
Assistant Finance Director..... Stephanie A. Lyons, CPA
Director of Public Service..... Frank D. Castelli
Chief Building Official Robert M. Cline
Assistant Building Director..... Norman H. Herwerden
Director of Recreation..... Carl Guarnieri
Director of Law Peter Hull
Director of Public Safety Sandra J. Kerber
Chief of Police John Maddox
Chief of Fire..... James M. McCarthy
Court Administrator..... Doris E. Linge
Executive Assistant..... Jeffrey Minch
Clerk of Council..... Mary Ann Meola

SPECIAL BOARDS AND COMMISSIONS

Planning Commission David Bortolotto
Planning Commission John J. Grech
Planning Commission Carol Herman
Planning Commission Tom Rea
Planning Commission Rebecca Russo
Planning Commission Matthew Selvaggio
Planning Commission Rose Zatezalo

Board of Zoning and Building Appeals (Alternate)..... Matthew Castelli
Board of Zoning and Building Appeals Fred Duprow
Board of Zoning and Building Appeals Beverly Hajek
Board of Zoning and Building Appeals Phil Latsko
Board of Zoning and Building Appeals Donald Reiman
Board of Zoning and Building Appeals Gino Zomparelli

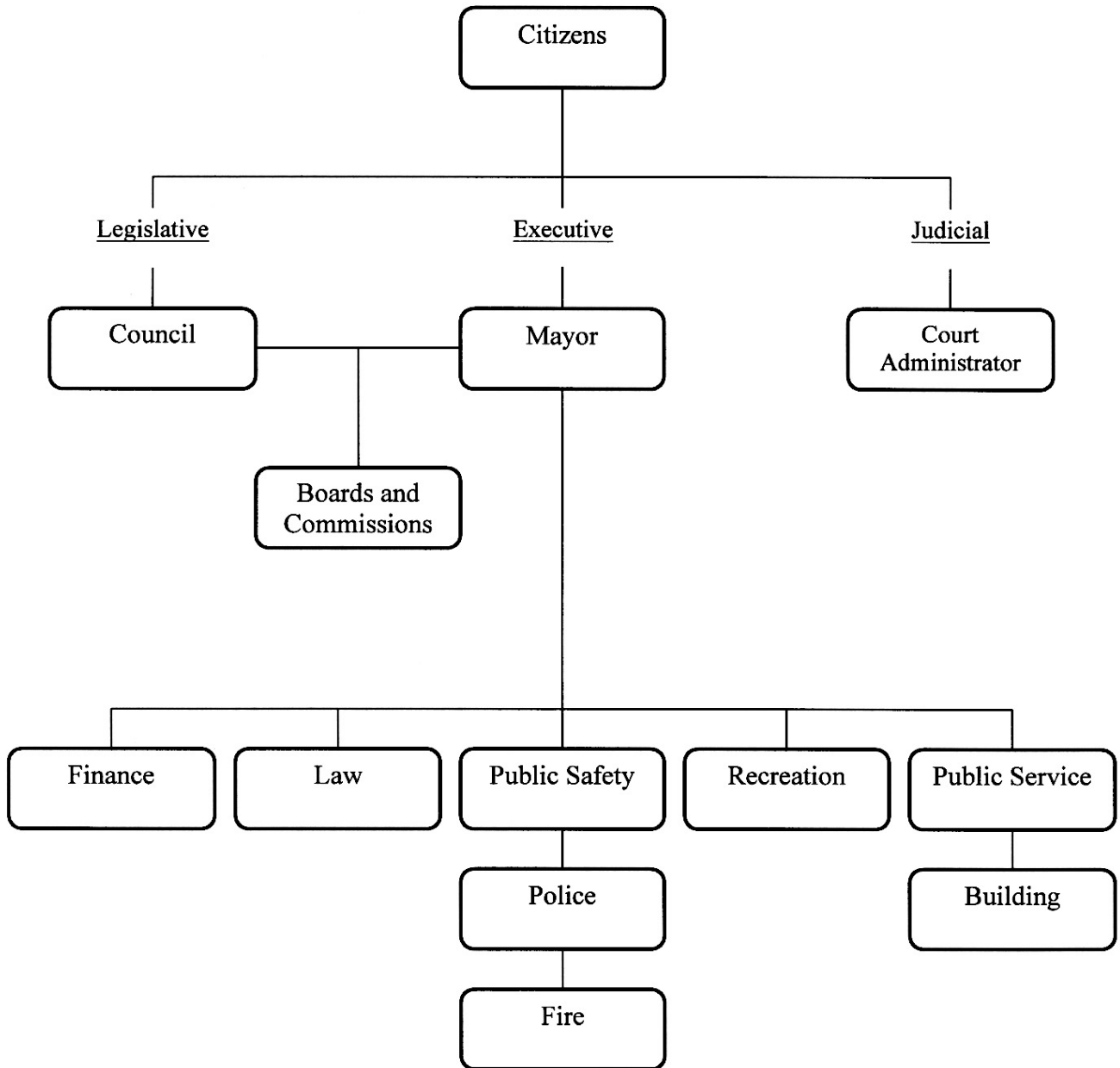
Civil Service Walter Gainer
Civil Service Catherine Oliverio
Civil Service David R. Sliman

Secretary - Civil Service Bernice E. Uveges
Secretary - Boards and Commissions Kimberly Drown

CITY OF MIDDLEBURG HEIGHTS, OHIO

ORGANIZATIONAL CHART

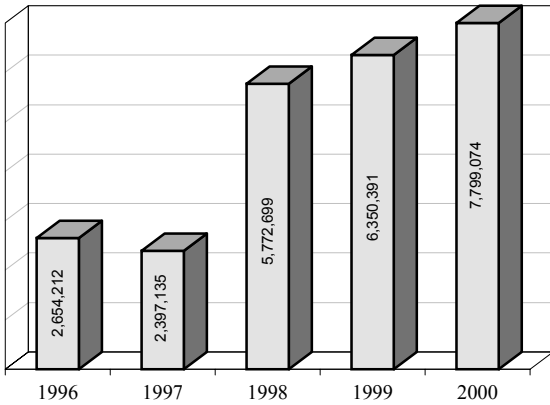
AS OF DECEMBER 31, 2000



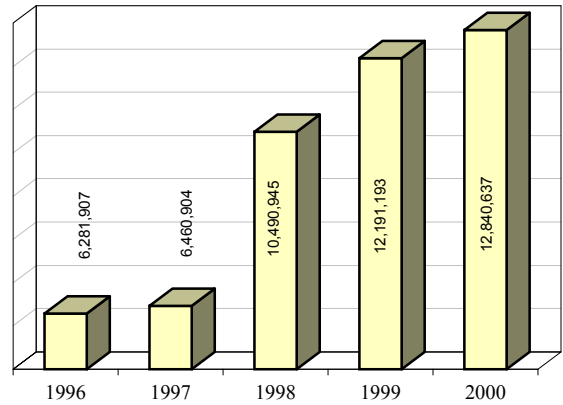
CITY OF MIDDLEBURG HEIGHTS, OHIO

FINANCIAL HIGHLIGHTS

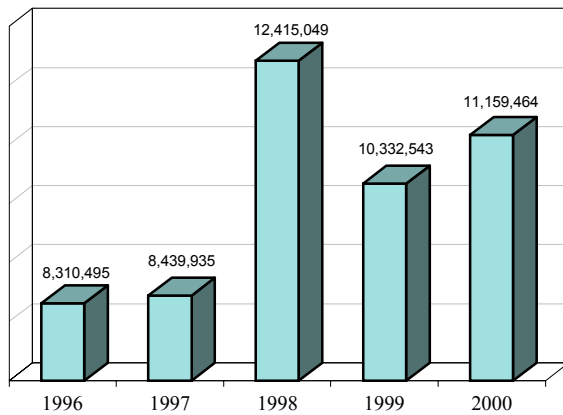
GENERAL FUND - FUND BALANCE **



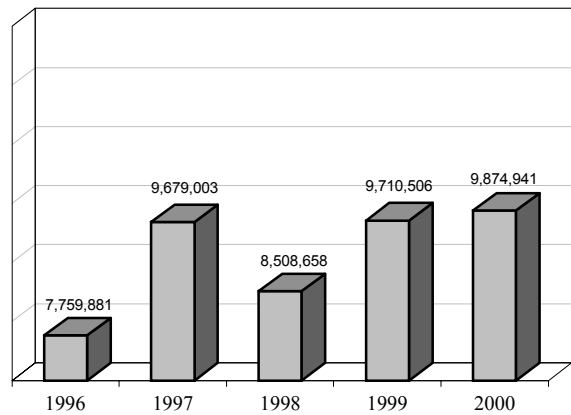
GOVERNMENTAL FUNDS - INCOME TAX *



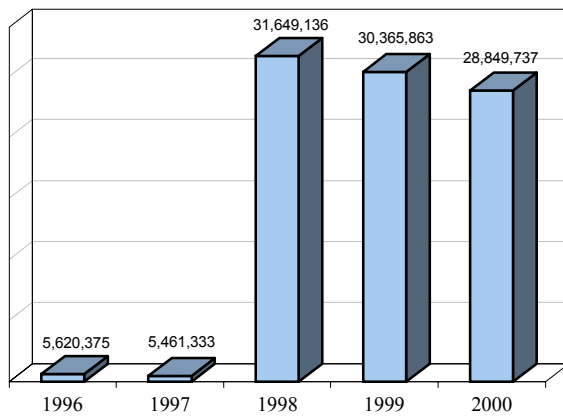
GENERAL FUND - REVENUES *



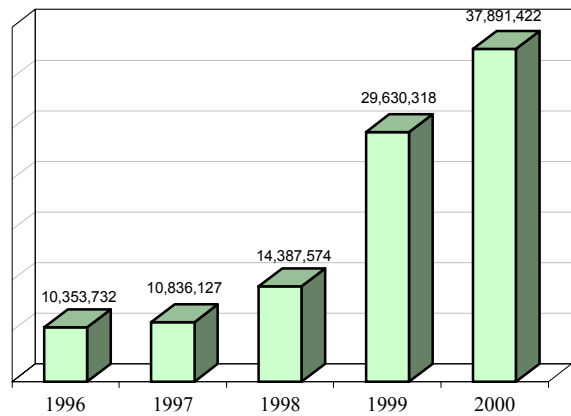
GENERAL FUND - EXPENDITURES *



GENERAL LONG TERM DEBT **



GENERAL FIXED ASSETS **



* Budget Basis

** GAAP Basis

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Middleburg
Heights
Veterans
Memorial

Dedicated May 26th 2000



INDEPENDENT AUDITORS' REPORT

Members of the City Council
Middleburg Heights, Ohio

We have audited the accompanying general-purpose financial statements of the City of Middleburg Heights, Ohio, as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Middleburg Heights' management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Middleburg Heights, Ohio, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2001, on our consideration of the City of Middleburg Heights' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Middleburg Heights, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

Ciuni & Panichi, Inc.

Cleveland, Ohio
March 16, 2001

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Equity in pooled cash and cash equivalents	\$ 6,901,099	\$ 1,323,704	\$ 2,117,000	\$ 3,399,589
Cash with fiscal agent			7,060	
Investment in manuscript bond			214,093	
Receivables - net of allowances:				
Taxes	2,522,874	555,397	911,017	375,250
Special assessments			2,004,795	
Accounts	17,147	7,994		48,153
Accrued interest	113,129	1,859	18,823	14,851
Due from other governments	432,814	43,842		30,000
Due from other funds	23,050	175		
Fixed assets in service:				
Land and improvements				
Buildings and improvements				
Furniture and fixtures				
Machinery and equipment				
Construction in progress				
Assets held for sale				
Amount available in debt service funds				
Amount to be provided for the retirement of general long-term obligations:				
Debt				
Other obligations				
TOTAL ASSETS	\$ 10,010,113	\$ 1,932,971	\$ 5,272,788	\$ 3,867,843

See notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2000	1999
\$ 138,208	\$ 588,281	\$ 614,059			\$ 15,081,940	\$ 21,892,764
					7,060	1,922
					214,093	216,000
		207,275			4,571,813	4,285,699
					2,004,795	2,184,895
	3,805				77,099	314,550
50	1,849	1			150,562	74,090
					506,656	256,259
					23,225	37,934
			\$ 2,747,302		2,747,302	2,463,192
			29,587,102		29,587,102	11,845,756
			265,328		265,328	137,824
			5,283,490		5,283,490	4,299,068
			8,200		8,200	10,884,478
458,000					458,000	458,000
				\$ 2,704,882	2,704,882	2,444,514
				24,915,411	24,915,411	26,832,786
				1,229,444	1,229,444	1,088,563
<u>\$ 596,258</u>	<u>\$ 593,935</u>	<u>\$ 821,335</u>	<u>\$ 37,891,422</u>	<u>\$ 28,849,737</u>	<u>\$ 89,836,402</u>	<u>\$ 89,718,294</u>

Continued

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS, *Continued*

December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Accounts payable	\$ 131,094	\$ 167,508		\$ 539,163
Accrued payroll:				
Wages and benefits	417,280	151,993		
Vacation	21,368	297		
Sick leave	17,881			
Claims payable				
Due to other governments	167,919	1,589		
Due to other funds				
Matured interest			\$ 7,060	
Deferred revenue	1,455,497	290,114	2,560,846	
Debt:				
Bond anticipation notes payable		220,000		700,000
General obligation bonds payable				
Special assessment bonds payable				
TOTAL LIABILITIES	2,211,039	831,501	2,567,906	1,239,163
EQUITY AND OTHER CREDITS				
Investment in general fixed assets				
Contributed capital - City, grantors and others (net of accumulated amortization)				
Retained earnings				
Fund balances:				
Reserved for encumbrances	139,629	336,960		1,313,401
Reserved for debt service			2,704,882	
Undesignated	7,659,445	764,510		1,315,279
TOTAL EQUITY AND OTHER CREDITS	7,799,074	1,101,470	2,704,882	2,628,680
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 10,010,113	\$ 1,932,971	\$ 5,272,788	\$ 3,867,843

See notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2000	1999
\$ 1,800		\$ 211,645			\$ 1,051,210	\$ 1,947,406
					569,273	557,913
				\$ 573,735	595,400	515,455
				655,709	673,590	622,841
	\$ 44,887				44,887	34,696
124		4,903			174,535	12,651
		23,225			23,225	37,934
					7,060	1,922
					4,306,457	4,166,516
					920,000	1,600,000
				26,264,138	26,264,138	27,858,536
				1,356,155	1,356,155	1,418,764
1,924	44,887	239,773		28,849,737	35,985,930	38,774,634
				\$ 37,891,422	37,891,422	29,630,318
458,000					458,000	458,000
136,334	549,048				685,382	478,386
		95			1,790,085	7,758,652
		581,467			2,704,882	2,444,514
					10,320,701	10,173,790
594,334	549,048	581,562		37,891,422	53,850,472	50,943,660
\$ 596,258	\$ 593,935	\$ 821,335	\$ 37,891,422	\$ 28,849,737	\$ 89,836,402	\$ 89,718,294

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND EXPENDABLE TRUST FUNDS**

For the Year Ended December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES				
Property taxes	\$ 1,156,726	\$ 243,522	\$ 466,749	
Income taxes	6,735,091	1,413,806	2,230,107	\$ 2,455,403
Other local taxes	718,032			
Intergovernmental revenues	1,338,273	670,899	53,116	233,719
Special assessments			129,693	
Charges for services	76,332	734,686		
Fines, licenses and permits	765,738	9,999		
Interest earnings	480,381	83,530	215,292	433,709
Miscellaneous revenue	110,145	14,521	104,232	77,933
TOTAL REVENUES	11,380,718	3,170,963	3,199,189	3,200,764
EXPENDITURES				
Current:				
Public safety	4,623,787	281,850		
Public health and welfare	20,879			
Culture and recreation		1,608,700		
Community development	405,971			
Sanitation	641,825			
Streets and highways		860,832		
General government	4,181,500	378,907		
Capital outlay				10,473,147
Debt service:				
Principal retirement			1,657,007	
Interest and other charges		5,917	1,281,814	54,580
TOTAL EXPENDITURES	9,873,962	3,136,206	2,938,821	10,527,727
Excess (deficiency) of revenues over expenditures	1,506,756	34,757	260,368	(7,326,963)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds-net				
Operating transfers - in	52,967	60,000		50,000
Operating transfers - out	(111,040)			
TOTAL OTHER FINANCING SOURCES (USES)	(58,073)	60,000		50,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,448,683	94,757	260,368	(7,276,963)
Fund balances, beginning of year	6,350,391	1,006,713	2,444,514	9,905,643
Fund balances, end of year	\$ 7,799,074	\$ 1,101,470	\$ 2,704,882	\$ 2,628,680

See notes to financial statements.

Fiduciary Fund Types		Totals (Memorandum Only)	
Expendable Trust	2000	1999	
	\$ 1,866,997	\$ 1,846,314	
	12,834,407	12,331,122	
	718,032	679,142	
	2,296,007	6,677,949	
	129,693	120,116	
\$ 196,562	1,007,580	458,437	
	775,737	817,432	
3,144	1,216,056	1,492,316	
10,993	317,824	278,678	
210,699	21,162,333	24,701,506	
	4,905,637	4,877,775	
	20,879	19,522	
	1,608,700	435,125	
	405,971	389,869	
	641,825	612,496	
	860,832	914,634	
246,905	4,807,312	4,132,235	
	10,473,147	22,946,586	
	1,657,007	1,435,100	
	1,342,311	1,775,295	
246,905	26,723,621	37,538,637	
(36,206)	(5,561,288)	(12,837,131)	
		216,000	
43,632	206,599	799,900	
(95,559)	(206,599)	(799,900)	
(51,927)		216,000	
(88,133)	(5,561,288)	(12,621,131)	
669,695	20,376,956	32,998,087	
\$ 581,562	\$ 14,815,668	\$ 20,376,956	

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the Year Ended December 31, 2000

	General Fund				Special Revenue Funds			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)
REVENUES								
Property taxes	\$ 1,169,970	\$ 1,169,970	\$ 1,156,726	\$ (13,244)	\$ 244,628	\$ 244,628	\$ 243,522	\$ (1,106)
Income taxes	6,541,576	6,541,576	6,738,532	196,956	1,274,191	1,279,191	1,373,606	94,415
Other local taxes	640,000	640,000	720,983	80,983				
Intergovernmental revenues	792,989	792,989	1,242,524	449,535	911,000	697,200	684,272	(12,928)
Special assessments								
Charges for services	33,750	33,750	76,332	42,582	945,000	945,000	732,708	(212,292)
Fines, licenses and permits	771,932	771,932	764,013	(7,919)	7,000	7,000	10,724	3,724
Interest earnings	200,000	200,000	377,854	177,854	56,000	56,000	77,748	21,748
Miscellaneous revenue	25,000	25,000	16,483	(8,517)	11,000	11,000	14,520	3,520
TOTAL REVENUES	10,175,217	10,175,217	11,093,447	918,230	3,448,819	3,240,019	3,137,100	(102,919)
EXPENDITURES								
Current:								
Public safety	4,802,995	4,853,995	4,649,932	204,063	260,000	579,000	577,192	1,808
Public health and welfare	26,765	26,765	20,741	6,024				
Culture and recreation					1,924,417	1,933,417	1,551,976	381,441
Community development	452,703	468,703	411,431	57,272				
Sanitation	650,000	650,000	638,142	11,858				
Streets and highways					1,169,000	999,000	866,429	132,571
General government	4,199,985	4,637,270	4,043,655	593,615	375,150	380,150	379,724	426
Capital outlay								
Debt service:								
Principal retirement								
Interest and other charges								
TOTAL EXPENDITURES	10,132,448	10,636,733	9,763,901	872,832	3,728,567	3,891,567	3,375,321	516,246
Excess (deficiency) of revenues over expenditures	42,769	(461,516)	1,329,546	1,791,062	(279,748)	(651,548)	(238,221)	413,327
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of notes						220,000	220,000	
Operating transfers - in	133,000	133,000	52,967	(80,033)		60,000	60,000	
Operating transfers - out	(50,100)	(111,100)	(111,040)	60				
Advances - in			13,050	13,050				
Advances - out						(13,050)	(13,050)	
TOTAL OTHER FINANCING SOURCES (USES)	82,900	21,900	(45,023)	(66,923)		266,950	266,950	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	125,669	(439,616)	1,284,523	1,724,139	(279,748)	(384,598)	28,729	413,327
Decertification of prior year encumbrances			23,860	23,860			7,602	7,602
Fund balances, beginning of year	5,340,360	5,340,360	5,340,360		887,586	887,586	887,586	
Fund balances, end of year	\$ 5,466,029	\$ 4,900,744	\$ 6,648,743	\$ 1,747,999	\$ 607,838	\$ 502,988	\$ 923,917	\$ 420,929

See notes to financial statements.

Debt Service Funds				Capital Projects Funds			
Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)
\$ 470,529	\$ 470,529	\$ 466,749	\$ (3,780)				
2,227,880	2,227,880	2,241,396	13,516	\$ 1,580,256	\$ 2,480,394	\$ 2,487,103	\$ 6,709
52,000	52,000	53,116	1,116	1,017,715	400,000	403,578	3,578
131,800	131,800	129,693	(2,107)				
90,000	90,000	171,622	81,622	161,124	318,124	445,815	127,691
105,000	105,000	119,099	14,099			90,100	90,100
3,077,209	3,077,209	3,181,675	104,466	2,759,095	3,198,518	3,426,596	228,078
	216,000	216,000		2,635,000	4,918,122	4,340,149	577,973
1,657,008	1,657,008	1,657,007	1	1,600,000	1,600,000	1,600,000	
1,288,597	1,288,597	1,281,814	6,783	63,000	63,000	62,696	304
2,945,605	3,161,605	3,154,821	6,784	4,298,000	6,581,122	6,002,845	578,277
131,604	(84,396)	26,854	111,250	(1,538,905)	(3,382,604)	(2,576,249)	806,355
				400,000	650,000	700,000	50,000
					50,000	50,000	
				400,000	700,000	750,000	50,000
131,604	(84,396)	26,854	111,250	(1,138,905)	(2,682,604)	(1,826,249)	856,355
						130,546	130,546
2,078,152	2,078,152	2,078,152		3,299,631	3,299,631	3,299,631	
\$ 2,209,756	\$ 1,993,756	\$ 2,105,006	\$ 111,250	\$ 2,160,726	\$ 617,027	\$ 1,603,928	\$ 986,901

Continued

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS, Continued

For the Year Ended December 31, 2000

	Expendable Trust Funds				Totals (Memorandum Only)			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)
REVENUES								
Property taxes					\$ 1,885,127	\$ 1,885,127	\$ 1,866,997	\$ (18,130)
Income taxes					11,623,903	12,529,041	12,840,637	311,596
Other local taxes					640,000	640,000	720,983	80,983
Intergovernmental revenues					2,773,704	1,942,189	2,383,490	441,301
Special assessments					131,800	131,800	129,693	(2,107)
Charges for services	\$ 152,000	\$ 119,300	\$ 196,562	\$ 77,262	1,130,750	1,098,050	1,005,602	(92,448)
Fines, licenses and permits					778,932	778,932	774,737	(4,195)
Interest earnings	2,500	2,500	3,125	625	509,624	666,624	1,076,164	409,540
Miscellaneous revenue	2,500	8,877	10,993	2,116	143,500	149,877	251,195	101,318
TOTAL REVENUES	157,000	130,677	210,680	80,003	19,617,340	19,821,640	21,049,498	1,227,858
EXPENDITURES								
Current:								
Public safety					5,062,995	5,432,995	5,227,124	205,871
Public health and welfare					26,765	26,765	20,741	6,024
Culture and recreation					1,924,417	1,933,417	1,551,976	381,441
Community development					452,703	468,703	411,431	57,272
Sanitation					650,000	650,000	638,142	11,858
Streets and highways					1,169,000	999,000	866,429	132,571
General government	195,200	296,800	268,419	28,381	4,770,335	5,530,220	4,907,798	622,422
Capital outlay					2,635,000	4,918,122	4,340,149	577,973
Debt service:								
Principal retirement					3,257,008	3,257,008	3,257,007	1
Interest and other charges					1,351,597	1,351,597	1,344,510	7,087
TOTAL EXPENDITURES	195,200	296,800	268,419	28,381	21,299,820	24,567,827	22,565,307	2,002,520
Excess (deficiency) of revenues over expenditures	(38,200)	(166,123)	(57,739)	108,384	(1,682,480)	(4,746,187)	(1,515,809)	3,230,378
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of notes					400,000	870,000	920,000	50,000
Operating transfers - in	42,764	42,692	43,632	940	175,764	285,692	206,599	(79,093)
Operating transfers - out	(143,600)	(153,600)	(95,559)	58,041	(193,700)	(264,700)	(206,599)	58,101
Advances - in							13,050	13,050
Advances - out						(13,050)	(13,050)	
TOTAL OTHER FINANCING SOURCES (USES)	(100,836)	(110,908)	(51,927)	58,981	382,064	877,942	920,000	42,058
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(139,036)	(277,031)	(109,666)	167,365	(1,300,416)	(3,868,245)	(595,809)	3,272,436
Decertification of prior year encumbrances			85	85			162,093	162,093
Fund balances, beginning of year	694,718	694,718	694,718		12,300,447	12,300,447	12,300,447	
Fund balances, end of year	\$ 555,682	\$ 417,687	\$ 585,137	\$ 167,450	\$ 11,000,031	\$ 8,432,202	\$ 11,866,731	\$ 3,434,529

See notes to financial statements.

CITY OF MIDDLEBURG HEIGHTS, OHIO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -
ALL PROPRIETARY FUND TYPES**

For the Year Ended December 31, 2000

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
OPERATING REVENUES				
Charges for services		\$ 1,013,815	\$ 1,013,815	\$ 743,610
Other income		24,531	24,531	135,680
TOTAL OPERATING REVENUES		<u>1,038,346</u>	<u>1,038,346</u>	<u>879,290</u>
OPERATING EXPENSES				
Contractual services	\$ 9,652		9,652	11,441
Benefit payments		701,487	701,487	779,959
Insurance premiums and loss provision		162,574	162,574	103,317
TOTAL OPERATING EXPENSES	<u>9,652</u>	<u>864,061</u>	<u>873,713</u>	<u>894,717</u>
OPERATING INCOME (LOSS)	<u>(9,652)</u>	<u>174,285</u>	<u>164,633</u>	<u>(15,427)</u>
NONOPERATING REVENUES				
Interest income	8,823	33,540	42,363	21,946
TOTAL NONOPERATING REVENUES	<u>8,823</u>	<u>33,540</u>	<u>42,363</u>	<u>21,946</u>
NET INCOME (LOSS)	<u>(829)</u>	<u>207,825</u>	<u>206,996</u>	<u>6,519</u>
Retained earnings, beginning of year	137,163	341,223	478,386	471,867
Retained earnings, end of year	<u>\$ 136,334</u>	<u>\$ 549,048</u>	<u>\$ 685,382</u>	<u>\$ 478,386</u>

See notes to financial statements.

CITY OF MIDDLEBURG HEIGHTS, OHIO

STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES

For the Year Ended December 31, 2000

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers		\$ 1,112,013	\$ 1,112,013	\$ 833,426
Cash payments to suppliers for goods or services	\$ (8,765)	(853,870)	(862,635)	(942,478)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(8,765)	258,143	249,378	(109,052)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	8,812	31,692	40,504	22,658
NET CASH PROVIDED BY INVESTING ACTIVITIES	8,812	31,692	40,504	22,658
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	47	289,835	289,882	(86,394)
Cash and cash equivalents, beginning of year	138,161	298,446	436,607	523,001
Cash and cash equivalents, end of year	<u>\$ 138,208</u>	<u>\$ 588,281</u>	<u>\$ 726,489</u>	<u>\$ 436,607</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ (9,652)	\$ 174,285	\$ 164,633	\$ (15,427)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Change in assets and liabilities:				
Decrease (increase) in accounts receivable		73,667	73,667	(45,864)
Increase (decrease) in accounts payable	880		880	135
Increase (decrease) in claims payable		10,191	10,191	(47,905)
Increase (decrease) in due to other governments	7		7	9
TOTAL ADJUSTMENTS	887	83,858	84,745	(93,625)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (8,765)</u>	<u>\$ 258,143</u>	<u>\$ 249,378</u>	<u>\$ (109,052)</u>

See notes to financial statements.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Middleburg Heights, Ohio (City) operates under an elected Mayor-Council form of government and provides the following services: public safety (police and fire), highway and streets maintenance, parks and recreation, public improvements, community development (planning and zoning), public health and certain social services, and general administrative services.

Reporting Entity: The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. This definition of reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity."

The City of Middleburg Heights primary government consists of all funds and departments, which are not legally separate from the City. They include a police force, a fire fighting force, a service department, a building department, a recreation department, and a staff to provide essential support to these service providers.

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

The Southwest General Health Center is an Ohio nonprofit corporation providing health services to the communities of Berea, Brook Park, Middleburg Heights, Olmsted Falls, Strongsville, and Columbia Township. Each of these governments supports the hospital through property tax levies and has representation on the board of trustees. The Southwest General Hospital Agency Fund accounts for the property tax resources, which are subsequently distributed, to the Health Center. The Southwest General Health Center is a jointly governed organization.

The significant accounting policies followed in the preparation of these financial statements are summarized below.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

A. Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenues and financing sources are derived primarily from taxes and special assessments.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or roads (other than those financed by the Proprietary Funds). Revenues and financing sources are derived primarily from the issuance of bonds and a portion of city income taxes.

Proprietary Fund Types

Enterprise Fund - An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges. The City's Enterprise Fund is the Sewer District Fund. Refer to note 8.

Internal Service Fund - An Internal Service Fund is used to account for the goods or services provided to certain City departments and funds or to other governments on a cost reimbursement basis. The City's Internal Service Fund is the Health Insurance Reserve Fund.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

Fiduciary Fund Types

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust Funds and Agency Funds.

Account Groups

General Fixed Assets - Fixed assets acquired or constructed for general governmental services, exclusive of fixed assets acquired by the Enterprise Fund, are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

General Long-Term Obligations - All unmatured long-term indebtedness including special assessment debt for which the government is obligated in some manner is reported in the General Long-Term Obligations Account Group. This debt is backed by the full faith and credit of the City.

B. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on their balance sheets. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements for the Proprietary Funds present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

C. Basis of Accounting

The modified accrual basis of accounting is used for reporting purposes by the Governmental Fund Types and Fiduciary Fund Types. Under this method of accounting, the City recognizes revenue when it becomes both measurable and available to finance expenditures of the current period. To be measurable, the amount of the transaction must be determinable. The City considers revenues collected within 60 days after year-end as available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Principal and interest on general long-term and special assessment debt are recognized when due or when amounts have been accumulated in the debt service fund for payment to be made early in the following year.

Revenues accrued at the end of the year consist primarily of income taxes withheld by employers, interest on investments, intergovernmental revenues (including motor vehicle license fees, gasoline tax, and local government assistance), and fines and forfeitures.

Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Special assessment levies not yet payable are recorded as receivables and equally offset by deferred revenue, which is recognized as revenue when the receivable becomes current. Property taxes measurable as of December 31, 2000 and delinquent property taxes, whose availability is indeterminate and which are not intended to finance the current year, have also been recorded as deferred revenue.

Financial transactions for proprietary funds are recorded on the accrual basis of accounting; revenues are recognized when earned and measurable, and expenses are recognized as incurred.

With respect to proprietary activities, the City has adopted GASB Statement 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, except those pronouncements that conflict with or contradict GASB pronouncements.

D. Budgeting Process

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

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

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

Appropriations - Ohio law requires that an annual permanent appropriation ordinance to control cash disbursements be legally enacted no later than April 1 of the fiscal year for which it applies. The City's policy is to pass the permanent operating appropriation ordinance in December of each year effective for the period January 1 to December 31 of the following year and to pass the Capital Improvement budget by April 1. The appropriation ordinance may be amended during the year, as new information becomes available, provided that total appropriations do not exceed estimated resources, as certified. Amendments to the 2000 appropriation ordinance were approved by City Council as provided by the City Charter. Amendments to the 2000 appropriation ordinance by fund type were immaterial in nature. The City maintains budgetary control by not permitting expenditures to exceed appropriations for personnel costs (including benefits), and other costs within a department of the City without the approval of City Council. Adjustments to the budget can only be made within a department and then within each category by the Director of Finance, upon request by the department head and approval of the Mayor. Additional legislation is needed in order to move budget authority from "personnel" to "other" or vice versa, or between departments. Capital items are appropriated by line item and must be approved by Council for any increase or transfer. The City adopts annual appropriations for each fund.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

The actual results of operations as compared to the amended appropriations passed by Council are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types in accordance with the City's budgetary process (budget basis) to provide a meaningful comparison of actual results with the budget for all governmental funds. Several supplemental appropriation measures were legally enacted during 2000.

Additionally, the City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP basis).

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
3. Encumbrances are recorded as expenditures (budget) as opposed to reservation of fund balance (GAAP).
4. Proceeds from and principal payments on short-term obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

A reconciliation of the results of operations for the year on the GAAP basis to the budget basis is as follows:

	Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses				
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Fund	Expendable Trust Fund
GAAP basis	\$ 1,448,683	\$ 94,757	\$ 260,368	\$ (7,276,963)	\$ (88,133)
Increase (decrease):					
Accrued receivables at December 31, 2000, not recognized in the 2000 budget	(3,135,431)	(614,166)	(2,991,825)	(459,804)	(20)
Accrued receivables at December 31, 1999, recognized in the 2000 budget	2,652,122	542,264	3,034,396	625,317	1
Expenditures accrued as liabilities at December 31, 2000, not recognized in the 2000 budget	2,211,039	831,501	2,391,949	1,239,163	3,690
Expenditures accrued as liabilities at December 31, 1999, recognized in the 2000 budget	(1,838,281)	(471,848)	(2,668,034)	(3,124,092)	(25,215)
Net impact of encumbrances on budget basis expenditures	(53,609)	(353,779)		7,170,130	11
Budget basis	<u>\$ 1,284,523</u>	<u>\$ 28,729</u>	<u>\$ 26,854</u>	<u>\$ (1,826,249)</u>	<u>\$ (109,666)</u>

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized during the year for budget control purposes. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. The City honors the contracts represented by year-end encumbrances. Unencumbered budgetary appropriations lapse at the end of the year.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

F. Cash and Cash Equivalents

Cash received by the City is deposited into several bank accounts. Monies for all funds, including Enterprise Funds, are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the City's records. During 2000, investments consisted primarily of certificates of deposit, U.S. Treasury and agency obligations and time deposits. These investments are reported at fair value, which is based on quoted market prices. Individual investments are specifically identified as to which fund or funds the investment relates and to which funds the related interest earnings are to be credited. Cash with fiscal agent is cash segregated for payment of matured debt principal and interest.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balances of these accounts are presented on the combined balance sheet under the caption "Cash with Fiscal Agent" and represent deposits or short-term investments in U.S. Treasury Bills.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with maturity of three months or less at the time they were purchased by the City are considered to be cash equivalents.

G. Fixed Assets

Fixed assets include land, buildings, improvements and equipment owned by the City. When purchased, such assets are recorded as expenditures in the Governmental Funds and accounted for in the General Fixed Asset Account Group. Infrastructure fixed assets such as streets, sidewalks, curbs and gutters are not capitalized.

All fixed assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their fair market value on the date received.

Depreciation is not provided in the General Fixed Assets Account Group.

Estimated useful lives of the various classes of fixed assets are as follows:

- Buildings and improvements 45 years
- Furniture and fixtures 10 years
- Machinery and equipment 5 - 15 years

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

H. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences".

City employees earn vacation leave at graduated rates based on length of service. The City accrues the vacation leave benefits as earned. At December 31, 2000 all vacation leave, not expected to be paid within 60 days is recorded as a liability in the General Long-Term Obligations Account Group.

City employees earn sick leave, which if not taken, accumulates until retirement. Upon retirement, an employee is paid one-third of the accumulated sick leave, subject to certain limitations, calculated at current wage rates. The estimated earned benefit to be paid at retirement for the Governmental Funds has been recorded in the General Long-Term Obligations Account Group, representing the City's commitment to fund such costs from future operations.

I. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including transfers of resources to provide services, construct assets and service debt. Such transactions are generally reflected as operating transfers or reimbursements in the accompanying financial statements.

J. Total Columns In Combined Financial Statements

The total columns in the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated information in conformity with generally accepted accounting principles.

NOTE 2 - DEFICIT FUND BALANCE

At December 31, 2000 the Signalization Capital Projects Fund had a deficit fund balance of \$107,707. This fund deficit resulted from the application of generally accepted account principles to the financial reporting of this fund. The deficit will be eliminated through an operating transfer from the General Fund in 2001.

NOTE 3 – DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents".

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

Deposits: Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. The City's policy is to place deposits only with major local commercial banks and savings and loan institutions. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to 105% of the excess of deposits not insured by the Federal Deposit Insurance Corporation.

Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of the state and its municipalities. The collateral is held in the name of the financial institution holding the City's deposits.

At year-end, the total amount of the City's deposits, including certificates of deposit of \$1,883,000, was \$2,579,020 and the bank balance was \$2,848,939. Of the bank balance, \$350,889 was covered by federal depository insurance and the remaining \$2,498,050 was uninsured but collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments: The City's investment policies are governed by state statutes and its own investment policy which authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bonds and other state obligations, commercial paper, bankers acceptances, State Treasurer Asset Reserve of Ohio (STAR Ohio) and repurchase transactions. Such repurchase transactions are not to exceed a period of thirty days.

The City's investments are detailed below and are categorized to give an indication of the level of risk assumed by the City at year-end. The categorized investments include those which are classified as cash and cash equivalents in accordance with the provisions of GASB Statement No. 9. Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty or by its trust department or agent but not in the City's name.

	Risk Category			Fair Value
	1	2	3	
Repurchase Agreements			\$ 433,210	\$ 433,210
Commercial Paper			440,609	440,609
U.S. Agency Obligations			7,007,899	7,007,899
			\$ 7,881,718	7,881,718
State Treasury Asset				
Reserve of Ohio (STAR Ohio)				4,628,262
Manuscript Bond				214,093
Total Investments				\$ 12,724,073

All investments are reported at fair value, which equals their carrying amount.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

The City invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2000. The amounts invested with STAR Ohio are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

The City of Middleburg Heights has implemented GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investments Pools." The statement established accounting and reporting guidelines for government investments and investment pools.

NOTE 4 - INCOME TAXES

The City levies an income tax of 1.75% on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit of 100% for all income taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit this tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits tax collected for the City each month, net of a fee for their service.

On August 5, 1997, Middleburg Heights residents approved an increase in the municipal income tax rate from 1% to 1.75% to fund the construction and operation of a new community center and a new service center, to fix and maintain roads and to improve city safety forces. After voters approved the tax increase, Council increased the income tax credit for residents who work outside of Middleburg Heights from 75% to 100%. The new tax rate became effective January 1, 1998.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the City. The assessed value upon which the 2000 levy was based was \$520,453,969. Ohio law prohibits taxation of property from all taxing authorities in excess of ten mills of assessed value without a vote of the people. The City's current share of unvoted property tax is 4.45 mills of assessed value. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. A revaluation was completed in 2000. The Cuyahoga County (County) Auditor establishes assessed values. The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, Continued

December 31, 2000

Real property taxes, excluding public utility property, are assessed at 35% of appraised market value. Pertinent real property tax dates are:

- Collection Date January 20 and June 20 of the current year
- Lien Date January 1 of the year preceding the collection year
- Levy Date October 1 of the year preceding the collection year

Tangible personal property taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. For the collection year 2000, the percentage used to determine taxable value of personal property and inventory was 25%. Pertinent tangible personal property tax dates are:

- Collection Date April 30 and September 30 of the current year
- Lien Date January 1 of the current year
- Levy Date October 1 of the year preceding the collection year

Public utility tangible personal property currently is assessed at 100% of its true value except for rural electric companies (50%) and railroads (25%). Pertinent public utility tangible personal property tax dates are:

- Collection Date January 20 and June 20 of the current year
- Lien Date December 31 of the second year preceding the collection year
- Levy Date October 1 of the year preceding the collection year

Property taxes measurable as of December 31, 2000 and delinquent property taxes, whose availability is indeterminate and which are not intended to finance the current year, have been recorded as taxes receivable with an offset to deferred revenue.

NOTE 6 - INTERFUND TRANSACTIONS

Interfund balances at December 31, 2000 consist of the following individual fund receivables and payables:

	Due From	Due To
GENERAL FUND	\$ 23,050	
SPECIAL REVENUE FUNDS		
Law Enforcement and Education	175	
AGENCY FUNDS		
Mayor's Court		\$ 23,225
	\$ 23,225	\$ 23,225

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

NOTE 7 – FIXED ASSETS

A summary of changes in General Fixed Assets during the year ended December 31, 2000 were as follows:

	Balance January 1, 2000	Additions	(Disposals)	Transfers	Balance December 31, 2000
Land and improvements	\$ 2,463,192	\$ 334,110	\$ (50,000)		\$ 2,747,302
Building and improvements	11,845,756	1,104,999		\$ 16,636,347	29,587,102
Furniture and fixtures	137,824	127,504			265,328
Machinery and equipment	4,299,068	1,041,804	(57,382)		5,283,490
Construction in progress	10,884,478	5,760,069		(16,636,347)	8,200
Totals	<u>\$ 29,630,318</u>	<u>\$ 8,368,486</u>	<u>\$ (107,382)</u>	<u>\$ -0-</u>	<u>\$ 37,891,422</u>

NOTE 8 - ENTERPRISE FUND

Effective December 30, 1992, the City discontinued operations of its sewage treatment plant by contracting with the Northeast Ohio Regional Sewer District to provide sewer services. The assets of the sewage treatment plant consist primarily of land and buildings that are to be sold and have been reclassified, at their net realizable value, to net assets held for sale.

NOTE 9 - DEBT AND LONG-TERM OBLIGATIONS

Debt and long-term obligations of the City payable as of December 31, 2000 is as follows:

	Balance January 1, 2000	Additions	(Reductions)	Balance December 31, 2000
Short Term Obligations:				
Bond Anticipation Notes Payable:				
3.85% to 4.20% General Obligation due in 2000	\$ 1,600,000		\$ (1,600,000)	
4.88% to 5.25% General Obligation due in 2001		\$ 920,000		\$ 920,000
TOTAL	<u>\$ 1,600,000</u>	<u>\$ 920,000</u>	<u>\$ (1,600,000)</u>	<u>\$ 920,000</u>

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

	Balance January 1, 2000	Additions	(Reductions)	Balance December 31, 2000
General Long-Term Obligations:				
General Obligation Bonds:				
3.35% to 6.75% unvoted General Obligation Bonds due through 2018	\$ 27,858,536		\$ (1,594,398)	\$ 26,264,138
Special Assessment Bonds:				
3.35% to 6.75% Special Assessment Obligation Bonds due through 2018	1,418,764		(62,609)	1,356,155
Other Long-Term Obligations:				
Accrued payroll-vacation	491,653	\$ 82,082		573,735
Accrued payroll-sick leave	596,910	58,799		655,709
TOTAL	\$ 30,365,863	\$ 140,881	\$ (1,657,007)	\$ 28,849,737

During the year ended December 31, 2000, the City issued bond anticipation notes "BANs" in the aggregate amount of \$920,000. The City intends to retire \$350,000 of the BANs upon maturity with available cash, issue bonds to retire \$450,000 and replace \$120,000 of the BANs with other BANs that mature more than twelve months after the balance sheet date.

In 1999, the City issued \$216,000 of manuscript bonds to pay, in anticipation of the collection of special assessments levied, the property owners' portion of the cost of improving Fowles Road and Big Creek Parkway between certain termini by constructing sanitary sewers. The outstanding principal balance as of December 31, 2000 is \$214,093.

In 1998, the City defeased a general obligation bond issue by placing the proceeds of new bonds in an irrevocable escrow account to provide for all future debt service payments on the old bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's General Long-Term Obligations Account Group. As of December 31, 2000, the amount of defeased debt outstanding amounted to \$2,995,000.

During 1992, the Special Assessment Bond Fund issued \$102,000 of special assessment bonds ("bonds") to pay for the costs of constructing sanitary sewers. The bonds were purchased by the City's General Obligation Bond Retirement Fund and the proceeds were utilized to retire the bond anticipation notes, which were issued in 1991. The bonds bear interest of 6.75% per year with principal of \$5,100 and interest payable on December 1 each year through December 1, 2012. The outstanding principal balance as of December 31, 2000 is \$61,200.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, Continued

December 31, 2000

The City's future bonds payable debt service requirements at December 31, 2000 follows:

Due In	General Obligation Bonds		Special Assessment Bonds		Total
	Principal	Interest	Principal	Interest	
2001	\$ 1,642,509	\$ 1,143,800	\$ 73,932	\$ 66,387	\$ 2,926,628
2002	1,621,621	1,082,289	75,201	63,208	2,842,319
2003	1,560,289	1,020,035	76,936	59,902	2,717,162
2004	1,604,402	960,739	78,251	56,458	2,699,850
2005	1,628,514	898,163	79,593	52,890	2,659,160
2006-2018	18,206,803	5,208,356	972,242	322,279	24,709,680
	\$ 26,264,138	\$ 10,313,382	\$ 1,356,155	\$ 621,124	\$ 38,554,799

Special assessment bonds are being retired by assessments against the affected property owners. The City would be obligated to pay the bonds should the assessments not be collected. Management does not foresee any circumstances that would change the current source of funding for these obligations.

All general obligation bonds and notes outstanding are backed by the full faith and credit of the City.

Conduit Debt Obligations: On December 2, 1999 the City entered into a \$3,650,000 lease-sublease purchase agreement with the Southwest General Health Center and a local financial institution for the purpose of paying the cost of various medical equipment. The City is not obligated in any way to make rental payments from any of its funds pursuant to this lease, and therefore, they have been excluded entirely from the City's debt presentation.

On December 29, 1997 the City issued \$30,000,000 of Variable Rate Demand Hospital Improvement Revenue Bonds, Series 1997 for the purpose of providing funds to pay the cost of various Southwest General Health Center facility improvements. The City is not obligated in any way to pay debt charges on these bonds from any of its funds, and therefore, they have been excluded entirely from the City's debt presentation.

On October 1, 1995 the City issued \$41,615,000 of Hospital Improvement Refunding Revenue Bonds, Series 1995 for the purpose of providing funds to pay costs of Hospital Facilities to be used by Southwest General Health Center and to advance refund the Hospital Improvement Revenue Bonds, Series 1991. The City is not obligated in any way to pay debt charges on these bonds from any of its funds, and therefore, they have been excluded entirely from the City's debt presentation.

At December 31, 2000, the aggregate principal amount of conduit debt obligations outstanding is \$67,878,241.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

NOTE 10 - PENSION AND RETIREMENT PLANS

The City has implemented GASB No. 27 "Accounting for Pensions of State and Local Government Employees", which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets and note disclosures in the financial reports of the state and local government employers.

The City contributes to two cost-sharing multiple-employer defined benefit plans: (1) Public Employees Retirement System of Ohio (PERS), and (2) Ohio Police and Fire Pension Fund (OP&F). Both plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code for PERS and Chapter 742 for OP&F. PERS and OP&F issue stand-alone financial reports. Interested parties may obtain a copy from PERS by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS. Interested parties may obtain a copy from OP&F by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

The funding policy for the above plans is as follows:

Public Employees Retirement System of Ohio: The Ohio Revised Code provides statutory authority for employee and employer contributions. During 2000, PERS employees contributed 8.5% of their salary to the plan. The Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The rate rollback was 20% for local governments, resulting in the City contributing 10.84% of covered payroll to the plan for 2000, of which 4.3% was applied towards the health care program for retirants. The City's contributions to PERS for the years ending December 31, 2000, 1999, and 1998 were \$420,034, \$422,261 and \$376,956, respectively, equal to the required contributions for each year.

Ohio Police and Fire Pension Fund: The Ohio Revised Code provides statutory authority for employee and employer contributions. During 2000, plan members contributed 10% of their salary to the plan and the City contributed 19.5% of gross salary for police officers and 24.0% for firefighters, of which 7.25% was applied towards the health care program for retirants. The City's contributions to OP&F for the years ending December 31, 2000, 1999, and 1998 were \$620,262, \$568,709 and \$564,389, respectively, equal to the required contributions for each year.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

State statute provides that the City fund health care benefits as a post-employment benefit through employer contributions to PERS and the OP&F.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

Public Employees Retirement System of Ohio: PERS provides post-retirement health care coverage to age and service retirants with 10 years or more of qualifying service credit. The post-retirement health care benefits cover disability recipients and primary survivor recipients. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of the City's contribution funds post-retirement health care coverage. During 2000, the City's portion that was used to fund health care was \$174,105, representing 4.3% of covered payroll.

The post-retirement health care coverage is advance-funded on an actuarially determined basis. The following assumptions and calculations were based on PERS's latest actuarial review performed as of December 31, 1999: an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 1999 was 7.75%; all investments are carried at market value; for actuarial valuation purposes, a smoothed market approach is used—meaning that assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.75% compounded annually, with no change in the number of active employees; annual pay increases over and above the 4.75% base increase were assumed to range from 0.54% to 5.1%; and health care costs are assumed to increase 4.75% annually. The actuarially accrued post-retirement health care liability for PERS at December 31, 1999 was \$12,473,600,000. The net assets were \$10,805,500,000, leaving an unfunded actuarial accrued liability of \$1,668,100,000. The number of active contributing participants was 401,339.

Ohio Police and Fire Pension Fund: OP&F provides post-retirement health care coverage to any police officer or firefighter who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a two-thirds basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Post-retirement health care coverage is funded by a portion of the City's contribution and is determined on a pay-as-you-go basis.

A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.0% and 7.25% of covered payroll in 1999 and 2000, respectively. The allocation is 7.5% in 2001. Since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. During 2000, the City's portion that was used to fund health care was \$123,243 for police and \$90,677 for firefighters. The number of participants eligible to receive health care benefits as of December 31, 1999, the date of the last actuarial valuation available, was 12,467 and 9,807 for police and firefighters, respectively. OP&F's total health care expense for the year ended December 31, 1999, the date of the last actuarial valuation available, was \$95,004,633, which was net of member contributions of \$5,518,098.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

NOTE 12 - CONTRIBUTED CAPITAL

During the year, contributed capital changed by the following amounts in the Proprietary Funds:

	<u>Sewer District</u>
Balance January 1, 2000	\$ 458,000
Total additions	
Balance December 31, 2000	<u>\$ 458,000</u>

NOTE 13 - SOUTHWEST GENERAL HEALTH CENTER

The Southwest General Health Center is an Ohio nonprofit corporation providing health services to the communities of Berea, Brook Park, Middleburg Heights, Olmsted Falls, Strongsville, and Columbia Township. Each of these governments supports the hospital through property tax levies. The City of Middleburg Heights contributed \$218,696 of property tax revenues in 2000 to the Health Center. The Southwest General Health Center is a jointly governed organization.

The Health Center is governed by a board of trustees consisting of the following: one person who is a member of the legislative body from each of the political subdivisions, one person residing in each political subdivision who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president of the corporation, the president of the medical staff, the vice president of the medical staff, and the executive vice president of the corporation. The legislative bodies of each political subdivision elect their members to serve on the Board of Trustees of the Health Center.

NOTE 14 - RISK MANAGEMENT

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 the year the City contracted with Phelan Risk Management Services Company to manage our insurance coverage. The coverage limits on December 31, 2000, per occurrence, for various types of coverage are as follows:

Comprehensive general liability	Specialty National Ins. Co.	\$1million per occurrence/ 3 million aggregate
Blanket building and contents	Specialty National Ins. Co.	37,350,577
Boiler and machinery coverage	Travelers Property and Casualty	20 million
Inland marine coverage	Specialty National Ins. Co.	535,679
Automobile liability	Specialty National Ins. Co.	1 million
Public officials liability	Specialty National Ins. Co.	1 million
Police professional liability	Specialty National Ins. Co.	1 million
Public employee blanket bond	Specialty National Ins. Co.	100,000
Excess umbrella liability	Specialty National Ins. Co.	10 million

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

Settled claims have not exceeded coverage for the past three years.

The City provides two different medical plans for full time employees and council members and their families. A traditional plan with a Preferred Provider Organization is self funded and administered by a third party administrator. A Health Maintenance Organization plan is also offered and is fully insured. All covered employees also receive prescription benefits, vision and dental plans. Full time employees are covered by a \$20,000 term life insurance policy.

Under the traditional medical plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has purchased stop loss coverage of \$40,000 per individual and \$889,416 aggregate. In 2000, the City funded the self-insurance reserve \$295 per month for single coverage and \$750 per month for family coverage. These rates are paid by the fund from which the employee's compensation is paid.

The claims liability of \$44,887, as estimated by the third party administrator and reported in the internal service fund at December 31, 2000, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claim liability balance for the years ended 1999 and 2000 are as follows:

	Estimated Claims Payable January 1	Current-Year Claims and Changes in Estimates	Claims Payments	Estimated Claims Payable December 31
1999	\$ 82,601	\$ 729,841	\$ (777,746)	\$ 34,696
2000	34,696	701,487	(691,296)	44,887

The State of Ohio provides workers' compensation coverage. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 15 - CONTINGENT LIABILITIES

There are several pending lawsuits in which the City is involved. City officials, after consultation with the City's Law Director, are of the opinion that potential uninsured claims against the City would not materially affect the financial statements.

CITY OF MIDDLEBURG HEIGHTS, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, *Continued*

December 31, 2000

NOTE 16 - COMMITMENTS

At December 31, 2000, uncompleted construction and other significant contracts were as follows:

Description	Remaining Commitment
Street improvements	\$ 775,599
Engle road widening	470,384
Rescue vehicle	298,338
Patrol vehicles	85,208
Community Center	80,388
Sidewalk improvements	79,273
Pearl road specifications	59,625
Signalization	56,717
Salt	52,346
Solid waste removal	49,459
Lift truck	37,989
Job description and compensation study	36,750
Fire station floor resurfacing	25,050
Total	<u>\$ 2,107,126</u>

NOTE 17 – SUBSEQUENT EVENT

On March 13, 2001, the Middleburg Heights City Council authorized the issuance and sale of notes in anticipation of the issuance of bonds in an amount not to exceed \$1,400,000. Proceeds will be used to finance the resurfacing of Pearl Road between Sprague Road and West 130th Street.

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CITY OF MIDDLEBURG HEIGHTS, OHIO

GENERAL FUND

COMPARATIVE FINANCIAL STATEMENTS

**THE GENERAL FUND IS ESTABLISHED TO
ACCOUNT FOR ALL FINANCIAL RESOURCES
EXCEPT THOSE REQUIRED TO BE ACCOUNTED
FOR IN ANOTHER FUND**

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMPARATIVE BALANCE SHEET - GENERAL FUND

December 31, 2000 and 1999

	Totals	
	2000	1999
ASSETS		
Equity in pooled cash and cash equivalents	\$ 6,901,099	\$ 5,536,550
Receivables - net of allowances:		
Taxes	2,522,874	2,348,571
Accounts	17,147	19,303
Accrued interest	113,129	36,271
Due from other governments	432,814	210,243
Due from other funds	23,050	37,734
TOTAL ASSETS	\$ 10,010,113	\$ 8,188,672
LIABILITIES		
Accounts payable	\$ 131,094	\$ 96,722
Accrued payroll:		
Wages and benefits	417,280	440,680
Vacation	21,368	23,518
Sick leave	17,881	25,931
Due to other governments	167,919	5,020
Deferred revenue	1,455,497	1,246,410
TOTAL LIABILITIES	2,211,039	1,838,281
FUND BALANCE		
Reserved for encumbrances	139,629	129,262
Undesignated	7,659,445	6,221,129
TOTAL FUND BALANCE	7,799,074	6,350,391
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,010,113	\$ 8,188,672

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

For the Years Ended December 31, 2000 and 1999

	Totals	
	2000	1999
REVENUES		
Property taxes	\$ 1,156,726	\$ 1,143,911
Income taxes	6,735,091	6,224,576
Other local taxes	718,032	679,142
Intergovernmental revenues	1,338,273	1,095,839
Charges for services	76,332	56,450
Fines, licenses and permits	765,738	803,659
Interest earnings	480,381	292,296
Miscellaneous revenue	110,145	86,081
TOTAL REVENUES	11,380,718	10,381,954
EXPENDITURES		
Current:		
Public safety	4,623,787	4,522,060
Public health and welfare	20,879	19,522
Community development	405,971	389,869
Sanitation	641,825	612,496
General government	4,181,500	3,491,258
TOTAL EXPENDITURES	9,873,962	9,035,205
Excess (deficiency) of revenues over expenditures	1,506,756	1,346,749
OTHER FINANCING SOURCES (USES)		
Operating transfers - in	52,967	1,043
Operating transfers - out	(111,040)	(770,100)
TOTAL OTHER FINANCING SOURCES (USES)	(58,073)	(769,057)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,448,683	577,692
Fund balance, beginning of year	6,350,391	5,772,699
Fund balance, end of year	\$ 7,799,074	\$ 6,350,391

CITY OF MIDDLEBURG HEIGHTS, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL**

For the Year Ended December 31, 2000

	General Fund			
	Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 1,169,970	\$ 1,169,970	\$ 1,156,726	\$ (13,244)
Income taxes	6,541,576	6,541,576	6,738,532	196,956
Other local taxes	640,000	640,000	720,983	80,983
Intergovernmental revenues	792,989	792,989	1,242,524	449,535
Charges for services	33,750	33,750	76,332	42,582
Fines, licenses and permits	771,932	771,932	764,013	(7,919)
Interest earnings	200,000	200,000	377,854	177,854
Miscellaneous revenue	25,000	25,000	16,483	(8,517)
TOTAL REVENUES	10,175,217	10,175,217	11,093,447	918,230
EXPENDITURES				
PUBLIC SAFETY				
Police				
Personnel	2,541,513	2,557,513	2,524,241	33,272
Other	291,700	301,700	258,432	43,268
Total police	2,833,213	2,859,213	2,782,673	76,540
Fire				
Personnel	1,740,561	1,755,561	1,666,952	88,609
Other	208,000	218,000	179,332	38,668
Total fire	1,948,561	1,973,561	1,846,284	127,277
Safety director				
Personnel	21,121	21,121	20,912	209
Other	100	100	63	37
Total safety director	21,221	21,221	20,975	246
TOTAL PUBLIC SAFETY	4,802,995	4,853,995	4,649,932	204,063
PUBLIC HEALTH AND WELFARE				
Senior Bus				
Personnel	20,565	20,565	19,224	1,341
Other	6,200	6,200	1,517	4,683
Total senior bus	26,765	26,765	20,741	6,024
TOTAL PUBLIC HEALTH AND WELFARE	26,765	26,765	20,741	6,024
COMMUNITY DEVELOPMENT				
Planning and zoning				
Personnel	40,508	40,508	39,441	1,067
Other	3,000	3,000	1,662	1,338
Total planning and zoning	43,508	43,508	41,103	2,405

CITY OF MIDDLEBURG HEIGHTS, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Building				
Personnel	306,181	322,181	276,896	45,285
Other	23,650	23,650	15,250	8,400
Total building	329,831	345,831	292,146	53,685
Engineer				
Personnel	76,364	76,364	75,682	682
Other	3,000	3,000	2,500	500
Total engineer	79,364	79,364	78,182	1,182
TOTAL COMMUNITY DEVELOPMENT	452,703	468,703	411,431	57,272
SANITATION				
Refuse removal				
Other	650,000	650,000	638,142	11,858
Total refuse removal	650,000	650,000	638,142	11,858
TOTAL SANITATION	650,000	650,000	638,142	11,858
GENERAL GOVERNMENT				
Mayor's court				
Personnel	117,904	117,904	111,923	5,981
Other	31,675	31,675	26,431	5,244
Total mayor's court	149,579	149,579	138,354	11,225
Mayor				
Personnel	286,371	286,371	278,116	8,255
Other	19,150	19,150	13,001	6,149
Total mayor	305,521	305,521	291,117	14,404
Finance				
Personnel	332,914	332,914	307,285	25,629
Other	45,512	47,512	45,131	2,381
Total finance	378,426	380,426	352,416	28,010
Law				
Personnel	166,945	166,945	158,150	8,795
Other	72,050	80,050	51,559	28,491
Total law	238,995	246,995	209,709	37,286
Service				
Personnel	1,839,027	2,003,240	1,926,601	76,639
Other	213,100	273,100	219,302	53,798
Total service	2,052,127	2,276,340	2,145,903	130,437

CITY OF MIDDLEBURG HEIGHTS, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)- GENERAL FUND-LEGAL APPROPRIATION LEVEL, Continued

For the Year Ended December 31, 2000

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Council				
Personnel	233,078	230,578	214,093	16,485
Other	20,680	23,180	13,633	9,547
Total council	253,758	253,758	227,726	26,032
Board and commissions				
Personnel	8,018	8,018	4,106	3,912
Other	1,750	1,750	1,542	208
Total board and commissions	9,768	9,768	5,648	4,120
City hall-general government				
Personnel	10,300	10,300		10,300
Other	494,580	697,652	546,216	151,436
Total city hall-general government	504,880	707,952	546,216	161,736
Statutory accounts				
Other	306,931	306,931	126,566	180,365
Total statutory accounts	306,931	306,931	126,566	180,365
TOTAL GENERAL GOVERNMENT	4,199,985	4,637,270	4,043,655	593,615
TOTAL EXPENDITURES	10,132,448	10,636,733	9,763,901	872,832
Excess (deficiency) of revenues over expenditures	42,769	(461,516)	1,329,546	1,791,062
OTHER FINANCING SOURCES (USES)				
Operating transfers - in	133,000	133,000	52,967	(80,033)
Operating transfers - out	(50,100)	(111,100)	(111,040)	60
Advances - in			13,050	13,050
TOTAL OTHER FINANCING SOURCES (USES)	82,900	21,900	(45,023)	(66,923)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	125,669	(439,616)	1,284,523	1,724,139
Decertification of prior year encumbrances			23,860	23,860
Fund balances, beginning of year	5,340,360	5,340,360	5,340,360	
Fund balances, end of year	\$ 5,466,029	\$ 4,900,744	\$ 6,648,743	\$ 1,747,999

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CITY OF MIDDLEBURG HEIGHTS, OHIO

SPECIAL REVENUE FUNDS

COMBINING FINANCIAL STATEMENTS WITH COMPARATIVE TOTALS FOR 1999

**SPECIAL REVENUE FUNDS ARE ESTABLISHED
TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE
SOURCES (OTHER THAN SPECIAL ASSESSMENTS, EXPENDABLE TRUSTS
OR SOURCES FOR MAJOR CAPITAL PROJECTS) THAT ARE RESTRICTED
BY LAW AND ADMINISTRATIVE ACTION TO EXPENDITURES
FOR SPECIFIED PURPOSES**

Street Construction, Maintenance and Repair

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of streets within the City.

State Highway

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of State highways within the City.

Sign

To account for revenue earmarked for improvements to be made to signs.

Recreation

To account for revenues and expenditures relating to leisure time activities, including in part, the Community Center's operations.

Income Tax

To account for the 3% RITA fee.

Law Enforcement and Education

Required by State law to account for the proceeds of the City's portion of fines collected on all DUI related offense convictions and related disbursements.

Law Enforcement Drug Penalty

Required by State law to account for the collection of fines imposed on certain drug offenses and disbursed to local governmental units.

Law Enforcement Contraband Seizure

Required by State law to account for the collection of proceeds from the sale of contraband.

Law Enforcement Drug Fine

Required by State law to account for the collection of fines imposed on certain drug offenses.

Medical Transport

To account for the collection of proceeds from our emergency medical care transport units and related expenditures.

Police Pension

To accumulate property taxes levied for the payment of amounts due to the state administered police disability and pension fund.

Fire Pension

To accumulate property taxes levied for the payment of amounts due to the state administered fire fighters disability and pension fund.

CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

December 31, 2000

	Street Construction, Maintenance and Repair	State Highway	Sign	Recreation	Income Tax
ASSETS					
Equity in pooled cash and cash equivalents	\$ 131,382	\$ 249,031	\$ 2,046	\$ 357,509	
Receivables - net of allowances:					
Taxes				202,838	\$ 62,445
Accounts					
Accrued interest	22	282	1	1,072	
Due from other governments	39,684	3,218			
Due from other funds					
TOTAL ASSETS	\$ 171,088	\$ 252,531	\$ 2,047	\$ 561,419	\$ 62,445
LIABILITIES					
Accounts payable	\$ 56,617			\$ 39,594	\$ 62,445
Accrued payroll:					
Wages and benefits				51,993	
Vacation				297	
Due to other governments				1,589	
Due to other funds					
Deferred revenue					
Debt:					
Bond anticipation notes payable					
TOTAL LIABILITIES	56,617			93,473	62,445
FUND BALANCE					
Reserved for encumbrances	27,630	\$ 419		10,569	
Undesignated	86,841	252,112	\$ 2,047	457,377	
TOTAL FUND BALANCE	114,471	252,531	2,047	467,946	
TOTAL LIABILITIES AND FUND BALANCE	\$ 171,088	\$ 252,531	\$ 2,047	\$ 561,419	\$ 62,445

Law Enforcement and Education	Law Enforcement Drug Penalty	Law Enforcement Contraband Seizure	Law Enforcement Drug Fine	Medical Transport	Police Pension	Fire Pension	Totals	
							2000	1999
\$ 34,948	\$ 17,770	\$ 27,521	\$ 719	\$ 393,764	\$ 54,507	\$ 54,507	\$ 1,323,704	\$ 936,297
					145,057	145,057	555,397	477,155
				7,994			7,994	17,915
13	6	10		173	140	140	1,859	978
				940			43,842	46,016
175							175	200
\$ 35,136	\$ 17,776	\$ 27,531	\$ 719	\$ 402,871	\$ 199,704	\$ 199,704	\$ 1,932,971	\$ 1,478,561
				\$ 8,852			\$ 167,508	\$ 88,096
					\$ 50,000	\$ 50,000	151,993	117,233
							297	284
							1,589	1,113
								13,050
					145,057	145,057	290,114	252,072
				220,000			220,000	
				228,852	195,057	195,057	831,501	471,848
				298,342			336,960	34,267
\$ 35,136	\$ 17,776	\$ 27,531	\$ 719	(124,323)	4,647	4,647	764,510	972,446
35,136	17,776	27,531	719	174,019	4,647	4,647	1,101,470	1,006,713
\$ 35,136	\$ 17,776	\$ 27,531	\$ 719	\$ 402,871	\$ 199,704	\$ 199,704	\$ 1,932,971	\$ 1,478,561

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2000

	Street Construction, Maintenance and Repair	State Highway	Sign	Recreation	Income Tax
REVENUES					
Property taxes					
Income taxes				\$ 1,034,899	\$ 378,907
Intergovernmental revenues	\$ 594,087	\$ 48,160			
Charges for services				639,412	
Fines, licenses and permits					
Interest earnings	9,255	15,403	\$ 440	29,557	
Miscellaneous revenue	125			14,396	
TOTAL REVENUES	603,467	63,563	440	1,718,264	378,907
EXPENDITURES					
Current:					
Public safety					
Culture and recreation				1,608,700	
Streets and highways	836,658	24,174			
General government					378,907
Debt service:					
Interest and other charges					
TOTAL EXPENDITURES	836,658	24,174		1,608,700	378,907
Excess (deficiency) of revenues over expenditures	(233,191)	39,389	440	109,564	
OTHER FINANCING SOURCES (USES)					
Operating transfers - in	60,000				
TOTAL OTHER FINANCING SOURCES (USES)	60,000				
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(173,191)	39,389	440	109,564	
Fund balances, beginning of year	287,662	213,142	1,607	358,382	
Fund balances, end of year	\$ 114,471	\$ 252,531	\$ 2,047	\$ 467,946	\$ -0-

Law Enforcement and Education	Law Enforcement Drug Penalty	Law Enforcement Contraband Seizure	Law Enforcement Drug Fine	Medical Transport	Police Pension	Fire Pension	Totals	
							2000	1999
					\$ 121,761	\$ 121,761	\$ 243,522	\$ 240,824
							1,413,806	943,397
				\$ 940	13,856	13,856	670,899	775,868
				95,274			734,686	142,770
\$ 5,824		\$ 4,175					9,999	13,773
2,208	\$ 1,116	1,625	\$ 44	16,668	3,607	3,607	83,530	40,753
							14,521	1,250
8,032	1,116	5,800	44	112,882	139,224	139,224	3,170,963	2,158,635
8,858				12,992	130,000	130,000	281,850	355,715
							1,608,700	435,125
							860,832	914,634
							378,907	366,417
				5,917			5,917	
8,858				18,909	130,000	130,000	3,136,206	2,071,891
(826)	1,116	5,800	44	93,973	9,224	9,224	34,757	86,744
							60,000	
							60,000	
(826)	1,116	5,800	44	93,973	9,224	9,224	94,757	86,744
35,962	16,660	21,731	675	80,046	(4,577)	(4,577)	1,006,713	919,969
\$ 35,136	\$ 17,776	\$ 27,531	\$ 719	\$ 174,019	\$ 4,647	\$ 4,647	\$ 1,101,470	\$ 1,006,713

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL**

For the Year Ended December 31, 2000

	Street Construction, Maintenance and Repair			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Intergovernmental revenues	\$ 820,000	\$ 595,000	\$ 596,968	\$ 1,968
Interest earnings	15,000	10,000	9,013	(987)
Miscellaneous revenue			124	124
TOTAL REVENUES	835,000	605,000	606,105	1,105
EXPENDITURES				
Streets and highways				
Personnel	445,000	346,000	340,257	5,743
Other	614,000	543,000	501,788	41,212
TOTAL STREETS AND HIGHWAYS	1,059,000	889,000	842,045	46,955
TOTAL EXPENDITURES	1,059,000	889,000	842,045	46,955
Excess (deficiency) of revenues over expenditures	(224,000)	(284,000)	(235,940)	48,060
OTHER FINANCING SOURCES (USES)				
Operating transfers - in		60,000	60,000	
TOTAL OTHER FINANCING SOURCES (USES)		60,000	60,000	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(224,000)	(224,000)	(175,940)	48,060
Decertification of prior year encumbrances			7,040	7,040
Fund balances, beginning of year	225,518	225,518	225,518	
Fund balances, end of year	\$ 1,518	\$ 1,518	\$ 56,618	\$ 55,100

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	State Highway			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Intergovernmental revenues	\$ 63,000	\$ 63,000	\$ 48,392	\$ (14,608)
Interest earnings	2,000	2,000	15,030	13,030
TOTAL REVENUES	65,000	65,000	63,422	(1,578)
EXPENDITURES				
Streets and highways				
Other	110,000	110,000	24,384	85,616
TOTAL STREETS AND HIGHWAYS	110,000	110,000	24,384	85,616
TOTAL EXPENDITURES	110,000	110,000	24,384	85,616
Excess (deficiency) of revenues over expenditures	(45,000)	(45,000)	39,038	84,038
Decertification of prior year encumbrances			421	421
Fund balances, beginning of year	208,326	208,326	208,326	
Fund balances, end of year	\$ 163,326	\$ 163,326	\$ 247,785	\$ 84,459

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Sign			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Intergovernmental revenues		\$ 11,200	\$ 11,200	
Interest earnings			429	\$ 429
TOTAL REVENUES		11,200	11,629	429
Excess (deficiency) of revenues over expenditures		11,200	11,629	429
OTHER FINANCING SOURCES (USES)				
Advances - out		(13,050)	(13,050)	
TOTAL OTHER FINANCING SOURCES (USES)		(13,050)	(13,050)	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses		(1,850)	(1,421)	429
Fund balances, beginning of year	\$ 3,456	3,456	3,456	
Fund balances, end of year	\$ 3,456	\$ 1,606	\$ 2,035	\$ 429

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Recreation			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Income taxes	\$ 900,000	\$ 900,000	\$ 994,841	\$ 94,841
Charges for services	875,000	875,000	639,412	(235,588)
Interest earnings	3,500	3,500	27,285	23,785
Miscellaneous revenue	11,000	11,000	14,396	3,396
TOTAL REVENUES	1,789,500	1,789,500	1,675,934	(113,566)
EXPENDITURES				
Culture and recreation				
Personnel	1,200,817	1,200,817	1,022,143	178,674
Other	723,600	732,600	529,833	202,767
TOTAL CULTURE AND RECREATION	1,924,417	1,933,417	1,551,976	381,441
TOTAL EXPENDITURES	1,924,417	1,933,417	1,551,976	381,441
Excess (deficiency) of revenues over expenditures	(134,917)	(143,917)	123,958	267,875
Decertification of prior year encumbrances			141	141
Fund balances, beginning of year	213,384	213,384	213,384	
Fund balances, end of year	\$ 78,467	\$ 69,467	\$ 337,483	\$ 268,016

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Income Tax			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Income taxes	\$ 374,191	\$ 379,191	\$ 378,765	\$ (426)
TOTAL REVENUES	374,191	379,191	378,765	(426)
EXPENDITURES				
General government				
Other	375,150	380,150	379,724	426
TOTAL GENERAL GOVERNMENT	375,150	380,150	379,724	426
TOTAL EXPENDITURES	375,150	380,150	379,724	426
Excess (deficiency) of revenues over expenditures	(959)	(959)	(959)	
Fund balances, beginning of year	959	959	959	
Fund balances, end of year	\$ -0-	\$ -0-	\$ -0-	\$ -0-

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Law Enforcement and Education			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Fines, licenses and permits	\$ 7,000	\$ 7,000	\$ 5,849	\$ (1,151)
Interest earnings	1,000	1,000	2,017	1,017
TOTAL REVENUES	8,000	8,000	7,866	(134)
EXPENDITURES				
Public safety				
Other		9,000	8,858	142
TOTAL PUBLIC SAFETY		9,000	8,858	142
TOTAL EXPENDITURES		9,000	8,858	142
Excess (deficiency) of revenues over expenditures	8,000	(1,000)	(992)	8
Fund balances, beginning of year	35,754	35,754	35,754	
Fund balances, end of year	\$ 43,754	\$ 34,754	\$ 34,762	\$ 8

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Law Enforcement Drug Penalty			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Interest earnings	\$ 500	\$ 500	\$ 1,018	\$ 518
TOTAL REVENUES	500	500	1,018	518
Excess (deficiency) of revenues over expenditures	500	500	1,018	518
Fund balances, beginning of year	16,657	16,657	16,657	
Fund balances, end of year	\$ 17,157	\$ 17,157	\$ 17,675	\$ 518

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Law Enforcement Contraband Seizure			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Fines, licenses and permits			\$ 4,875	\$ 4,875
Interest earnings	\$ 500	\$ 500	1,467	967
TOTAL REVENUES	500	500	6,342	5,842
Excess (deficiency) of revenues over expenditures	500	500	6,342	5,842
Fund balances, beginning of year	21,029	21,029	21,029	
Fund balances, end of year	\$ 21,529	\$ 21,529	\$ 27,371	\$ 5,842

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Law Enforcement Drug Fine Fund			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Interest earnings			\$ 40	\$ 40
TOTAL REVENUES			40	40
Excess (deficiency) of revenues over expenditures			40	40
Fund balances, beginning of year	\$ 675	\$ 675	675	
Fund balances, end of year	\$ 675	\$ 675	\$ 715	\$ 40

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Medical Transport			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Charges for services	\$ 70,000	\$ 70,000	\$ 93,296	\$ 23,296
Interest earnings	1,500	6,500	14,513	8,013
TOTAL REVENUES	71,500	76,500	107,809	31,309
EXPENDITURES				
Public safety				
Other		310,000	308,334	1,666
TOTAL PUBLIC SAFETY		310,000	308,334	1,666
TOTAL EXPENDITURES		310,000	308,334	1,666
Excess (deficiency) of revenues over expenditures	71,500	(233,500)	(200,525)	32,975
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of notes		220,000	220,000	
TOTAL OTHER FINANCING SOURCES (USES)		220,000	220,000	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	71,500	(13,500)	19,475	32,975
Fund balances, beginning of year	71,020	71,020	71,020	
Fund balances, end of year	\$ 142,520	\$ 57,520	\$ 90,495	\$ 32,975

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Police Pension			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Property taxes	\$ 122,314	\$ 122,314	\$ 121,761	\$ (553)
Intergovernmental revenues	14,000	14,000	13,856	(144)
Interest earnings	16,000	16,000	3,468	(12,532)
TOTAL REVENUES	152,314	152,314	139,085	(13,229)
EXPENDITURES				
Public safety				
Personnel	130,000	130,000	130,000	
TOTAL PUBLIC SAFETY	130,000	130,000	130,000	
TOTAL EXPENDITURES	130,000	130,000	130,000	
Excess (deficiency) of revenues over expenditures	22,314	22,314	9,085	(13,229)
Fund balances, beginning of year	45,404	45,404	45,404	
Fund balances, end of year	\$ 67,718	\$ 67,718	\$ 54,489	\$ (13,229)

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Fire Pension			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Property taxes	\$ 122,314	\$ 122,314	\$ 121,761	\$ (553)
Intergovernmental revenues	14,000	14,000	13,856	(144)
Interest earnings	16,000	16,000	3,468	(12,532)
TOTAL REVENUES	152,314	152,314	139,085	(13,229)
EXPENDITURES				
Public safety				
Personnel	130,000	130,000	130,000	
TOTAL PUBLIC SAFETY	130,000	130,000	130,000	
TOTAL EXPENDITURES	130,000	130,000	130,000	
Excess (deficiency) of revenues over expenditures	22,314	22,314	9,085	(13,229)
Fund balances, beginning of year	45,404	45,404	45,404	
Fund balances, end of year	\$ 67,718	\$ 67,718	\$ 54,489	\$ (13,229)

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS)-ALL SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Totals			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 244,628	\$ 244,628	\$ 243,522	\$ (1,106)
Income taxes	1,274,191	1,279,191	1,373,606	94,415
Intergovernmental revenues	911,000	697,200	684,272	(12,928)
Charges for services	945,000	945,000	732,708	(212,292)
Fines, licenses and permits	7,000	7,000	10,724	3,724
Interest earnings	56,000	56,000	77,748	21,748
Miscellaneous revenue	11,000	11,000	14,520	3,520
TOTAL REVENUES	3,448,819	3,240,019	3,137,100	(102,919)
EXPENDITURES				
Public safety				
Personnel	260,000	260,000	260,000	
Other		319,000	317,192	1,808
TOTAL PUBLIC SAFETY	260,000	579,000	577,192	1,808
Culture and recreation				
Personnel	1,200,817	1,200,817	1,022,143	178,674
Other	723,600	732,600	529,833	202,767
TOTAL CULTURE AND RECREATION	1,924,417	1,933,417	1,551,976	381,441
Streets and highways				
Personnel	445,000	346,000	340,257	5,743
Other	724,000	653,000	526,172	126,828
TOTAL STREETS AND HIGHWAYS	1,169,000	999,000	866,429	132,571
General government				
Other	375,150	380,150	379,724	426
TOTAL GENERAL GOVERNMENT	375,150	380,150	379,724	426
TOTAL EXPENDITURES	3,728,567	3,891,567	3,375,321	516,246
Excess (deficiency) of revenues over expenditures	(279,748)	(651,548)	(238,221)	413,327
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of notes		220,000	220,000	
Operating transfers - in		60,000	60,000	
Advances - out		(13,050)	(13,050)	
TOTAL OTHER FINANCING SOURCES (USES)		266,950	266,950	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(279,748)	(384,598)	28,729	413,327
Decertification of prior year encumbrances			7,602	7,602
Fund balances, beginning of year	887,586	887,586	887,586	
Fund balances, end of year	\$ 607,838	\$ 502,988	\$ 923,917	\$ 420,929

CITY OF MIDDLEBURG HEIGHTS, OHIO

DEBT SERVICE FUNDS

COMBINING FINANCIAL STATEMENTS

DEBT SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES FOR THE PAYMENT OF DEBT REPORTED IN THE GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP

General Obligation Bond Retirement

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Special Assessment Bond Retirement

To account for monies received from the levy of special assessments for the purpose of paying the principal and interest on special assessment bonds.

CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS

December 31, 2000

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals	
			2000	1999
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,428,572	\$ 688,428	\$ 2,117,000	\$ 1,862,152
Cash with fiscal agent	7,060		7,060	1,922
Investment in manuscript bond		214,093	214,093	216,000
Receivables - net of allowances:				
Taxes	911,017		911,017	849,394
Special assessments, deferred		2,004,795	2,004,795	2,184,895
Accrued interest	15,580	3,243	18,823	107
TOTAL ASSETS	\$ 2,362,229	\$ 2,910,559	\$ 5,272,788	\$ 5,114,470
LIABILITIES				
Matured interest	\$ 7,060		\$ 7,060	\$ 1,922
Deferred revenue	556,051	\$ 2,004,795	2,560,846	2,668,034
TOTAL LIABILITIES	563,111	2,004,795	2,567,906	2,669,956
FUND BALANCE				
Reserved for debt service	1,799,118	905,764	2,704,882	2,444,514
TOTAL FUND BALANCE	1,799,118	905,764	2,704,882	2,444,514
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,362,229	\$ 2,910,559	\$ 5,272,788	\$ 5,114,470

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL DEBT SERVICE FUNDS**

For the Year Ended December 31, 2000

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals	
			2000	1999
REVENUES				
Property taxes	\$ 466,749		\$ 466,749	\$ 461,579
Income taxes	2,230,107		2,230,107	2,233,039
Intergovernmental revenues	53,116		53,116	51,243
Special assessments		\$ 129,693	129,693	120,116
Interest earnings	151,654	63,638	215,292	128,423
Miscellaneous revenue	104,232		104,232	117,711
TOTAL REVENUES	3,005,858	193,331	3,199,189	3,112,111
EXPENDITURES				
Debt service:				
Principal retirement	1,594,398	62,609	1,657,007	1,435,100
Interest and other charges	1,211,542	70,272	1,281,814	1,534,103
TOTAL EXPENDITURES	2,805,940	132,881	2,938,821	2,969,203
Excess (deficiency) of revenues over expenditures	199,918	60,450	260,368	142,908
OTHER FINANCING SOURCES (USES)				
Operating transfers - in				1,791
TOTAL OTHER FINANCING SOURCES (USES)				1,791
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	199,918	60,450	260,368	144,699
Fund balances, beginning of year	1,599,200	845,314	2,444,514	2,299,815
Fund balances, end of year	\$ 1,799,118	\$ 905,764	\$ 2,704,882	\$ 2,444,514

CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL DEBT SERVICE FUNDS - LEGAL APPROPRIATION LEVEL

For the Year Ended December 31, 2000

	General Obligation Bond Retirement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Property taxes	\$ 470,529	\$ 470,529	\$ 466,749	\$ (3,780)
Income taxes	2,227,880	2,227,880	2,241,396	13,516
Intergovernmental revenues	52,000	52,000	53,116	1,116
Interest earnings	50,000	50,000	127,983	77,983
Miscellaneous revenue	105,000	105,000	104,232	(768)
TOTAL REVENUES	2,905,409	2,905,409	2,993,476	88,067
EXPENDITURES				
Debt service:				
Principal retirement	1,594,398	1,594,398	1,594,398	
Interest and other charges	1,214,608	1,214,608	1,211,542	3,066
TOTAL EXPENDITURES	2,809,006	2,809,006	2,805,940	3,066
Excess (deficiency) of revenues over expenditures	96,403	96,403	187,536	91,133
Fund balances, beginning of year	1,232,866	1,232,866	1,232,866	
Fund balances, end of year	\$ 1,329,269	\$ 1,329,269	\$ 1,420,402	\$ 91,133

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL DEBT SERVICE FUNDS - LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Special Assessment Bond Retirement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Special assessments	\$ 131,800	\$ 131,800	\$ 129,693	\$ (2,107)
Interest earnings	40,000	40,000	43,639	3,639
Miscellaneous revenue			14,867	14,867
TOTAL REVENUES	171,800	171,800	188,199	16,399
EXPENDITURES				
General government				
Other		216,000	216,000	
Debt service:				
Principal retirement	62,610	62,610	62,609	1
Interest and other charges	73,989	73,989	70,272	3,717
TOTAL EXPENDITURES	136,599	352,599	348,881	3,718
Excess (deficiency) of revenues over expenditures	35,201	(180,799)	(160,682)	20,117
Fund balances, beginning of year	845,286	845,286	845,286	
Fund balances, end of year	\$ 880,487	\$ 664,487	\$ 684,604	\$ 20,117

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL DEBT SERVICE FUNDS - LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Totals			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Property taxes	\$ 470,529	\$ 470,529	\$ 466,749	\$ (3,780)
Income taxes	2,227,880	2,227,880	2,241,396	13,516
Intergovernmental revenues	52,000	52,000	53,116	1,116
Special assessments	131,800	131,800	129,693	(2,107)
Interest earnings	90,000	90,000	171,622	81,622
Miscellaneous revenue	105,000	105,000	119,099	14,099
TOTAL REVENUES	3,077,209	3,077,209	3,181,675	104,466
EXPENDITURES				
General government				
Other		216,000	216,000	
Debt service:				
Principal retirement	1,657,008	1,657,008	1,657,007	1
Interest and other charges	1,288,597	1,288,597	1,281,814	6,783
TOTAL EXPENDITURES	2,945,605	3,161,605	3,154,821	6,784
Excess (deficiency) of revenues over expenditures	131,604	(84,396)	26,854	111,250
Fund balances, beginning of year	2,078,152	2,078,152	2,078,152	
Fund balances, end of year	\$ 2,209,756	\$ 1,993,756	\$ 2,105,006	\$ 111,250

CITY OF MIDDLEBURG HEIGHTS, OHIO

CAPITAL PROJECTS FUNDS

COMBINING FINANCIAL STATEMENTS WITH COMPARATIVE TOTALS FOR 1999

CAPITAL PROJECTS ARE ESTABLISHED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES

Capital Improvement

To account for the annual purchase of capital equipment and certain capital improvements financed by 20 % of income tax collections.

Signalization

To account for revenue earmarked for improvements to be made to signalization throughout the City.

Engle Road Widening

To account for revenue earmarked for improvements to be made to the widening of Engle Road.

Service Center

To account for revenue earmarked for construction of the Service Center.

Community Center

To account for revenue earmarked for construction of the Community Center.

Hepburn Road Improvement

To account for revenue earmarked for improvements to be made to Hepburn Road.

City Hall/Fire Station Expansion

To account for revenue earmarked for improvements to City Hall/Fire Station Expansion.

Eastland Road Improvement

To account for revenue earmarked for improvements made to Eastland Road.

Fowles Sanitary Sewer

To account for revenue earmarked for improvements made to Fowles Sanitary Sewer.

W. 130th Street Improvement

To account for revenue earmarked for improvements made to W. 130th Street.

CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS

December 31, 2000

	Capital Improvement	Signalization	Engle Road Widening	Service Center	Community Center
ASSETS					
Equity in pooled cash and cash equivalents	\$ 1,977,172	\$ 158,632	\$ 673,472	\$ 90,065	\$ 181,373
Receivables - net of allowances:					
Taxes	375,250				
Accounts			48,153		
Accrued interest	4,157	57	5,069	949	2,335
Due from other governments	30,000				
TOTAL ASSETS	\$ 2,386,579	\$ 158,689	\$ 726,694	\$ 91,014	\$ 183,708
LIABILITIES					
Accounts payable	\$ 453,771	\$ 16,396	\$ 13,242	\$ 37,989	\$ 17,765
Bond anticipation notes payable		250,000	450,000		
TOTAL LIABILITIES	453,771	266,396	463,242	37,989	17,765
FUND BALANCE					
Reserved for encumbrances	731,308	23,446	470,384	2,300	67,413
Undesignated	1,201,500	(131,153)	(206,932)	50,725	98,530
TOTAL FUND BALANCE	1,932,808	(107,707)	263,452	53,025	165,943
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,386,579	\$ 158,689	\$ 726,694	\$ 91,014	\$ 183,708

Hepburn Road Improvement	City Hall/ Fire Station Expansion	Eastland Road Improvement	Fowles Sanitary Sewer	W. 130th Street Improvement	Totals	
					2000	1999
\$ 7,229	\$ 4,083	\$ 194,005	\$ 63,558	\$ 50,000	\$ 3,399,589	\$ 12,386,232
					375,250	406,950
					48,153	199,860
3	1	2,264	16		14,851	36,693
					30,000	
\$ 7,232	\$ 4,084	\$ 196,269	\$ 63,574	\$ 50,000	\$ 3,867,843	\$ 13,029,735
					\$ 539,163	\$ 1,524,092
					700,000	1,600,000
					1,239,163	3,124,092
				\$ 18,550	1,313,401	7,594,932
\$ 7,232	\$ 4,084	\$ 196,269	\$ 63,574	\$ 31,450	1,315,279	2,310,711
7,232	4,084	196,269	63,574	50,000	2,628,680	9,905,643
\$ 7,232	\$ 4,084	\$ 196,269	\$ 63,574	\$ 50,000	\$ 3,867,843	\$ 13,029,735

CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2000

	Capital Improvement	Signalization	Engle Road Widening	Service Center	Community Center
REVENUES					
Income taxes	\$ 2,455,403				
Intergovernmental revenues	30,000	\$ 203,719			
Interest earnings	113,288	43,076	\$ 46,795	\$ 24,529	\$ 188,917
Miscellaneous revenue	77,933				
TOTAL REVENUES	2,676,624	246,795	46,795	24,529	188,917
EXPENDITURES					
Capital outlay	2,114,823	261,029	6,362	783,988	7,306,945
Debt service:					
Interest and other charges		32,592	21,988		
TOTAL EXPENDITURES	2,114,823	293,621	28,350	783,988	7,306,945
Excess (deficiency) of revenues over expenditures	561,801	(46,826)	18,445	(759,459)	(7,118,028)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of bonds-net					
Operating transfers - in					
Operating transfers - out					
TOTAL OTHER FINANCING SOURCES (USES)					
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	561,801	(46,826)	18,445	(759,459)	(7,118,028)
Fund balances, beginning of year	1,371,007	(60,881)	245,007	812,484	7,283,971
Fund balances, end of year	\$ 1,932,808	\$ (107,707)	\$ 263,452	\$ 53,025	\$ 165,943

Hepburn Road Improvement	City Hall/ Fire Station Expansion	Eastland Road Improvement	Fowles Sanitary Sewer	W. 130th Street Improvement	Totals	
					2000	1999
					\$ 2,455,403	\$ 2,930,110
					233,719	4,754,999
\$ 448	\$ 252	\$ 13,565	\$ 2,839		433,709	1,029,270
					77,933	65,076
448	252	13,565	2,839		3,200,764	8,779,455
					10,473,147	22,946,586
					54,580	241,192
					10,527,727	23,187,778
448	252	13,565	2,839		(7,326,963)	(14,408,323)
						216,000
				\$ 50,000	50,000	770,000
						(1,791)
				50,000	50,000	984,209
448	252	13,565	2,839	50,000	(7,276,963)	(13,424,114)
6,784	3,832	182,704	60,735		9,905,643	23,329,757
\$ 7,232	\$ 4,084	\$ 196,269	\$ 63,574	\$ 50,000	\$ 2,628,680	\$ 9,905,643

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL**

For the Year Ended December 31, 2000

	Capital Improvement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Income taxes	\$ 1,580,256	\$ 2,480,394	\$ 2,487,103	\$ 6,709
Interest earnings	50,000	30,000	106,731	76,731
Miscellaneous revenue			77,933	77,933
TOTAL REVENUES	1,630,256	2,510,394	2,671,767	161,373
EXPENDITURES				
Capital outlay	1,335,000	2,920,983	2,358,570	562,413
TOTAL EXPENDITURES	1,335,000	2,920,983	2,358,570	562,413
Excess (deficiency) of revenues over expenditures	295,256	(410,589)	313,197	723,786
Decertification of prior year encumbrances			17,923	17,923
Fund balances, beginning of year	500,519	500,519	500,519	
Fund balances, end of year	\$ 795,775	\$ 89,930	\$ 831,639	\$ 741,709

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Signalization			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Intergovernmental revenues	\$ 1,017,715	\$ 400,000	\$ 403,578	\$ 3,578
Interest earnings	25,000	50,000	47,945	(2,055)
TOTAL REVENUES	1,042,715	450,000	451,523	1,523
EXPENDITURES				
Debt service:				
Principal retirement	1,200,000	1,200,000	1,200,000	
Interest and other charges	46,200	46,200	45,943	257
TOTAL EXPENDITURES	1,246,200	1,246,200	1,245,943	257
Excess (deficiency) of revenues over expenditures	(203,485)	(796,200)	(794,420)	1,780
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of notes		250,000	250,000	
TOTAL OTHER FINANCING SOURCES (USES)		250,000	250,000	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(203,485)	(546,200)	(544,420)	1,780
Decertification of prior year encumbrances			1,680	1,680
Fund balances, beginning of year	667,812	667,812	667,812	
Fund balances, end of year	\$ 464,327	\$ 121,612	\$ 125,072	\$ 3,460

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Engle Road Widening			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Interest earnings	\$ 6,000	\$ 6,000	\$ 40,635	\$ 34,635
Miscellaneous revenue			12,167	12,167
TOTAL REVENUES	6,000	6,000	52,802	46,802
EXPENDITURES				
Capital outlay		70,000	60,495	9,505
Debt service:				
Principal retirement	400,000	400,000	400,000	
Interest and other charges	16,800	16,800	16,753	47
TOTAL EXPENDITURES	416,800	486,800	477,248	9,552
Excess (deficiency) of revenues over expenditures	(410,800)	(480,800)	(424,446)	56,354
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of notes	400,000	400,000	450,000	50,000
TOTAL OTHER FINANCING SOURCES (USES)	400,000	400,000	450,000	50,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(10,800)	(80,800)	25,554	106,354
Decertification of prior year encumbrances			62,400	62,400
Fund balances, beginning of year	114,032	114,032	114,032	
Fund balances, end of year	\$ 103,232	\$ 33,232	\$ 201,986	\$ 168,754

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Service Center			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Interest earnings	\$ 25,000	\$ 25,000	\$ 26,162	\$ 1,162
TOTAL REVENUES	25,000	25,000	26,162	1,162
EXPENDITURES				
Capital outlay		178,589	178,540	49
TOTAL EXPENDITURES		178,589	178,540	49
Excess (deficiency) of revenues over expenditures	25,000	(153,589)	(152,378)	1,211
Decertification of prior year encumbrances			24,259	24,259
Fund balances, beginning of year	177,888	177,888	177,888	
Fund balances, end of year	\$ 202,888	\$ 24,299	\$ 49,769	\$ 25,470

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Community Center			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Interest earnings	\$ 50,000	\$ 202,000	\$ 208,878	\$ 6,878
TOTAL REVENUES	50,000	202,000	208,878	6,878
EXPENDITURES				
Capital outlay	1,300,000	1,730,000	1,723,994	6,006
TOTAL EXPENDITURES	1,300,000	1,730,000	1,723,994	6,006
Excess (deficiency) of revenues over expenditures	(1,250,000)	(1,528,000)	(1,515,116)	12,884
Decertification of prior year encumbrances			24,284	24,284
Fund balances, beginning of year	1,586,779	1,586,779	1,586,779	
Fund balances, end of year	\$ 336,779	\$ 58,779	\$ 95,947	\$ 37,168

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Hepburn Road Improvement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Interest earnings			\$ 406	\$ 406
TOTAL REVENUES			406	406
Excess (deficiency) of revenues over expenditures			406	406
Fund balances, beginning of year	\$ 6,784	\$ 6,784	6,784	
Fund balances, end of year	\$ 6,784	\$ 6,784	\$ 7,190	\$ 406

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	City Hall/Fire Station Expansion			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Interest earnings			\$ 229	\$ 229
TOTAL REVENUES			229	229
Excess (deficiency) of revenues over expenditures			229	229
Fund balances, beginning of year	\$ 3,832	\$ 3,832	3,832	
Fund balances, end of year	\$ 3,832	\$ 3,832	\$ 4,061	\$ 229

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Eastland Road Improvement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Interest earnings	\$ 5,124	\$ 5,124	\$ 12,230	\$ 7,106
TOTAL REVENUES	5,124	5,124	12,230	7,106
Excess (deficiency) of revenues over expenditures	5,124	5,124	12,230	7,106
Fund balances, beginning of year	181,264	181,264	181,264	
Fund balances, end of year	\$ 186,388	\$ 186,388	\$ 193,494	\$ 7,106

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

		Fowles Sanitary Sewer			
		Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES					
	Interest earnings			\$ 2,599	\$ 2,599
	TOTAL REVENUES			2,599	2,599
	Excess (deficiency) of revenues over expenditures			2,599	2,599
	Fund balances, beginning of year	\$ 60,721	\$ 60,721	60,721	
	Fund balances, end of year	\$ 60,721	\$ 60,721	\$ 63,320	\$ 2,599

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	W. 130th Street Improvement			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
EXPENDITURES				
Capital outlay		\$ 18,550	\$ 18,550	
TOTAL EXPENDITURES		18,550	18,550	
Excess (deficiency) of revenues over expenditures		(18,550)	(18,550)	
OTHER FINANCING SOURCES (USES)				
Operating transfers - in		50,000	50,000	
TOTAL OTHER FINANCING SOURCES (USES)		50,000	50,000	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses		31,450	31,450	
Fund balances, beginning of year				
Fund balances, end of year	\$ -0-	\$ 31,450	\$ 31,450	\$ -0-

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL CAPITAL PROJECTS FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Totals			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Income taxes	\$ 1,580,256	\$ 2,480,394	\$ 2,487,103	\$ 6,709
Intergovernmental revenues	1,017,715	400,000	403,578	3,578
Interest earnings	161,124	318,124	445,815	127,691
Miscellaneous revenue			90,100	90,100
TOTAL REVENUES	2,759,095	3,198,518	3,426,596	228,078
EXPENDITURES				
Capital outlay	2,635,000	4,918,122	4,340,149	577,973
Debt service:				
Principal retirement	1,600,000	1,600,000	1,600,000	
Interest and other charges	63,000	63,000	62,696	304
TOTAL EXPENDITURES	4,298,000	6,581,122	6,002,845	578,277
Excess (deficiency) of revenues over expenditures	(1,538,905)	(3,382,604)	(2,576,249)	806,355
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of notes	400,000	650,000	700,000	50,000
Operating transfers - in		50,000	50,000	
TOTAL OTHER FINANCING SOURCES (USES)	400,000	700,000	750,000	50,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,138,905)	(2,682,604)	(1,826,249)	856,355
Decertification of prior year encumbrances			130,546	130,546
Fund balances, beginning of year	3,299,631	3,299,631	3,299,631	
Fund balances, end of year	\$ 2,160,726	\$ 617,027	\$ 1,603,928	\$ 986,901

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CITY OF MIDDLEBURG HEIGHTS, OHIO

TRUST AND AGENCY FUNDS

COMBINING FINANCIAL STATEMENTS WITH COMPARATIVE TOTALS FOR 1999

TRUST AND AGENCY FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY A GOVERNMENTAL UNIT IN A TRUSTEE CAPACITY AND/OR AS AN AGENT FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, OTHER GOVERNMENTAL UNITS, AND/OR OTHER FUNDS. THESE INCLUDE (A) EXPENDABLE TRUST FUNDS AND (B) AGENCY FUNDS

EXPENDABLE TRUSTS

Architectural Review Trust

To account for deposits made by contractors and disbursements of the architectural review fees paid to the City Architect.

Builders' Bond Trust

To account for the deposits made by builders to ensure compliance with building codes and disbursements of the builders bond trust.

Examination of Plans Trust

To account for the deposits made by the contractors to pay for plan examinations by the City Engineer and disbursements of the examination of plans trust.

Yard Grade Trust

To account for the deposits placed by residents and builders to ensure proper grading on construction projects and disbursements of the yard grade trust.

Sidewalk Grade Trust

To account for the proceeds and disbursements of the sidewalk grade trust.

Tree Planting Trust

To account for the fees charged to developers and builders to plant trees on tree lawns and disbursements of the tree planting trust.

Miscellaneous Inspection Trust

To account for the deposits placed by builders for inspection of construction projects and disbursements of the miscellaneous inspection trust.

Unclaimed Funds Trust

To account for the monies left unclaimed. These monies are held for five years in the Unclaimed Funds Trust and then deposited in the General Fund per Section 9.39 of the Ohio Revised Code.

Plaque

To account for donations to purchase plaques for commission members retiring from City service.

Veterans Memorial Trust Fund

To account for donations to build a Veteran's Memorial in the City.

AGENCY**Board of Building Standard Fee**

To account for state building fees collected from builders and disbursed to the State Board of Building Standards.

Southwest General Hospital

To account for funds held for and disbursed to Southwest General Hospital.

Mayor's Court

To account for funds received and disbursed by the Mayor's Court pursuant to the laws of the State.

CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS

December 31, 2000

	Expendable Trust				
	Architectural Review Trust	Builders' Bond Trust	Examination of Plans Trust	Yard Grade Trust	Sidewalk Grade Trust
ASSETS					
Equity in pooled cash and cash equivalents	\$ 4,895	\$ 264,184	\$ 31,834	\$ 43,555	\$ 2,644
Receivables - net of allowances:					
Taxes					
Accrued interest					
TOTAL ASSETS	\$ 4,895	\$ 264,184	\$ 31,834	\$ 43,555	\$ 2,644
LIABILITIES					
Accounts payable		\$ 2,660		\$ 640	
Due to other governments					
Due to other funds					
TOTAL LIABILITIES		2,660		640	
FUND BALANCE					
Reserved for encumbrances					
Undesignated	\$ 4,895	261,524	\$ 31,834	42,915	\$ 2,644
TOTAL FUND BALANCE	4,895	261,524	31,834	42,915	2,644
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,895	\$ 264,184	\$ 31,834	\$ 43,555	\$ 2,644

Expendable Trust

Tree Planting Trust	Miscellaneous Inspection Trust	Unclaimed Funds Trust	Plaque	Veterans Memorial Trust
\$ 23,688	\$ 18,498	\$ 192,331	\$ 90	\$ 3,532
1				
\$ 23,688	\$ 18,498	\$ 192,331	\$ 90	\$ 3,533
\$ 390				
390				
\$ 23,688	95 18,013	\$ 192,331	\$ 90	\$ 3,533
23,688	18,108	192,331	90	3,533
\$ 23,688	\$ 18,498	\$ 192,331	\$ 90	\$ 3,533

Continued

CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS, Continued

December 31, 2000

	Agency			Totals	
	Board of Building Standard Fee	Southwest General Hospital	Mayor's Court	2000	1999
	ASSETS				
Equity in pooled cash and cash equivalents	\$ 103		\$ 28,705	\$ 614,059	\$ 734,926
Receivables - net of allowances:					
Taxes		\$ 207,275		207,275	203,629
Accrued interest				1	1
TOTAL ASSETS	\$ 103	\$ 207,275	\$ 28,705	\$ 821,335	\$ 938,556
LIABILITIES					
Accounts payable		\$ 207,275	\$ 680	\$ 211,645	\$ 237,576
Due to other governments	\$ 103		4,800	4,903	6,401
Due to other funds			23,225	23,225	24,884
TOTAL LIABILITIES	103	207,275	28,705	239,773	268,861
FUND BALANCE					
Reserved for encumbrances				95	191
Undesignated				581,467	669,504
TOTAL FUND BALANCE				581,562	669,695
TOTAL LIABILITIES AND FUND BALANCE	\$ 103	\$ 207,275	\$ 28,705	\$ 821,335	\$ 938,556

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CITY OF MIDDLEBURG HEIGHTS, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL EXPENDABLE TRUST FUNDS

For the Year Ended December 31, 2000

	Expendable Trust				
	Architectural Review Trust	Builders' Bond Trust	Examination of Plans Trust	Yard Grade Trust	Sidewalk Grade Trust
REVENUES					
Charges for services	\$ 3,847	\$ 122,450	\$ 39,168	\$ 10,480	\$ 513
Interest earnings					
Miscellaneous revenue					
TOTAL REVENUES	3,847	122,450	39,168	10,480	513
EXPENDITURES					
Current:					
General government	2,599	111,315	35,993	18,680	420
TOTAL EXPENDITURES	2,599	111,315	35,993	18,680	420
Excess (deficiency) of revenues over expenditures	1,248	11,135	3,175	(8,200)	93
OTHER FINANCING SOURCES (USES)					
Operating transfers - in					
Operating transfers - out	(1,999)	(27,900)	(3,730)	(5,040)	(1,804)
TOTAL OTHER FINANCING SOURCES (USES)	(1,999)	(27,900)	(3,730)	(5,040)	(1,804)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(751)	(16,765)	(555)	(13,240)	(1,711)
Fund balances, beginning of year	5,646	278,289	32,389	56,155	4,355
Fund balances, end of year	\$ 4,895	\$ 261,524	\$ 31,834	\$ 42,915	\$ 2,644

Expendable Trust							
Tree Planting Trust	Miscellaneous Inspection Trust	Unclaimed Funds Trust	Plaque	Veterans Memorial Trust	Totals		
					2000	1999	
\$ 300	\$ 19,804				\$ 196,562	\$ 259,217	
		\$ 118		\$ 3,144	3,144	1,574	
				10,875	10,993	8,560	
300	19,804	118		14,019	210,699	269,351	
	14,893	3,515	\$ 180	59,310	246,905	274,560	
	14,893	3,515	180	59,310	246,905	274,560	
300	4,911	(3,397)	(180)	(45,291)	(36,206)	(5,209)	
		43,532	100		43,632	27,066	
	(2,119)	(52,967)			(95,559)	(28,009)	
	(2,119)	(9,435)	100		(51,927)	(943)	
300	2,792	(12,832)	(80)	(45,291)	(88,133)	(6,152)	
23,388	15,316	205,163	170	48,824	669,695	675,847	
\$ 23,688	\$ 18,108	\$ 192,331	\$ 90	\$ 3,533	\$ 581,562	\$ 669,695	

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL**

For the Year Ended December 31, 2000

	Architectural Review Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Charges for services	\$ 10,000	\$ 3,800	\$ 3,847	\$ 47
TOTAL REVENUES	10,000	3,800	3,847	47
EXPENDITURES				
Current:				
General government	10,000	3,000	2,849	151
TOTAL EXPENDITURES	10,000	3,000	2,849	151
Excess (deficiency) of revenues over expenditures		800	998	198
OTHER FINANCING SOURCES (USES)				
Operating transfers - out	(2,000)	(2,000)	(1,999)	1
TOTAL OTHER FINANCING SOURCES (USES)	(2,000)	(2,000)	(1,999)	1
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(2,000)	(1,200)	(1,001)	199
Fund balances, beginning of year	5,896	5,896	5,896	
Fund balances, end of year	\$ 3,896	\$ 4,696	\$ 4,895	\$ 199

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)- ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued

For the Year Ended December 31, 2000

	Builders' Bond Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 122,450	\$ 72,450
TOTAL REVENUES	50,000	50,000	122,450	72,450
EXPENDITURES				
Current:				
General government	101,000	134,400	132,055	2,345
TOTAL EXPENDITURES	101,000	134,400	132,055	2,345
Excess (deficiency) of revenues over expenditures	(51,000)	(84,400)	(9,605)	74,795
OTHER FINANCING SOURCES (USES)				
Operating transfers - out	(30,000)	(30,000)	(27,900)	2,100
TOTAL OTHER FINANCING SOURCES (USES)	(30,000)	(30,000)	(27,900)	2,100
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(81,000)	(114,400)	(37,505)	76,895
Fund balances, beginning of year	301,689	301,689	301,689	
Fund balances, end of year	\$ 220,689	\$ 187,289	\$ 264,184	\$ 76,895

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Examination of Plans Trust			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 45,000	\$ 38,000	\$ 39,168	\$ 1,168
TOTAL REVENUES	45,000	38,000	39,168	1,168
EXPENDITURES				
Current:				
General government	37,000	37,000	35,993	1,007
TOTAL EXPENDITURES	37,000	37,000	35,993	1,007
Excess (deficiency) of revenues over expenditures	8,000	1,000	3,175	2,175
OTHER FINANCING SOURCES (USES)				
Operating transfers - out	(4,000)	(14,000)	(3,730)	10,270
TOTAL OTHER FINANCING SOURCES (USES)	(4,000)	(14,000)	(3,730)	10,270
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	4,000	(13,000)	(555)	12,445
Fund balances, beginning of year	32,389	32,389	32,389	
Fund balances, end of year	\$ 36,389	\$ 19,389	\$ 31,834	\$ 12,445

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Yard Grade Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Charges for services	\$ 15,000	\$ 8,800	\$ 10,480	\$ 1,680
TOTAL REVENUES	15,000	8,800	10,480	1,680
EXPENDITURES				
Current:				
General government	10,000	25,000	19,000	6,000
TOTAL EXPENDITURES	10,000	25,000	19,000	6,000
Excess (deficiency) of revenues over expenditures	5,000	(16,200)	(8,520)	7,680
OTHER FINANCING SOURCES (USES)				
Operating transfers - out	(5,100)	(5,100)	(5,040)	60
TOTAL OTHER FINANCING SOURCES (USES)	(5,100)	(5,100)	(5,040)	60
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(100)	(21,300)	(13,560)	7,740
Fund balances, beginning of year	57,115	57,115	57,115	
Fund balances, end of year	\$ 57,015	\$ 35,815	\$ 43,555	\$ 7,740

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Sidewalk Grade Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Charges for services	\$ 2,000	\$ 400	\$ 513	\$ 113
TOTAL REVENUES	2,000	400	513	113
EXPENDITURES				
Current:				
General government	1,000	1,000	420	580
TOTAL EXPENDITURES	1,000	1,000	420	580
Excess (deficiency) of revenues over expenditures	1,000	(600)	93	693
OTHER FINANCING SOURCES (USES)				
Operating transfers - out	(2,000)	(2,000)	(1,804)	196
TOTAL OTHER FINANCING SOURCES (USES)	(2,000)	(2,000)	(1,804)	196
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,000)	(2,600)	(1,711)	889
Fund balances, beginning of year	4,355	4,355	4,355	
Fund balances, end of year	\$ 3,355	\$ 1,755	\$ 2,644	\$ 889

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Tree Planting Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Charges for services	\$ 10,000	\$ 300	\$ 300	
TOTAL REVENUES	10,000	300	300	
EXPENDITURES				
Current:				
General government	10,000	10,000		\$ 10,000
TOTAL EXPENDITURES	10,000	10,000		10,000
Excess (deficiency) of revenues over expenditures		(9,700)	300	10,000
Fund balances, beginning of year	23,388	23,388	23,388	
Fund balances, end of year	\$ 23,388	\$ 13,688	\$ 23,688	\$ 10,000

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Miscellaneous Inspection Trust			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 20,000	\$ 18,000	\$ 19,804	\$ 1,804
TOTAL REVENUES	20,000	18,000	19,804	1,804
EXPENDITURES				
Current:				
General government	21,000	21,000	15,097	5,903
TOTAL EXPENDITURES	21,000	21,000	15,097	5,903
Excess (deficiency) of revenues over expenditures	(1,000)	(3,000)	4,707	7,707
OTHER FINANCING SOURCES (USES)				
Operating transfers - out	(2,500)	(2,500)	(2,119)	381
TOTAL OTHER FINANCING SOURCES (USES)	(2,500)	(2,500)	(2,119)	381
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(3,500)	(5,500)	2,588	8,088
Decertification of prior year encumbrances			85	85
Fund balances, beginning of year	15,730	15,730	15,730	
Fund balances, end of year	\$ 12,230	\$ 10,230	\$ 18,403	\$ 8,173

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Unclaimed Funds Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Miscellaneous revenue			\$ 118	\$ 118
TOTAL REVENUES			118	118
EXPENDITURES				
Current:				
General government	\$ 5,000	\$ 5,000	3,515	1,485
TOTAL EXPENDITURES	5,000	5,000	3,515	1,485
Excess (deficiency) of revenues over expenditures	(5,000)	(5,000)	(3,397)	1,603
OTHER FINANCING SOURCES (USES)				
Operating transfers - in	42,664	42,592	43,532	940
Operating transfers - out	(98,000)	(98,000)	(52,967)	45,033
TOTAL OTHER FINANCING SOURCES (USES)	(55,336)	(55,408)	(9,435)	45,973
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(60,336)	(60,408)	(12,832)	47,576
Fund balances, beginning of year	205,163	205,163	205,163	
Fund balances, end of year	\$ 144,827	\$ 144,755	\$ 192,331	\$ 47,576

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)- ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued

For the Year Ended December 31, 2000

	Plaques			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
EXPENDITURES				
Current:				
General government	\$ 200	\$ 200	\$ 180	\$ 20
TOTAL EXPENDITURES	200	200	180	20
Excess (deficiency) of revenues over expenditures	(200)	(200)	(180)	20
OTHER FINANCING SOURCES (USES)				
Operating transfers - in	100	100	100	
TOTAL OTHER FINANCING SOURCES (USES)	100	100	100	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(100)	(100)	(80)	20
Fund balances, beginning of year	170	170	170	
Fund balances, end of year	\$ 70	\$ 70	\$ 90	\$ 20

CITY OF MIDDLEBURG HEIGHTS, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued**

For the Year Ended December 31, 2000

	Veterans Memorial Trust			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
REVENUES				
Charges for services				
Interest earnings	\$ 2,500	\$ 2,500	\$ 3,125	\$ 625
Miscellaneous revenue	2,500	8,877	10,875	1,998
TOTAL REVENUES	5,000	11,377	14,000	2,623
EXPENDITURES				
Current:				
General government		60,200	59,310	890
TOTAL EXPENDITURES		60,200	59,310	890
Excess (deficiency) of revenues over expenditures	5,000	(48,823)	(45,310)	3,513
Fund balances, beginning of year	48,823	48,823	48,823	
Fund balances, end of year	\$ 53,823	\$ -0-	\$ 3,513	\$ 3,513

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)- ALL EXPENDABLE TRUST FUNDS-LEGAL APPROPRIATION LEVEL, Continued

For the Year Ended December 31, 2000

	Totals			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 152,000	\$ 119,300	\$ 196,562	\$ 77,262
Interest earnings	2,500	2,500	3,125	625
Miscellaneous revenue	2,500	8,877	10,993	2,116
TOTAL REVENUES	157,000	130,677	210,680	80,003
EXPENDITURES				
Current:				
General government	195,200	296,800	268,419	28,381
TOTAL EXPENDITURES	195,200	296,800	268,419	28,381
Excess (deficiency) of revenues over expenditures	(38,200)	(166,123)	(57,739)	108,384
OTHER FINANCING SOURCES (USES)				
Operating transfers - in	42,764	42,692	43,632	940
Operating transfers - out	(143,600)	(153,600)	(95,559)	58,041
TOTAL OTHER FINANCING SOURCES (USES)	(100,836)	(110,908)	(51,927)	58,981
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(139,036)	(277,031)	(109,666)	167,365
Decertification of prior year encumbrances			85	85
Fund balances, beginning of year	694,718	694,718	694,718	
Fund balances, end of year	\$ 555,682	\$ 417,687	\$ 585,137	\$ 167,450

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

For the Year Ended December 31, 2000

	Balance January 1, 2000	Additions	Deductions	Balance December 31, 2000
BOARD OF BUILDING STANDARD FEE				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 716	\$ 6,406	\$ 7,019	\$ 103
TOTAL ASSETS	\$ 716	\$ 6,406	\$ 7,019	\$ 103
LIABILITIES				
Due to other governments	\$ 716	\$ 6,406	\$ 7,019	\$ 103
TOTAL LIABILITIES	\$ 716	\$ 6,406	\$ 7,019	\$ 103
 SOUTHWEST GENERAL HOSPITAL				
ASSETS				
Taxes receivable	\$ 210,681	\$ 207,275	\$ 210,681	\$ 207,275
TOTAL ASSETS	\$ 210,681	\$ 207,275	\$ 210,681	\$ 207,275
LIABILITIES				
Accounts payable	\$ 210,681	\$ 207,275	\$ 210,681	\$ 207,275
TOTAL LIABILITIES	\$ 210,681	\$ 207,275	\$ 210,681	\$ 207,275

Continued

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS, Continued

For the Year Ended December 31, 2000

	Balance January 1, 2000	Additions	Deductions	Balance December 31, 2000
MAYOR'S COURT				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 32,249	\$ 389,077	\$ 392,621	\$ 28,705
TOTAL ASSETS	\$ 32,249	\$ 389,077	\$ 392,621	\$ 28,705
LIABILITIES				
Accounts payable	\$ 1,680	\$ 1,508	\$ 2,508	\$ 680
Due to other governments	5,685	66,585	67,470	4,800
Due to other funds	24,884	320,984	322,643	23,225
TOTAL LIABILITIES	\$ 32,249	\$ 389,077	\$ 392,621	\$ 28,705
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 32,965	\$ 395,483	\$ 399,640	\$ 28,808
Taxes receivable	210,681	207,275	210,681	207,275
TOTAL ASSETS	\$ 243,646	\$ 602,758	\$ 610,321	\$ 236,083
LIABILITIES				
Accounts payable	\$ 212,361	\$ 208,783	\$ 213,189	\$ 207,955
Due to other governments	6,401	72,991	74,489	4,903
Due to other funds	24,884	320,984	322,643	23,225
TOTAL LIABILITIES	\$ 243,646	\$ 602,758	\$ 610,321	\$ 236,083

CITY OF MIDDLEBURG HEIGHTS, OHIO

GENERAL FIXED ASSETS

ACCOUNT GROUP

**THIS ACCOUNT GROUP IS USED TO PRESENT THE GENERAL
FIXED ASSETS OF THE CITY UTILIZED IN ITS GENERAL
OPERATIONS, EXCLUSIVE OF THOSE USED IN ENTERPRISE AND
INTERNAL SERVICE FUNDS. GENERAL FIXED ASSETS INCLUDE
LAND AND IMPROVEMENTS, BUILDINGS AND IMPROVEMENTS,
FURNITURE AND FIXTURES, MACHINERY AND EQUIPMENT
AND CONSTRUCTION IN PROGRESS OWNED BY THE CITY**

CITY OF MIDDLEBURG HEIGHTS, OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES

December 31, 2000

GENERAL FIXED ASSETS:

Land and improvements	\$ 2,747,302
Building and improvements	29,587,102
Furniture and fixtures	265,328
Machinery and equipment	5,283,490
Construction in progress	8,200

TOTAL GENERAL FIXED ASSETS \$ 37,891,422

INVESTMENT IN GENERAL FIXED ASSETS FROM:

General obligation bonds	\$ 29,277,969
General fund and other revenues	993,953
Special revenue fund revenues	5,144,406
Donations	59,310
Unassigned *	2,415,784

TOTAL INVESTMENT IN GENERAL FIXED ASSETS \$ 37,891,422

* Represents general fixed assets for which sources of funding are not available.

CITY OF MIDDLEBURG HEIGHTS, OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

December 31, 2000

<u>Function and Activity</u>	<u>Land and Improvements</u>	<u>Building and Improvements</u>	<u>Furniture and Fixtures</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Public Safety:					
Police		\$ 1,343,266	\$ 9,640	\$ 666,809	\$ 2,019,715
Fire		1,839,789	24,823	1,429,616	3,294,228
Total Public Safety		3,183,055	34,463	2,096,425	5,313,943
Culture and Recreation:					
Recreation	\$ 1,014,955	16,782,682	124,230	434,482	18,356,349
Total Culture and Recreation	1,014,955	16,782,682	124,230	434,482	18,356,349
Community and Development:					
Planning and Zoning			1,247	1,250	2,497
Building			5,486	72,348	77,834
Total Community Development			6,733	73,598	80,331
General Government:					
Mayor's Court			1,125	9,865	10,990
Mayor			19,184	14,173	33,357
Finance		2,000	17,970	59,389	79,359
Law			8,520	13,090	21,610
Service	793,507	7,177,634	34,677	2,467,471	10,473,289
Council			13,753	12,326	26,079
Boards and Commissions			2,395		2,395
City Hall-General Government	938,840	2,441,731	2,278	102,671	3,485,520
Total General Government	1,732,347	9,621,365	99,902	2,678,985	14,132,599
Total by Function	2,747,302	29,587,102	265,328	5,283,490	37,883,222
Construction in progress		8,200			8,200
Total General Fixed Assets	\$ 2,747,302	\$ 29,595,302	\$ 265,328	\$ 5,283,490	\$ 37,891,422

CITY OF MIDDLEBURG HEIGHTS, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

For the Year Ended December 31, 2000

Function and Activity	Balance January 1, 2000	Additions	Deductions	Transfers	Balance December 31, 2000
Public Safety:					
Police	\$ 1,940,131	\$ 152,103	\$ (44,432)	\$ (28,087)	\$ 2,019,715
Fire	3,121,065	173,163			3,294,228
Total Public Safety	5,061,196	325,266	(44,432)	(28,087)	5,313,943
Culture and Recreation:					
Recreation	1,014,961	755,041	(50,000)	16,636,347	18,356,349
Total Culture and Recreation	1,014,961	755,041	(50,000)	16,636,347	18,356,349
Community and Development:					
Planning and Zoning	2,497				2,497
Building	67,941			9,893	77,834
Total Community Development	70,438			9,893	80,331
General Government:					
Mayor's Court	9,978	5,595		(4,583)	10,990
Mayor	42,918			(9,561)	33,357
Finance	74,818	5,093		(552)	79,359
Law	18,007	2,855		748	21,610
Service	9,219,098	1,221,140	(12,950)	46,001	10,473,289
Council	28,562	1,500		(3,983)	26,079
Boards and Commissions	2,395				2,395
City Hall-General Government	3,203,469	291,927		(9,876)	3,485,520
Total General Government	12,599,245	1,528,110	(12,950)	18,194	14,132,599
Total by Function	18,745,840	2,608,417	(107,382)	16,636,347	37,883,222
Construction in progress	10,884,478	5,760,069		(16,636,347)	8,200
Total General Fixed Assets	\$ 29,630,318	\$ 8,368,486	\$ (107,382)	\$ -0-	\$ 37,891,422



CITY OF MIDDLEBURG HEIGHTS, OHIO

GENERAL FUND REVENUES BY SOURCE

LAST TEN FISCAL YEARS

Fiscal Year	Taxes (1)	Intergovernmental Revenues	Charges for Services	Fines, Licenses and Permits	Interest Earnings	Miscellaneous Revenue	Totals
1991	\$ 4,458,798	\$ 513,009	\$ 39,968	\$ 559,692	\$ 125,271	\$ 19,793	\$ 5,716,531
1992	4,977,399	577,132	28,075	603,276	140,558	30,143	6,356,583
1993	5,086,067	641,953	23,350	566,828	126,066	48,071	6,492,335
1994	5,781,533	665,346	11,849	645,027	120,837	41,255	7,265,847
1995	6,330,474	679,236	31,507	702,991	184,011	39,218	7,967,437
1996	6,484,334	828,042	33,821	670,534	161,300	103,968	8,281,999
1997	6,702,202	892,846	33,656	696,995	158,060	46,160	8,529,919
1998	9,075,230	1,001,968	34,045	1,043,027	227,455	315,737	11,697,462
1999	8,047,629	1,095,839	56,450	803,659	292,296	86,081	10,381,954
2000	8,609,849	1,338,273	76,332	765,738	480,381	110,145	11,380,718

(1) Includes Property, Income, State-Levied and Shared, and Other Local Taxes.

Source: City of Middleburg Heights, Finance Department

CITY OF MIDDLEBURG HEIGHTS, OHIO

GENERAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

Fiscal Year	Public Safety	Public Health and Welfare	Community Development	Sanitation	General Government	Totals
1991	\$ 2,942,801	\$ 10,291	\$ 292,213	\$ 486,226	\$ 2,289,086	\$ 6,020,617
1992	3,205,861	11,075	292,852	555,881	2,206,843	6,272,512
1993	3,197,923	16,267	324,660	562,769	2,384,319	6,485,938
1994	3,402,490	15,358	315,345	554,795	2,408,601	6,696,589
1995	3,373,543	18,230	319,473	556,664	2,658,207	6,926,117
1996	3,648,659	18,014	324,887	561,377	2,844,023	7,396,960
1997	3,862,928	18,043	357,071	585,524	2,730,643	7,554,209
1998	4,182,444	23,912	365,493	601,783	2,844,277	8,017,909
1999	4,522,060	19,522	389,869	612,496	3,491,258	9,035,205
2000	4,623,787	20,879	405,971	641,825	4,181,500	9,873,962

Source: City of Middleburg Heights, Finance Department

CITY OF MIDDLEBURG HEIGHTS, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS REAL AND PUBLIC UTILITY

LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Current Collections	Percent of Current Levy Collected	Collection Including Delinquencies	Total Collections As Percent of Current Levy	Accumulated Delinquency
1990/1991	\$ 1,793,700	\$ 1,743,539	97.2%	\$ 1,785,929	99.6%	\$ 91,262
1991/1992	1,957,148	1,913,431	97.8%	1,946,982	99.5%	103,109
1992/1993	1,830,231	1,776,198	97.0%	1,815,238	99.2%	95,217
1993/1994	1,843,691	1,795,741	97.4%	1,846,917	100.2%	74,103
1994/1995	1,801,763	1,759,817	97.7%	1,775,727	98.6%	56,968
1995/1996	1,808,124	1,777,935	98.3%	1,801,722	99.6%	44,574
1996/1997	1,791,132	1,736,891	97.0%	1,752,232	97.8%	59,637
1997/1998	1,959,435	1,878,618	95.9%	1,934,025	98.7%	75,024
1998/1999	1,980,787	1,935,119	97.7%	1,962,836	99.1%	71,546
1999/2000	2,042,289	1,973,594	96.6%	2,017,915	98.8%	94,684

Source: Cuyahoga County Auditor

CITY OF MIDDLEBURG HEIGHTS, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Real Property (1)			Personal Property (2)			Public Utility Property (3)			Total			Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Assessed Value	Estimated Actual Value	Assessed Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value		
1991/1992	\$ 237,765,380	\$ 679,329,657	\$ 36,953,207	\$ 136,863,730	\$ 22,684,770	\$ 45,369,540	\$ 297,403,357	\$ 861,562,927				34.5%	
1992/1993	284,210,640	812,030,400	35,910,768	138,118,338	21,887,750	43,775,500	342,009,158	993,924,238				34.4%	
1993/1994	287,839,140	822,397,543	34,419,142	137,676,568	21,887,870	43,775,740	344,146,152	1,003,849,851				34.3%	
1994/1995	286,855,190	819,586,257	35,183,611	140,734,444	22,188,990	25,214,761	344,227,791	985,535,462				34.9%	
1995/1996	326,679,730	933,370,657	37,942,938	151,771,752	22,560,410	25,636,830	387,183,078	1,110,779,239				34.9%	
1996/1997	334,514,330	955,755,200	42,717,032	170,868,128	22,085,910	25,097,630	399,317,272	1,151,720,958				34.7%	
1997/1998	369,990,240	1,057,114,971	46,497,314	185,989,256	21,361,400	24,274,318	437,848,954	1,267,378,545				34.5%	
1998/1999	374,433,000	1,069,808,571	48,791,605	195,166,420	20,858,100	23,702,386	444,082,705	1,288,677,377				34.5%	
1999/2000	388,560,540	1,110,172,971	47,131,859	188,527,436	19,100,640	21,705,273	454,793,039	1,320,405,680				34.4%	
2000/2001	452,686,520	1,293,390,057	48,858,969	195,435,876	18,908,480	21,486,909	520,453,969	1,510,312,842				34.5%	

(1) The assessed valuation level for real property in Cuyahoga County is 35% of market value, except for certain agricultural land.

(2) For the collection year 2000, the percentage used to determine taxable value of personal property and inventory was 25%.

(3) In the case of public utilities, real property is assessed at 35% of true (market) value and personal property is assessed at 88% of true value except personal property of railroads which is assessed at 25% of true value in 1995.

Source: Cuyahoga County Auditor

CITY OF MIDDLEBURG HEIGHTS, OHIO

PROPERTY TAX RATES-ALL DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION)

LAST TEN FISCAL YEARS

Tax Year/ Collection Year	City of Middleburg Heights							Polaris and Berea School District			Southwest Community Hospital	Total
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation	Total	Cuyahoga County	Berea School District	Cuyahoga County			
1990/1991	2.55	2.09	0.30	0.30	0.26	5.50	17.80	52.80	17.80	1.00	77.10	
1991/1992	3.31	1.13	0.30	0.30	0.26	5.30	16.80	53.70	16.80	1.00	76.80	
1992/1993	3.00	1.04	0.30	0.30	0.26	4.90	16.80	54.60	16.80	1.00	77.30	
1993/1994	3.10	0.94	0.30	0.30	0.26	4.90	16.80	60.50	16.80	1.00	83.20	
1994/1995	2.85	1.19	0.30	0.30	0.26	4.90	16.80	60.80	16.80	1.00	83.50	
1995/1996	2.95	1.09	0.30	0.30	0.26	4.90	16.60	60.90	16.60	1.00	83.40	
1996/1997	2.85	1.15	0.30	0.30		4.60	16.60	61.70	16.60	1.00	83.90	
1997/1998	2.85	1.15	0.30	0.30		4.60	16.70	60.40	16.70	1.00	82.70	
1998/1999	2.85	1.15	0.30	0.30		4.60	16.70	66.30	16.70	1.00	88.60	
1999/2000	2.85	1.15	0.30	0.30		4.60	17.60	66.20	17.60	1.00	89.40	

Source: Cuyahoga County Auditor

CITY OF MIDDLEBURG HEIGHTS, OHIO
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

Year	Population (1)	Assessed Value (2)	Gross General Bonded Debt (3)	Less Balance in Debt Service Fund	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1991	14,702	\$ 297,403,357	\$ 5,161,317	\$ 1,252,328	\$ 3,908,989	1.31%	\$ 265.88
1992	14,702	342,009,158	5,012,666	1,178,365	3,834,301	1.12%	260.80
1993	14,702	344,146,152	4,777,930	1,288,036	3,489,894	1.01%	237.38
1994	14,702	344,227,791	4,538,195	1,273,393	3,264,802	0.95%	222.07
1995	14,702	387,183,078	4,291,856	1,329,902	2,961,954	0.77%	201.47
1996	14,702	399,317,272	4,047,516	1,473,758	2,573,758	0.64%	175.06
1997	14,702	437,848,954	3,793,688	1,563,905	2,229,783	0.51%	151.67
1998	14,702	444,082,705	29,239,153	2,299,815	26,939,338	6.07%	1,832.36
1999	14,702	454,793,039	27,858,536	2,444,514	25,414,022	5.59%	1,728.61
2000	15,542	520,453,969	26,264,138	2,704,882	23,559,256	4.53%	1,515.84

(1) Source: Bureau of Census; Northern Ohio Data and Information Service, College of Urban Affairs, Cleveland State University

(2) Source: Cuyahoga County Auditor

(3) Source: General Obligation Debt Outstanding at December 31

CITY OF MIDDLEBURG HEIGHTS, OHIO

SPECIAL ASSESSMENT COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Current Assessment Due	Total Collection Including Delinquencies	Total Collection As A Percent of Current Assessments	Accumulated Delinquency
1991	\$ 350,227	\$ 342,078	97.7%	\$ 21,567
1992	223,148	200,652	89.9%	48,144
1993	221,928	198,897	89.6%	72,274
1994	195,088	185,496	95.1%	87,807
1995	192,716	174,402	90.5%	112,721
1996	94,439	97,151	102.9%	14,814
1997	85,506	101,829	119.1%	14,771
1998	75,128	81,037	107.9%	9,998
1999	118,730	121,175	102.1%	7,599
2000	134,328	129,693	96.5%	12,779

Source: Cuyahoga County Auditor

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2000

TOTAL ASSESSED VALUATION		\$	520,453,969
Overall Debt Limitation - 10 1/2% of assessed valuation			54,647,667
Debt within 10 1/2% limitation	\$	4,972,138	
Less: Bond Retirement fund balance		1,799,118	
Net debt within 10 1/2% limitation			<u>3,173,020</u>
Legal debt margin within 10 1/2% limitation		\$	<u>51,474,647</u>
Unvoted Debt Limitation - 5 1/2% of assessed valuation		\$	28,624,968
Debt within 5 1/2% limitation	\$	4,722,138	
Less: Bond Retirement fund balance		1,799,118	
Net debt within 5 1/2% limitation			<u>2,923,020</u>
Legal debt margin within 5 1/2% limitation		\$	<u>25,701,948</u>

Source: City of Middleburg Heights, Finance Department

CITY OF MIDDLEBURG HEIGHTS, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2000

Jurisdiction	Debt Outstanding	Percentage Applicable To City of Middleburg Heights	Amount Applicable To City of Middleburg Heights
Direct:			
City of Middleburg Heights	\$ 26,264,138 (a)	100.00%	\$ 26,264,138
Overlapping:			
Berea School District	12,265,000 (b)	35.00%	4,292,750
Cuyahoga County	231,044,636 (b)	1.81%	4,181,908
Greater Cleveland Regional Transit	<u>98,030,000 (b)</u>	1.81%	<u>1,774,343</u>
Total Overlapping	341,339,636		10,249,001
Total Direct and Overlapping	<u><u>\$ 367,603,774</u></u>		<u><u>\$ 36,513,139</u></u>

(a) Net General Obligation Debt Outstanding. Source: City of Middleburg Heights, Finance Department

(b) Gross General Obligation Debt Outstanding. Source: Cuyahoga County Auditor

CITY OF MIDDLEBURG HEIGHTS, OHIO

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service on General Bonded Debt	General Fund Expenditures	Ratio of Tax Supported Debt Service to General Fund Expenditures
1991	\$ 139,850	\$ 87,094	\$ 226,944	\$ 6,020,617	3.8%
1992	227,720	294,026	521,746	6,272,512	8.3%
1993	234,735	329,505	564,240	6,485,938	8.7%
1994	239,735	315,905	555,640	6,696,589	8.3%
1995	316,340	340,993	657,333	6,926,117	9.5%
1996	244,339	349,859	594,198	7,396,960	8.0%
1997	253,828	354,333	608,161	7,554,209	8.1%
1998	261,880	183,472	445,352	8,017,909	5.6%
1999	1,380,617	1,454,953	2,835,570	9,035,205	31.4%
2000	1,594,398	1,202,108	2,796,506	9,873,962	28.3%

Source: City of Middleburg Heights, Finance Department

CITY OF MIDDLEBURG HEIGHTS, OHIO

PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Commercial/ Industrial Construction (a)	Residential Construction (a)	Cuyahoga County Bank Deposits (b) (In Thousands)	Total Assessed Valuation
1991/1992	\$ 2,826,790	\$ 2,324,770	\$ 18,392,243	\$ 297,403,357
1992/1993	1,525,400	2,623,110	19,379,280	342,009,158
1993/1994	808,470	1,708,650	21,009,421	344,146,152
1994/1995	3,513,930	2,150,820	20,885,453	344,227,791
1995/1996	1,990,460	1,120,120	22,458,573	387,183,078
1996/1997	3,155,710	2,655,950	27,068,211	399,317,272
1997/1998	10,728,360	2,396,570	53,941,971	437,848,954
1998/1999	3,753,800	3,190,890	58,904,596	444,082,705
1999/2000	9,667,480	4,327,960	57,816,942	454,793,039
2000/2001	4,334,990	5,407,710	61,942,764	520,453,969

(a) Source: Cuyahoga County Auditor

(b) Source: Bank deposits at year-end for banks headquartered in the Federal Reserve Bank of Cleveland (total demand, time and saving deposits)

CITY OF MIDDLEBURG HEIGHTS, OHIO

DEMOGRAPHIC STATISTICS

December 31, 2000

The population of the City, the County, the PMSA and the State for each decade from 1960 to 2000 is as follows:

Year	Population			
	City	County	PMSA	State
1960	7,282	1,647,895	1,909,483	9,706,397
1970	12,367	1,721,300	2,063,729	10,652,017
1980	16,218	1,498,400	1,898,825	10,797,630
1990	14,702	1,412,140	1,831,122	10,847,115
2000	15,542	1,393,978	2,250,871	11,353,140

AGE DISTRIBUTION*

Age	1990			
	Males		Females	
	Number	Percentage	Number	Percentage
Under 5 years	320	4.6%	278	3.6%
5-9 years	374	5.3%	267	3.5%
10-14 years	372	5.3%	431	5.6%
15-19 years	412	5.9%	439	5.7%
20-24 years	495	7.1%	527	6.8%
25-34 years	1,167	16.7%	1,171	15.2%
35-44 years	924	13.2%	959	12.4%
45-54 years	936	13.4%	1,141	14.8%
55-64 years	955	13.7%	991	12.9%
65-74 years	716	10.2%	915	11.9%
75 years and over	324	4.6%	588	7.6%
Total	6,995	100.0%	7,707	100.0%
Median age	38.7		42.6	

DISTRIBUTION OF FAMILIES BY INCOME BRACKET (average 2.9 persons)*

Income	1990	
	Number	Percentage
\$0-4,999	91	1.48%
\$5,000-9,999	295	4.80%
\$10,000-14,999	342	5.57%
\$15,000-19,999	440	7.16%
\$20,000-24,999	669	10.89%
\$25,000-34,999	921	14.99%
\$35,000-49,999	1,409	22.94%
\$50,000-74,999	1,254	20.41%
\$75,000-99,999	465	7.57%
OVER \$100,000	257	4.19%
Total	6,143	100.00%
Median Family Income	\$	37,298
Per Capita Income	\$	18,158

* Age Distribution by Gender and Family Income Distribution for the 2000 Census is currently unavailable
 Source: Northern Ohio Data and Information Service, College of Urban Affairs, Cleveland State University

CITY OF MIDDLEBURG HEIGHTS, OHIO

DEMOGRAPHIC STATISTICS, Continued

December 31, 2000

Employment

The following table compares estimated employment statistics for Cuyahoga County and the Cleveland-Lorain-Elyria PMSA including comparisons with unemployment rates for the State of Ohio and the United States.

Year	Employed		Unemployed		Unemployment Rate			
	County	PMSA	County	PMSA	County	PMSA	Ohio	U.S.
1991	636,000	1,017,700	39,400	67,400	5.8%	6.2%	6.4%	6.7%
1992	628,100	1,009,600	48,700	80,700	7.2%	7.4%	7.2%	7.4%
1993	625,700	1,005,800	45,900	72,600	6.8%	6.7%	6.5%	6.8%
1994	636,300	1,022,800	39,400	62,800	5.8%	5.8%	5.5%	6.1%
1995	644,100	1,036,600	31,800	55,400	4.9%	5.1%	4.8%	5.6%
1996	655,700	1,046,900	34,300	57,400	5.1%	5.2%	4.9%	5.4%
1997	660,800	1,061,600	32,700	53,500	4.8%	4.8%	4.6%	5.0%
1998	643,800	1,059,900	30,100	48,400	4.5%	4.4%	4.3%	4.5%
1999	649,900	1,069,800	31,300	50,300	4.6%	4.5%	4.3%	4.2%
2000 (1)	649,500	1,075,900	31,100	49,800	4.6%	4.4%	4.1%	4.0%

Source: Ohio Bureau of Employment Services
U.S Department of Labor, Bureau of Labor Statistics

(1) Preliminary estimate.

(2) Effective January 1, 1994 the Cleveland PMSA was modified to include Lorain and Ashtabula counties. Data presented for years prior to 1993 does not reflect this change.

CITY OF MIDDLEBURG HEIGHTS, OHIO

PRINCIPAL TAXPAYERS

December 31, 2000

The following are the principal taxpayers in the City of Middleburg Heights, ranked in order of payroll withholding:

Taxpayer
Southwest General Hospital
United Parcel Service
Sears Roebuck and Company
Compuware Corporation
Advanstar Communications Incorporated
Berea City School District
Polaris Joint Vocational
City of Middleburg Heights
Tool Producers Incorporated
Sunnyside Automotive Incorporated

Source: Regional Income Tax Agency

CITY OF MIDDLEBURG HEIGHTS, OHIO

MISCELLANEOUS STATISTICAL DATA

December 31, 2000

Date of incorporation as a village	1927
Date of incorporation as a city	1961
Form of government	Mayor - Council
Area	8 Square miles
Miles of Streets	61
Fire protection:	
Number of stations	1
Number of firefighters and officers	21
Police protection:	
Number of stations	1
Number of police-persons and officers	30
Buildings:	
Permits issued	303
Estimated cost of construction	\$ 28,383,873
Parks and Recreation:	
Number of parks	1
Number of ball diamonds	3
Tennis courts	4
Volleyball courts	2
Soccer fields	3
Horseshoe pits	3
Bocce ball courts	1
Playgrounds	1

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City of Middleburg Heights, Ohio

SINGLE AUDIT

DECEMBER 31, 2000

CITY OF MIDDLEBURG HEIGHTS, OHIO

FOR THE YEAR ENDED DECEMBER 31, 2000

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**Report On Compliance And On Internal Control Over Financial
Reporting Based On An Audit Of Financial Statements Performed
In Accordance With *Government Auditing Standards***

Members of the City Council of the
City of Middleburg Heights, Ohio

We have audited the financial statements of the City of Middleburg Heights, Ohio as of and for the year ended December 31, 2000, and have issued our report thereon dated March 16, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Middleburg Heights' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Middleburg Heights' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the City Council, management, and the Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties

Ciuni & Panichi, Inc.

Cleveland, Ohio
March 16, 2001

CITY OF MIDDLEBURG HEIGHTS, OHIO

SCHEDULE OF FINDINGS

DECEMBER 31, 2000

1. SUMMARY OF AUDITOR'S RESULTS

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	No

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

None.

3. OTHER FINDINGS

None.

CITY OF MIDDLEBURG HEIGHTS, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2000

None.

**CITY OF MIDDLEBURG HEIGHTS, OHIO
15700 BAGLEY ROAD
MIDDLEBURG HEIGHTS, OHIO 44130
(440) 234-8989**

**Response To Findings Associated With Audit Conducted
In Accordance With *Government Auditing Standards*
For The Year Ended December 31, 2000**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
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Not
applicable





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF MIDDLEBURG 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
JUNE 5, 2001**