

City of Shaker Heights

*Comprehensive Annual Financial Report
for the Fiscal Year Ended December 31, 2002*



*Prepared by the Department of Finance
Frank J. Brichacek, Finance Director*



**Auditor of State
Betty Montgomery**

Members of City Council
City of Shaker Heights
3400 Lee Road
Shaker Heights, OH 44120

We have reviewed the Independent Auditor's Report of the City of Shaker Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2002 through December 31, 2002. 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 Shaker Heights is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 7, 2003

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City of Shaker Heights, Ohio

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Introductory Section



***Comprehensive Annual Financial Report
for the Fiscal Year Ended December 31, 2002***



The City of Shaker Heights

Judith H. Rawson, Mayor

June 20, 2003

Mayor Judith H. Rawson,
Members of City Council and
Citizens of the City of Shaker Heights, Ohio
Shaker Heights City Hall
3400 Lee Road
Shaker Heights, Ohio 44120

Re: **Submission of 2002 Comprehensive Annual Financial Report**

Dear Mayor Rawson, Members of Council and Citizens of Shaker Heights:

We are pleased to submit for your review the City's 2002 Comprehensive Annual Financial Report. Commonly referred to as a "CAFR", this report is the City's official annual report for the fiscal year ended December 31, 2002. This CAFR is a more extensive report than general-purpose financial statements and we believe demonstrates the City's ongoing commitment to be accountable not only to its citizenry but also to excellence in financial reporting. While no single report can be all things to all people, our goal in presenting this report is to provide any person or entity interested in the City of Shaker Heights with at least the minimum information needed to gain a fair understanding of the City's financial position, results of operations and cash flows. While "fairness" may be considered a subjective concept, the accepted criteria for fairness in governmental financial reporting is considered to be generally accepted accounting principals (GAAP). Accordingly, unless otherwise noted, the information presented in this CAFR is prepared in accordance with GAAP.

Generally accepted accounting principals are uniform minimum standards and guidelines for financial accounting and reporting. GAAP governs the form and content of the City's financial statements. The primary importance and benefit of GAAP is that it provides a consistent standard by which you, the user of the financial statement, may measure the financial presentation. The application of GAAP helps to assure that financial information is fairly presented in a consistent manner. The Governmental Accounting Standards Board (GASB) is the primary authoritative body on the application of GAAP to state and local governments.

When reading this Comprehensive Annual Financial Report, bear in mind that the responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe that the report herewith presented is accurate in all material respects and is designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Finance Department

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This Comprehensive Annual Financial Report consists of three parts. The *Introductory Section* provides general information regarding the City's structure and personnel in the form of organizational charts. In addition, an overview of the City's economic situation and financial information is included in the form of this transmittal letter. In presenting this overview, this transmittal letter utilizes in a less technical manner the information that is presented in the report's remaining two sections. While we encourage the reader to utilize the entire report, the average citizen may find this to be the most accessible section of the report.

The *Financial Section* includes the independent accountants' report on the general purpose financial statements, the general purpose financial statements and the combining and individual fund and account group financial statements and schedules. This section includes a wealth of detailed financial and budgetary information that City Council and possibly the investment community may find to be particularly useful. When reviewing the information presented in the financial statements, the reader should remember to also look to the information presented in the notes to the financial statements as they are an integral part of the statements and are intended to assist the reader in analyzing and understanding the numeric information being presented.

The *Statistical Section* provides a broad range of unaudited trend data covering the economic and financial history of the City as well as demographics and other statistics. The tables are presented on a multi-year (generally the last ten years) basis.

General Description of the City

The City of Shaker Heights, covering approximately 6.3 square miles, is located approximately ten miles southeast of downtown Cleveland in Cuyahoga County in northeastern Ohio. Incorporated under Ohio law as a village in 1912, Shaker Heights became a city in 1931. As provided by Ohio law, the City operates under the auspices of its own charter, which was adopted by the voters in 1931. The Charter provides for the City to operate under the Mayor-Council form of government with the Mayor serving as the President of Council. The Mayor serves as the City's Chief Executive Officer and appoints and removes the City's Chief Administrative Officer and all department heads.

Legislative authority is vested in a seven member Council. All council members are elected at-large and serve for four-year terms. Council terms are staggered with four members being elected in one election and three members being elected in the next election two years following. City Council holds its regular monthly council meeting on the fourth Monday of the month. In addition, the Council holds a work session meeting on the second Monday of the month. The various committees of council meet on at least a monthly basis at various times throughout the month. As of January 1, 2002, the Chief Administrative Officer serves as the Clerk of Council with the Finance Director serving as the Clerk of Council Pro-Tem. The City department heads attend all regular council meetings and attend council work sessions whenever required.

Primarily considered to be a residential community, Shaker Heights is the nation's oldest completely planned community and is recognized in the National Register as the Shaker Village Historical District. Combining the "Garden City" movement with comprehensive planning, the City was initially planned and developed to include housing that was diverse in style and in price, large parcels of land for public and private schools and churches, lakes, parks and a golf course. The City is served by a rail transit system to downtown Cleveland. Originally City-owned and operated, the rail system is now owned and operated by the Greater Cleveland Regional Transit Authority.

Financial Reporting Entity

Recognizing that the organizational structure of many governments has become increasingly complex, it is necessary to define the City of Shaker Heights, Ohio as a financial reporting entity. In preparing this CAFR, the City has reviewed its definition of reporting entity in order to ensure compliance with Statement No. 14 of the Governmental Accounting Standards Board. All entities over which the elected officials of the City are

accountable to the citizens of Shaker Heights are included in this Comprehensive Annual Financial Report. Accordingly, this CAFR includes all funds and account groups of the City. In addition, we have reviewed the City's relationships with other organizations to determine whether or not any of these organizations should be included as a component of the City's reporting entity because the City is either financially accountable for them or because of the nature and significance of their relationship to the City the exclusion of the organization from the City's reporting entity would cause the City's financial statements to be misleading or incomplete. In performing this review, the following factors were considered:

- A. *The financial interdependency of the entities* - Is the City responsible for financing the entity's operating deficits or entitled to any operating surpluses? Is the City legally or morally responsible for repaying the entity's debt in the event of a default?
- B. *The selection of the governing authority* - Does the City or any of its elected officials make authoritative appointments to the entity's governing authority? An authoritative appointment is one where the elected official maintains a significant ongoing relationship with the appointed official with respect to carrying out important public functions.
- C. *Designation of management* - Is the day to day management of the entity appointed by or accountable to the City?
- D. *The City's ability to significantly influence operations.*
- E. *The entity's accountability to the City for fiscal matters* - Does the City exercise absolute authority over the entity's funds?
- F. *Is the entity closely related to the City?* - Does the nature and significance of the entity's relationship with the City warrant its inclusion in the City's reporting entity?

Based upon the above, the City's reporting entity does not include any component units, joint ventures, jointly governed organizations or other stand-alone governments.

City Services

The City provides a variety of City services to its citizens, including: Police and Fire Protection, Emergency Medical Service, Refuse Collection, Street Maintenance, Recreation, Municipal Court, Public Health, Community Planning and Development, Inspectional Services, Public Improvements and General Administrative Services.

First Energy and the Dominion East Ohio Gas Company, both of which are independent, publicly owned utilities regulated by the State of Ohio, provide the City's residents with electricity and natural gas. The City of Cleveland and the Northeast Ohio Regional Sewer District provide water and sewage service to the City's residents. In the last decade, the City has invested heavily in replacing and relining its water distribution system in order to minimize water losses from leaks and to maintain and improve water pressure. In addition to fees paid to the Northeast Ohio Sewer District, City residents also pay a local surcharge based upon water consumption that is used by the City for the maintenance and replacement of the sewer lines within the City.

In addition to the basic services, the City continues to make available superior recreational facilities and programs to its residents. The Thornton Park city recreation center is situated on a 13-acre campus and its facilities include an indoor ice arena that provides year-round service, an Olympic size outdoor pool, sand volleyball courts, outdoor tennis courts and fitness facilities. In addition, an extensive range of recreational programs is offered for children and adults. The City also maintains the Shaker Lakes, a 190-acre area that includes two lakes and a duck pond.

The City offers a high level of public service to its residents as exemplified by its back yard garbage collection program. Included in this program is the City's recycling sub-program. The City has provided each resident with containers for the recycling of metal, glass, newspapers and some plastics. All materials are picked up at the rear of the house at the same time as the non-recyclable trash. In addition, the City also offers recycling of corrugated cardboard, magazines and other materials at its service center.

The City continues to maintain its significant urban forest, funded primarily through a triennial special assessment. As testament to its efforts, the City has been recognized with the Tree City USA Award. More importantly, the City is home to one of the country's largest stands of American Elms and continues in its fight with the Dutch Elm beetle to maintain this stately resource and keep it from extinction.

Economic Conditions

The City of Shaker Heights is an inner ring suburb of the City of Cleveland, Ohio. Primarily residential in nature, it has a diverse base of residents working in many professions and industries. The City's economic strength is directly linked to this diversity and the strength of northeast Ohio's economy. While downtown Cleveland is only twenty minutes by car from the heart of the City, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum and the new Cleveland Browns Stadium. Another contributor to the City's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renown Cleveland Orchestra, the Cleveland Museum of Art, Case Western Reserve University, University Hospitals of Cleveland and the Cleveland Clinic, both world-renowned medical research, teaching and treatment facilities.

All of these factors have contributed to the continuing economic strength of the community. As a primarily residential community, there is no better indicator of the economic strength of the community than property values and income taxes. During 2000, the Cuyahoga County Auditor completed a reappraisal of the value of all real estate in the County in order to update valuations assigned to the property during the Auditor's 1997 reassessment. The Auditor's study determined that the value of residential real property had increased by approximately 13.2% over 1999 values. Overall, total property valuation increased by 13.0%. Since the 1988 reappraisal, the assessed value of residential property in the City has increased by 66.3% and commercial property by 34.8%. During 2003, the County Auditor will be reassessing and updating the 2000 property valuations. It is anticipated that the value of the City's residential property will show an increase in excess of 10% over the 2000 values.

City income tax revenue decreased by approximately 1.5% in 2002 over the amount realized in 2001. Revenue from individual taxpayers decreased by approximately 2.5% while revenue from withholding taxes, business net profits and related penalties and interest increased by 0.7%. As was noted in the 2000 and 2001 CAFRs, 2001 revenue was impacted by the fact that December 31, 2000 fell on a weekend. It is our belief that this quirk of the calendar resulted in taxpayer's year-end payments being reflected in 2001 rather than 2000. As a result, 2001 individual income tax revenue was unusually high. Revenue from individual taxpayers was \$11.9 million in 1999, \$11.2 million in 2000, \$12.7 million in 2001 and \$12.4 million in 2002. 2003 income tax collections are off to a strong start, as the City was the recipient of an individual income tax payment of approximately \$4.6 million, by far the largest tax payment ever receipted by the City. Table No. 3 on page C-3 of the Statistical Section of this report details the City's collections over the last ten years. To protect and enhance its income tax base, the City has continued to emphasize the importance of maintaining and improving its housing stock in order to assure that the City continues to be recognized as one of the nation's premier residential communities.

Highlights of 2002 and A Look to the Future

In 2002, the City Administration and Council continued the strategic process it began in 2000 to refine the method used to develop and monitor its operating budget. In doing so, it took into account the City's self-adopted mission, which is

"To protect our legacy and strengthen our competitive position in Northeast Ohio."

The process also considered the City's vision:

"Shaker Heights is nationally recognized as a premier community, defined by the character of its neighborhoods and residents, its access to cosmopolitan amenities, its exemplary educational institutions and its extraordinary housing stock."

The City continued to link its budget process to a coordinated effort to meet the City's mission. The City focused its efforts to reinforce its strengths and address its weaknesses. The City's identified its strengths as:

- Strong neighborhood identification
- Its schools
- The diversity of the City's residents
- Its superior Police and Fire services
- A professional, well-run government
- The City's housing stock
- It's Strategic Investment Plan addressing the City's weaknesses, specifically in its housing, commercial and retail areas.

The City identified its weaknesses as:

- Single-family homes in need of maintenance and repair
- Apartment and two-family homes in need of upgrading
- Absentee ownership of rental housing
- A lack of empty-nester housing
- Needed improvements to the City's lakes and parks
- Infrastructure improvements
- Outdated commercial/retail infrastructure

After careful analysis, the Mayor and Council determined that the City should reallocate its resources to meet the City's long-term objectives. To do so, the 2002 budget was divided into the following core areas of service:

- Safety and Core Services – Functions whose primary focus is to maintain the quality of life in the City including Police, Fire, Public Works, Municipal Court, Health and Community Life Departments.
- Growth of Tax Base – Functions whose primary focus is to build the maintain and enhance the City's tax base through economic development while attracting new residents and retaining existing residents who will support the quality of life in the City. This area includes the Communications and Outreach, Planning and Development, Economic Development and Neighborhood Revitalization Departments.
- Asset Management – Functions whose primary focus is to provide administrative support to the other City functions. This area includes the Mayor's Office, City Council, Building and Housing Departments and other administrative departments including the Chief Administrative Officer, Law, Finance and Human Resources.

In 2002, the City's expenditures reflected its desire to grow its tax base. The City's 2002 General Fund expenditures in the category "Growth of Tax Base" were 49.7% greater than in 2000 (\$2.4 vs. \$1.6 million on a budget basis of accounting). In addition, the City has transferred a total of \$2.4 million from its operating budget to supplement its capital program. These additional dollars assisted in funding the City's Growth of Tax Base strategy including implementation of the Strategic Investment Plan and new housing programs as well the City's Safety and Core Services by funding new firefighting equipment, an ambulance and other capital improvements. In addition to the specific action plans developed to support the above goals, all City departments continued to undertake the day-to-day functions supporting the strengths of the City. Since 2000, the City has implemented the following base actions to grow its tax bases:

1. "Attract and Retain" initiatives have been undertaken to market the City to potential new residents and to keep its current residents in the City. As a primarily residential City, the City's residents and housing

stock are its greatest asset. The City has redesigned its website (www.shakeronline.com), improved outreach to employers and realtors and renewed its focus on community events to promote the City's most appreciated characteristics: its outstanding public and private school systems, attractive and architecturally significant housing stock, its positive living environment and its proximity to other places in northeastern Ohio.

2. The City has strengthened its neighborhood revitalization programs to improve its property values. As was noted previously, residential property values in the City increased by approximately 13.2% in the 2000 County reappraisal and the City is anticipating that residential valuation will increase by at least 10% when the County Auditor reassesses property values in 2003. To ensure that this upward trend in values continues, the City has implemented the following programs:
 - ❑ The Point of Sale Escrow Program – requires property owners to either correct all housing code violations prior to transferring title to the new owner or to place funding equal to 150% of the cost of correcting the violation in escrow for the new owner to correct the violation within a timely period after assuming property ownership. The escrow funding is not released until the Director of Housing has certified that all code violations have been corrected.
 - ❑ Apartment Inspection Program – begun in 1998, all of the City's 94 apartment buildings received complete interior and exterior inspections. The program identified over 22,000 violations, 94.6% of which were corrected and 80% of all buildings were in full compliance by mid-2002.
 - ❑ Certified Shaker – a program to encourage the highest standard in rental properties. To be considered "Certified Shaker", a property must have passed the Neighborhood Revitalization Department's six point "Standards of Excellence" test. The program is designed to give prospective renters a clearer picture of what they may expect before they view a unit. Certified Shaker properties are listed on the City's website and shown to prospective renters by the City's housing specialists.
 - ❑ Front Porch Shaker – a program to assist single-family homeowners with new landscaping to improve the value of their individual property as well as the overall curb appeal of the street the property is located on.
 - ❑ Housing Inspection Program – Improved the consistency of inspections as well as the response time.
 - ❑ Increased the level of street resurfacing throughout the City. In 2001, seventeen streets were resurfaced at a cost of \$952,600. In 2002, twenty streets were resurfaced at a cost of \$1,403,975.
 - ❑ Neighborhood Grant Program – A grant program for neighborhood groups to fund improvements that the group determines best meets the needs of their area.
 - ❑ Infill Housing Program – A program to attract private investors to build new housing products on seven City-owned lots in the City's Moreland neighborhood to provide new housing products for the City's changing residential needs. The new homes will be approximate 1,700 to 2,000 square feet and will be required to blend in architecturally with the existing homes. The designs are to be aimed at empty nesters, retirees and young professionals. The project is projected to provide approximately \$40,000 per year in new property and income taxes.
3. An economic development function was established to focus on the City's commercial and retail tax base. The goal of which is to attract new business and to retain established businesses.
4. The City has undertaken long-term reinvestment projects that would not have taken place without the City's leadership and participation in the projects. The City is using tax increment financing to generate growth in the property tax base from properties that currently are generating minimal revenue for the City and the School District. Both the Sussex Courts housing and Shaker Towne Centre housing and retail redevelopment projects are utilizing tax increment financing to fund the public improvements necessary to support the projects.

In 2002, General Fund expenditures increase by only 1.7% over 2001. During the year, the City controlled its spending by monitoring all open positions and only replacing needed positions. This saved approximately \$940,000 in budgeted expenses. In addition, the City's labor agreements with its Police and Fire unions expired during 2002 and were renegotiated. The City achieved two major cost avoidances in the new

contracts. First, salary increases were reduced to 3% to 3.5% annually over the three year contract from the 4%+ range granted in other area community's labor agreements. Secondly, for the first time ever, union employees will be contributing towards the cost of their health care. The Public Works employees, whose contracts expired on December 31, 2002, also agreed to this economic settlement. The remainder of the Public Works employees' labor agreement is currently being negotiated. Beginning in 2003, all City employees will contribute an amount equal to 6% of the actual cost of their health care. It is estimated that, beginning in 2003, this change will save the City approximately \$132,000 annually. It also makes the City's employees more cognizant of the cost of health care and creates a partnership between the City and its employees in controlling health care expenses. As a result of this change in the labor agreement combined with changing the health care provider based upon competitive bidding, the increased cost of providing employee health care will grow by 13% in 2003 over 2002 rates. This compares favorably to the 15% to 20% nationwide growth rate.

As predicted last year, Ohio Senate Bill 108 had a negative impact on the amount of Estate Tax received by the City in 2002. SB 108 increased the Estate Tax exemption from estates with a value of \$25,000 or less to estates with a value of \$338,500 or less. The City received approximately \$2.2 million in 2002. While this amount is greater than the amount received by most Ohio communities, it is the lowest amount received by the City in twenty years. While the amount of Estate Tax revenue is unpredictable, most of the 2002 decrease is attributable to the impact of SB 108. As the Estate Tax is the primary funding source for the City's annual capital program, any threat to this revenue source is significant to the City's operation. During 2002, the City continued to work to make other communities aware of the impact SB 108 on their communities and to attempt to work together to avoid any further reduction in this revenue source without additional replacement funding. The City also worked to make state legislators aware of the negative impact of their actions on local government's ability to fulfill its responsibility to its citizenry.

Because of the economic composition of the community, the City should continue to receive revenue from the Estate Tax. As a result of SB 108, it appears that the annual cash flow may become more unpredictable as it appears that approximately 90% of the estates that would be subject to this tax under the old rules will now be exempt. To deal with this uncertainty, in 2003 the City will change its funding philosophy for its capital program. In 2003, the City made the decision not to appropriate for expenditure any 2003 Estate Tax revenue. Beginning in 2003, the City will reserve its current year Estate Tax revenue to fund the following year's capital program. This change will enable the City to prepare the current year's capital budget based upon known resources thereby eliminating any Estate Tax cash-flow uncertainty created by the impact of SB 108. This will also give the City a year of lead-time to adjust in years when it receives less than average amounts of Estate Tax revenue. To facilitate this change, the 2003 capital budget will be based upon the General Capital Fund's available fund balance on January 1, 2003 and any other revenue projected.

Implementation of the City's Strategic Investment Plan continued in 2002. Construction was completed on the first phase of Sussex Courts, the City's second new housing development in the last three years, and began on the Phase II. The response to the project has been strong. As this letter is written, the developer has sold or has purchase commitments for 30 of the 46 six units in the development totaling \$10.4 million. When completed, the development will feature 46 upscale townhouses on the north and south sides of Chagrin Boulevard, one of the City's main east/west thoroughfares. Phase I consists of 16 units, ranging in sale price from \$246,000 to \$450,000. All but two of these units (which are being used by the developer as model units) are sold and occupied. It is anticipated that Phase II will be completed by the end of the 2003. The project also includes the narrowing of Chagrin Boulevard and streetscaping in order to create a more pedestrian friendly environment. The project is also beginning to positively impact the neighboring business district as new businesses are expressing interest and moving into the district.

Once completed, the estimated market value of the Sussex Courts property will increase from \$660,000 to approximately \$13.7 million. The property acquisition and the public improvements necessary for the project are being financed using approximately \$2.7 million of tax increment financing debt. The debt will be retired using 75% of the additional revenue generated from the new property value created by the project. As a result, besides providing tax increment financing revenue to fund the project debt service, the project also will provide new operating revenue for City's General Fund, the Shaker Heights School District, the Shaker Heights Public Library and Cuyahoga County.

In addition to Sussex Courts, the City continued to implement its plan to strengthen the Shaker Towne Centre shopping district of the City. During 2002, construction of the new Firehouse, the plan's first step, was bid and begun. It is anticipated that the \$5 million project will be completed on budget and the firefighters will move into the new Firehouse No. 1 from the current Fire Station No. 1 in the fall of 2003. The decision to relocate the new firehouse in the shopping district was predicated on the belief that the resulting increase in foot traffic and other activity related to the firehouse will contribute to a shopper-friendly environment. A debt issue will finance the new firehouse. The debt service will be funded as a component of the City's capital program.

The Firehouse is the first new public building erected in Shaker Heights since 1973. The two-story building will be approximately 19,200 square feet, double the size of the existing fire station that it is replacing.

The second step in the redevelopment of the Shaker Towne Centre Shopping District calls for the redevelopment of the shopping plaza and the adjacent housing. In May of 2002, the City announced a redevelopment plan that will result in approximately \$33 million of public and private improvements in the Shaker Towne Centre district. During 2002, the City assembled the development site (which is located directly behind the existing Shaker Towne Centre Shopping Center) by acquiring two aging apartment buildings. The City worked with a relocation specialist to assist the area residents to find other housing as well as providing financial assistance to each tenant. The properties were vacated early in 2003 and the buildings were demolished and the site was cleared. Later in 2003, the City will acquire a small portion of the Shaker Towne Centre shopping center. Once the property acquisition phase is complete, the City will construct a new road through the resulting development parcel and shopping center that will connect Van Aken Boulevard to Chagrin Boulevard. The City will also relocate one other existing road in the area and construct all necessary utilities to service the new road and development sites as well as streetscaping the new north-south road. The City will also be narrowing and resurfacing the portion of Chagrin Boulevard that runs through the shopping district. Once complete, the City will provide streetscaping on Chagrin Boulevard and the new road. As part of this project, the City will also be performing sewer improvements to the sewers that are located underneath Chagrin Boulevard. This work is scheduled to begin in the summer of 2003 and be completed in 2004. Pursuant to the project development agreement, the private development will begin after the new road has been constructed. It is anticipated that the project will take five years to complete.

The estimated \$10.55 million cost of the project will be financed using tax increment financing (\$8.65 million), grants (\$940,000) and proceeds from the City sewer user fee (\$965,000). During 2002, the City issued a \$5.1 million urban renewal temporary bond to finance the 2002 portion of the project. In July 2003, the City will issue additional debt to finance the remainder of the project. Early in 2003, the Northeast Ohio Area Coordinating Agency announced that the \$303,000 TEA-21 grant that the City had been awarded for the Chagrin Boulevard portion of the project will be increased to \$700,000 and the State of Ohio Department of Transportation would grant the City \$90,000 towards the cost of resurfacing Chagrin Boulevard within the redevelopment district.

As with the Sussex Courts project, 75% of the revenue generated by the increase in the taxable value of the new development (estimated to be approximately \$22 million) over the \$2.1 million value of the existing development will be used to finance the debt issue. The revenue resulting from the remaining 25% increase in the taxable property value will provide new operating revenue to the General Fund of the City, the Shaker Heights School District, the Shaker Heights Public Library and Cuyahoga County.

The development agreement calls for the private developer, Heartpoint Devco LLC, to acquire the site in stages from the City and construct approximately 157 new residential units on the site. The actual units are subject to finalization of plans. The development will include loft-style condominiums, townhouses and apartments. In addition, two new retail buildings will be built contiguous to the shopping center, giving the area a sense of connection and continuity with the Shaker Towne Centre shopping district. The owners of the shopping center will complete façade renovations to all stores in the shopping center. In addition, during 2002 Heinen's supermarket, one of the shopping center's anchor tenants, completed a \$2.3 million renovation of its store.

During 2003, the City anticipates beginning the final phase of the existing Shaker Towne Centre Shopping District redevelopment, the redevelopment of the retail district on the south side of Chagrin Boulevard from Lee to Avalon Roads. The City currently owns eight of the retail properties (approximately 60%) in the district. The City also owns the parking lot that serves all of the retail businesses in the district. During 2003, the City will be issuing requests for qualifications and proposals to identify a developer and a plan that will preserve the architectural character of the buildings on the south side of the shopping district while updating the district into an economically viable district that will serve the needs of the City's residents for years to come.

The Northeast Ohio Regional Sewer System (NEORS) continued during 2002 to work on the Shaker Heights portion of the Heights Interceptor Sewer Project. Construction of the Van Aken Boulevard section of the project was begun during 2000 and is expected to be completed during 2003. The improvement project is part of a multi-million dollar program whose objective is to supplement the capacity of the City's existing sewer system in order to alleviate basement flooding and sewer overflows during significant rain events.

The Northeast Ohio Area Coordinating Agency (NOACA) notified the City that it has been awarded a \$7 million grant to fund improvements to the City's traffic signalization system. Planning for the project began in 1993. The project is intended to allow traffic to flow more efficiently through the City. The plans call for improving both road and rapid transit signals and include removing signals at various locations in the City that engineering studies have deemed to be unnecessary. The project will include replacing existing poles with decorative poles and mast-arms, updating traffic controller equipment, revising warning signals at rapid transit crossings and adding a pre-emption system for fire vehicles at six major City intersections. This system will allow fire vehicles to proceed unhindered through the intersection, which should enhance the safety for both the firefighters and motoring public. It is anticipated that installation of the improvements will begin in 2004.

During 2002, the Shaker Heights Coalition to Prevent Youth Substance Abuse was formed. The City received a \$100,000 grant from the Offices of Juvenile Justice and National Drug Control Policy to fund the program. The Prevention Coalition is headed by the City Health Director and the Curriculum Director for the Shaker Heights School District and includes representatives from various City departments, the School District, the Library, the school Parent Teacher Organizations, the Shaker Youth Center, Bellfaire JCB, Case Western Reserve University, faith communities, service organizations, teens and parents. The Prevention Coalition is intended to support the personal development of Shaker teens and their families. The Coalition introduced programs that include peer teaching, teen health advocacy, parental empowerment, neighborhood outreach and dialogue regarding community beliefs about adolescence and substance abuse. A second \$100,000 was received to fund the Prevention Coalition during 2003. The grant is renewable for up to five years from the original award date.

Accounting Policies and Budgetary Control

When reviewing the financial statements and other information presented in this Comprehensive Annual Financial Report, it is important for the reader to consider the "measurement focus" of the information presented. "*Measurement focus*" is the term used to denote what accountants are attempting to measure and report in a fund's operating statement. For financial reporting purposes, the City of Shaker Heights financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to local governments.

Under GAAP, the Governmental and Fiduciary fund types use a flow of financial resources measurement focus. This measurement focus is concerned with whether or not there are more resources that may be expended in the near future as a result of events and transactions that occurred during the period of time being reported upon. To facilitate this measurement focus, the Governmental and Fiduciary fund types utilize a modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when measurable and available to finance current expenditures; expenditures are recognized when goods or services are received and liabilities are incurred.

Proprietary Fund types measurement focus is the economic impact upon the fund of events and transactions that occur during the reporting period. To facilitate this focus, Proprietary Funds utilize the accrual basis of accounting. The accrual basis of accounting recognizes transactions as income/revenue or expense when the transaction occurs without regard to the timing of the related cash flow.

In accordance with Ohio law, the City prepares its budget on a modified cash basis of accounting. This basis of accounting is not in accordance with GAAP. Under this basis, revenue is recognized when actually received in cash. Encumbrances are recorded as budgetary obligations upon entering into a purchase agreement. Budgetary obligations are comprised of total current year expenditures plus unliquidated encumbrances. The unencumbered appropriation balances of funds for which the City adopts an annual budget lapse at year end and revert back to the respective funds from which they were originally appropriated, thus becoming available for future appropriation by City Council. The notes to the financial statements contain a reconciliation of the budget basis financial statements and the financial statements prepared in accordance with generally accepted accounting principles.

With the exception of fiduciary and capital project funds, City Council annually adopts (or appropriates) operating budgets for all funds. State law provides that total obligations cannot exceed the total amount appropriated for the fund; the City maintains its legal level of budgetary control at this level. During the course of 2002, Council did adopt amendments to the budget to account for new funds and grants received.

Council has deemed fiduciary funds to be appropriated for their intended use upon receipt; accordingly the legal level of budgetary control for these funds is at the fund level. Budgets for capital project funds are adopted on a project-by-project basis. Project appropriations lapse only upon completion of the project; therefore the unencumbered balances of ongoing capital project appropriations are carried over to the subsequent fiscal year. The City maintains its legal level of budgetary control for capital project funds at the project level. During the course of 2002, Council adopted appropriations totaling approximately \$11.3 million for both new capital projects as well as to amend the appropriations for various projects that were originally appropriated in previous years.

In addition to its legal level of budgetary control, the City exercises management control over its budget at the department level. The Mayor and/or Chief Administrative Officer are authorized to transfer amounts between departments so long as the total amount appropriated for each fund does not exceed the amount approved by Council. A more detailed discussion of the budgetary process is included in the notes to the financial statements in the financial section of this report.

The City maintains a fully automated financial accounting system. Budgetary control is maintained through the use of a purchase order system. The purchase order (required before making any purchase in excess of \$500) creates the encumbrance against the current unobligated budget. In addition, City management requires the solicitation of competitive quotes for material purchases exceeding \$500. The City Charter requires that purchases of \$25,000 or more be publicly bid before a contract and the related purchase order may be authorized. Unliquidated encumbrances do not lapse at year-end but are carried forward to the next year as a reservation of fund balance to be used for their intended purpose(s). Upon final payment of any purchase order carried over from a prior year, the unexpended balance of the encumbrance is closed to the fund's available fund balance for consideration for future appropriation by City Council.

Internal Accounting and Reporting Control

As previously stated, the City administration is responsible for the sound administration of the financial resources of the City. In fulfilling this responsibility, the administration has developed a system of internal accounting controls upon which it relies to provide reasonable, but not absolute, assurance regarding the safeguarding of the City's assets against loss resulting from the asset's unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

It is important to note that the internal accounting controls built into the City's system were developed within the framework of the concept of *reasonable*, not absolute, assurance. This concept recognizes that the cost of instituting and maintaining internal controls should not exceed the benefits likely to be derived from said controls and that the evaluation of the costs and benefits requires estimates and judgments by the City's management. Regular reviews of internal controls occur within the framework of this policy. We believe that the City's system of internal accounting controls meet these objectives and provide reasonable assurance of proper recording and reporting of financial transactions.

Fund and Account Group Structure

As required by generally accepted accounting principles, the fund and account groups of the City are organized as follows:

Governmental Funds – Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities – except those accounted for in propriety funds and fiduciary funds. Comprised of the following four fund types, governmental funds are used to account for the City's governmental – type activities.

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

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

Debt Service Fund – The fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Project Funds - Funds used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds - Fund types used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector. Unlike other fund groups, all assets, liabilities, revenues, expenses and transfers relating to the City's business and quasi-business activities are accounted for through proprietary funds. Proprietary funds include the following fund types:

Enterprise Funds - Funds used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - Funds used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Fiduciary Funds - Fund types used to account for assets held by the City in a trustee capacity (Trust Fund Type) or as a fiscal agent (Agency Fund Type) for individuals, private organizations, other governmental units and/or other City funds. Currently, the sole City trust fund is classified as an expendable trust fund meaning that the assets of the fund may be expended for its specified purpose.

Account Groups - Accounting entities used to establish control over and accountability for the City's general fixed assets and the unmatured principal of its general long-term debt. Unlike funds, account groups are not used to account for sources, uses and balances of expendable, available financial resources. Currently, generally accepted accounting principles provide for two account groups. They are as follows:

General Fixed Asset Account Group - To account for all fixed assets of the City, except those fixed assets accounted for in the proprietary and trust fund types.

General Long-Term Obligations Account Group - To account for all long-term obligations of the City, except for those long-term obligations accounted for in the proprietary and trust fund types.

Overview of General Governmental Revenues and Expenditures

A. Revenues and Other Financing Sources

When the term "general government" is used in this transmittal letter or the statistical section of this Comprehensive Annual Financial Report, we are referring to the total of the governmental fund types (i.e. General, Special Revenue, Debt Service and Capital Projects Funds) and the expendable trust fund. Revenues for general governmental functions are categorized as follows:

Property Taxes - Amounts levied against the taxable or assessed value of all real and public utility property and tangible personal property used in business. Real property is assessed at 35% of its true (market) value as determined by the Cuyahoga County Auditor. The true value of personal property is based on composite annual allowances and is assessed at 88%, except for the following:

Electric Utility Production Equipment: Assessed at 100% of true value (50% of cost).

Personal Property of Rural Electric Companies: Assessed at 50% of true value.

Personal Property of Railroads: Assessed at 25% of true value.

Telephone Utility Personal Property: Effective in tax year 1995, all interexchange telephone personal property is assessed at 25%. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88% of true value.

Municipal Income Taxes - Taxes levied at the rate of 1.75% on all wages, other compensation and net profits earned within the City, as well as on the income of residents which is earned outside of the City. In the latter case, if the resident's income is subject to taxation by another municipality, the City allows a tax credit equal to 50% of the income tax paid to the other municipality up to a maximum credit of one half of the first one percent of income taxed by the other municipality.

Other Local Taxes - Primarily admission taxes levied on amounts paid for admission to any place, performance for profit, golf course green fees and annual membership dues by any club or organization maintaining a golf course.

State Levied, Shared Taxes - Includes local government taxes levied by the State of Ohio and received directly from the State or indirectly from Cuyahoga County. This category includes inheritance taxes, cigarette taxes and liquor and beer permit fees, all of which are distributed to the City in accordance with various state-prescribed formulae.

Intergovernmental Grants & Contracts - Includes reimbursements for state mandated property tax credits and rollbacks, state aid for health activities, other local, state and federal grants and local intergovernmental operating contracts.

Charges For Services - Includes charges for general governmental services such as sewer fees, ambulance run fees, magazine advertising, special rubbish pickups, cable television franchise fees, and police training academy fees.

Fees, Licenses and Permits - Includes charges for zoning appeal fees, building trade licenses, registrations, permits and inspections.

Interest Earnings - Interest and other profits earned on investments including the difference between the fair value of the City's investments at December 31 versus the amount paid at purchase, if originally purchased during the current year, or the fair value of the investment on December 31 of the prior year, if the investment was purchased by the City during a prior year.

Special Assessments - Revenues from assessments levied on various parcels of property to finance special benefits conferred on those parcels. Includes assessments for tree maintenance, street lighting and nuisance abatements.

Fines and Forfeitures - Payments received by the City through the Shaker Heights Municipal Court from fines, costs, and bond forfeitures for both civil and criminal cases.

All Other Revenue - Miscellaneous sources of revenue that are not accounted for in any other category.

Not all increases in governmental fund's resources are classified as revenues. In certain specific instances, generally accepted accounting principles require that increases in current financial resources be reported as other financing sources. Amounts reported as other financing sources include operating transfers from other funds, proceeds from the issuance of general long-term debt, proceeds from the sale of general fixed assets (if a material source of revenue) and amounts equal to the present value of minimum lease payments arising from capital leases where the lease is used to finance the construction or acquisition of a general fixed asset.

The following summary schedule compares revenues and other financing sources for general governmental functions and includes a discussion of material differences from 2001 to 2002:

Revenue Source	Year Ended December 31,		Increase (Decrease) From 2001
	2002	2001	
Property Taxes	\$ 6,423,446	\$ 6,368,356	\$ 55,090
Municipal Income Taxes	18,648,908	18,927,461	(278,553)
State Levied Shared Taxes	4,580,163	5,961,216	(1,381,053)
Intergovernmental Grants and Contracts	3,805,168	2,920,659	884,509
Charges For Services	3,812,324	3,276,315	536,009
Fees, Licenses & Permits	409,093	340,124	68,969
Interest Earnings	947,056	1,839,948	(892,892)
Special Assessments	1,348,169	1,324,288	23,881
Fines and Forfeitures	826,383	854,688	(28,305)
All Other Revenue	1,918,912	1,487,042	431,870
Subtotal	\$42,719,622	\$43,300,097	\$(580,475)
Other Financing Sources	2,843,725	4,461,041	(1,617,316)
Total	\$45,563,347	\$47,761,138	\$(2,197,791)

City income tax revenue decreased by approximately 1.5% in 2002 over the amount realized in 2001. Revenue from individual taxpayers decreased by approximately 2.5% while revenue from withholding taxes, business net profits and related penalties and interest increased by 0.7%. As was noted in the 2000 and 2001 CAFRs, 2001 revenue was impacted by the fact that December 31, 2000 fell on a weekend. It is our belief that this quirk of the calendar resulted in taxpayer's year-end payments being reflected in 2001 rather than 2000. As a result, 2001 individual income tax revenue was unusually high. Revenue from individual taxpayers was \$11.9 million in 1999, \$11.2 million in 2000, \$12.7 million in 2001 and \$12.4 million in 2002.

The 2002 decrease in revenue from State Levied, Shared Taxes arises primarily from a decrease in the amount of Estate Tax revenue recognized in 2002. As was previously explained, Estate Tax revenue has been adversely impacted by the Ohio Senate Bill 108 (SB 108), which increased the exemption ceiling from estates with a value of \$25,000 to estates with a value of \$338,500.

The 2002 increase in Intergovernmental Grants and Contracts resulted from revenue related to changes in grant activity compared to 2001. Primarily responsible for the 2002 increase is grant funding the City received on behalf of the Northern Ohio High Intensity Drug Trafficking (HIDTA) operation. During 2002, the City received approximately \$2,291,000 from the President's Office of National Drug Control Policy to finance the activities of the HIDTA's operation compared to \$1,638,000 in 2001, an increase of \$653,000. The City serves as fiscal agent for the Northern Ohio HIDTA. The City also received a \$100,000 Drug Free Community Grant for the first time in 2002. Community Development Block Grant funding for CDBG Exterior Housing was \$39,000 more in 2002 than 2001. The City received \$27,000 from the Department of Housing and Urban Development to fund its fair housing assistance program in 2002. The City received no funding for this program in 2001.

The 2002 increase in Charges for Services results primarily from an increase in the Sewer User Fee that was implemented late in 2001. Effective October 1, 2001 the City increased this fee from \$8.50 per thousand cubic feet of water consumption to \$10.50. 2002 was the first full year in which the higher rate was in effect. The City receipted approximately \$225,000 more from the Sewer User Fee in 2002 than it had in 2001. The remainder of the increase is primarily attributable to increases in fees for various General Fund services.

The 2002 decrease in Interest Earnings is the direct result of the decreasing market for U.S. government securities that occurred in 2002 when compared to 2001. In 2000, because of decreases in the market value of the U.S. Treasury Notes in the City's investment portfolio, the City recognized approximately \$330,000 in unrealized investment income losses and reduced the carrying value of its portfolio by a like amount. Because the investments were held to maturity, the unrealized losses recognized in 2000 were never actually incurred. In 2001 the City recognized as income the amount that had been written off in 2000. The recognition of this income, combined with the declining rate of return in the 2002 treasury market compared to 2001, results in the 2002/2001 earnings variance. On December 31, 2002 the market value of the City's investment portfolio was approximately \$235,600 greater than the amount originally invested by the City when each security was acquired. On a cash basis, the City receipted approximately \$1,284,200 in overall interest earnings in 2002. This is a decrease of approximately \$28,300 from 2001 cash basis receipts of \$1,312,500.

The 2002 increase in All Other Revenue category is attributable to the Sussex and Shaker Towne Centre redevelopment projects. During 2002, the City sold the Sussex redevelopment property to the project developer for \$375,000. During 2002, the City also acquired the properties for the Shaker Towne Centre redevelopment project. Each parcel had an apartment building on it. Until all of the tenants were relocated, the City became a landlord. Rental and other income related to this project totaled approximately \$89,000.

The 2002 decrease in Other Financing Sources results primarily from a \$1.8 million operating transfer from the General Fund to the General Capital Improvements Capital Project Fund based upon the City's fund balance policy that was made in 2001 but did not recur in 2002. As in 2001, the City met its fund balance goals in 2002; however, the City chose not to transfer any funding from the General Fund to the General Capital Fund at the end of 2002. The City chose to keep the portion of the General Fund budgetary balance that was in excess of 20% of its 2002 appropriation in the General Fund as a resource to fund 2003 operations.

B. Expenditures and Other Financing Uses

General governmental expenditures are categorized under the following functions:

Security of Persons and Property - Functions whose primary purpose is to reduce the amounts and effects of external harm to individuals and property. This function includes expenditures for police and fire protection (including emergency medical services), traffic signs and signals, animal control and street lighting.

Public Health and Welfare - Functions whose primary purpose is to provide for the physical and mental health of residents by preventing or reducing the number, length and severity of illnesses and disabilities. This function includes expenditures for public health services, restaurant inspections, and mental health services.

Leisure Time Activities - Functions whose primary purpose is to provide year-round leisure time opportunities for residents and others. This function includes expenditures for maintenance of parks and public lands, recreation programs, playgrounds, swimming and ice skating.

Community Environment - Functions whose primary purpose is to provide residents of the community with a superior living environment. This function includes expenditures for city planning and development, housing and building code enforcement, senior adult services, community relations and tree maintenance and leaf removal.

Basic Utility Services - Functions whose primary purpose is to provide residents with basic public services necessary for a safe and sanitary living environment. This function includes expenditures for maintenance and replacement of water lines, maintenance and replacement of storm and sanitary sewer lines, and refuse collection and disposal.

Transportation - Functions whose primary purpose is to facilitate the efficient flow of traffic through the community. This function includes expenditures for street maintenance and repair, traffic signal maintenance, street sweeping and ice and snow removal.

General Government - Functions whose primary purpose is to provide for the activities of the executive, legislative and judicial branches, including providing support services to the other general governmental functions. This function includes expenditures for the Mayor's office, city council (including related boards and commissions), the municipal court, and general administrative services including finance, human resources, legal, public service administration and other administrative support.

Capital Outlay - Expenditures for the purchase of long-lived tangible assets necessary to the functioning of the City. Includes expenditures for the purchase of land, buildings, equipment and improvements with a useful life of one year or more and a unit cost of at least one thousand dollars.

Debt Service - Expenditures for the retirement of long-term debt principal and payment of interest on the City's general obligation notes, bonds and other debt. Expenditures for short-term debt principal are accounted for as fund liabilities.

Similar to revenue classification, not all decreases in governmental fund resources are classified as expenditures. Generally accepted accounting principles require that in certain specific situations, decreases in current financial resources be classified as other financing uses. Operating transfers to other funds and certain specific types of debt refinancing transactions (of which the City had none) are classified as other financing uses.

The following summary schedule compares expenditures and other financing uses for the City's general governmental functions and includes a discussion of material differences from 2001 to 2002.

Function	Year Ended December 31,		Increase (Decrease) From 2001
	2002	2001	
Security of Persons & Property	\$17,544,782	\$16,302,671	\$1,242,111
Public Health & Welfare	509,328	397,931	111,397
Leisure Time Activities	501,136	582,860	(81,724)
Community Environment	4,838,231	4,590,959	247,272
Basic Utility Services	3,563,023	3,182,130	380,893
Transportation	1,361,726	1,542,087	(180,361)
General Government	7,412,559	7,222,763	189,796
Capital Outlay	10,076,546	5,463,532	4,613,014
Debt Service	259,457	231,498	27,959
Subtotal	\$46,066,788	\$39,516,431	\$6,550,357
Other Financing Uses	3,829,580	5,565,520	(1,735,940)
Total	\$49,896,368	\$45,081,951	\$4,814,417

The 2002 increase in expenditures in the Security of Persons and Property activity is the result of several factors. During 2002 the Northern Ohio High Intensity Drug Trafficking Area (HIDTA) (for which the City acts as fiscal agent) grant expenditures increase by approximately \$656,000 over the amount expended in 2002. The remainder of the increase is primarily attributable to two factors: the cost of living increases granted to the police and fire unions in 2002 and the City's decision to fill positions in both departments that were not staffed at the end of 2001. During 2002, on a full-time equivalency (f.t.e.) basis, the City employed a total of 6.8 positions (police officers - 5.5 f.t.e., firefighters – 1.3 f.t.e.) more than it had in 2001.

The increase in expenditures in the Public Health and Welfare category results from the City's receipt of a \$100,000 Drug Free Community Grant that was received by the City for the first time in 2002. The Drug Prevention Coalition expended approximately \$97,000 of this grant during 2002.

The increase in expenditures in the Basic Utility Services category results from increased sewer maintenance activity in 2002. During 2002, the City expended approximately \$220,000 more than it had in 2001 for ongoing sewer maintenance.

The decrease in the Transportation activity results from the City's decision to sweep streets on a less frequent basis than had been performed in other years. This resulted in the City expending approximately \$80,000 less from its General Fund in 2002 than it had in 2001. In addition, because of the increased level in street resurfacing the City has completed since 2000, the City decreased its 2002 expenditures for general street maintenance from its two Street Maintenance and Repair Special Revenue Funds by approximately \$106,000 from the amount expended in 2001 for the same maintenance programs.

The 2002 increase in Capital Outlay results mainly from the Shaker Towne Centre Area Redevelopment project that was begun during 2002. The City expended approximately \$4.1 million on this project. In addition, the City expenditures for general capital needs were approximately \$846,000 greater in 2002 than in 2001. During 2002, the City made the following major, non-recurring capital expenditures from its General Capital Fund: the acquisition of a replacement fire truck (\$426,000), three refuse trucks (\$420,000), the replacement of the roofs (\$381,000) at the Thornton Park Ice Arena, the Police/Court Building, the Refuse Transfer Station, and the Municipal Garage.

The 2002 decrease in Other Financing Uses category results primarily from a \$1.8 million operating transfer from the General Fund to the General Capital Improvements Capital Project Fund based upon the City's fund balance policy that was made in 2001 but did not recur in 2002. As in 2001, the City met its fund balance goals in 2002; however, the City chose not to transfer any funding from the General Fund to the

General Capital Fund at the end of 2002. The City chose to keep the portion of the General Fund budgetary balance that was in excess of 20% of its 2002 appropriation in the General Fund as a resource to fund 2003 operations.

General Fund Revenues and Expenditures

The General Fund is the City's primary operating fund. Since it accounts for all items not legally required to be accounted for in another fund, the General Fund traditionally accounts for most general governmental revenue and expenditure activity. In addition, the use of General Fund revenues, within the overall legal restraints of the City Charter and Ohio Revised Code, are determined by City Council. The following schedule compares the General Fund's fiscal year 2002 revenues to fiscal year 2001:

Revenue Source	Year Ended December 31,		Increase (Decrease) From 2001
	2002	2001	
Property Taxes	\$6,034,146	\$5,982,376	\$ 51,770
Municipal Income Taxes	18,648,908	18,927,461	(278,553)
State Levied Shared Taxes	1,594,076	1,656,883	(62,807)
Intergovernmental Grants and Contract	1,157,328	1,036,249	121,079
Charges For Services	2,177,237	1,878,506	298,731
Fees, Licenses & Permits	409,093	340,124	68,969
Interest Earnings	626,863	1,647,137	(1,020,274)
Fines and Forfeitures	591,470	582,408	9,062
All Other Revenue	1,084,623	1,001,160	83,463
Subtotal	\$32,323,744	\$33,052,304	\$(728,560)
Other Financing Sources	-0-	-0-	-0-
Total	\$32,323,744	\$33,052,304	\$(728,560)

The 2002 General Fund decrease in State Levied Shared Taxes results primarily from a decrease in Local Government Fund distributions received by the City from the State of Ohio. In 2002, the City received approximately \$105,000 less than it received in 2001 from the State Local Government Fund. This revenue decrease was the result of adjustments made by the state legislature to the distribution formula that lessened the amount of money distributed by the State back to Ohio's local governments.

The 2002 decrease in Interest Earnings is the direct result of the decreasing market for U.S. government securities that occurred in 2002 when compared to 2001. In 2000, because of decreases in the market value of the U.S. Treasury Notes in the City's investment portfolio, the City recognized approximately \$330,000 in unrealized investment income losses and reduced the carrying value of its portfolio by a like amount. Because the investments were held to maturity, the unrealized losses recognized in 2000 were never actually incurred. In 2001 the City recognized the amount the City recognized as income the amount that had been written off in 2000. The recognition of this income, combined with the declining rate of return in the 2002 treasury market compared to 2001, results in the 2002/2001 earnings variance. On December 31, 2002 and December 31, 2001 the market value of the City's investment portfolio was approximately \$235,600 and \$347,600 greater than the amount originally invested by the City when each security was acquired. On a cash basis, the City receipted approximately \$826,200 in overall interest earnings in 2002. This is a decrease of approximately \$104,400 from 2001 cash basis receipts of \$930,600.

As the City's General Fund is the primary component of its general governmental activities, no further discussion of 2002 versus 2001 changes in revenue is necessary.

The following schedule compares the General Fund's fiscal year 2002 expenditures to fiscal year 2001:

Function	Year Ended December 31,		Increase (Decrease) From 2001
	2002	2001	
Security of Persons & Property	\$13,155,989	\$12,719,558	\$ 436,431
Public Health & Welfare	412,316	397,931	14,385
Leisure Time Activities	501,136	582,860	(81,724)
Community Environment	3,751,413	3,806,088	(54,675)
Basic Utility Services	2,799,400	2,691,490	107,910
Transportation	494,690	593,220	(98,530)
General Government	7,032,389	6,827,390	204,999
Capital Outlay	463,135	493,066	(29,931)
Subtotal	\$28,610,468	\$28,111,603	\$498,865
Other Financing Uses	3,101,600	5,001,181	(1,899,581)
Total	\$31,712,068	\$33,112,784	\$(1,400,716)

As the City's General Fund is the primary component of its general governmental activities, no further discussion of 2002 versus 2001 changes in its expenditures is necessary.

General Governmental Fund Equity

Governmental and expendable trust funds' equity are the difference between the funds' assets and liabilities. Fund equity provides the City with the ability to deal with unanticipated liabilities; shortfalls in the receipt of anticipated revenues, the ability to take advantage of unforeseen economic opportunities as they arise and to avoid any short-term problems that might arise from the timing of cash flow. In order to maintain effective management of the City's financial resources and operational activities, it is important that fund equity be maintained at an appropriate level and monitored.

In recognition of the importance of maintaining an adequate level of fund equity, City Council adopted a fund balance policy for the General Fund and General Capital Projects Fund, two funds over which the City maintains discretionary control. While not legally binding, City Council established the following goals:

General Fund - The City should, as a financial goal, endeavor to carry forward at the beginning of each fiscal year a General Operating Fund balance of not less than twenty percent of budgeted operating fund expenditures. Any fund balance in excess of twenty percent is to become available for transfer to the General Capital Fund in order to meet related capital needs of the City.

General Capital Projects Fund - The City should, as a financial goal, endeavor to begin each fiscal year with an annual Capital Fund balance sufficient to provide funding for the current year's capital debt funding requirements plus a one-half million dollar contingent reserve.

The City realized both of these fund financial goals during 2002. As a result of 2002 operations, approximately \$1.1 million was eligible for transfer from the General Fund to the General Capital Fund. After reviewing the City's projected operating and capital needs for 2003, it was the decision of the City not to transfer the excess funds to the General Capital Fund to assist in financing the 2004 capital budget.

General governmental operations during the year produced the following changes in fund equity for the various governmental funds of the City:

Fund Type	Year Ended December 31,		Increase (Decrease) From 2001
	2002	2001	
General	\$9,108,675	\$8,565,523	\$543,152
Special Revenue	4,964,596	3,568,767	1,395,829
Debt Service	324,434	318,875	5,559
Capital Projects	(9,734)	6,325,358	(6,335,092)
Expendable Trust	326,090	337,083	(10,993)
Total	\$14,714,061	\$19,115,606	\$(4,401,545)

The deficit in the capital project fund group arises due to the method of funding the Firehouse Construction, the Sussex Area Revitalization District Redevelopment, the Shaker Towne Centre Community Development Area and a portion of the City's general capital projects. During 2002, the City issued \$16.1 million in short-term notes and temporary bonds to finance these projects. Because the debt is short-term, generally accepted accounting principles require that it be accounted for as fund, rather than General Long Term Debt Account Group, liabilities. Accordingly, no fund revenue was recognized when the short-term debt was issued. The City anticipates that long-term bonds will be issued in late 2003 or early 2004 to replace the existing short-term debt issued for the Firehouse and other economic redevelopment projects. Once bonds are issued, the capital projects will have positive fund balances.

Cash Management

The investment of City funds is governed by both the City's charter and codified ordinances. The City's investment goals are to ensure the safety of principal, ensure the availability of funds to meet the City's current obligations and to maximize investment yield. No single goal is deemed to be paramount over another.

The cash resources of the City's individual funds are combined into a single pool and invested to the extent available. The City invests in treasury notes, treasury bills, repurchase agreements and other authorized instruments. Repurchase agreements use obligations backed by the full faith and credit of the United States and its agencies. The City has never invested its funds in any type of investment pool. The authorized maximum investment maturity is five years from the date of purchase.

Interest earned on investments is distributed to the General Fund and each of the City's restricted funds on a pro-rata basis. Interest revenue is allocated to the restricted funds based upon each fund's available cash balance relative to the total available cash balance of all funds. The remaining revenue is credited to the General Fund. Beginning in 1998, in accordance with Statement No. 31 of the Governmental Accounting Standards Board (GASB), the City began to recognize the change in the fair value of its investments as of the end of the year and reflecting any unrealized gain or loss resulting from market fluctuations on its operating statement. While the City purchases each investment with the intent to hold it to its ultimate maturity and therefore should not incur any losses, this change more fairly reflects the amount of funds that the City would achieve if it were forced to liquidate its entire investment portfolio.

Investments and deposits at December 31, 2002 totaled \$38,928,829. These investments are stated at their fair value as of December 31, 2002. The City's total revenue from investments for 2002 was \$1,090,969.

Risk Management

The City strives to provide itself with superior risk coverage at the lowest possible cost to its residents. Since 1986, when the City completely self-insured its general liability due to skyrocketing premium costs relative to the insurance coverage provided, the City has been successful in obtaining various forms of excess liability insurance coverage while still self-insuring a portion of its risk.

Broad Form Excess Liability - This insurance includes law enforcement, emergency medical services, automobile and public officials liability insurance and is limited to \$10 million. With the exception of EMS and automobile liability (detailed below), the City self-insures the first \$250,000 of any claim. In certain specific instances where city management deems that there is a greater than normal exposure to a claim, the City will purchase coverage up to \$250,000 for the specific event.

Automobile Liability and Physical Damage - This policy has a \$250 deductible for comprehensive coverage and \$500 deductible for collision coverage for vehicles with a value of \$50,000 or greater. The City self-insures vehicles with a value of less than \$50,000. Automobile liability is limited to one million dollars per accident at which point the City's broad form excess liability policy then provides coverage.

Emergency Medical Insurance Coverage - This policy has a deductible of \$250 per occurrence and an occurrence limit of \$250,000 at which point the City's broad form liability policy would then provide coverage. The aggregate limit of this policy is \$500,000.

Property and Marine Commercial Insurance - This policy has a deductible of \$1,000. Coverage is limited to \$30,504,189 for property and contents and \$1.5 million for contractor's equipment. Boiler insurance has a property damage limit of two million dollars with a deductible of \$1,000. The City maintains catastrophic loss coverage of \$3 million for physical damage to all vehicles while in storage.

Commercial Crime and Public Employee Dishonesty Insurance - This policy has an aggregate limit of \$500,000 with a deductible of \$1,000.

The City applied for and was accepted in the State of Ohio Workers' Compensation Retrospective Rating Plan for claims arising out of the years 1994 through 1999. Under the terms of this plan, the City initially paid a fraction of the premium (the minimum premium) that it would have had to pay as an experience-rated risk. As costs for the City's injured workers' claims are incurred and paid by the Bureau of Workers Compensation, the City then reimburses the Bureau for all amounts paid, subject to the individual claim cost and employer's premium limitation. For the years 1995 through 1999 respectively, the City has adopted a plan with no limit on individual claims and an overall premium limitation 200% of the experience plan premium. For 1994, the City adopted a plan with no limit on individual claims and an overall premium limitation of 150% of the experience plan premium. This translates to an overall premium limitation of \$1.4 to \$2.0 million per year for each of these years' claims. Within these limitations, the City is responsible for funding all costs for the ten-year period following the claim year. At that time the Bureau will bill the City for any unresolved claims and then assume responsibility for any future expenses. The City has fully funded its Self-Insurance Internal Service Fund according to what it believes its true claims cost will be based upon an outside consultant's analysis of the City's claims history. Adoption of this plan has resulted in annual cost avoidances ranging from \$425,000 to \$565,000 per year or approximately \$2.2 million over the five-year period. As with all risk, the City continues to closely monitor its reserves, adjusting them accordingly as the need arises. For 2002, the City chose the traditional manner of funding claims, as an experience rated risk, thereby transferring all future risk to the Ohio Bureau of Workers Compensation at a total cost of approximately \$321,000.

As of December 31, 2002, the City's Self-Insurance Internal Service Fund had available fund equity of \$3,304,262 to fund this program.

General Fixed Assets

The General Fixed Assets of the City include all city owned land, buildings, improvements and equipment used in the performance of general governmental functions. Excluded from general fixed assets are the fixed assets of the proprietary funds. The City has also elected not to capitalize infrastructure such as roads, curbs and sidewalks. Accordingly, the value of these items is not included in the General Fixed Assets Account Group.

As of December 31, 2002, the general fixed assets of the City totaled \$42,666,915. This amount represents the historical cost or estimated historical cost, if actual historical cost is not available. The City does not recognize depreciation on the assets recorded in the General Fixed Assets Account Group.

Debt Administration

The State of Ohio limits the total amount of bonded debt issued by a municipality to 10.5% of total assessed valuation of the municipality's real, public utility and tangible personal property. Total bonded debt includes both voted and unvoted debt including short-term notes issued in anticipation of issuing bonds. In addition, any debt authorized by Council without a vote of the people (referred to as unvoted or councilmanic debt) is limited by the State to 5.5% of total assessed property value. As of December 31, 2002 these limitations were approximately \$77.6 million and \$40.7 million. The City is well within these debt limitations.

A. Long-Term Obligations

At December 31, 2002, the City's long-term debt obligations were as follows:

OPWC Sewer Imp. Loan (0.00%)	\$ 504,687
Accrued Compensated Absences	<u>2,701,690</u>
Total	<u>\$3,206,377</u>

It should be noted that because the City currently has no bonded debt outstanding, it has no current bond rating. Moody's Investor Services, Inc. withdrew the City's former bond rating of Aa1 on December 1, 1992 when the last of the City's bonded debt was retired.

The City will utilize a portion of its sewer surcharge to retire the loan received from the Ohio Public Works Commission. The City is funding compensated absences through its operating budget as the employees use the absences.

B. Short-Term Note and Temporary Bond Obligations

At December 31, 2002 the City had total councilmanic note and temporary urban renewal bond obligations totaling \$17,800,000 at issued at various rates of interest during 2002. The City's short-term debt liabilities at December 31, 2002 were as follows:

- **\$3,315,000** – Issued May 14, 2002 and due May 14, 2003 with an interest rate of 2.0%. This note renewal was issued to refinance the balance of the City's Police & Fire Unfunded Pension Liability (\$1,680,000), the acquisition of a fire truck (\$240,000), an ambulance (\$120,000) and money that was borrowed by the City on behalf of the Shaker Heights Public Library to partially finance the renovation of the former Moreland School building to serve as the new main library (\$1,275,000). This facility is owned by the City and leased to the Shaker Heights Library. Under the terms of the lease, the Library is obligated for the financing of this portion of the note.

- \$1,230,000 – Issued July 23, 2002 and due May 23, 2003 with a face interest rate of 1.98% and an effective interest rate of 1.68%. This note was issued to finance the acquisition of equipment (\$790,000) for use by the by the Public Works Department and for the replacement of the roofs (\$440,000) at the Police Court Building, the Thornton Park Ice Arena, the refuse transfer station and the municipal garage. The equipment acquired was as follows: three refuse trucks, two tandem axle dump trucks, a pickup truck, an aerial bucket truck and a trailer compressor.
- \$430,000 – Issued December 4, 2002 and due May 14, 2003 with an interest rate of 1.75%. This note was issued to finance the acquisition of a fire truck to replace a 1967 vehicle.
- On May 14, 2003 the City issued a note renewal in the amount of \$2,710,000 with a face interest rate of 1.4% and an effective interest rate of 1.2% to refinance the above three issues. Included in this note was \$1,120,000 to refinance the Library's liability, \$160,000 and \$340,000 to refinance the acquisition of the two fire trucks, \$90,000 to refinance the acquisition of the ambulance, \$640,000 to refinance the acquisition of the Public Works Department Equipment and \$360,000 to refinance the replacement of the roofs at the Police/Court Building, the Thornton Park Ice Arena, the transfer station and the municipal garage. The \$1,680,000 Police & Fire Unfunded Pension Liability portion of the debt issue was retired using the proceeds of an extraordinary income tax payment received by the City in 2003. The \$155,000 reduction relative to the Library improvements was financed by the Library's annual rental payment. Sometime prior to the maturity date of this note, the City plans to issue a bond to refinance the maturing note.
- \$10,100,000 – Issued July 11, 2002 and due July 10, 2003 with a face interest rate of 2.25% and an effective interest rate of 1.76%. This temporary urban renewal bond was issued to finance the construction of a new firehouse (\$5,000,000) that is to replace Fire Station No. 1 and the public improvements necessary for the redevelopment of the Shaker Towne Centre district (\$5,100,000) including the cost of design, property acquisition, building demolition and site preparation. This is a general obligation, limited tax debt issue that will be financed using tax increment financing. Sometime prior to the end of 2003, the City plans to issue a bond to refinance the maturing note.
- \$575,000 – Issued December 17, 2002 and due December 17, 2003 with an interest rate of 2.5%. This temporary urban renewal bond renewal was issued to refinance the City's acquisition of the development site necessary to the Sussex Courts development project. This is a general obligation, limited tax debt issue that will be financed using tax increment financing. Sometime prior to the end of 2003, the City plans to issue a bond to refinance the maturing note.
- \$2,150,000 – Issued December 17, 2002 and due December 17, 2003 with an interest rate of 1.65%. This temporary urban renewal bond renewal was issued to refinance the construction of the public improvements necessary to the Sussex Courts development project. This is a general obligation, limited tax debt issue that will be financed using tax increment financing. Sometime prior to the end of 2003, the City plans to issue a bond to refinance the maturing note.

Despite the City's intent to retire these notes and temporary urban renewal bonds on a long-term basis, the issues are considered to be short-term debt because the City will not be issuing a bond to refinance the notes and urban renewal bonds until after the issuance of this report. Accordingly, the notes are classified as short-term, fund liabilities rather than being accounted for as general long-term debt.

Pension Obligations

All employees of the City belong to one of two state sponsored pension plans. Non-uniformed employees are members of the Ohio Public Employees Retirement System (OPERS). Police officers and firefighters are members of the Ohio Police and Fire Pension Fund (OPFPF). Both retirement plans are cost sharing, multiple employer public employee retirement systems. A more detailed discussion of both pension plans can be found in the Notes to the Financial Statements in the Financial Section of this report.

Independent Audit

Ciuni & Panichi Inc., Certified Public Accountants, has audited the financial records, books of accounts, and transactions of the City of Shaker Heights, Ohio for the year ended December 31, 2002. The auditor's unqualified opinion has been included in this report.

Certificate of Achievement

We are proud to report that the Government Finance Officers Association of the United States and Canada (commonly referred to as GFOA) awarded a Certificate of Achievement For Excellence In Financial Reporting to the City of Shaker Heights for its comprehensive annual financial report for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement by the GFOA, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the program's standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one-year. We believe that the City's current CAFR continues to conform to the Certificate of Achievement program's requirements and, as such, it will be submitted to the GFOA for evaluation.

Acknowledgements

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance, particularly Supervisor of Accounting Deborah Armstrong, Staff Accountants Joseph K. Dubovec, Renee T. Mahoney, and Shirley Moore; and Data System Technician Gail Little. Without their dedicated assistance, this report would not have been possible. Finally, the Staff wishes to extend its appreciation to the Mayor, City Council, and the Finance Committee for their support and commitment to responsible fiscal reporting.

Respectfully submitted



Jer E. Chaikin
Chief Administrative Officer



Frank J. Brichacek
Finance Director

City of Shaker Heights



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shaker Heights,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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.



President

Executive Director

City of Shaker Heights, Ohio

LISTING OF PRINCIPAL CITY OFFICIALS

YEAR ENDING DECEMBER 31, 2002

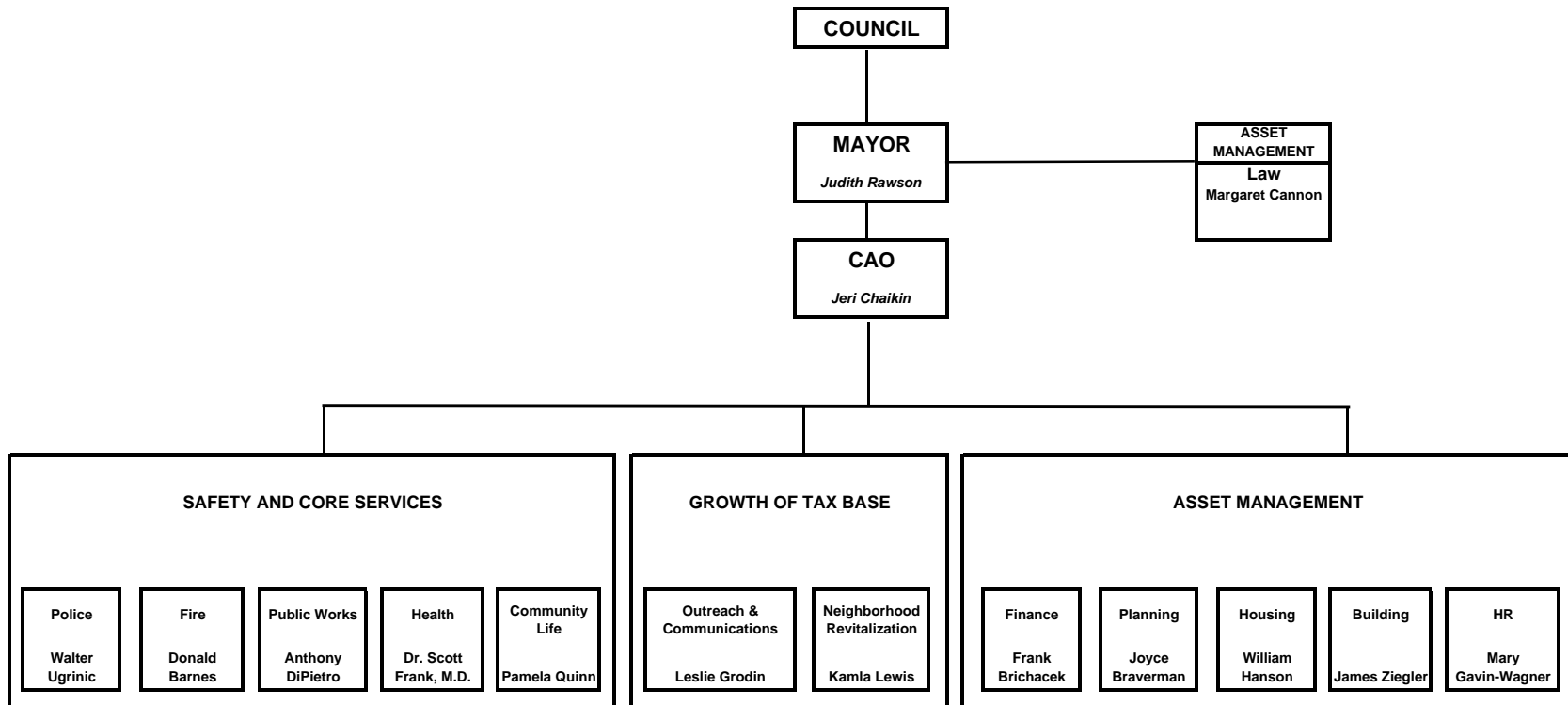
ELECTED OFFICIALS

Mayor	Judith H. Rawson
Councilmember/Vice Mayor	Stephanie Turner
Councilmember	Jan M. Devereaux
Councilmember	Brian S. Gleisser
Councilmember	Laura L. Holmes, M.D.
Councilmember	Kenneth J. Kovach
Councilmember	Earl M. Leiken
Councilmember	Brian E. Parker

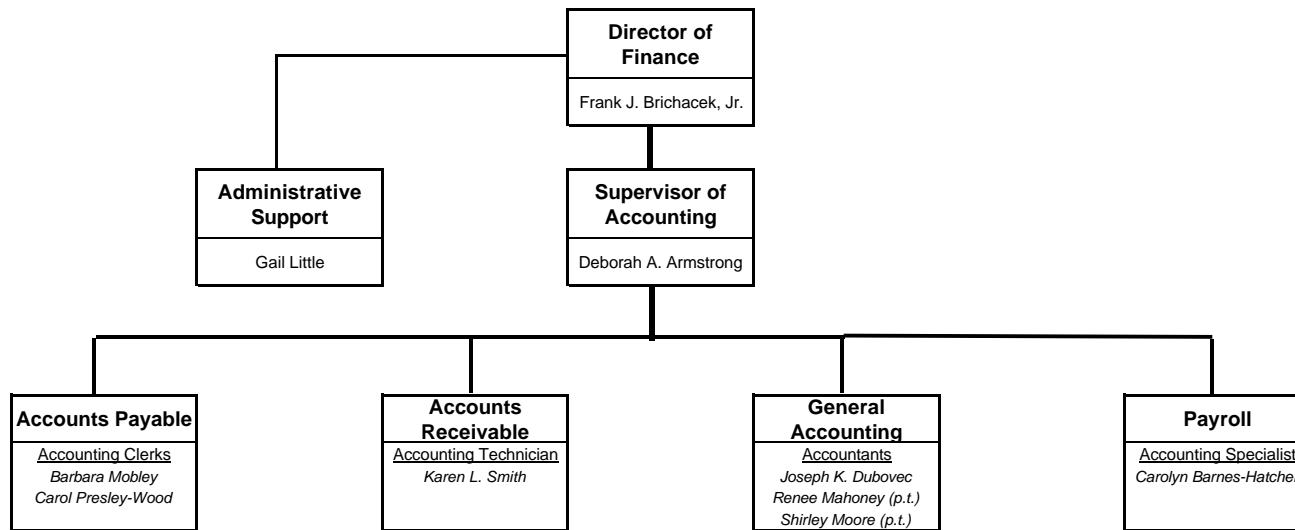
APPOINTED OFFICIALS

Chief Administrative Officer	Jeri E. Chaikin
Director of Finance	Frank J. Brichacek, Jr.
Director of Building	James P. Ziegler
Acting Director of Community Life	Pamela Quinn
Chief of Fire	Donald A. Barnes
Director of Health	Dr. Scott H. Frank
Director of Housing Inspection	William E. Hanson
Director of Human Resources	Mary Gavin-Wagner
Director of Law	Margaret Anne Cannon
Director of Planning and Development	Joyce G. Braverman
Chief of Police	Walter A. Ugrinic
Director of Public Works	Anthony A. DiPietro
Director of Neighborhood Revitalization	Kamla Lewis
Director of Communications & Outreach	Leslie Grodin

THE CITY OF SHAKER HEIGHTS, OHIO
CITY ORGANIZATIONAL CHART
DECEMBER 31, 2002



**CITY OF SHAKER HEIGHTS
FINANCE DEPARTMENT ORGANIZATIONAL CHART
DECEMBER 31, 2002**



Financial Section



***Comprehensive Annual Financial Report
for the Fiscal Year Ended December 31, 2002***



Creating economic value through
knowledge, innovation, commitment, and service

CIUNI & PANICHI
INC.

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTING FIRM

a C&P Advisors Company

Independent Auditor's Report

Members of the City Council
City of Shaker Heights, Ohio

We have audited the accompanying general-purpose financial statements of the City of Shaker Heights, as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Shaker Heights's 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general-purpose 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 Shaker Heights, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2003 on our consideration of the City of Shaker Heights's internal control over financial reporting and on 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 Shaker Heights. 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
June 20, 2003



CITY OF SHAKER HEIGHTS, OHIO
 ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET
 DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTER-PRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	2002	2001
	Assets and Other Debits										
Equity In City Treasury Cash	\$8,544,797	\$7,195,540	\$370,054	\$15,858,177	\$129,911	\$5,192,475	\$1,497,232	\$0	\$0	\$38,788,186	\$31,987,836
Cash With Fiscal Agent	0	0	26,591	0	0	0	0	0	0	26,591	26,591
Receivables (Net of Allowance For Uncollectibles)											
Taxes	12,296,624	415,402	0	0	0	0	0	0	0	12,712,026	13,168,272
Accounts	357,323	460,931	0	0	0	99,282	0	0	0	917,536	1,119,140
Current Special Assessments	0	0	0	0	0	79,748	0	0	0	79,748	128,976
Deferred Special Assessments	1,465	1,715,657	0	0	0	0	0	0	0	1,717,122	2,837,815
Accrued Interest	232,164	0	0	0	0	0	0	0	0	232,164	319,540
Loans	0	0	0	0	0	0	757,012	0	0	757,012	713,952
Lease	268,056	0	0	1,789,950	0	0	0	0	0	2,058,006	3,052,383
Due From Other Funds	310,883	16,949	4,220	608,610	106,800	162,400	324,115	0	0	1,533,977	620,768
Due From Other Governments	1,061,217	1,108,926	0	1,220,131	0	0	0	0	0	3,390,274	3,030,554
Inventory of Supplies	169,610	0	0	0	0	22,408	0	0	0	192,018	254,677
Prepaid Items	0	52,639	0	0	0	2,234	0	0	0	54,873	57,965
Restricted Assets:											
Cash and Cash Equivalents	0	0	0	114,052	0	0	0	0	0	114,052	114,166
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	937,933	77,089	0	42,067,899	0	43,082,921	39,237,560
Other Debits											
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	324,434	324,434	318,875
Amount to be Provided for Retirement of General Long Term Obligations	0	0	0	0	0	0	0	0	2,881,943	2,881,943	2,912,956
Total Asset and Other Debits	\$23,242,139	\$10,966,044	\$400,865	\$19,590,920	\$1,174,644	\$5,635,636	\$2,578,359	\$42,067,899	\$3,206,377	\$108,862,883	\$99,902,026

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CITY OF SHAKER HEIGHTS, OHIO
 ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET
 DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTER-PRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	2002	2001
Liabilities, Equity and Other Credits											
Liabilities											
Vouchers and Accounts Payable	\$292,260	\$262,873	\$0	\$736,325	\$27,893	\$66,529	\$0	\$0	\$0	\$1,385,880	\$1,243,690
Accrued Wages And Benefits	1,189,630	693,906	0	20	130,377	78,721	208	0	0	2,092,862	1,685,240
Compensated Absences	1,149,694	154,796	0	0	198,731	228,621	0	0	0	1,731,842	1,729,736
Due To Other Funds	269,200	541,077	49,840	509,555	10,000	0	154,305	0	0	1,533,977	620,768
Due To Other Governments	0	0	0	0	0	0	328,780	0	0	328,780	253,015
Due To Non-Profit Agencies	0	0	0	0	0	0	1,079,950	0	0	1,079,950	1,033,789
Matured Bonds and Interest	0	0	26,591	0	0	0	0	0	0	26,591	26,591
Deferred Revenue	11,232,680	2,668,796	0	2,156,631	0	0	0	0	0	16,058,107	18,642,134
Refundable Deposits	0	0	0	0	0	0	457,916	0	0	457,916	332,888
Amounts Held as Fiduciary	0	0	0	0	0	0	231,110	0	0	231,110	201,463
Self Insurance Claims Payable	0	0	0	0	0	1,229,900	0	0	0	1,229,900	1,202,400
Notes Payable	0	1,680,000	0	16,120,000	0	0	0	0	0	17,800,000	7,600,000
Notes Premium Payable	0	0	0	78,123	0	0	0	0	0	78,123	15,900
Accrued Sick Leave Benefits	0	0	0	0	0	0	0	0	2,701,690	2,701,690	2,686,769
Loans Payable	0	0	0	0	0	0	0	0	504,687	504,687	545,062
Total Liabilities	14,133,464	6,001,448	76,431	19,600,654	367,001	1,603,771	2,252,269	0	3,206,377	47,241,415	37,819,445
Equity and Other Credits											
Investment in General											
Fixed Assets	0	0	0	0	0	0	0	42,067,899	0	42,067,899	38,191,607
Contributed Capital	0	0	0	0	689,067	78,773	0	0	0	767,840	853,536
Retained Earnings											
Unreserved	0	0	0	0	118,576	3,953,092	0	0	0	4,071,668	3,921,832
Fund Balance:											
Reserved For Encumbrances	377,057	210,291	0	4,557,564	0	0	0	0	0	5,144,912	2,148,065
Reserved For Debt Service	0	0	324,434	0	0	0	0	0	0	324,434	318,875
Reserved For Appropriations	0	0	0	5,134,728	0	0	0	0	0	5,134,728	3,537,473
Reserved For Prepaid Items	0	52,639	0	0	0	0	0	0	0	52,639	56,607
Reserved For Inventory of Supplies	169,610	0	0	0	0	0	0	0	0	169,610	238,134
Unreserved	8,562,008	4,701,666	0	(9,702,026)	0	0	326,090	0	0	3,887,738	12,816,452
Total Equity (Deficit) and Other Credits	9,108,675	4,964,596	324,434	(9,734)	807,643	4,031,865	326,090	42,067,899	0	61,621,468	62,082,581
Total Liabilities, Equity and Other Credits	\$23,242,139	\$10,966,044	\$400,865	\$19,590,920	\$1,174,644	\$5,635,636	\$2,578,359	\$42,067,899	\$3,206,377	\$108,862,883	\$99,902,026

The accompanying notes to the combined financial statements are an integral part of this statement.

CITY OF SHAKER HEIGHTS, OHIO
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES				FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	(Memorandum Only) 2002	2001
REVENUES:							
Property Taxes	\$6,034,146	\$389,300	\$0	\$0	\$0	\$6,423,446	\$6,368,356
Municipal Income Taxes	18,648,908	0	0	0	0	18,648,908	18,927,461
State Levied Shared Taxes	1,594,076	798,610	0	2,187,477	0	4,580,163	5,961,216
Intergovernmental Grants and Contracts	1,157,328	2,566,017	0	81,823	0	3,805,168	2,920,659
Charges For Services	2,177,237	1,635,087	0	0	0	3,812,324	3,276,315
Fees, Licenses and Permits	409,093	0	0	0	0	409,093	340,124
Interest Earnings	626,863	132,105	6,921	174,980	6,187	947,056	1,839,948
Special Assessments	0	1,348,169	0	0	0	1,348,169	1,324,288
Fines and Forfeitures	591,470	146,395	0	0	88,518	826,383	854,688
All Other Revenue	1,084,623	37,585	0	796,704	0	1,918,912	1,487,042
TOTAL REVENUES	32,323,744	7,053,268	6,921	3,240,984	94,705	42,719,622	43,300,097
EXPENDITURES:							
Current:							
Security of Persons and Property	13,155,989	4,229,197	0	57,130	102,466	17,544,782	16,302,671
Public Health and Welfare	412,316	97,012	0	0	0	509,328	397,931
Leisure Time Activities	501,136	0	0	0	0	501,136	582,860
Community Environment	3,751,413	1,045,568	0	41,250	0	4,838,231	4,590,959
Basic Utility Services	2,799,400	710,562	0	53,061	0	3,563,023	3,182,130
Transportation	494,690	839,843	0	27,193	0	1,361,726	1,542,087
General Government	7,032,389	346,273	1,362	32,535	0	7,412,559	7,222,763
Capital Outlay	463,135	607,205	0	9,006,206	0	10,076,546	5,463,532
Debt Service:							
Principal	0	0	40,375	0	0	40,375	40,375
Interest and Fiscal Charges	0	55,381	0	163,701	0	219,082	191,123
TOTAL EXPENDITURES	28,610,468	7,931,041	41,737	9,381,076	102,466	46,066,788	39,516,431
Excess of Revenues Over (Under) Expenditures	3,713,276	(877,773)	(34,816)	(6,140,092)	(7,761)	(3,347,166)	3,783,666
OTHER FINANCING SOURCES (USES):							
Operating Transfers - In	0	2,365,534	40,375	437,816	0	2,843,725	4,461,041
Operating Transfers - Out	(3,101,600)	(91,932)	0	(632,816)	(3,232)	(3,829,580)	(5,565,520)
TOTAL OTHER FINANCING SOURCES (USES)	(3,101,600)	2,273,602	40,375	(195,000)	(3,232)	(985,855)	(1,104,479)
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	611,676	1,395,829	5,559	(6,335,092)	(10,993)	(4,333,021)	2,679,187
FUND EQUITY AT BEGINNING OF YEAR, RESTATED	8,565,523	3,568,767	318,875	6,325,358	337,083	19,115,606	16,415,235
Increase (Decrease) In Reserve For Inventory	(68,524)	0	0	0	0	(68,524)	21,184
FUND EQUITY (DEFICIT) AT END OF YEAR	\$9,108,675	\$4,964,596	\$324,434	(\$9,734)	\$326,090	\$14,714,061	\$19,115,606

The accompanying notes to the combined financial statements are an integral part of this statement.

CITY OF SHAKER HEIGHTS, OHIO
 ALL GOVERNMENTAL FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources									
Revenues:									
Property Taxes	\$6,019,100	\$6,034,146	\$15,046	\$388,400	\$389,300	\$900	\$0	\$0	\$0
Municipal Income Taxes	18,471,000	18,754,986	283,986	0	0	0	0	0	0
Other Local Taxes	50,000	60,867	10,867	0	0	0	0	0	0
State Levied Shared Taxes	1,652,200	1,570,981	(81,219)	823,200	795,778	(27,422)	0	0	0
Intergovernmental Grants & Contracts	1,097,800	1,153,404	55,604	5,568,746	2,248,008	(3,320,738)	0	0	0
Charges for Services	2,099,600	2,124,284	24,684	1,818,600	1,657,714	(160,886)	0	0	0
Fees, Licenses and Permits	378,200	409,093	30,893	0	0	0	0	0	0
Interest Earnings	840,000	826,236	(13,764)	169,300	132,106	(37,194)	12,000	6,921	(5,079)
Special Assessments	0	0	0	1,355,200	1,346,168	(9,032)	0	0	0
Fines and Forfeitures	625,000	572,084	(52,916)	155,000	141,390	(13,610)	0	0	0
Other Revenues	954,700	1,027,152	72,452	25,900	32,526	6,626	200,800	200,801	1
Other Financing Sources:									
Operating Transfers In	5,000	0	(5,000)	2,377,715	2,365,534	(12,181)	920,900	906,420	(14,480)
Advances In	0	0	0	310,000	293,527	(16,473)	0	0	0
Sale of Notes	0	0	0	0	0	0	6,718,600	6,834,387	115,787
Note Premiums	0	0	0	0	0	0	0	8,735	8,735
Total Revenues and Other Financing Sources	\$32,192,600	\$32,533,233	\$340,633	\$12,992,061	\$9,402,051	(\$3,590,010)	\$7,852,300	\$7,957,264	\$104,964
Expenditures and Other Financing Uses									
Current:									
Security of Persons and Property	\$13,414,200	\$13,097,565	\$316,635	\$6,553,258	\$4,230,733	\$2,322,525	\$0	\$0	\$0
Public Health and Welfare	375,300	406,757	(31,457)	95,400	94,589	811	0	0	0
Leisure Time Activities	566,400	524,385	42,015	0	0	0	0	0	0
Community Environment	4,108,900	3,696,367	412,533	1,687,593	1,090,191	597,402	0	0	0
Basic Utility Services	2,638,900	2,747,455	(108,555)	1,107,700	652,083	455,617	0	0	0
Transportation	621,300	503,855	117,445	970,700	830,611	140,089	0	0	0
General Government	6,910,300	7,003,711	(93,411)	431,900	340,133	91,767	72,000	35,864	36,136
Capital Outlay	360,900	299,062	61,838	1,206,279	681,498	524,781	0	0	0
Other Financing Uses:									
Operating Transfers Out	3,114,600	3,101,600	13,000	329,595	321,185	8,410	0	0	0
Advances Out	190,000	173,527	16,473	320,685	0	320,685	0	0	0
Debt Service	0	0	0	0	0	0	7,875,400	7,875,358	42
Total Expenditures and Other Financing Uses	\$32,300,800	\$31,554,284	\$746,516	\$12,703,110	\$8,241,023	\$4,462,087	\$7,947,400	\$7,911,222	\$36,178
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$108,200)	\$978,949	\$1,087,149	\$288,951	\$1,161,028	\$872,077	(\$95,100)	\$46,042	\$141,142
Cash Fund Balance - January 1	7,500,257	7,500,257	0	5,966,197	5,966,197	0	324,012	324,012	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(64,937)	(64,937)	0	(51,296)	(51,296)	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(993,621)	(845,694)	147,927	(727,135)	(688,223)	38,912	0	0	0
Cash Fund Balance - December 31 Unreserved	<u>\$6,333,499</u>	<u>\$7,568,575</u>	<u>\$1,235,076</u>	<u>\$5,476,717</u>	<u>\$6,387,706</u>	<u>\$910,989</u>	<u>\$228,912</u>	<u>\$370,054</u>	<u>\$141,142</u>
Reserved for Encumbrances - All Budget Years		740,662			807,834			0	
Total Cash Fund Balance - December 31	<u>\$8,309,237</u>	<u>\$8,309,237</u>		<u>\$7,195,540</u>	<u>\$7,195,540</u>		<u>\$370,054</u>	<u>\$370,054</u>	

continued

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CITY OF SHAKER HEIGHTS, OHIO
 ALL GOVERNMENTAL FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET), continued
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Totals (Memorandum Only)					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Property Taxes	\$6,407,500	\$6,423,446	\$15,946	\$6,381,800	\$6,368,356	(\$13,444)
Municipal Income Taxes	18,471,000	18,754,986	283,986	18,065,000	18,827,343	762,343
Other Local Taxes	50,000	60,867	10,867	50,000	55,408	5,408
State Levied Shared Taxes	2,475,400	2,366,759	(108,641)	2,492,800	2,458,403	(34,397)
Intergovernmental Grants & Contracts	6,666,546	3,401,412	(3,265,134)	4,344,489	2,588,262	(1,756,227)
Charges for Services	3,918,200	3,781,998	(136,202)	3,456,650	3,323,102	(133,548)
Fees, Licenses and Permits	378,200	409,093	30,893	328,200	340,124	11,924
Interest Earnings	1,021,300	965,263	(56,037)	1,082,600	1,100,379	17,779
Special Assessments	1,355,200	1,346,168	(9,032)	1,355,200	1,322,287	(32,913)
Fines and Forfeitures	780,000	713,474	(66,526)	774,000	720,417	(53,583)
Other Revenues	1,181,400	1,260,479	79,079	1,306,883	1,367,276	60,393
Other Financing Sources:						
Operating Transfers In	3,303,615	3,271,954	(31,661)	2,660,767	2,585,294	(75,473)
Advances In	310,000	293,527	(16,473)	112,022	200,044	88,022
Sale of Notes	6,718,600	6,834,387	115,787	3,600,000	3,600,000	0
Note Premiums	0	8,735	8,735	0	15,900	15,900
Total Revenues and Other Financing Sources	\$53,036,961	\$49,892,548	(\$3,144,413)	\$46,010,411	\$44,872,595	(\$1,137,816)
Expenditures and Other Financing Uses						
Current:						
Security of Persons and Property	\$19,967,458	\$17,328,298	\$2,639,160	\$17,350,302	\$16,023,689	\$1,326,613
Public Health and Welfare	470,700	501,346	(30,646)	489,500	387,675	101,825
Leisure Time Activities	566,400	524,385	42,015	563,300	547,426	15,874
Community Environment	5,796,493	4,786,558	1,009,935	5,517,380	4,694,986	822,394
Basic Utility Services	3,746,600	3,399,538	347,062	4,063,399	3,279,342	784,057
Transportation	1,592,000	1,334,466	257,534	1,677,900	1,552,786	125,114
General Government	7,414,200	7,379,708	34,492	7,515,845	7,086,318	429,527
Capital Outlay	1,567,179	980,560	586,619	1,436,239	1,346,885	89,354
Other Financing Uses:						
Operating Transfers Out	3,444,195	3,422,785	21,410	5,721,925	5,343,334	378,591
Advances Out	510,685	173,527	337,158	178,115	20,452	157,663
Debt Service	7,875,400	7,875,358	42	4,172,255	4,172,125	130
Total Expenditures and Other Financing Uses	\$52,951,310	\$47,706,529	\$5,244,781	\$48,686,160	\$44,455,018	\$4,231,142
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$85,651	\$2,186,019	\$2,100,368	(\$2,675,749)	\$417,577	\$3,093,326
Cash Fund Balance - January 1	13,790,466	13,790,466	0	13,070,914	13,070,914	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(116,233)	(116,233)	0	(88,174)	(88,174)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,720,756)	(1,533,917)	186,839	(1,872,755)	(1,436,838)	435,917
Cash Fund Balance - December 31 Unreserved	12,039,128	14,326,335	\$2,287,207	\$8,434,236	\$11,963,479	\$3,529,243
Reserved for Encumbrances - All Budget Years		1,548,496			1,826,987	
Total Cash Fund Balance - December 31		\$15,874,831			\$13,790,466	

The accompanying notes to the combined financial statements are an integral part of this statement.

**THE CITY OF SHAKER HEIGHTS, OHIO
 ALL PROPRIETARY FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	ENTERPRISE	INTERNAL SERVICE	TOTALS (Memorandum Only)	
			2002	2001
OPERATING REVENUES:				
Charges For Services	\$2,305,610	\$2,130,265	\$4,435,875	\$4,563,646
Other Income	1,456	30,622	32,078	13,804
TOTAL OPERATING REVENUES	2,307,066	2,160,887	4,467,953	4,577,450
OPERATING EXPENSES:				
Personal Services	2,329,931	1,218,100	3,548,031	3,446,427
Travel and Education	10,382	2,541	12,923	12,742
Contractual Services	745,450	693,151	1,438,601	1,585,388
Materials and Supplies	218,003	289,573	507,576	619,806
Depreciation	105,298	8,053	113,351	110,833
TOTAL OPERATING EXPENSES	3,409,064	2,211,418	5,620,482	5,775,196
OPERATING LOSS	(1,101,998)	(50,531)	(1,152,529)	(1,197,746)
NON-OPERATING REVENUES				
Interest Earnings	0	143,913	143,913	195,573
TOTAL NON-OPERATING REVENUES	0	143,913	143,913	195,573
NET INCOME (LOSS) BEFORE CONTRIBUTED CAPITAL AND TRANSFERS	(1,101,998)	93,382	(1,008,616)	(1,002,173)
Contributed Capital	86,901	0	86,901	18,890
Operating Transfers - In	1,021,200	0	1,021,200	1,150,000
Operating Transfers - Out	0	(35,345)	(35,345)	(45,521)
NET INCOME	6,103	58,037	64,140	121,196
Add Depreciation On Fixed Assets Acquired By Contribution	80,792	4,904	85,696	78,458
INCREASE IN RETAINED EARNINGS	86,895	62,941	149,836	199,654
RETAINED EARNINGS AT BEGINNING OF YEAR	31,681	3,890,151	3,921,832	3,722,178
RETAINED EARNINGS AT END OF YEAR	\$118,576	\$3,953,092	\$4,071,668	\$3,921,832

The accompanying notes to the combined financial statements are an integral part of this statement.

CITY OF SHAKER HEIGHTS, OHIO
 ALL PROPRIETARY FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Enterprise Fund			Internal Service Funds			Totals (Memorandum Only)					
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	2002		Variance Favorable (Unfavorable)	2001		Variance Favorable (Unfavorable)
							Budget	Actual		Budget	Actual	
Revenues and Other Financing Sources												
Operating Revenue:												
Charges for Services	\$2,837,800	\$2,248,810	(\$588,990)	\$2,717,149	\$2,258,598	(\$458,551)	\$5,554,949	\$4,507,408	(\$1,047,541)	\$5,208,700	\$4,532,930	(\$675,770)
Other Revenues	0	1,456	1,456	11,500	30,621	19,121	11,500	32,077	20,577	11,500	13,804	2,304
Non-Operating Revenue:												
Interest Earnings	0	0	0	175,000	143,913	(31,087)	175,000	143,913	(31,087)	200,000	195,573	(4,427)
Other Financing Sources:												
Operating Transfers In	1,034,200	1,021,200	(13,000)	0	0	0	1,034,200	1,021,200	(13,000)	1,150,000	1,150,000	0
Total Revenues and Other Financing Sources	\$3,872,000	\$3,271,466	(\$600,534)	\$2,903,649	\$2,433,132	(\$470,517)	\$6,775,649	\$5,704,598	(\$1,071,051)	\$6,570,200	\$5,892,307	(\$677,893)
Expenditures and Other Financing Uses												
Current:												
Personal Services	\$2,288,600	\$2,294,766	(\$6,166)	\$1,147,155	\$1,145,737	\$1,418	\$3,435,755	\$3,440,503	(\$4,748)	\$3,500,122	\$3,475,278	\$24,844
Travel and Education	12,900	10,382	2,518	2,500	2,541	(41)	15,400	12,923	2,477	20,200	12,742	7,458
Contractual Services	872,400	718,062	154,338	1,059,300	685,331	373,969	1,931,700	1,403,393	528,307	1,927,500	1,637,536	289,964
Materials and Supplies	269,100	245,860	23,240	350,900	294,540	56,360	620,000	540,400	79,600	725,700	584,026	141,674
Additions and Improvements	19,000	19,312	(312)	1,400	575	825	20,400	19,887	513	22,300	31,522	(9,222)
Other Financing Uses:												
Operating Transfers Out	0	0	0	35,500	35,345	155	35,500	35,345	155	58,100	45,521	12,579
Advances Out	10,000	10,000	0	0	0	0	10,000	10,000	0	0	10,000	(10,000)
Total Operating Expenditures and Other Financing Uses	\$3,472,000	\$3,298,382	\$173,618	\$2,596,755	\$2,164,069	\$432,686	\$6,068,755	\$5,462,451	\$606,304	\$6,253,922	\$5,796,625	\$457,297
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$400,000	(\$26,916)	(\$426,916)	\$306,894	\$269,063	(\$37,831)	\$706,894	\$242,147	(\$464,747)	\$316,278	\$95,682	(\$220,596)
Cash Retained Earnings - January 1	128,717	128,717	0	4,913,899	4,913,899	0	4,910,549	4,910,549	0	4,910,549	4,910,549	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	(1,232,865)	(1,232,865)	0	(1,232,865)	(1,232,865)	0	(1,198,901)	(1,198,901)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(106,312)	(78,743)	27,569	(94,264)	(89,451)	4,813	(200,576)	(168,194)	32,382	(278,478)	(198,155)	80,323
Cash Fund Balance - December 31 Unreserved Reserved for Encumbrances - All Budget Years	\$422,405	\$23,058	(\$399,347)	\$3,893,664	\$3,860,646	(\$33,018)	\$4,184,002	\$3,751,637	(\$432,365)	\$3,749,448	\$3,609,175	(\$140,273)
Total Cash Fund Balance - December 31		\$106,853			1,331,829			1,438,682			1,433,441	
		\$129,911			\$5,192,475			\$5,190,319			\$5,042,616	

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The accompanying notes to the combined financial statements are an integral part of this statement.

**CITY OF SHAKER HEIGHTS, OHIO
ALL PROPRIETARY FUND TYPES
COMBINED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			2002	2001
OPERATING ACTIVITIES:				
Cash Received From Customers	\$2,248,810	\$2,258,598	\$4,507,408	\$4,532,930
Cash Payments to Suppliers	(980,429)	(978,221)	(1,958,650)	(2,253,009)
Cash Payments to Employees	(2,294,324)	(1,140,991)	(3,435,315)	(3,454,075)
Other Operating Receipts	1,456	30,622	32,078	13,804
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,024,487)	170,008	(854,479)	(1,160,350)
NONCAPITAL FINANCING ACTIVITIES:				
Operating Transfers - In	1,021,200	0	1,021,200	1,150,000
Operating Transfers - Out	0	(35,345)	(35,345)	(45,521)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	1,021,200	(35,345)	985,855	1,104,479
CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Property, Plant and Equipment	(86,901)	0	(86,901)	(26,927)
Contributed Capital	86,901	0	86,901	18,890
Loss on Sale of Fixed Assets	4,481	0	4,481	402
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	4,481	0	4,481	(7,635)
INVESTING ACTIVITIES:				
Interest Earned on Investments	0	143,913	143,913	195,573
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	143,913	143,913	195,573
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,194	278,576	279,770	132,067
Cash/Cash Equivalents at Beginning of Year	128,717	4,913,899	5,042,616	4,910,549
Cash/Cash Equivalents at End of Year	\$129,911	\$5,192,475	\$5,322,386	\$5,042,616

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	(\$1,101,998)	(\$50,531)	(\$1,152,529)	(\$1,197,746)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:				
Depreciation	105,298	8,053	113,351	110,833
(Increase) Decrease in Receivables	0	170,733	170,733	39,284
Decrease in Due From Other Governments	0	0	0	0
(Increase) Decrease in Due From Other Funds	(56,800)	(42,400)	(99,200)	(70,000)
Decrease in Inventory	0	(5,865)	(5,865)	9,388
(Increase) Decrease in Prepaid Items	0	(876)	(876)	1,996
Increase (Decrease) in Vouchers and Accounts Payable	3,406	13,807	17,213	(36,868)
Increase in Accrued Wages and Benefits Payable	26,676	25,797	52,473	31,729
Increase in Compensated Absences Payable	8,931	23,790	32,721	40,854
(Decrease) in Due to Other Funds	(10,000)	0	(10,000)	(10,000)
(Decrease) in Self-Insurance Claims Payable	0	27,500	27,500	(79,820)
Total Adjustments	77,511	220,539	298,050	37,396
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,024,487)	\$170,008	(854,479)	(1,160,350)

The accompanying notes to the combined financial statements are an integral part of this statement.

City of Shaker Heights



City of Shaker Heights, Ohio

NOTES TO THE COMBINED FINANCIAL STATEMENTS YEAR ENDING DECEMBER 31, 2002 INDEX OF NOTES

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**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Shaker Heights (the City) was incorporated under the laws of the State of Ohio in 1912. The City has operated as a home rule municipal corporation under its own charter since the charter's adoption by the residents in 1931. The charter provides that the City operate under the Mayor/Council form of government, with the legislative power vested in the seven-member Council. The Mayor is the Chief Executive Officer of the City. The Mayor appoints the Chief Administrative Officer of the City.

The City provides various services including police and fire protection, public health, parks and recreation, street maintenance, planning and zoning, community preservation and development and other general governmental services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government.

The City is a member of the Northeast Ohio Public Energy Council ("NOPEC"). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB Statement No. 14), the financial reporting entity consists of the City (the primary government), as well as its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the foregoing criteria, these financial statements do not include any component units.

B. Basis of Presentation

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments. The accounts of the City are organized on the basis of funds and 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. Individual funds and account groups which are used by the City are summarized in the accompanying combined financial statements and are classified as follows:

Governmental Funds

General Fund - To account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the Charter and legislation of the City and/or the general laws of the State of Ohio.

CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 1. Summary of Significant Accounting Policies (continued)

Special Revenue Funds - To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The following funds are accounted for by the City as Special Revenue Funds:

Street Maintenance and Repair Fund	Community Preservation Partnership Grant Fund
State Highway Maintenance Fund	Law Enforcement Grant Fund
Sewer Maintenance Fund	Court Community Service Fund
Police Pension Fund	Court Alternate Dispute Fund
Fire Pension Fund	Ohio Court Security Grant Fund
Fair Housing Grant Fund	High Intensity Drug Trafficking Area Grant Fund
Indigent Driver Alcohol Treatment Fund	Drug Free Community Grant Fund
Court Computer Legal Research Fund	Street Lighting Assessment Fund
Court Community Service Fund	Tree Maintenance Assessment Fund
Clerk's Computerization Fund	
Exterior Home Maintenance Fund	
Fair Housing Fund	

Debt Service Fund - To account for the accumulation of resources for, and the payment of, general long-term debt and related costs.

Capital Projects Funds - To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds). The following funds are accounted for by the City as Capital Projects Funds:

General Capital Improvements Fund	Shaker Towne Centre Community Development Area Fund
Sewer Capital Improvements Fund	Chagrin Boulevard Improvements Fund
Firehouse Construction Project Fund	Water System Improvements Fund
Sussex Area Revitalization District Fund	

Proprietary Funds

Enterprise Fund - To account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes. The Recreation Fund is the only fund in this category.

Internal Service Funds - To account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The following funds are accounted for by the City as Internal Service Funds:

Central Stores Fund	Central Services Fund
Central Printing Fund	Self-Insurance Fund
Central Garage Fund	

Fiduciary Funds

Trust and Agency Funds - To account for assets held by the City in an agency capacity for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve the measurement of the results of operations. The City's one expendable trust fund is accounted for in essentially the same manner as the governmental funds. The following funds are accounted for by the City as Trust and Agency Funds:

CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 1. Summary of Significant Accounting Policies (continued)

Law Enforcement Trust Fund	Contractor Deposit Fund
Obstruction Permit Deposit Fund	Recreation Scholarship Fund
Excavating Permit Deposit Fund	Shaker Family Center at Sussex Fund
Unclaimed Monies Fund	Board of Building Standards Fund
Fund for the Future of Shaker Heights	First Suburbs Consortium Council
Municipal Court Fund	

Account Groups

General Fixed Assets Account Group - To account for all fixed assets of the City, except those accounted for in the Proprietary Funds.

General Long -Term Obligations - To account for all unmatured long-term obligations of the City, except those accounted for in the Proprietary and Trust Funds.

C. Basis of Accounting

Basis of accounting refers to the method by which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and expendable trust funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Agency fund assets and liabilities are recognized on the modified accrual basis and do not involve a measurement focus.

With respect to proprietary activities, the City has adopted statement No. 20 of the GASB, 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, unless those pronouncements conflict with or contradict GASB pronouncements.

Revenue Recognition - In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: municipal income taxes withheld by employers, inheritance taxes, sewerage surcharges, investment earnings, fines and forfeitures and state levied locally shared taxes (including motor vehicle fees). Reimbursement for federally funded grant projects are accrued as revenue at the time the eligible expenditures are made. Property taxes and special assessments though measurable are not available soon enough in the subsequent year to finance current period obligations. Income taxes and sewerage surcharges are considered to be measurable when billed, however, these revenue sources are not considered to be available until they have been received by the collecting agency. Accordingly, these items are recorded and revenue recognition is deferred until they become available.

All other revenue sources, including licenses and permits, certain charges for services and non-employer withheld income taxes are recorded as revenue when received in cash because they generally are not measurable until actually received by the City.

Expenditure Recognition - The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which is recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 1. Summary of Significant Accounting Policies (continued)

All proprietary funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. The measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized by proprietary fund types in the accounting period when they are earned and expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

D. Budgetary Process and Budget Basis of Accounting

I. Budgetary Process

Tax Budget - A budget of estimated cash receipts and disbursements 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 relative to the submitted tax budget to the City by September 1. As a part of this certification, the City receives the official certificate of estimated resources, which states the projected resources of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The City must then revise its budget so that the total contemplated expenditures from any 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.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. For all operating funds except capital projects and trust and agency funds, an annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources as certified. Trust and Agency Funds are deemed to be appropriated for their intended purpose upon receipt. The City appropriates Capital Project Funds on a project by project basis.

For all funds, except capital projects funds, unencumbered appropriation balances lapse at year end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation. Capital projects are appropriated on a project basis. Project appropriation balances lapse upon completion of the project; therefore their unencumbered appropriation balances are carried over to the subsequent fiscal year.

State law mandates that a fund's total obligations may not exceed the total amount appropriated for the fund. For all funds except fiduciary and capital project funds, the City maintains its legal level of budgetary control at the fund level. For fiduciary funds, the legal level of budgetary control is maintained at the fund level. For capital project funds, the City maintains its legal level of budgetary control at the project level. Management control is exercised at the department level within each fund. Administrative control is maintained through the establishment of more detailed line item budgets. The Mayor and Chief Administrative Officer are authorized to transfer budgeted amounts between departments within a fund so long as the total amount appropriated for the fund is not exceeded.

As provided by the City's Charter and State Law, amendments to the 2002 appropriation ordinance were approved by City Council. These amendments were deemed to be immaterial in nature and are reflected in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the Year Ended December 31, 2002.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 1. Summary of Significant Accounting Policies (continued)

Encumbrances - The City is required to use the encumbrance method of accounting by Ohio law. Under this system, purchase orders and contracts for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. Under the modified accrual basis of accounting, encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

II. Budget Basis of Accounting

While reporting financial position, results of operations, and changes in fund equity on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts and disbursements.

The Combined Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance-Budgetary Basis and Actual, is presented on the budgetary basis to provide a relevant comparison of actual results to the budget. Since the City does not adopt annual budgets for capital projects or trust and agency funds, these fund types are not included in this statement. The major differences between the budget basis and the GAAP basis are:

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 the equivalent of expenditures (budget) as opposed to reservation of fund balance (GAAP).

The adjustments necessary to convert the fund balances/equity and the results of operations at the end of the year on the GAAP basis to the budget basis are as follows:

	<u>Fund Balance</u>			<u>Fund Equity</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise Fund</u>	<u>Internal Service</u>
GAAP Basis (as reported)	\$9,108,675	\$4,964,596	\$324,434	\$807,643	\$4,031,865
Increase (Decrease) due to:					
Revenue:					
Accrued December 31, 2002 but not yet received in cash	(3,295,052)	(1,049,069)	(4,220)	(106,800)	(341,430)
Expenditures:					
Accrued December 31, 2002 but not yet paid in cash	2,900,784	3,332,652	49,840	367,001	1,603,771
Prepaid Items	-0-	(52,639)	-0-	-0-	(24,642)
Fund Assets:					
Inventory of Supplies	(169,610)	-0-	-0-	-0-	-0-
Fixed Assets	-0-	-0-	-0-	(937,933)	(77,089)
Net Decrease in the Fair Value of Investments	<u>(235,560)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Non-GAAP Budget Basis	<u>\$8,309,237</u>	<u>\$7,195,540</u>	<u>\$370,054</u>	<u>\$129,911</u>	<u>\$5,192,475</u>

CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 1. Summary of Significant Accounting Policies (continued)

	Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Uses			Net Income (Loss)	
	General	Special Revenue	Debt Service	Enterprise Fund	Internal Service
GAAP Basis (as reported)	\$ 611,676	\$ 1,395,829	\$ 5,559	\$ 6,103	\$ 58,037
Increase (Decrease) due to:					
Revenues:					
Accrued December 31, 2001, received in cash during 2002	3,219,017	742,264	1,947	50,000	469,763
Accrued December 31, 2002, but not yet received in cash	(3,295,052)	(1,049,069)	(4,220)	(106,800)	(341,430)
Capital Contributions Received	-0-	-0-	-0-	(86,901)	-0-
Expenditures:					
Accrued December 31, 2001, paid in cash during 2002	(2,743,408)	(3,192,335)	(7,084)	(337,988)	(1,512,877)
Accrued December 31, 2002 but not yet paid in cash	2,900,784	3,332,652	49,840	367,001	1,603,771
Fixed Assets acquisitions recorded as expenditures for budgetary purposes	-0-	-0-	-0-	-0-	-0-
Changes in prepaid expenditures:					
Prepaid Items	3,966	2	-0-	-0-	(876)
Inventory of Supplies	-0-	-0-	-0-	-0-	(5,865)
Non-cash expense -					
Depreciation expense	-0-	-0-	-0-	105,298	8,053
Loss on Sale of Fixed Assets	-0-	-0-	-0-	4,481	-0-
Encumbrances -					
Current year charges against prior year's cash fund balance reserved for encumbrance	845,694	688,223	-0-	78,743	89,451
Encumbered at December 31, 2002 but recorded as the equivalent of cash expenditures for budgetary purposes	(675,725)	(756,538)	-0-	(106,853)	(98,964)
Net Change in the Fair Value of Investments	<u>111,997</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Non-GAAP Budget Basis	<u>\$978,949</u>	<u>\$1,161,028</u>	<u>\$46,042</u>	<u>\$(26,916)</u>	<u>\$ 269,063</u>

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments that are both readily convertible to known amounts of cash, with a maturity of three months or less when purchased to be cash equivalents.

E. Inventory

Inventory is stated at weighted average cost. The cost of inventory items is recorded as an expenditure in the Governmental Funds when purchased and as an expense in the Proprietary Funds when used. Obsolete inventory has not been valued for financial reporting purposes.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 1. Summary of Significant Accounting Policies (continued)

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 Assets Account Group. All fixed assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. The City does not capitalize interest expenses incurred on debt issued to finance capital assets.

Infrastructure fixed assets such as streets, sidewalks, curbs, gutters, and sewers are not capitalized along with the other general fixed assets, as they are immovable and of value only to the City.

Fixed assets in the Proprietary Funds are capitalized in the individual funds in which they are utilized. Assets which were acquired using general tax revenues and transferred to a Proprietary Fund are recorded as contributed capital.

Depreciation on fixed assets used in the Proprietary Funds is computed and recorded using the straight-line method. Depreciation recognized on assets acquired or constructed with contributed capital is closed to the contributed capital account. Net income or loss, adjusted by the amount of depreciation on fixed assets acquired with contributed capital is closed to retained earnings. No depreciation is recorded on those assets accounted for in the General Fixed Assets Account Group.

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

Building	30 to 50 Years
Improvements	7 to 20 Years
Equipment	3 to 30 Years

H. Interfund Transactions

During the course of normal operations, the City had numerous transactions between funds, most of which are in the form of transfers of resources to provide services or to service debt. The accompanying financial statements generally reflect such transactions as operating transfers. The City also advances money between funds throughout the year. To the extent that certain transactions between funds had not been paid or received as of December 31, 2002, interfund amounts receivable or payable have been recorded as Due To/Due From Other Funds.

I. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles and are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. Reclassifications

Certain amounts shown for 2001 have been reclassified to conform with the current year presentation.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 2. Restatement of Prior Year Fund Balances

In 2002, the City implemented GASB Statement No. 33 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Nonexchange Transaction*. The following adjustments are necessary to correct the implementation of GASB Statement No. 33 as of December 31, 2001:

	General Fund	Enterprise Fund	Total
Fund Balances/Retained Earnings, December 31, 2001	\$8,390,211	\$788,749	\$9,178,960
<u>GASB 33 Adjustment:</u>			
Contributed from Governments	-0-	(18,890)	(18,890)
Due from Other Governments	175,312	-0-	175,312
Adjusted Fund Balances, December 31, 2001	<u>\$8,565,523</u>	<u>\$769,859</u>	<u>\$9,335,382</u>
Deferred Revenue, December 31, 2001	\$12,079,748	\$ -0-	\$12,079,748
<u>GASB 33 Adjustment:</u>			
Contributed Capital	-0-	18,890	18,890
State Levied Shared Taxes	399,083	-0-	399,083
Restated Deferred Revenue, December 31, 2001	<u>\$12,478,831</u>	<u>\$18,890</u>	<u>\$12,497,721</u>

Note 3. Deposits with Financial Institutions and Investments (Including Repurchase Agreements)

A. Deposits - All deposits are in the financial institutions noted below and are carried at cost.

<u>Insured</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Fund</u>
(FDIC) Bank One	\$100,000	\$100,000	Pool
(FDIC) Fifth Third Bank	100,000	100,000	General Capital
(FDIC) FirstMerit Bank	26,209	26,209	Pool
(FDIC) Huntington National Bank	(660,652)	100,000	Pool
(FDIC) KeyBank	(24,673)	100,000	Pool
(FDIC) National City Bank	100,000	100,000	Pool
(FDIC) National City Bank	26,591	26,591	Bond Retirement
(FDIC) National City Bank	100,000	100,000	Municipal Court
<u>Uninsured</u>			
Cash on Hand	12,951	N/A	Pool
Collateral held by City's agent in the Financial Institution's Name:			
Bank One	45,177	43,146	Pool
Fifth Third Bank	2,667	2,667	Pool/General Capital
First Merit	-0-	539,585	Pool/General Capital
KeyBank	-0-	151,828	Pool/General Capital
National City Bank	8,644,097	8,640,895	Pool/General Capital
National City Bank	<u>343,485</u>	<u>372,879</u>	Municipal Court
Total Deposits	<u>\$8,815,852</u>	<u>\$10,403,800</u>	

CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 3. Deposits with Financial Institutions and Investments (continued)

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 City Treasury Cash". Ohio law requires that deposits be placed in eligible banks or building and loan associations located in Ohio. Any public depository in which the City places a deposit must pledge as collateral eligible securities of aggregate face value equal to 110% of the excess of the deposit that is not insured by the Federal Deposit Insurance Corporation. At year-end, the carrying amount of the City's deposits was \$8,815,852 and the bank balance was \$10,403,800. The bank balance covered by federal deposit insurance was \$652,800 and the remaining \$9,751,000 was covered by collateral held by third party trustees in collateral pools in the name of the respective depository institutions securing all public funds on deposits pursuant to Section 135.18 of the Ohio Revised Code. The statutes further require the classification of monies held by the City into three categories, active, inactive, and interim deposits. Active monies are those required to be kept in a cash or near cash status for immediate use by the City. Such monies must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand. Inactive monies are those which are not required for use within the current two year period of designation of depositories. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of the depositories.

B. Investments - The City's investment policies are governed by the City's charter and ordinances. The charter authorizes the City to invest in the following securities:

1. Bonds or notes which are issued by and are obligations of the City of Shaker Heights, Ohio.
2. Bonds, notes, certificates of indebtedness, treasury bills or other securities issued by and constituting direct obligations of, or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon.
3. Bonds or notes which are issued by and are the obligations of the State of Ohio, provided that such bonds or notes have a rating assigned to them by Standard and Poors Corporation or Moody's Investor Services, Inc. which rating:
 - a. As to bonds, is one of the two highest rating categories that may be assigned; and
 - b. As to notes, is the highest rating category that may be assigned.

In order to be eligible investments under points (2) or (3), there must be no outstanding default for the payment of the principal or interest on such securities and the securities must mature or be subject to redemption at the option of the City within five years of the date the City purchased such security.

In addition, effective September 27, 1996 State law specifically prohibits investment in stripped principal or interest obligations, reverse repurchase agreements and derivatives. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. All investments must be purchased with the expectation that the investment will be held to maturity.

Written repurchase agreements in the securities listed above are permitted provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to the market daily. The term of the agreement may not exceed thirty days.

Payment for investments may be made only upon delivery of the securities representing the investment to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Except for non-participating investment contracts, investments are reported at fair value. Fair value is the investment's quoted market price at December 31, 2002. Non-participating investment contracts such as repurchase agreements and non-negotiable certificates of deposits are reported at cost.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 3. Deposits with Financial Institutions and Investments (continued)

The City's investments at December 31, 2002, carried at fair value, are as noted below:

<u>Investments</u>	<u>Fair Value</u>	<u>Fund</u>
Held by City's counterparty:		
Repurchase Agreement	\$3,844,936	Pool
Held by the City or its Agent in the City's Name:		
U.S. Treasury Notes	<u>26,268,041</u>	Pool
Total Investments	<u>\$30,112,977</u>	

C. Risk Categorization - Governmental Accounting Standards Board (GASB) Statement No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," requires the City to categorize its investments into one of three credit risk categories. Category 1 includes investments that are insured or registered for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

<u>Type of Investment</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
U.S. Government Securities	\$26,268,041	\$ -0-	\$26,268,041
Repurchase Agreements	<u>-0-</u>	<u>3,844,936</u>	<u>3,844,936</u>
Total Investments	<u>\$26,268,041</u>	<u>\$3,844,936</u>	<u>\$30,112,977</u>

Note 4. Property Tax

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. The City receives property taxes from the following sources:

Real Estate - Residential, commercial and public utility real property is taxed at 35% of market value.

Tangible Personal Property - The true value of personal property is based upon composite annual allowances and is assessed at 88%, except for the following:

- Electric Utility Production Equipment - Assessed at 100% of True value (50% of cost).
- Rural Electric Companies - Assessed at 50% of true value.
- Railroads - Assessed at 25% of true value.
- Telephone Utility - Effective in tax year 1995, all interexchange telephone personal property is assessed at 25% of true value. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88% of true value.

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Auditor at 35% of the current market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2000 affecting collections beginning in 2001.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

**CITY OF SHAKER HEIGHTS, OHIO
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

Note 4. Property Tax (continued)

Taxpayers become liable for tangible personal property taxes (other than public utility property) on January 1 of the current calendar year based on tax rates determined in the preceding year and assessed values determined as of the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Since 1992, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30, if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date. The majority of public utility tangible personal property currently is assessed at 35% of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

While property tax rates are levied by the City, the Cuyahoga County Auditor is statutorily responsible for administering and collecting real property taxes on the behalf of all taxing authorities in the county, including the City.

The assessed values per category applicable to the 2002 and 2001 collections are as follows:

	Tax Collection/Valuation Year	
	<u>2002/2003</u>	<u>2001/2000</u>
Real Estate (other then public utility)	\$706,996,220	\$708,065,810
Public Utilities Real and Tangible Personal Property	15,306,100	16,032,480
Tangible Personal Property (other than public utility)	<u>16,864,140</u>	<u>14,106,723</u>
Total Valuation	<u>\$739,166,460</u>	<u>\$738,205,013</u>

The tax rate levied to finance the City's services for the years ended December 31, 2002 and December 31, 2001, was \$9.90 per \$1,000 of real estate and personal property valuation. A receivable totaling \$6,854,579 and corresponding deferred revenue have been recorded in the General Fund (\$6,439,177), Police Pension Special Revenue Fund (\$207,701), and Fire Pension Special Revenue Fund (\$207,701). This total includes \$464,303 for the portions of the taxes levied prior to December 31, 2002, which are delinquent, and \$6,390,276 which was levied on January 1, 2001, on the assessed value of property on October 1, 2001. This amount is measurable, but not available in the current period.

The receivable and related deferred revenue does not include property tax entitlements in the amount of \$870,394 (\$817,616 General Fund, \$26,389 each to Police Pension and Fire Pension Special Revenue Funds) that the City expects to receive in 2003 from the State of Ohio to finance 2003 operations. These entitlements are based upon 2002 local property tax relief granted by the State to qualified classes of real property owners in the form of Homestead Exemptions and tax rollbacks.

Note 5. City Income Tax

The City income tax is applied to the gross salaries, wages and other personal service compensation earned by residents of the City and to the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. The tax rate was 1-3/4% of earnings for 2002 and 2001. Residents of the City are granted a credit up to one-half of 1% for taxes paid to other municipalities. A receivable totaling \$5,853,407 has been recorded in the General Fund. This total includes \$2,120,755 for the portion of taxes that is due in December, but not received until January of the following year, and \$3,732,652 which has been billed, but is not available in the current period.

CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 6. Receivables

Receivables at December 31, 2002 include the following:

	General	Special Revenue	Capital Projects	Internal Service	Trust and Agency	Totals
TAXES:						
Income Tax:						
Current	\$2,120,755	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$2,120,755
Deferred	3,732,652	-0-	-0-	-0-	-0-	3,732,652
Property Tax						
Delinquent	436,163	28,140	-0-	-0-	-0-	464,303
Deferred	6,003,014	387,262	-0-	-0-	-0-	6,390,276
Admissions Tax	<u>4,040</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>4,040</u>
TOTAL TAXES	12,296,624	415,402	-0-	-0-	-0-	12,712,026
ACCOUNTS:						
Collection Cost –						
Reimbursement	160,000	-0-	-0-	-0-	-0-	160,000
Franchise Fees	68,396	-0-	-0-	-0-	-0-	68,396
Ambulance Fees	108,011	-0-	-0-	-0-	-0-	108,011
Sewer Surcharge	-0-	458,262	-0-	-0-	-0-	458,262
Miscellaneous	<u>20,916</u>	<u>2,669</u>	<u>-0-</u>	<u>99,282</u>	<u>-0-</u>	<u>122,867</u>
TOTAL ACCOUNTS	357,323	460,931	-0-	99,282	-0-	917,536
SPECIAL ASSESSMENTS:						
Current	-0-	-0-	-0-	79,748	-0-	79,748
Deferred	1,465	1,715,657	-0-	-0-	-0-	1,717,122
ACCRUED INTEREST	232,164	-0-	-0-	-0-	-0-	232,164
LOANS	-0-	-0-	-0-	-0-	757,012	757,012
LEASES	<u>268,056</u>	<u>-0-</u>	<u>1,789,950</u>	<u>-0-</u>	<u>-0-</u>	<u>2,058,006</u>
TOTALS	<u>\$13,155,632</u>	<u>\$2,591,990</u>	<u>\$1,789,950</u>	<u>\$179,030</u>	<u>\$757,012</u>	<u>\$18,473,614</u>

Note 7. Due from Other Governments

Receivables due from other governments at December 31, 2002, include the following:

	General	Special Revenue	Capital Projects	Total
Local Government Contracts	\$ 144,436	\$ 2,391	\$ -0-	\$ 146,827
Auto Registration Fees	-0-	12,133	-0-	12,133
Gas Tax	-0-	312,572	-0-	312,572
Liquor Tax	551	-0-	-0-	551
Estate Tax	-0-	-0-	1,220,131	1,220,131
Local Government – State	190,037	-0-	-0-	190,037
Local Government - Country	714,070	-0-	-0-	714,070
Federal Grants	-0-	781,830	-0-	781,830
Other	<u>12,123</u>	<u>-0-</u>	<u>-0-</u>	<u>12,123</u>
	<u>\$1,061,217</u>	<u>\$1,108,926</u>	<u>\$1,220,131</u>	<u>\$3,390,274</u>

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 8. Interfund Balances

Individual fund interfund receivable and payable balances at December 31, 2002 include the following:

Description	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	<u>\$ 310,883</u>	<u>\$269,200</u>
Special Revenue Funds:		
Police Pension Fund	-0-	970
Fire Pension Fund	-0-	895
Indigent Driver Alcohol Treatment Fund	230	-0-
Court Computer Legal Research Fund	3,014	-0-
Clerk of Court's Computerization Fund	10,062	-0-
Exterior Home Maintenance Fund	-0-	41,570
Law Enforcement Grant Fund	-0-	-0-
Court Community Service Fund	565	-0-
Court Alternate Dispute Resolution Fund	3,078	-0-
High Intensity Drug Trafficking Area Grant Fund	-0-	492,378
Drug Free Community Grant	<u>-0-</u>	<u>5,264</u>
Total Special Revenue Funds	<u>16,949</u>	<u>541,077</u>
Debt Service Fund	<u>4,220</u>	<u>49,840</u>
Capital Projects Funds		
General Capital Projects Fund	559,019	-0-
Firehouse Construction Project Fund	24,550	2,355
Sussex Area Revitalization District Fund	-0-	50,000
STC Community Development Area Fund	25,041	255,200
Chagrin Boulevard Improvement Fund	-0-	12,000
Water System Improvement Fund	<u>-0-</u>	<u>190,000</u>
Total Capital Projects Fund	<u>608,610</u>	<u>509,555</u>
Recreation Enterprise Fund	<u>106,800</u>	<u>10,000</u>
Internal Service Funds		
Central Garage Fund	<u>162,400</u>	<u>0-</u>
Total Internal Service Funds	<u>162,400</u>	<u>0-</u>
Trust and Agency Funds		
Law Enforcement Trust Fund	324,115	-0-
Municipal Court Fund	<u>-0-</u>	<u>154,305</u>
Total Trust and Agency Funds	<u>324,115</u>	<u>154,305</u>
Total Interfund Balances	<u>\$1,533,977</u>	<u>\$1,533,977</u>

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 9. Changes in General Fixed Assets

Changes in general fixed assets during the year ended December 31, 2002, were as follows:

<u>Class</u>	<u>Jan. 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Completed Construction</u>	<u>Dec. 31, 2002</u>
Land	\$12,328,478	\$ 3,560,990	\$ 719,093	\$ -0-	\$15,170,375
Buildings	8,083,634	395,526	392,683	6,250	8,092,727
Land Improvements	3,279,531	72,115	94,125	-0-	3,257,521
Machinery & Equipment	14,493,714	1,548,588	694,393	-0-	15,347,909
Construction in Progress	<u>6,250</u>	<u>199,367</u>	<u>-0-</u>	<u>(6,250)</u>	<u>199,367</u>
Total	<u>\$38,191,607</u>	<u>\$5,776,586</u>	<u>\$1,900,294</u>	<u>\$ -0-</u>	<u>\$42,067,899</u>

<u>Construction in Progress Projects</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Police/Municipal Court Building Roof Replacement	\$ 135,642	\$79,290	\$56,352
Firehouse No. 1 Construction	<u>3,310,000</u>	<u>120,077</u>	<u>3,189,923</u>
TOTALS	<u>\$3,445,642</u>	<u>\$199,367</u>	<u>\$3,246,275</u>

Note 10. Proprietary Fund Fixed Assets

Proprietary fund fixed assets at December 31, 2002, were as follows:

<u>Class</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Land	\$ 86,342	\$ -0-	\$ 86,342
Buildings	1,713,873	-0-	1,713,873
Land Improvements	1,393,961	-0-	1,393,961
Machinery and Equipment	<u>550,053</u>	<u>167,640</u>	<u>717,693</u>
Total	3,744,229	167,640	3,911,869
Less Accumulated Depreciation	<u>(2,806,296)</u>	<u>(90,551)</u>	<u>(2,896,847)</u>
Net	<u>\$ 937,933</u>	<u>\$ 77,089</u>	<u>\$ 1,015,022</u>

Note 11. Compensated Absences

In accordance with Governmental Accounting Standards Board (GASB) Statement Number 16, the City has accrued a liability for compensated absences (vacation and sick leave) at December 31, 2002 along with any salary-related benefit liabilities associated with the payment of compensated absences. The City uses the vesting method to calculate this liability. For governmental funds, the City has recognized the current portion of this liability at December 31, 2002 that is expected to be liquidated with expendable available financial resources. The remainder of the compensated absence liability for governmental funds is reported in the general long-term debt account group as accrued sick leave benefits. Proprietary funds report the entire liability for compensated absences calculated at December 31, 2002 as a current fund liability.

Vacation is earned by City employees at varying rates based upon length of service. No employee may accumulate vacation time in excess of three times the individual's annual rate of accrual. In the case of death, termination or retirement an employee (or the employee's estate), is paid for the accumulated, unused vacation leave.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 11. Compensated Absences (continued)

All full-time employees earn sick leave at a rate of fifteen (15) workdays per year. In November of each year full-time employees of the City have the right to convert accumulated sick leave days earned during the last year in excess of a total accumulation of ninety (90) days at the ratio of three days of accumulated sick leave for one day's pay. Sick leave not converted under this option may be used through time off from work. Dependent upon bargaining unit membership, full-time employees with minimum continuous service with the City ranging from five to fifteen years who terminate employment for other than disciplinary reasons may receive payment for their accumulated sick leave according to various formulae with maximums ranging from 600 to 1,300 hours.

As of December 31, 2002, the total estimated liability for all unpaid compensated absence and accrued sick leave benefits was \$4,433,532 for all funds and account groups.

Note 12. Short-Term Debt

Short term debt payable at December 31, 2002, consists of the general obligation bond anticipation notes and the temporary Urban Renewal bonds listed below. All of the debt listed has a term of one year or less and was issued to finance improvements to City owned property, to acquire equipment and to retire the Unfunded Police and Fire Pension Past Service Liability (See explanation below). The City has been retiring a portion of the notes as they mature and issuing new notes for the remaining balance. The City will either convert this debt to bonds or pay off the debt within the 20 to 30 -year conversion period as required by the laws of the State of Ohio.

<u>General Obligation Bond Anticipation</u>	<u>Balance 12/31/2001</u>	<u>Net/Addition (Reduction)</u>	<u>Balance 12/31/2002</u>
STC NorthWest Quadrant Note, due 5/14/03 interest at 2.00% (Renewal – 11)	\$1,430,000	\$(155,000)	\$ 1,275,000
Police Pension Unfunded Liability Note, due 5/14/03, interest at 2.00%, (Renewal 2)	955,085	(85,000)	870,085
Fire Pension Unfunded Liability Note, due 5/14/03, interest at 2.00%, (Renewal 2)	894,915	(85,000)	809,915
2000 Fire Truck Acquisition Note, due 5/14/03, interest at 2.00% (Renewal 2)	320,000	(80,000)	240,000
2002 Fire Truck Acquisition Note, due 05/14/03, interest at 1.75%	-0-	430,000	430,000
EMS Fire Ambulance Acquisition Note, due 5/14/03, interest at 2.00% (Renewal 1)	175,000	(55,000)	120,000
Public Works Project Note, due 10/23/03, interest at 1.98%	-0-	1,230,000	1,230,000
Firehouse No. 1 Construction Temporary Urban Renewal Bond, due 7/10/03, interest at 2.25%	725,000	4,275,000	5,000,000
Sussex Area Revitalization District Temporary Urban Renewal Bond – Property Acquisition, due 12/17/03, interest at 2.5% (Renewal 2)	950,000	(375,000)	575,000
Sussex Area Revitalization District Temporary Urban Renewal Bond – Public Improvements, due 12/17/03, interest at 1.65% (Renewal 2)	2,150,000	-0-	2,150,000
Shaker Town Centre Revitalization Temporary Urban Renewal Bond, due 07/10/03, interest @ 2.25%	<u>-0-</u>	<u>5,100,000</u>	<u>5,100,000</u>
Total:	<u>\$7,600,000</u>	<u>\$ 10,200,000</u>	<u>\$17,800,000</u>

**CITY OF SHAKER HEIGHTS, OHIO
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

Note 12. Short-Term Debt (continued)

The State of Ohio's Police and Fire Pension Fund (OP&F) announced that beginning November 15, 1998, it would allow municipalities to pay off their Unfunded Past Service Liability balance early, at a discount in one lump sum. The amount due was 68% of the first \$500,000 owed and 70% of the remaining liability in excess of \$500,000 plus accrued interest at 4.25%. On September 9, 1999, the City executed its final pay-off of this Accrued Past Service Liability when \$2,073,849 was wired to the account of the OP&F. The City plans to retire a portion of these notes as they mature and either issue new notes for the remaining balance or convert the notes to bonds.

Note 13. Long Term Obligation

Long-term obligations of the City at December 31, 2002, consist of the following:

Loans	Shelburne Road Sanitary Sewer Replacement, Ohio Public Works Commission 0% interest Loan, due 7/1/2015, semi-annual installment of \$20,187.50 beginning 7/1/95.	\$ 504,687
Converted Sick Time	Converted Sick Time	<u>2,701,690</u>
Total:		<u>\$3,206,377</u>

The following is a summary of transactions affecting long-term obligations of the City for the year ended December 31, 2002:

	Loans	Sick Time <u>Conversion</u>	Total
Long-Term Obligation at 1/1/02	\$545,062	\$2,686,769	\$ 3,231,831
Net Change During the Year	(40,375)	<u>14,921</u>	<u>(25,454)</u>
Long-Term Obligations at 12/31/02	<u>\$504,687</u>	<u>\$2,701,690</u>	<u>\$3,206,377</u>

As of December 31, 2002, the City's only future debt service requirement consisted of an Ohio Public Works Commission non-interest bearing loan. This loan requires an annual principal payment of \$40,375 for the next twelve years and a final payment of \$20,187 which is due on June 1, 2015, totaling \$504,687.

Legal Debt Margin - Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2002, the City's overall debt limitations is \$77,612,478 (10.5% of the City's total assessed property valuation of \$739,166,460) of which \$72,961,912 is available for additional voted and unvoted general obligation debt. Of this total general obligation debt capacity, the City's unvoted general obligation debt capacity is \$40,654,155 (5.5% of the City's total assessed property valuation) at December 31, 2002, of which \$36,003,589 is available.

Note 14. Pension and Retirement Plans

A. Ohio Public Employees Retirement System (OPERS)

Plan Description - All employees other than policemen and firemen participate in the Ohio Public Employees Retirement System (OPERS), a cost sharing multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides the authority to establish and amend benefit provisions. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-PERS.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 14. Pension and Retirement Plans (continued)

Funding Policy - The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% of their annual covered salary. The 2002 employer contribution rate for local governments was 13.55% of covered payroll. The City's contributions to OPERS for the years ending December 31, 2002, 2001 and 2000 were \$1,747,967, \$1,744,193, and \$1,389,517 respectively equal to the required contributions for each year.

B. Ohio Police and Fire Pension Fund (OP&F)

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2002, 2001, and 2000 were \$855,201, \$809,585 and \$857,403 respectively, for police officers and \$973,761, \$907,523 and \$901,021 respectively, for firefighters equal to the required contributions for each year.

Note 15. Post Employment Benefits

In addition to the pension benefits described in Note 14, the Ohio Revised Code provides that the City fund post retirement health care benefits through employer contributions to the Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire Pension Fund (OP&F).

A. Ohio Public Employees Retirement System (OPERS) - The OPERS provides post-retirement health care coverage to age and service retirees with ten (10) or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB). A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides the statutory authority for employer contributions and requiring public employers to fund postretirement health care coverage through their contributions to OPERS. The rate was 13.55% of covered payroll for local governments, 5.00% was the portion that was used to fund health care for the year. The City's total contribution to fund post retirement benefits was \$645,000.

The latest actuarial review was performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.00%. An annual increase of 4.00% compounded annually, is base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range 0.50% to 6.30%. Health care costs were assumed to increase 4.00% annually.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 15. Post Employment Benefits (continued)

OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants was 402,041. As of December 31, 2001, the net asset available for OPEB was \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion respectively.

B. Ohio Police and Fire Pension Fund (OP&F) - The OP&F of Ohio operates under the authority of the Ohio Revised Code and provides post-retirement health care coverage to any person 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 eighteen whether or not the child is attending school or under the age of twenty-two, if attending school full-time or on a two-thirds basis. As of December 31, 2001, 13,174 police officers and 10,239 firefighters were eligible to receive health care benefits.

The Ohio Revised Code provides that health care costs paid from funds of the OP&F of Ohio shall be included in the employer's contribution rate. For 2001, the total employer contribution rate was 19.5% and 24.0% of covered payroll for police officers and firefighters respectively. For 2002, the City's actual contributions to the OP&F used to pay postemployment benefits were \$339,515 and \$314,525 for police officers and firefighters respectively.

Health care funding and accounting is 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 7.50% and 7.75% of covered payroll in 2001 and 2002 respectively.

In addition, 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. The OP&F's total health care expenses for the year ended December 31, 2001 were \$122.3 million, which is net of member contributions of \$6,874,699.

Note 16. Deficit Fund Balances

On December 31, 2002, the Police and Fire Pension Special Revenue Funds, Firehouse Construction Project, Sussex Area Revitalization District, STC Community Development Area and the Water System Improvements Capital Projects Funds had deficit fund balances of \$730,059, \$742,643, \$867,081, \$1,381,156, \$3,901,095 and \$127,484, arising solely from the issuance of short-term bond anticipation notes in the amount of \$870,085, \$809,915, \$5,000,000, \$2,725,000, and \$5,100,000 respectively. Since a formal agreement to refinance this note had not been completed prior to the issuance of these financial statements, the note is classified as a fund liability. The deficit fund balance will be eliminated when bonds are issued to replace the note financing and the accounting for the debt is transferred from the fund to the General Long-Term Debt Account Group.

On December 31, 2002 the Water System Improvements Capital Project Fund had a deficit fund balance of \$127,484. This project is to be financed from the proceeds of a twenty-year, interest free loan from the Ohio Public Works Commission (OPWC). The deficit arises as the result of a \$190,000 interfund advance that was made from the General Capital Fund to the Water System Improvements Capital Project Fund in 2002 to enable the project to begin before the loan proceeds were received. The deficit fund balance will be eliminated in 2003 when the OPWC loan proceeds are received and the interfund advance is repaid.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 17. Operating Transfers

The City's Combined Statement of Revenues, Expenditures, and Changes in Fund Equity for all governmental fund types and expendable trust funds and the Statement of Revenues, Expenses and Changes in Retained Earnings for all proprietary fund types, displays the total of the Council approved operating transfers in and out for the fiscal year ended December 31, 2002. A reconciliation of these operating transfers is detailed below:

<u>Description</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	<u>\$ -0-</u>	<u>\$3,101,600</u>
Special Revenue Funds:		
Street Maintenance and Repair Fund	131,800	-0-
State Highway Fund	-0-	-0-
Food Service Fund	-0-	-0-
Sewer Maintenance Fund	-0-	40,375
Police Pension Fund	798,469	-0-
Fire Pension Fund	844,545	-0-
Exterior Home Maintenance Fund	66,800	-0-
Community Preservation Partnership Fund	475,000	50,000
Law Enforcement Grant Fund	1,920	1,557
Tree Maintenance Assessment Fund	35,000	-0-
Street Lighting Assessment Fund	<u>12,000</u>	<u>-0-</u>
Total Special Revenue Funds	<u>2,365,534</u>	<u>91,932</u>
Debt Service Fund	<u>40,375</u>	<u>-0-</u>
Capital Projects Funds:		
General Capital Project Fund	295,179	342,637
Sewer Capital Improvements Fund	-0-	-0-
Firehouse Construction Project Fund	23,637	290,179
Shaker Towne Centre Capital Project Fund	109,000	-0-
Water System Improvements Capital Fund	<u>10,000</u>	<u>-0-</u>
Total Capital Projects Funds	<u>437,816</u>	<u>632,816</u>
Recreation Enterprise Fund	<u>1,021,200</u>	<u>-0-</u>
Internal Service Funds		
Central Services	-0-	345
Self Insurance	<u>-0-</u>	<u>35,000</u>
Total Internal Service Funds	<u>-0-</u>	<u>35,345</u>
Trust & Agency Funds		
Law Enforcement Expendable Trust Fund	<u>-0-</u>	<u>3,232</u>
Total Trust & Agency Funds	<u>-0-</u>	<u>3,232</u>
Totals All Fund Types	<u>\$3,864,925</u>	<u>\$3,864,925</u>

Note 18. Direct Financing Leases

As of December 31, 2002, the City has leased three pieces of real property. All of the leases are accounted for as direct financing leases. These assets have been removed from the General Fixed Assets Account Group as if disposed of. The value of the City's investment in direct financing leases is reflected as a lease receivable and deferred revenue in the General Fund of \$268,056 and the General Capital Improvement Fund of \$1,789,950.

**CITY OF SHAKER HEIGHTS, OHIO
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

Note 18. Direct Financing Leases (continued)

Former Moreland School Building - This property was leased to the Shaker Heights Public Library during 1991 to serve as the library districts' new main library facility. The initial lease term expires in 2013 with four ten-year renewal options. Under the terms of the lease, the Library Board of Directors completed approximately \$4.3 million in renovations to the facility. The lease required the City to finance \$2.6 million of the project. The annual basic lease payment is \$100 plus the annual debt service on the financing amortized over the life of the lease.

Warrensville Center Road Center Strip/Parking Lots - This lease was entered into with OfficeMax, Inc. during 1996 and is scheduled to expire in 2016. Under the terms of the lease, the City constructed and made necessary improvements to existing parking lots on City owned property along Warrensville Center Road. These parking lots were subsequently leased to OfficeMax, Inc. for their exclusive use. The initial term of the lease is for twenty years with an additional five-year option, which may be exercised by the lessee.

3470 Warrensville Center Road - This lease was entered into 1999 and will expire in 2009. Under the terms of the lease, upon expiration, the lessee has the right to renew the lease with scheduled rent increases for two five year periods.

The following lists the components of the net investment in direct financing leases as of December 31, 2002:

Total minimum lease payments to be received	\$1,834,178
Less: Amounts representing executory costs	<u>(15,890)</u>
Minimum lease payments receivable	1,818,288
Less: Allowance for uncollectables	<u>-0-</u>
Net minimum lease payments receivable	1,818,288
Estimated residual value of leased property (unguaranteed)	239,718
Less: Unearned income	<u>-0-</u>
Net investment in direct financing leases	<u>\$2,058,006</u>

Note 19. 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 2002, the City contracted with the following insurance companies:

States Self-Insurers Risk Retention Group, Inc. - provided public entity broad form liability insurance. This insurance included law enforcement, public officials, and emergency medical liability insurance, and is limited to \$10,000,000 with a self-retention of \$250,000. This insurance also included excess insurance for automobile liability with a deductible of \$1,000,000.

Westfield Insurance Company - provided comprehensive and collision coverage for vehicles valued at \$50,001 and above.

Hartford Insurance Company - provided commercial insurance for property and inland marine. Property insurance, with a deductible of \$5,000, was limited to \$32,392,597 for property and contents and \$1,314,000 for contractor's equipment. Boiler insurance had a property damage limit of \$2,000,000 with a deductible of \$1,000. This coverage also included coverage of valuable papers and records, which was limited to \$75,000 with a deductible of \$250.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 19. Risk Management (continued)

CNA – provided commercial crime and public employee dishonesty insurance with an aggregate limit of \$500,000 and a deductible of \$1,000.

Hartford - provided commercial inland marine coverage for the City's vehicle fleet. This insurance coverage has a maximum limit of \$3,000,000 and deductible of \$5,000.

Western World - provided emergency medical services insurance with an aggregate limit of \$500,000, an occurrence limit of \$250,000, and a deductible of \$250.

The City accounts for its general liability and property insurance premiums in the Self-Insurance Fund (an Internal Service Fund). All other premiums are accounted for in the General Fund. The claims liability of \$5,000 reported in the Self-Insurance Fund at December 31, 2002, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no reductions in 2002 coverage when compared to 2001.

The City makes available a choice of health care plans for full-time permanent employees and their qualified dependents. Our current providers are an HMO and commercial hospitalization insurance carrier. Hospitalization premiums are paid on a monthly basis through the General Fund. Benefits of these plans include hospitalization and dental insurance. Other insurance carriers provide accidental death and dismemberment, disability and life insurance benefits.

The State of Ohio is one of six states having monopolistic state funds, which have the exclusive authority to provide employees with workers' compensation insurance. Historically, under the Ohio Workers' Compensation System for public employer taxing districts, there have been two types of rating plans: Base Rating and Experience Rating.

Ohio law was subsequently amended to include an additional plan called Retrospective Rating, which was offered to Ohio Employers who meet the eligibility requirements and standards. Under the terms of the Retrospective Rating Plan, an employer is required to make three forms of payment.

- First a minimum premium payment, which is a fraction of the premium it would have been under the Experience Rating Plan.
- Second, the employer is responsible for all selection year claims paid by the Bureau within the next ten years.
- Third, at the end of the ten-year period, the Bureau will compute a final premium liability for all remaining, unresolved claims.

The City applied for and was accepted into the Retrospective Rating Plan for the years 1994 through 1999. The City's Self-Insurance Fund (an Internal Service Fund) is used to account for and pay Workers' Compensation claims from the accumulated assets of the fund. The City's Retrospective Rating Plan provided for an unlimited \$250,000 catastrophic limit per claim, and an unlimited claim limit in the aggregate. For 2002, the City elected the experience rating thereby transferring all Workers' Compensation risk arising from 2002 claims to the State Bureau of Workers' Compensation.

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 19. Risk Management (continued)

At December 31, 2002 \$1,229,900 had been accrued for Self Insurance claims. This represents estimates to be paid for Workers' Compensation and Property and Casualty claims incurred but not yet reported based on the current information available.

A reconciliation of changes in the balances of claims liabilities during the fiscal years 2002 and 2001 were as follows:

	<u>Property and Casualty</u>		<u>Workers' Compensation</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Beginning of the Year Liability	\$ 5,000	\$ 32,000	\$1,197,400	\$1,250,220
Current Year Claims and Changes in Estimates	34,000	(27,000)	-0-	-0-
Claim Payments	<u>(6,900)</u>	<u>-0-</u>	<u>-0-</u>	<u>(52,820)</u>
Balance at End of Year	<u>\$ 32,500</u>	<u>\$5,000</u>	<u>\$1,197,400</u>	<u>\$1,197,400</u>

Note 20. Construction Commitments

The City has active construction projects as of December 31, 2002. As of December 31, 2002, the City's construction commitments with contractors are as follows:

<u>Project</u>	<u>Project Expenditures as of December 31, 2002</u>	<u>Remaining Commitment</u>
Roof Replacement – Police/Court Building	\$79,290	\$56,352
Firehouse No. 1 Construction	<u>120,077</u>	<u>3,189,923</u>
Total	<u>\$199,367</u>	<u>\$3,246,275</u>

The roof replacement project is funded by the issuance of a general obligation, bond anticipation note. The construction of Firehouse No. 1 is funded by a temporary urban renewal bond. Both obligations are secured by the City's 4.4 mills of property tax which is inside the State of Ohio's overall ten mill limitation for unvoted property tax. The Firehouse temporary bonds are also secured by future payments in lieu of taxes that will be generated based upon the taxable value of the improvements made to the Shaker Heights Towne Centre Revitalization District.

Note 21. Contributed Capital

During 2002, changes in contributed capital were as follows:

<u>Sources</u>	<u>Recreation Enterprise Fund</u>	<u>Central Garage Internal Service Fund</u>	<u>Total</u>
Contributed Capital Beginning Balance	\$769,859	\$83,677	\$853,536
Deletions	<u>(80,792)</u>	<u>(4,904)</u>	<u>(85,696)</u>
Contributed Capital Ending Balance	<u>\$689,067</u>	<u>\$78,773</u>	<u>\$767,840</u>

**CITY OF SHAKER HEIGHTS, OHIO
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 22. Claims and Judgements

Several claims and lawsuits are pending against the City. It is the opinion of management that such claims and lawsuits will not have a material adverse effect on the financial condition of the City.

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. However, it is the opinion of management that any such disallowances, if any, will be immaterial.

Note 23. Subsequent Event

On April 28, 2003, City Council passed Ordinance Number 03-54 authorizing the issuance and sale of notes in the aggregate principal amount of not to exceed \$2,710,000 for the following purposes: (i) renovating and improving the former Moreland school building for library and other municipal purposes, (ii) acquiring motorized and mechanized vehicles and equipment for the Safety Department, including fire trucks, together with all necessary appurtenances and equipment thereto, (iii) acquiring motor vehicles for the Public Works Department, together with all necessary equipment and appurtenances thereto, and (iv.) improving the Municipal Service Center, the Municipal Police and Court Building and Thornton Park Recreational Building; each by replacing and repairing the roof and making other necessary or related improvements, together with all necessary appurtenances thereto.

On May 13, 2003, the City issued a Various Purpose Improvement Note, Series 2003, in the amount of \$2,710,000, bearing an interest rate of 1.40%. This note was issued in anticipation of the issuance of bonds for the previously stated purposes. The note will mature on May 13, 2004. Of the note proceeds, \$1,120,000, \$160,000, \$340,000, \$90,000 and \$640,000, respectively was used to partially refinance the STC Library renovation (\$1,120,000), the 2000 fire truck acquisition (\$160,000), the 2002 fire truck acquisition (\$340,000), the 2001 ambulance acquisition (\$90,000), the 2002 Public Works equipment acquisition (\$640,000) and the replacement of the roofs at the Police-Court Building, the Service Center Transfer Station and the Thornton Park Ice Arena (\$560,000).

City of Shaker Heights

General Fund



Comparative Financial Statements

General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

**CITY OF SHAKER HEIGHTS, OHIO
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$8,544,797	\$7,847,814
Receivables (Net of Allowance For Uncollectibles)		
Taxes	12,296,624	12,756,846
Accounts	357,323	437,511
Deferred Special Assessments	1,465	2,935
Accrued Interest	232,164	319,540
Lease	268,056	1,084,448
Due From Other Funds	310,883	87,070
Due From Other Governments	1,061,217	1,009,498
Inventory of Supplies	169,610	238,134
Prepaid Items	0	3,966
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$23,242,139</u>	<u>\$23,787,762</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$292,260	\$453,804
Accrued Wages And Benefits	1,189,630	944,717
Compensated Absences	1,149,694	1,174,887
Due To Other Funds	269,200	170,000
Deferred Revenue	11,232,680	12,478,831
	<u> </u>	<u> </u>
Total Liabilities	<u>14,133,464</u>	<u>15,222,239</u>
 Fund Balance:		
Reserved For Encumbrances	377,057	599,412
Reserved For Prepaid Items	0	3,966
Reserved For Inventory of Supplies	169,610	238,134
Unreserved	8,562,008	7,724,011
	<u> </u>	<u> </u>
Total Fund Balance	<u>9,108,675</u>	<u>8,565,523</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$23,242,139</u>	<u>\$23,787,762</u>

**CITY OF SHAKER HEIGHTS, OHIO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$6,034,146	\$5,982,376
Municipal Income Taxes	18,648,908	18,927,461
State Levied Shared Taxes	1,594,076	1,656,883
Intergovernmental Grants and Contracts	1,157,328	1,036,249
Charges For Services	2,177,237	1,878,506
Fees, Licenses and Permits	409,093	340,124
Interest Earnings	626,863	1,647,137
Fines and Forfeitures	591,470	582,408
All Other Revenue	1,084,623	1,001,160
TOTAL REVENUES	<u>32,323,744</u>	<u>33,052,304</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	13,155,989	12,719,558
Public Health and Welfare	412,316	397,931
Leisure Time Activities	501,136	582,860
Community Environment	3,751,413	3,806,088
Basic Utility Services	2,799,400	2,691,490
Transportation	494,690	593,220
General Government	7,032,389	6,827,390
Capital Outlay	463,135	493,066
TOTAL EXPENDITURES	<u>28,610,468</u>	<u>28,111,603</u>
Excess of Revenues Over (Under) Expenditures	<u>3,713,276</u>	<u>4,940,701</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	0	0
Operating Transfers - Out	<u>(3,101,600)</u>	<u>(5,001,181)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,101,600)</u>	<u>(5,001,181)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	611,676	(60,480)
FUND EQUITY AT BEGINNING OF YEAR, RESTATED	8,565,523	8,604,819
Increase (Decrease) In Reserve For Inventory	<u>(68,524)</u>	<u>21,184</u>
FUND EQUITY AT END OF YEAR	<u><u>\$9,108,675</u></u>	<u><u>\$8,565,523</u></u>

CITY OF SHAKER HEIGHTS, OHIO
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Property Taxes	\$6,019,100	\$6,034,146	\$15,046	\$5,995,000	\$5,982,376	(\$12,624)
Municipal Income Taxes	18,471,000	18,754,986	283,986	18,065,000	18,827,343	762,343
Other Local Taxes	50,000	60,867	10,867	50,000	55,408	5,408
State Levied Shared Taxes	1,652,200	1,570,981	(81,219)	1,659,600	1,657,259	(2,341)
Intergovernmental Grants & Contracts	1,097,800	1,153,404	55,604	1,121,500	989,527	(131,973)
Charges for Services	2,099,600	2,124,284	24,684	1,977,950	2,008,462	30,512
Fees, Licenses and Permits	378,200	409,093	30,893	328,200	340,124	11,924
Interest Earnings	840,000	826,236	(13,764)	950,000	930,639	(19,361)
Fines and Forfeitures	625,000	572,084	(52,916)	625,000	583,289	(41,711)
Other Revenues	954,700	1,027,152	72,452	1,090,783	1,121,395	30,612
Other Financing Sources:						
Operating Transfers In	5,000	0	(5,000)	70,500	0	(70,500)
Advances In	0	0	0	8,872	8,872	0
Total Revenues and Other Financing Sources	\$32,192,600	\$32,533,233	\$340,633	\$31,942,405	\$32,504,694	\$562,289
Expenditures and Other Financing Uses						
Current:						
Security of Persons and Property	\$13,414,200	\$13,097,565	\$316,635	\$12,841,000	\$12,571,408	\$269,592
Public Health and Welfare	375,300	406,757	(31,457)	389,500	387,675	1,825
Leisure Time Activities	566,400	524,385	42,015	563,300	547,426	15,874
Community Environment	4,108,900	3,696,367	412,533	4,162,900	3,852,014	310,886
Basic Utility Services	2,638,900	2,747,455	(108,555)	2,696,300	2,740,281	(43,981)
Transportation	621,300	503,855	117,445	674,400	618,204	56,196
General Government	6,910,300	7,003,711	(93,411)	7,022,500	6,761,985	260,515
Capital Outlay	360,900	299,062	61,838	719,200	672,713	46,487
Other Financing Uses:						
Operating Transfers Out	3,114,600	3,101,600	13,000	5,375,650	5,001,181	374,469
Advances Out	190,000	173,527	16,473	3,150	3,150	0
Total Expenditures and Other Financing Uses	\$32,300,800	\$31,554,284	\$746,516	\$34,447,900	\$33,156,037	\$1,291,863
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$108,200)	\$978,949	\$1,087,149	(\$2,505,495)	(\$651,343)	\$1,854,152
Cash Fund Balance - January 1	7,500,257	7,500,257	0	7,663,877	7,663,877	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(64,937)	(64,937)	0	(43,191)	(43,191)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(993,621)	(845,694)	147,927	(831,406)	(527,643)	303,763
Cash Fund Balance - December 31						
Unreserved	<u>\$6,333,499</u>	<u>\$7,568,575</u>	<u>\$1,235,076</u>	<u>\$4,283,785</u>	<u>\$6,441,700</u>	<u>\$2,157,915</u>
Reserved for Encumbrances - All Budget Years		740,662			1,058,557	
Total Cash Fund Balance - December 31		<u><u>\$8,309,237</u></u>			<u><u>\$7,500,257</u></u>	

City of Shaker Heights

SPECIAL REVENUE FUND GROUP

Combining Financial Statements

Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than expendable trusts of major capital projects) that are legally restricted to expenditure for specified purposes.

Street Maintenance and Repair

One of two funds legally required by the Ohio Revised Code (the other being the State Highway Maintenance Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 92.5% of these revenues be used for the maintenance and repair of streets within the City.

State Highway Maintenance

One of two funds legally required by the Ohio Revised Code (the other being the Street Maintenance and Repair Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 7.5% of these revenues be used exclusively for the maintenance and repair of state highways within the City.

Sewer Maintenance

To account for funds derived from a surcharge levied upon all users of the sewer system within the City. This surcharge pays for sewer system maintenance, replacement and repair. The surcharge is levied in addition to the treatment and disposal rate set by the Northeast Ohio Regional Sewer District.

Police Pension

To account for the payment of current and accrued police pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by an operating transfer primarily from the City's General Fund.

City of Shaker Heights

SPECIAL REVENUE FUND GROUP, (cont'd)

Combining Financial Statements

Fire Pension	To account for the payment of current and accrued fire pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by an operating transfer primarily from the City's General Fund.
Indigent Driver/Alcohol Treatment	To account for reinstatement fees collected by the State Bureau of Motor Vehicles in connection with driving under the influence offenses. Section 4511.191(L) provides that payments are to be made only upon order of the Municipal Court Judge for alcohol and other drug treatment costs for indigent drivers.
Court Computer Legal Research	To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(A) by the Municipal Court on the filing of each cause of action or appeal for the purposes of computerizing the court and to make available computerized legal research services.
Clerk's Computerization	To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(B) by the Municipal Court on the filing of each cause of action or appeal, certificate of judgment or modification of judgment for the purpose of procuring and maintaining computer systems for the office of the clerk of the Municipal Court.
Exterior Home Maintenance	To account for monies received from the Cuyahoga County Community Development Block Grant Program to be used to provide funding for improvements to owner-occupied homes within the City.
Fair Housing Grant	To account for monies received from the Department of Housing and Urban Development. The funds are to be used to monitor fair housing practices within the City.

City of Shaker Heights

SPECIAL REVENUE FUND GROUP, (cont'd)

Combining Financial Statements

Community Preservation Partnership Program	To account for the Gund and Cleveland Foundation Grant monies to be used for home improvement education and mortgage assistance.
Law Enforcement Grant	To account for grants received by the Shaker Heights Police Department whose primary purpose is to reduce the amounts and effects of external harm to individuals and property. The following grants are accounted for in this fund. Block Grant 18,384 1999 Juvenile Accountability Block Grant 24,195 1999 Local Law Enforcement Block Grant 18,000 Court Community Diversion Program 17,282 2000 Juvenile Accountability Block Grant 21,095 2000 Local Law Enforcement Grant 17,648 2001 Local Law Enforcement Grant
Court Community Service Fund	To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901-26, on each DUI and substance related offenses as well as first-offender criminal cases to fund court community service programming.
Court Alternate Dispute Resolution Fund	To Account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901-26, on each civil and small claims case to fund alternate dispute resolution programming and materials.
Ohio Court Security Project Fund	To account for a grant received from the State of Ohio to be used to upgrade court security by replacing door entry locks with a computerized keyless entry system.

City of Shaker Heights

SPECIAL REVENUE FUND GROUP, (cont'd)

Combining Financial Statements

**High Intensity Drug
Trafficking Area Grant
Fund (HIDTA)**

The City is the grantee and acts as the fiscal agent for the Federally Funded Ohio HIDTA. The HIDTA Program functions as a coordination umbrella by forging partnerships among local, state and federal law enforcement agencies in designated areas to combine resources and efforts in order to reduce drug trafficking and distribution.

**Drug Free Community
Grant**

To account for \$100,000 grant received by the City's Health department whose primary purpose is to reduce and prevent the use of alcohol, tobacco and other drugs by the youth of Shaker Heights by influencing social norms regarding substance abuse.

**Street Lighting
Assessment**

To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of street lighting within the City.

**Tree Maintenance
Assessment**

To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of tree care on the City's public right-of-way.

City of Shaker Heights



CITY OF SHAKER HEIGHTS, OHIO
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	STREET MAIN- TENANCE	STATE HIGHWAY MAIN- TENANCE	SEWER MAIN- TENANCE	POLICE PENSION	FIRE PENSION	INDIGENT DRIVER ALCOHOL TREATMENT	COURT COMPUTER	CLERK'S COMPUTER- IZATION	EXTERIOR HOME MAIN- TENANCE	FAIR HOUSING GRANT
ASSETS										
Equity In City Treasury Cash	\$488,228	\$96,446	\$4,097,711	\$466,053	\$410,338	\$24,990	\$110,936	\$125,525	\$28,200	\$177,286
Receivables (Net of Allowance For Uncollectibles)										
Taxes	0	0	0	207,701	207,701	0	0	0	0	0
Accounts	0	0	460,931	0	0	0	0	0	0	0
Deferred Special Assessment	0	0	10,003	0	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	230	3,014	10,062	0	0
Due From Other Governments	306,776	17,929	0	0	0	0	2,391	0	60,000	0
Prepaid Items	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	\$795,004	\$114,375	\$4,568,645	\$673,754	\$618,039	\$25,220	\$116,341	\$135,587	\$88,200	\$177,286
LIABILITIES AND FUND BALANCE										
Liabilities:										
Vouchers and Accounts Paya	\$21,725	\$0	\$34,403	\$0	\$0	\$0	\$0	\$3,021	\$0	\$0
Accrued Wages And Benefits	27,535	2,590	29,707	280,937	290,267	0	1,396	4,361	1,251	0
Compensated Absences	25,719	0	31,949	44,120	51,904	0	0	0	0	0
Due To Other Funds	0	0	0	970	895	0	0	0	41,570	0
Deferred Revenue	195,310	11,181	341,249	207,701	207,701	0	0	0	0	0
Notes Payable	0	0	0	870,085	809,915	0	0	0	0	0
Notes Premium Payable	0	0	0	0	0	0	0	0	0	0
Total Liabilities	270,289	13,771	437,308	1,403,813	1,360,682	0	1,396	7,382	42,821	0
Fund Balance:										
Reserved For Encumbrances	25,276	4,305	46,123	0	0	0	0	20,491	0	0
Reserved For Prepaid Items	0	0	0	0	0	0	0	0	0	0
Unreserved (Deficit)	499,439	96,299	4,085,214	(730,059)	(742,643)	25,220	114,945	107,714	45,379	177,286
Total Fund Balance (Deficit)	524,715	100,604	4,131,337	(730,059)	(742,643)	25,220	114,945	128,205	45,379	177,286
TOTAL LIABILITIES AND FUND BALANCE	\$795,004	\$114,375	\$4,568,645	\$673,754	\$618,039	\$25,220	\$116,341	\$135,587	\$88,200	\$177,286

continued

CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET, continued
DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

ASSETS	COMMUNITY PRESER- VATION	LAW ENFORCE- MENT GRANTS	COURT COMMUNITY SERVICE	COURT ALTERNATE DISPUTE RESOLUTION	OHIO COURT SECURITY PROJECT	HIGH INTENSITY DRUG TRAFFICKING AREA	DRUG FREE COMMUNITY GRANT	ASSESSMENTS		TOTALS	
								STREET LIGHTING	TREE MAIN- TENANCE	2002	2001
Equity In City Treasury Cash Receivables (Net of Allowance For Uncollectibles)	\$527,032	\$38,060	\$14,024	\$29,162	\$4,331	\$8,319	\$1,617	\$128,897	\$418,385	\$7,195,540	\$5,966,197
Taxes	0	0	0	0	0	0	0	0	0	415,402	411,426
Accounts	0	0	0	0	0	0	0	0	0	460,931	460,842
Deferred Special Assessm	225,449	0	0	0	0	0	0	637,713	842,492	1,715,657	2,834,880
Due From Other Funds	0	0	565	3,078	0	0	0	0	0	16,949	15,454
Due From Other Governmen	0	0	0	0	0	712,578	9,252	0	0	1,108,926	786,987
Prepaid Items	0	0	0	0	0	52,639	0	0	0	52,639	52,641
TOTAL ASSETS	\$752,481	\$38,060	\$14,589	\$32,240	\$4,331	\$773,536	\$10,869	\$766,610	\$1,260,877	\$10,966,044	\$10,528,427
LIABILITIES AND FUND BALANCE											
Liabilities:											
Vouchers and Accounts Pay	\$1,094	\$0	\$0	\$0	\$0	\$202,563	\$0	\$0	\$67	\$262,873	\$346,154
Accrued Wages And Benefit	0	367	0	2,515	0	24,880	3,418	0	24,682	693,906	582,934
Compensated Absences	0	0	0	0	0	494	610	0	0	154,796	160,218
Due To Other Funds	0	0	0	0	0	492,378	5,264	0	0	541,077	245,685
Deferred Revenue	225,449	0	0	0	0	0	0	637,713	842,492	2,668,796	3,767,325
Notes Payable	0	0	0	0	0	0	0	0	0	1,680,000	1,850,000
Notes Premium Payable	0	0	0	0	0	0	0	0	0	0	7,344
Total Liabilities	226,543	367	0	2,515	0	720,315	9,292	637,713	867,241	6,001,448	6,959,660
Fund Balance:											
Reserved For Encumbrance	53,063	0	303	0	320	0	0	1,143	59,267	210,291	234,039
Reserved For Prepaid Items	0	0	0	0	0	52,639	0	0	0	52,639	52,641
Unreserved (Deficit)	472,875	37,693	14,286	29,725	4,011	582	1,577	127,754	334,369	4,701,666	3,282,087
Total Fund Balance (Defic	525,938	37,693	14,589	29,725	4,331	53,221	1,577	128,897	393,636	4,964,596	3,568,767
TOTAL LIABILITIES AND FUND BALANCE	\$752,481	\$38,060	\$14,589	\$32,240	\$4,331	\$773,536	\$10,869	\$766,610	\$1,260,877	\$10,966,044	\$10,528,427

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THE CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001

	STREET MAIN- TENANCE	STATE HIGHWAY MAIN- TENANCE	SEWER MAIN- TENANCE	POLICE PENSION	FIRE PENSION	INDIGENT DRIVER ALCOHOL TREATMENT	COURT COMPUTER	CLERK'S COMPUTER- IZATION	EXTERIOR HOME MAIN- TENANCE	FAIR HOUSING GRANT
REVENUES:										
Property Taxes	\$0	\$0	\$0	\$194,650	\$194,650	\$0	\$0	\$0	\$0	\$0
State Levied Shared Taxes	751,654	46,956	0	0	0	0	0	0	0	0
Intergovernmental Grants and Contracts	0	0	8,433	26,023	26,023	7,655	6,412	0	72,379	26,800
Charges For Services	4,963	0	1,566,392	0	0	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0	0	0	0	0	0
Interest Earnings	0	2,976	113,333	0	0	681	3,173	4,092	0	5,565
Special Assessments	0	0	2,001	0	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0	33,793	112,602	0	0
All Other Revenue	0	53	5,854	0	0	0	2,563	720	788	0
TOTAL REVENUES	756,617	49,985	1,696,013	220,673	220,673	8,336	45,941	117,414	73,167	32,365
EXPENDITURES:										
Current:										
Security of Persons and Property	0	0	0	866,490	982,029	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	0	117,702	0
Basic Utility Services	0	0	710,562	0	0	0	0	0	0	0
Transportation	801,681	38,162	0	0	0	0	0	0	0	0
General Government	0	0	143,741	970	895	1,963	21,982	125,959	0	12,594
Capital Outlay	0	0	0	0	0	0	100	22,274	0	0
Debt Service:										
Principal	0	0	0	0	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	28,591	26,790	0	0	0	0	0
TOTAL EXPENDITURES	801,681	38,162	854,303	896,051	1,009,714	1,963	22,082	148,233	117,702	12,594
Excess of Revenues Over (Under) Expenditures	(45,064)	11,823	841,710	(675,378)	(789,041)	6,373	23,859	(30,819)	(44,535)	19,771
OTHER FINANCING SOURCES (USES)										
Operating Transfers - In	131,800	0	0	798,469	844,545	0	0	0	66,800	0
Operating Transfers - Out	0	0	(40,375)	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	131,800	0	(40,375)	798,469	844,545	0	0	0	66,800	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	86,736	11,823	801,335	123,091	55,504	6,373	23,859	(30,819)	22,265	19,771
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	437,979	88,781	3,330,002	(853,150)	(798,147)	18,847	91,086	159,024	23,114	157,515
FUND EQUITY (DEFICIT) AT END OF YEAR	\$524,715	\$100,604	\$4,131,337	(\$730,059)	(\$742,643)	\$25,220	\$114,945	\$128,205	\$45,379	\$177,286

continued

THE CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2000

	COMMUNITY PRESER- VATION	LAW ENFORCE- MENT GRANTS	COURT COMMUNITY SERVICE	COURT ALTERNATE DISPUTE RESOLUTION	OHIO COURT SECURITY PROJECT	HIGH INTENSITY DRUG TRAFFICK- ING AREA	DRUG FREE COMMUNITY GRANT	ASSESSMENTS		TOTALS	
								STREET LIGHTING	TREE MAIN- TENANCE	2002	2001
REVENUES:											
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$389,300	\$385,980
State Levied Shared Taxes	0	0	0	0	0	0	0	0	0	798,610	797,742
Intergovernmental Grants and Contracts	0	776	0	0	0	2,291,179	100,337	0	0	2,566,017	1,830,410
Charges For Services	15,977	0	6,319	41,436	0	0	0	0	0	1,635,087	1,397,809
Fees, Licenses and Permits	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings	0	908	410	802	165	0	0	0	0	132,105	154,924
Special Assessments	0	0	0	0	0	0	0	566,707	779,461	1,348,169	1,324,288
Fines and Forfeitures	0	0	0	0	0	0	0	0	0	146,395	136,027
All Other Revenue	15,846	0	0	310	0	0	0	0	11,451	37,585	9,804
TOTAL REVENUES	31,823	1,684	6,729	42,548	165	2,291,179	100,337	566,707	790,912	7,053,268	6,036,984
EXPENDITURES:											
Current:											
Security of Persons and Property	0	12,244	0	0	0	1,812,802	0	555,632	0	4,229,197	3,467,919
Public Health and Welfare	0	0	0	0	0	0	97,012	0	0	97,012	0
Community Environment	319,350	0	0	0	0	0	0	0	608,516	1,045,568	748,349
Basic Utility Services	0	0	0	0	0	0	0	0	0	710,562	490,428
Transportation	0	0	0	0	0	0	0	0	0	839,843	945,593
General Government	0	0	3,613	33,792	764	0	0	0	0	346,273	310,910
Capital Outlay	35,247	0	0	0	959	477,797	1,748	0	69,080	607,205	894,935
Debt Service:											
Principal	0	0	0	0	0	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0	0	0	0	55,381	94,712
TOTAL EXPENDITURES	354,597	12,244	3,613	33,792	1,723	2,290,599	98,760	555,632	677,596	7,931,041	6,952,846
Excess of Revenues Over (Under) Expenditures	(322,774)	(10,560)	3,116	8,756	(1,558)	580	1,577	11,075	113,316	(877,773)	(915,862)
OTHER FINANCING SOURCES (USES)											
Operating Transfers - In	475,000	1,920	0	0	0	0	0	12,000	35,000	2,365,534	2,247,294
Operating Transfers - Out	(50,000)	(1,557)	0	0	0	0	0	0	0	(91,932)	(144,553)
TOTAL OTHER FINANCING SOURCES (USES)	425,000	363	0	0	0	0	0	12,000	35,000	2,273,602	2,102,741
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	102,226	(10,197)	3,116	8,756	(1,558)	580	1,577	23,075	148,316	1,395,829	1,186,879
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	423,712	47,890	11,473	20,969	5,889	52,641	0	105,822	245,320	3,568,767	2,381,888
FUND EQUITY (DEFICIT) AT END OF YEAR	\$525,938	\$37,693	\$14,589	\$29,725	\$4,331	\$53,221	\$1,577	\$128,897	\$393,636	\$4,964,596	\$3,568,767

CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Street Maintenance and Repair			State Highway Maintenance			Sewer Maintenance			Police Pension		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources												
Revenues:												
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,200	\$194,650	\$450
State Levied Shared Taxes	775,000	748,947	(26,053)	48,200	46,831	(1,369)	0	0	0	0	0	0
Intergovernmental Grants & Contracts	0	0	0	0	0	0	156,000	8,433	(147,567)	26,400	26,022	(378)
Charges for Services	0	4,963	4,963	0	0	0	1,737,000	1,588,926	(148,074)	0	0	0
Fees, Licenses and Permits	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings	0	0	0	4,000	2,976	(1,024)	150,000	113,333	(36,667)	0	0	0
Special Assessments	0	0	0	0	0	0	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenues	0	0	0	200	53	(147)	6,900	3,186	(3,714)	0	0	0
Other Financing Sources:												
Operating Transfers In	131,800	131,800	0	0	0	0	0	0	0	810,495	798,469	(12,026)
Advances In	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues and Other Financing Sources	\$906,800	\$885,710	(\$21,090)	\$52,400	\$49,860	(\$2,540)	\$2,049,900	\$1,713,878	(\$336,022)	\$1,031,095	\$1,019,141	(\$11,954)
Expenditures and Other Financing Uses												
Current:												
Security of Persons and Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$937,995	\$864,182	\$73,813
Public Health and Welfare	0	0	0	0	0	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0	1,107,700	652,083	455,617	0	0	0
Transportation	884,600	789,632	94,968	86,100	40,979	45,121	0	0	0	0	0	0
General Government	0	0	0	0	0	0	131,200	145,228	(14,028)	0	0	0
Capital Outlay	12,000	7,175	4,825	0	0	0	135,300	0	135,300	0	0	0
Other Financing Uses:												
Operating Transfers Out	0	0	0	0	0	0	40,400	40,375	25	115,600	115,590	10
Advances Out	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures and Other Financing Uses	\$896,600	\$796,807	\$99,793	\$86,100	\$40,979	\$45,121	\$1,414,600	\$837,686	\$576,914	\$1,053,595	\$979,772	\$73,823
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$10,200	\$88,903	\$78,703	(\$33,700)	\$8,881	\$42,581	\$635,300	\$876,192	\$240,892	(\$22,500)	\$39,369	\$61,869
Cash Fund Balance - January 1	385,460	385,460	0	82,472	82,472	0	3,289,905	3,289,905	0	391,009	391,009	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(14,122)	(14,122)	0	0	0	0	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(36,516)	(30,460)	6,056	(10)	(10)	0	(131,004)	(125,743)	5,261	(212,878)	(212,878)	0
Cash Fund Balance - December 31 Unreserved	<u>\$345,022</u>	<u>\$429,781</u>	<u>\$84,759</u>	<u>\$48,762</u>	<u>\$91,343</u>	<u>\$42,581</u>	<u>\$3,794,201</u>	<u>\$4,040,354</u>	<u>\$246,153</u>	<u>\$155,631</u>	<u>\$217,500</u>	<u>\$61,869</u>
Reserved for Encumbrances - All Budget Years		58,447			5,103			57,357			248,553	
Total Cash Fund Balance - December 31		<u>\$488,228</u>			<u>\$96,446</u>			<u>\$4,097,711</u>			<u>\$466,053</u>	

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CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET), continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Fire Pension			Indigent Driver Alcohol Treatment			Court Computer Legal Research			Clerk's Computerization		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources												
Revenues:												
Property Taxes	\$194,200	\$194,650	\$450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Levied Shared Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Grants & Contracts	26,400	26,022	(378)	9,000	7,600	(1,400)	15,000	7,182	(7,818)	0	0	0
Charges for Services	0	0	0	0	0	0	0	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings	0	0	0	700	681	(19)	3,000	3,173	173	5,000	4,092	(908)
Special Assessments	0	0	0	0	0	0	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0	40,000	32,634	(7,366)	115,000	108,756	(6,244)
Other Revenues	0	0	0	0	0	0	600	172	(428)	1,100	720	(380)
Other Financing Sources:												
Operating Transfers In	844,700	844,545	(155)	0	0	0	0	0	0	0	0	0
Advances In	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues and Other Financing Sources	\$1,065,300	\$1,065,217	(\$83)	\$9,700	\$8,281	(\$1,419)	\$58,600	\$43,161	(\$15,439)	\$121,100	\$113,568	(\$7,532)
Expenditures and Other Financing Uses												
Current:												
Security of Persons and Property	\$988,500	\$973,760	\$14,740	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Health and Welfare	0	0	0	0	0	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0	0
General Government	0	0	0	9,000	1,963	7,037	53,800	21,111	32,689	118,800	121,294	(2,494)
Capital Outlay	0	0	0	0	0	0	1,000	100	900	50,000	22,274	27,726
Other Financing Uses:												
Operating Transfers Out	113,700	113,663	37	0	0	0	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures and Other Financing Uses	\$1,102,200	\$1,087,423	\$14,777	\$9,000	\$1,963	\$7,037	\$54,800	\$21,211	\$33,589	\$168,800	\$143,568	\$25,232
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$36,900)	(\$22,206)	\$14,694	\$700	\$6,318	\$5,618	\$3,800	\$21,950	\$18,150	(\$47,700)	(\$30,000)	\$17,700
Cash Fund Balance - January 1	403,315	403,315	0	18,672	18,672	0	88,965	88,965	0	156,481	156,481	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0	0	0	0	(16,000)	(16,000)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(249,110)	(249,110)	0	0	0	0	(278)	(278)	0	(7,926)	(7,926)	0
Cash Fund Balance - December 31 Unreserved	<u>\$117,305</u>	<u>\$131,999</u>	<u>\$14,694</u>	<u>\$19,372</u>	<u>\$24,990</u>	<u>\$5,618</u>	<u>\$92,487</u>	<u>\$110,637</u>	<u>\$18,150</u>	<u>\$84,855</u>	<u>\$102,555</u>	<u>\$17,700</u>
Reserved for Encumbrances - All Budget Years		278,339			0			299		22,970		
Total Cash Fund Balance - December 31		<u>\$410,338</u>			<u>\$24,990</u>			<u>\$110,936</u>		<u>\$125,525</u>		

continued

CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET), continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Exterior Home Maintenance			Fair Housing Grant			Community Preservation Partnership			Law Enforcement Grants		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources												
Revenues:												
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Levied Shared Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Grants & Contracts	97,493	37,493	(60,000)	10,100	26,800	16,700	0	0	0	49,804	32,522	(17,282)
Charges for Services	0	0	0	0	0	0	41,600	15,977	(25,623)	0	0	0
Fees, Licenses and Permits	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings	0	0	0	5,000	5,565	565	0	0	0	0	908	908
Special Assessments	0	0	0	0	0	0	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenues	0	788	788	0	0	0	10,100	15,846	5,746	0	0	0
Other Financing Sources:												
Operating Transfers In	66,800	66,800	0	0	0	0	475,000	475,000	0	1,920	1,920	0
Advances In	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues and Other Financing Sources	\$164,293	\$105,081	(\$59,212)	\$15,100	\$32,365	\$17,265	\$526,700	\$506,823	(\$19,877)	\$51,724	\$35,350	(\$16,374)
Expenditures and Other Financing Uses												
Current:												
Security of Persons and Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,978	\$11,847	\$41,131
Public Health and Welfare	0	0	0	0	0	0	0	0	0	0	0	0
Community Environment	112,293	117,482	(5,189)	0	0	0	851,500	352,207	499,293	0	0	0
Basic Utility Services	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0	0
General Government	0	0	0	80,000	13,567	66,433	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	35,247	(35,247)	21,730	17,485	4,245
Other Financing Uses:												
Operating Transfers Out	0	0	0	0	0	0	50,000	50,000	0	9,895	1,557	8,338
Advances Out	41,570	0	41,570	0	0	0	0	0	0	0	0	0
Total Expenditures and Other Financing Uses	\$153,863	\$117,482	\$36,381	\$80,000	\$13,567	\$66,433	\$901,500	\$437,454	\$464,046	\$84,603	\$30,889	\$53,714
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$10,430	(\$12,401)	(\$22,831)	(\$64,900)	\$18,798	\$83,698	(\$374,800)	\$69,369	\$444,169	(\$32,879)	\$4,461	\$37,340
Cash Fund Balance - January 1	39,570	39,570	0	158,602	158,602	0	424,917	424,917	0	35,687	35,687	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0	(14,231)	(14,231)	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	(114)	(114)	0	(24,042)	(7,180)	16,862	(2,807)	(2,170)	637
Cash Fund Balance - December 31	<u>\$50,000</u>	<u>\$27,169</u>	<u>(\$22,831)</u>	<u>\$93,588</u>	<u>\$177,286</u>	<u>\$83,698</u>	<u>\$11,844</u>	<u>\$472,875</u>	<u>\$461,031</u>	<u>\$1</u>	<u>\$37,978</u>	<u>\$37,977</u>
Reserved for Encumbrances - All Budget Years		1,031			0			54,157			82	
Total Cash Fund Balance - December 31		<u>\$28,200</u>			<u>\$177,286</u>			<u>\$527,032</u>			<u>\$38,060</u>	

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CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET), continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Court Community Service			Court Alternate Dispute			Ohio Court Security Grant Project			High Intensity Drug Trafficking Area Grant		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources												
Revenues:												
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Levied Shared Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Grants & Contracts	0	0	0	0	0	0	0	0	0	5,078,549	1,984,849	(3,093,700)
Charges for Services	5,000	6,394	1,394	35,000	41,454	6,454	0	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings	400	410	10	700	802	102	500	165	(335)	0	0	0
Special Assessments	0	0	0	0	0	0	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenues	0	0	0	500	310	(190)	0	0	0	0	0	0
Other Financing Sources:												
Operating Transfers In	0	0	0	0	0	0	0	0	0	0	0	0
Advances In	0	0	0	0	0	0	0	0	0	290,000	288,263	(1,737)
Total Revenues and Other Financing Sources	\$5,400	\$6,804	\$1,404	\$36,200	\$42,566	\$6,366	\$500	\$165	(\$335)	\$5,368,549	\$2,273,112	(\$3,095,437)
Expenditures and Other Financing Uses												
Current:												
Security of Persons and Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,958,785	\$1,779,552	\$2,179,233
Public Health and Welfare	0	0	0	0	0	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0	0
General Government	5,000	3,640	1,360	34,100	32,566	1,534	0	764	(764)	0	0	0
Capital Outlay	0	0	0	0	0	0	6,000	1,279	4,721	915,649	493,560	422,089
Other Financing Uses:												
Operating Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0	0	0	0	279,115	0	279,115
Total Expenditures and Other Financing Uses	\$5,000	\$3,640	\$1,360	\$34,100	\$32,566	\$1,534	\$6,000	\$2,043	\$3,957	\$5,153,549	\$2,273,112	\$2,880,437
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$400	\$3,164	\$2,764	\$2,100	\$10,000	\$7,900	(\$5,500)	(\$1,878)	\$3,622	\$215,000	\$0	(\$215,000)
Cash Fund Balance - January 1	10,833	10,833	0	19,223	19,223	0	30,889	30,889	0	7,774	7,774	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(276)	(276)	0	(942)	(942)	0	(25,000)	(25,000)	0	(7,774)	(7,774)	0
Cash Fund Balance - December 31 Unreserved	<u>\$10,957</u>	<u>\$13,721</u>	<u>\$2,764</u>	<u>\$20,381</u>	<u>\$28,281</u>	<u>\$7,900</u>	<u>\$389</u>	<u>\$4,011</u>	<u>\$3,622</u>	<u>\$215,000</u>	<u>\$0</u>	<u>(\$215,000)</u>
Reserved for Encumbrances - All Budget Years		303			881			320			8,319	
Total Cash Fund Balance - December 31	<u>\$14,024</u>			<u>\$29,162</u>			<u>\$4,331</u>			<u>\$8,319</u>		

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CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET), continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Drug Free Community Grant			Street Lighting Assessment			Tree Maintenance Assessment		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources									
Revenues:									
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Levied Shared Taxes	0	0	0	0	0	0	0	0	0
Intergovernmental Grants & Contracts	100,000	91,085	(8,915)	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0	0	0	0
Fees, Licenses and Permits	0	0	0	0	0	0	0	0	0
Interest Earnings	0	0	0	0	0	0	0	0	0
Special Assessments	0	0	0	571,200	566,707	(4,493)	784,000	779,461	(4,539)
Fines and Forfeitures	0	0	0	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0	6,500	11,452	4,952
Other Financing Sources:									
Operating Transfers In	0	0	0	12,000	12,000	0	35,000	35,000	0
Advances In	20,000	5,264	(14,736)	0	0	0	0	0	0
Total Revenues and Other Financing Sources	\$120,000	\$96,349	(\$23,651)	\$583,200	\$578,707	(\$4,493)	\$825,500	\$825,913	\$413
Expenditures and Other Financing Uses									
Current:									
Security of Persons and Property	\$0	\$0	\$0	\$615,000	\$601,392	\$13,608	\$0	\$0	\$0
Public Health and Welfare	95,400	94,589	811	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	723,800	620,502	103,298
Basic Utility Services	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0
General Government	0	0	0	0	0	0	0	0	0
Capital Outlay	4,600	1,748	2,852	0	0	0	60,000	102,630	(42,630)
Other Financing Uses:									
Operating Transfers Out	0	0	0	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0	0	0	0
Total Expenditures and Other Financing Uses	\$100,000	\$96,337	\$3,663	\$615,000	\$601,392	\$13,608	\$783,800	\$723,132	\$60,668
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$20,000	\$12	(\$19,988)	(\$31,800)	(\$22,685)	\$9,115	\$41,700	\$102,781	\$61,081
Cash Fund Balance - January 1	0	0	0	151,582	151,582	0	270,841	270,841	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	(1,143)	(1,143)	0	(5,800)	(5,800)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0	(28,458)	(18,362)	10,096
Cash Fund Balance - December 31 Unreserved	<u>\$20,000</u>	<u>\$12</u>	<u>(\$19,988)</u>	<u>\$118,639</u>	<u>\$127,754</u>	<u>\$9,115</u>	<u>\$278,283</u>	<u>\$349,460</u>	<u>\$71,177</u>
Reserved for Encumbrances - All Budget Years		1,605			1,143			68,925	
Total Cash Fund Balance - December 31		<u><u>\$1,617</u></u>			<u><u>\$128,897</u></u>			<u><u>\$418,385</u></u>	

CITY OF SHAKER HEIGHTS, OHIO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET), continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Property Taxes	\$388,400	\$389,300	\$900	\$386,800	\$385,980	(820)
State Levied Shared Taxes	823,200	795,778	(27,422)	833,200	801,144	(32,056)
Intergovernmental Grants & Contracts	5,568,746	2,248,008	(3,320,738)	3,222,989	1,598,735	(1,624,254)
Charges for Services	1,818,600	1,657,714	(160,886)	1,478,700	1,314,640	(164,060)
Fees, Licenses and Permits	0	0	0	0	0	0
Interest Earnings	169,300	132,105	(37,195)	117,600	154,924	37,324
Special Assessments	1,355,200	1,346,168	(9,032)	1,355,200	1,322,287	(32,913)
Fines and Forfeitures	155,000	141,390	(13,610)	149,000	137,128	(11,872)
Other Revenues	25,900	32,527	6,627	0	9,804	9,804
<u>Other Financing Sources:</u>						
Operating Transfers In	2,377,715	2,365,534	(12,181)	2,252,267	2,247,294	(4,973)
Advances In	310,000	293,527	(16,473)	103,150	191,172	88,022
Total Revenues and Other Financing Sources	<u>\$12,992,061</u>	<u>\$9,402,051</u>	<u>(\$3,590,010)</u>	<u>\$9,898,906</u>	<u>\$8,163,108</u>	<u>(\$1,735,798)</u>
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Security of Persons and Property	\$6,553,258	\$4,230,733	\$2,322,525	\$4,509,302	\$3,452,281	\$1,057,021
Public Health and Welfare	95,400	94,589	811	100,000	0	100,000
Community Environment	1,687,593	1,090,191	597,402	1,354,480	842,972	511,508
Basic Utility Services	1,107,700	652,083	455,617	1,367,099	539,061	828,038
Transportation	970,700	830,611	140,089	1,003,500	934,582	68,918
General Government	431,900	340,133	91,767	443,300	313,170	130,130
Capital Outlay	1,206,279	681,498	524,781	717,039	674,172	42,867
<u>Other Financing Uses:</u>						
Operating Transfers Out	329,595	321,185	8,410	346,275	342,153	4,122
Advances Out	320,685	0	320,685	174,965	17,302	157,663
Total Expenditures and Other Financing Uses	<u>\$12,703,110</u>	<u>\$8,241,023</u>	<u>\$4,462,087</u>	<u>\$10,015,960</u>	<u>\$7,115,693</u>	<u>\$2,900,267</u>
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$288,951	\$1,161,028	\$872,077	(\$117,054)	\$1,047,415	\$1,164,469
Cash Fund Balance - January 1	\$5,966,197	\$5,966,197	0	5,104,530	5,104,530	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(\$51,296)	(\$51,296)	0	(44,983)	(44,983)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(\$727,135)	(\$688,223)	38,912	(1,041,349)	(909,195)	132,154
Cash Fund Balance - December 31 Unreserved	<u>\$5,476,717</u>	<u>\$6,387,706</u>	<u>\$910,989</u>	<u>\$3,901,144</u>	<u>\$5,197,767</u>	<u>\$1,296,623</u>
Reserved for Encumbrances - All Budget Years		807,834			768,430	
Total Cash Fund Balance - December 31		<u>\$7,195,540</u>			<u>\$5,966,197</u>	

City of Shaker Heights



City of Shaker Heights

Street Maintenance and Repair



Comparative Financial Statements

One of two funds legally required by the Ohio Revised Code (the other being the State Highway Maintenance Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 92.5% of these revenues be used for the maintenance and repair of streets within the City.

**CITY OF SHAKER HEIGHTS, OHIO
STREET MAINTENANCE AND REPAIR SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$488,228	\$385,460
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	306,776	305,887
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$795,004</u>	<u>\$691,347</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$21,725	\$2,917
Accrued Wages And Benefits	27,535	25,066
Compensated Absences	25,719	28,257
Due To Other Funds	0	0
Deferred Revenue	195,310	197,128
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>270,289</u>	<u>253,368</u>
Fund Balance:		
Reserved For Encumbrances	25,276	40,210
Reserved For Prepaid Items	0	0
Unreserved	499,439	397,769
	<hr/>	<hr/>
Total Fund Balance	<u>524,715</u>	<u>437,979</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$795,004</u>	<u>\$691,347</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
STREET MAINTENANCE AND REPAIR SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	751,654	750,903
Intergovernmental Grants and Contracts	0	0
Charges For Services	4,963	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>756,617</u>	<u>750,903</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	801,681	888,379
General Government	0	0
Capital Outlay	0	12,812
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>801,681</u>	<u>901,191</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>(45,064)</u>	<u>(150,288)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	131,800	234,200
Operating Transfers - Out	0	(68,000)
	<u>131,800</u>	<u>166,200</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	86,736	15,912
FUND EQUITY AT BEGINNING OF YEAR	<u>437,979</u>	<u>422,067</u>
FUND EQUITY AT END OF YEAR	<u><u>\$524,715</u></u>	<u><u>\$437,979</u></u>

CITY OF SHAKER HEIGHTS, OHIO
STREET MAINTENANCE AND REPAIR SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
State Levied Shared Taxes	\$775,000	\$748,947	(\$26,053)	\$784,200	\$754,058	(\$30,142)
Charges for Services	0	4,963	4,963	0	0	0
Other Financing Sources:						
Operating Transfers In	131,800	131,800	0	234,200	234,200	0
Total Revenues and Other Financing Sources	\$906,800	\$885,710	(\$21,090)	\$1,018,400	\$988,258	(\$30,142)
Expenditures and Other Financing Uses						
Current:						
Transportation	\$884,600	\$789,632	\$94,968	\$922,000	\$876,664	\$45,336
Capital Outlay	12,000	7,175	4,825	12,000	12,812	(812)
Other Financing Uses:						
Operating Transfers Out	0	0	0	68,000	68,000	0
Total Expenditures and Other Financing Uses	\$896,600	\$796,807	\$99,793	\$1,002,000	\$957,476	\$44,524
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$10,200	\$88,903	\$78,703	\$16,400	\$30,782	\$14,382
Cash Fund Balance - January 1	385,460	385,460	0	431,612	431,612	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(14,122)	(14,122)	0	(2,025)	(2,025)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(36,516)	(30,460)	6,056	(167,849)	(125,546)	42,303
Cash Fund Balance - December 31						
Unreserved	\$345,022	\$429,781	\$84,759	\$278,138	\$334,823	\$56,685
Reserved for Encumbrances - All Budget Years		58,447			50,637	
Total Cash Fund Balance - December 31		\$488,228			\$385,460	

City of Shaker Heights

State Highway Maintenance



Comparative Financial Statements

One of two funds legally required by the Ohio Revised Code (the other being the Street Maintenance and Repair Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 7.5% of these revenues be used exclusively for the maintenance and repair of state highway within the City's General Fund.

**CITY OF SHAKER HEIGHTS, OHIO
STATE HIGHWAY MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$96,446	\$82,472
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	17,929	17,992
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$114,375</u>	<u>\$100,464</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	2,590	314
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	11,181	11,369
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>13,771</u>	<u>11,683</u>
Fund Balance:		
Reserved For Encumbrances	4,305	0
Reserved For Prepaid Items	0	0
Unreserved	96,299	88,781
	<hr/>	<hr/>
Total Fund Balance	<u>100,604</u>	<u>88,781</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$114,375</u>	<u>\$100,464</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
STATE HIGHWAY MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	46,956	46,839
Intergovernmental Grants and Contracts	0	0
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	2,976	3,667
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	53	0
	<u>49,985</u>	<u>50,506</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	38,162	57,214
General Government	0	0
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>38,162</u>	<u>57,214</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>11,823</u>	<u>(6,708)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	8,000
Operating Transfers - Out	0	0
	<u>0</u>	<u>8,000</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	11,823	1,292
FUND EQUITY AT BEGINNING OF YEAR	<u>88,781</u>	<u>87,489</u>
FUND EQUITY AT END OF YEAR	<u><u>\$100,604</u></u>	<u><u>\$88,781</u></u>

CITY OF SHAKER HEIGHTS, OHIO
STATE HIGHWAY MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
State Levied Shared Taxes	\$48,200	\$46,831	(\$1,369)	\$49,000	\$47,086	(\$1,914)
Interest Earnings	4,000	2,976	(1,024)	4,000	3,667	(333)
Other Revenues	200	53	(147)	0	0	0
<u>Other Financing Sources:</u>						
Operating Transfers In	0	0	0	8,000	8,000	0
Total Revenues and Other Financing Sources	\$52,400	\$49,860	(\$2,540)	\$61,000	\$58,753	(\$2,247)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Transportation	\$86,100	\$40,979	\$45,121	\$81,500	\$57,918	\$23,582
Total Expenditures and Other Financing Uses	\$86,100	\$40,979	\$45,121	\$81,500	\$57,918	\$23,582
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$33,700)	\$8,881	\$42,581	(\$20,500)	\$835	\$21,335
Cash Fund Balance - January 1	82,472	82,472	0	81,731	81,731	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(10)	(10)	0	(890)	(104)	786
Cash Fund Balance - December 31						
Unreserved	\$48,762	\$91,343	\$42,581	\$60,341	\$82,462	\$22,121
Reserved for Encumbrances - All Budget Years		5,103			10	
Total Cash Fund Balance - December 31		\$96,446			\$82,472	

City of Shaker Heights

Sewer Maintenance



Comparative Financial Statements

To account for funds derived from a surcharge levied upon all users of the sewer system within the City. This surcharge pays for sewer system maintenance, replacement and repair. The surcharge is levied in addition to the treatment and disposal rate set by the Northeast Ohio Regional Sewer District.

**CITY OF SHAKER HEIGHTS, OHIO
SEWER MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$4,097,711	\$3,289,905
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	460,931	460,072
Deferred Special Assessments	10,003	12,003
Due From Other Funds	0	0
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$4,568,645</u>	<u>\$3,761,980</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$34,403	\$56,540
Accrued Wages And Benefits	29,707	17,354
Compensated Absences	31,949	33,559
Due To Other Funds	0	0
Deferred Revenue	341,249	324,525
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>437,308</u>	<u>431,978</u>
Fund Balance:		
Reserved For Encumbrances	46,123	119,104
Reserved For Prepaid Items	0	0
Unreserved	4,085,214	3,210,898
	<hr/>	<hr/>
Total Fund Balance	<u>4,131,337</u>	<u>3,330,002</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$4,568,645</u>	<u>\$3,761,980</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
SEWER MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	8,433	0
Charges For Services	1,566,392	1,339,589
Fees, Licenses and Permits	0	0
Interest Earnings	113,333	128,794
Special Assessments	2,001	2,001
Fines and Forfeitures	0	0
All Other Revenue	5,854	0
	<u>1,696,013</u>	<u>1,470,384</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	710,562	490,428
Transportation	0	0
General Government	143,741	144,329
Capital Outlay	0	60,266
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>854,303</u>	<u>695,023</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>841,710</u>	<u>775,361</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	93,881
Operating Transfers - Out	<u>(40,375)</u>	<u>(40,400)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(40,375)</u>	<u>53,481</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	801,335	828,842
FUND EQUITY AT BEGINNING OF YEAR	<u>3,330,002</u>	<u>2,501,160</u>
FUND EQUITY AT END OF YEAR	<u><u>\$4,131,337</u></u>	<u><u>\$3,330,002</u></u>

**CITY OF SHAKER HEIGHTS, OHIO
SEWER MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Intergovernmental Grants & Contracts	\$156,000	\$8,433	(\$147,567)	\$264,990	\$0	(\$264,990)
Charges for Services	1,737,000	1,588,926	(148,074)	1,407,000	1,257,322	(149,678)
Interest Earnings	150,000	113,333	(36,667)	100,000	128,794	28,794
Other Revenues	6,900	3,186	(3,714)	0	0	0
<u>Other Financing Sources:</u>						
Operating Transfers In	0	0	0	93,881	93,881	0
Total Revenues and Other Financing Sources	\$2,049,900	\$1,713,878	(\$336,022)	\$1,865,871	\$1,479,997	(\$385,874)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Basic Utility Services	\$1,107,700	\$652,083	\$455,617	\$1,367,099	\$539,061	\$828,038
General Government	131,200	145,228	(14,028)	131,200	144,001	(12,801)
Capital Outlay	135,300	0	135,300	12,800	31,301	(18,501)
<u>Other Financing Uses:</u>						
Operating Transfers Out	40,400	40,375	25	40,400	40,400	0
Total Expenditures and Other Financing Uses	\$1,414,600	\$837,686	\$576,914	\$1,551,499	\$754,763	\$796,736
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$635,300	\$876,192	\$240,892	\$314,372	\$725,234	\$410,862
Cash Fund Balance - January 1	3,289,905	3,289,905	0	2,510,189	2,510,189	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	(4,230)	(4,230)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(131,004)	(125,743)	5,261	(134,841)	(72,291)	62,550
Cash Fund Balance - December 31 Unreserved	\$3,794,201	\$4,040,354	\$246,153	\$2,685,490	\$3,158,902	\$473,412
Reserved for Encumbrances - All Budget Years		57,357			131,003	
Total Cash Fund Balance - December 31		\$4,097,711			\$3,289,905	

City of Shaker Heights

Police Pension



Comparative Financial Statements

To account for payment of current and accrued police pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by an operating transfer primarily from the City's General Fund.

**CITY OF SHAKER HEIGHTS, OHIO
POLICE PENSION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$466,053	\$391,009
Receivables (Net of Allowance For Uncollectibles)		
Taxes	207,701	205,713
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	1,792
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$673,754</u>	<u>\$598,514</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	280,937	236,589
Compensated Absences	44,120	50,486
Due To Other Funds	970	0
Deferred Revenue	207,701	205,713
Notes Payable	870,085	955,085
Notes Premium Payable	0	3,791
	<hr/>	<hr/>
Total Liabilities	<u>1,403,813</u>	<u>1,451,664</u>
Fund Balance:		
Reserved For Encumbrances	0	2,831
Reserved For Prepaid Items	0	0
Unreserved (Deficit)	<u>(730,059)</u>	<u>(855,981)</u>
	<hr/>	<hr/>
Total Fund Balance (Deficit)	<u>(730,059)</u>	<u>(853,150)</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$673,754</u>	<u>\$598,514</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
POLICE PENSION SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$194,650	\$192,990
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	26,023	25,956
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>220,673</u>	<u>218,946</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	866,490	803,673
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	970	870
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	28,591	49,497
	<u>896,051</u>	<u>854,040</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>(675,378)</u>	<u>(635,094)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	798,469	760,834
Operating Transfers - Out	0	0
	<u>798,469</u>	<u>760,834</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	123,091	125,740
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	<u>(853,150)</u>	<u>(978,890)</u>
FUND EQUITY (DEFICIT) AT END OF YEAR	<u><u>(\$730,059)</u></u>	<u><u>(\$853,150)</u></u>

CITY OF SHAKER HEIGHTS, OHIO
POLICE PENSION SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Property Taxes	\$194,200	\$194,650	\$450	\$193,400	\$192,990	(\$410)
Intergovernmental Grants & Contracts	26,400	26,022	(378)	26,300	25,956	(344)
<u>Other Financing Sources:</u>						
Operating Transfers In	810,495	798,469	(12,026)	765,475	760,834	(4,641)
Total Revenues and Other Financing Sources	<u>\$1,031,095</u>	<u>\$1,019,141</u>	<u>(\$11,954)</u>	<u>\$985,175</u>	<u>\$979,780</u>	<u>(\$5,395)</u>
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Security of Persons and Property	\$937,995	\$864,182	\$73,813	\$859,900	\$809,585	\$50,315
<u>Other Financing Uses:</u>						
Operating Transfers Out	115,600	115,590	10	115,000	115,000	0
Total Expenditures and Other Financing Uses	<u>\$1,053,595</u>	<u>\$979,772</u>	<u>\$73,823</u>	<u>\$974,900</u>	<u>\$924,585</u>	<u>\$50,315</u>
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$22,500)	\$39,369	\$61,869	\$10,275	\$55,195	\$44,920
Cash Fund Balance - January 1	391,009	391,009	0	343,623	343,623	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	(2,832)	(2,832)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	<u>(212,878)</u>	<u>(212,878)</u>	<u>0</u>	<u>(217,855)</u>	<u>(217,855)</u>	<u>0</u>
Cash Fund Balance - December 31						
Unreserved	<u>\$155,631</u>	<u>\$217,500</u>	<u>\$61,869</u>	<u>\$133,211</u>	<u>\$178,131</u>	<u>\$44,920</u>
Reserved for Encumbrances - All Budget Years		<u>248,553</u>			<u>212,878</u>	
Total Cash Fund Balance - December 31		<u>\$466,053</u>			<u>\$391,009</u>	

City of Shaker Heights

Fire Pension



Comparative Financial Statements

To account for payment of current and accrued fire pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by an operating transfer primarily from the City's General Fund.

**CITY OF SHAKER HEIGHTS, OHIO
FIRE PENSION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$410,338	\$403,315
Receivables (Net of Allowance For Uncollectibles)		
Taxes	207,701	205,713
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	1,680
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$618,039</u>	<u>\$610,708</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	290,267	258,324
Compensated Absences	51,904	46,350
Due To Other Funds	895	0
Deferred Revenue	207,701	205,713
Notes Payable	809,915	894,915
Notes Premium Payable	0	3,553
	<hr/>	<hr/>
Total Liabilities	<u>1,360,682</u>	<u>1,408,855</u>
Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Prepaid Items	0	0
Unreserved (Deficit)	<u>(742,643)</u>	<u>(798,147)</u>
	<hr/>	<hr/>
Total Fund Balance (Deficit)	<u>(742,643)</u>	<u>(798,147)</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$618,039</u>	<u>\$610,708</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
 FIRE PENSION SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$194,650	\$192,990
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	26,023	25,956
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>220,673</u>	<u>218,946</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	982,029	916,811
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	895	854
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	26,790	45,215
	<u>1,009,714</u>	<u>962,880</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>(789,041)</u>	<u>(743,934)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	844,545	791,021
Operating Transfers - Out	0	0
	<u>844,545</u>	<u>791,021</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	55,504	47,087
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	<u>(798,147)</u>	<u>(845,234)</u>
FUND EQUITY AT END OF YEAR	<u><u>(\$742,643)</u></u>	<u><u>(\$798,147)</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 FIRE PENSION SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Property Taxes	\$194,200	\$194,650	\$450	\$193,400	\$192,990	(\$410)
Intergovernmental Grants & Contracts	26,400	26,022	(378)	26,300	25,956	(344)
Other Financing Sources:						
Operating Transfers In	844,700	844,545	(155)	791,100	791,021	(79)
Total Revenues and Other Financing Sources	\$1,065,300	\$1,065,217	(\$83)	\$1,010,800	\$1,009,967	(\$833)
Expenditures and Other Financing Uses						
Current:						
Security of Persons and Property	\$988,500	\$973,760	\$14,740	\$930,200	\$907,523	\$22,677
Other Financing Uses:						
Operating Transfers Out	113,700	113,663	37	82,600	82,600	0
Total Expenditures and Other Financing Uses	\$1,102,200	\$1,087,423	\$14,777	\$1,012,800	\$990,123	\$22,677
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$36,900)	(\$22,206)	\$14,694	(\$2,000)	\$19,844	\$21,844
Cash Fund Balance - January 1	403,315	403,315	0	368,515	368,515	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(249,110)	(249,110)	0	(234,154)	(234,154)	0
Cash Fund Balance - December 31						
Unreserved	<u>\$117,305</u>	<u>\$131,999</u>	<u>\$14,694</u>	<u>\$132,361</u>	<u>\$154,205</u>	<u>\$21,844</u>
Reserved for Encumbrances - All Budget Years		278,339			249,110	
Total Cash Fund Balance - December 31		<u><u>\$410,338</u></u>			<u><u>\$403,315</u></u>	

City of Shaker Heights

Indigent Driver Alcohol Treatment



Comparative Financial Statements

To account for reinstatement fee monies collected by the State Bureau of Motor Vehicles in connection with driving under the influence offenses. Section 4511.191(L) of the Ohio Revised Code provides that payments are to be made only upon order of the Municipal Court Judge for alcohol and other drug treatment costs for indigent drivers.

**CITY OF SHAKER HEIGHTS, OHIO
INDIGENT DRIVER ALCOHOL TREATMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$24,990	\$18,672
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	230	175
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	\$25,220	\$18,847
	<hr/> <hr/>	<hr/> <hr/>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	0	0
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	0	0
	<hr/>	<hr/>
Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Prepaid Items	0	0
Unreserved	25,220	18,847
	<hr/>	<hr/>
Total Fund Balance	25,220	18,847
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$25,220	\$18,847
	<hr/> <hr/>	<hr/> <hr/>

THE CITY OF SHAKER HEIGHTS, OHIO
INDIGENT DRIVER ALCOHOL TREATMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	7,655	5,272
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	681	749
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>8,336</u>	<u>6,021</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	1,963	3,650
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>1,963</u>	<u>3,650</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>6,373</u>	<u>2,371</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,373	2,371
FUND EQUITY AT BEGINNING OF YEAR	<u>18,847</u>	<u>16,476</u>
FUND EQUITY AT END OF YEAR	<u><u>\$25,220</u></u>	<u><u>\$18,847</u></u>

CITY OF SHAKER HEIGHTS, OHIO
INDIGENT DRIVER ALCOHOL TREATMENT SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Intergovernmental Grants & Contracts	\$9,000	\$7,600	(\$1,400)	\$9,000	\$7,260	(\$1,740)
Interest Earnings	700	681	(19)	600	749	149
Total Revenues and Other Financing Sources	\$9,700	\$8,281	(\$1,419)	\$9,600	\$8,009	(\$1,591)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
General Government	\$9,000	\$1,963	\$7,037	\$9,000	\$3,650	\$5,350
Total Expenditures and Other Financing Uses	\$9,000	\$1,963	\$7,037	\$9,000	\$3,650	\$5,350
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$700	\$6,318	\$5,618	\$600	\$4,359	\$3,759
Cash Fund Balance - January 1	18,672	18,672	0	14,313	14,313	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0
Cash Fund Balance - December 31						
Unreserved	\$19,372	\$24,990	\$5,618	\$14,913	\$18,672	\$3,759
Reserved for Encumbrances - All Budget Years		0			0	
Total Cash Fund Balance - December 31		\$24,990			\$18,672	

City of Shaker Heights

Court Computer Legal Research



Comparative Financial Statements

To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(A) by the Municipal Court on the filing of each cause of action or appeal for the purposes of computerizing the court and to make available computerized legal research services.

CITY OF SHAKER HEIGHTS, OHIO
 COURT COMPUTER LEGAL RESEARCH SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$110,936	\$88,965
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	770
Deferred Special Assessments	0	0
Due From Other Funds	3,014	1,855
Due From Other Governments	2,391	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	\$116,341	\$91,590
	<hr/> <hr/>	<hr/> <hr/>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	1,396	504
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	1,396	504
	<hr/>	<hr/>
Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Prepaid Items	0	0
Unreserved	114,945	91,086
	<hr/>	<hr/>
Total Fund Balance	114,945	91,086
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$116,341	\$91,590
	<hr/> <hr/>	<hr/> <hr/>

**THE CITY OF SHAKER HEIGHTS, OHIO
 COURT COMPUTER LEGAL RESEARCH SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	6,412	9,137
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	3,173	3,379
Special Assessments	0	0
Fines and Forfeitures	33,793	31,421
All Other Revenue	<u>2,563</u>	<u>0</u>
TOTAL REVENUES	<u>45,941</u>	<u>43,937</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	21,982	17,402
Capital Outlay	100	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>22,082</u>	<u>17,402</u>
Excess of Revenues Over (Under) Expenditures	23,859	26,535
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>23,859</u>	<u>26,535</u>
FUND EQUITY AT BEGINNING OF YEAR	<u>91,086</u>	<u>64,551</u>
FUND EQUITY AT END OF YEAR	<u><u>\$114,945</u></u>	<u><u>\$91,086</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 COURT COMPUTER LEGAL RESEARCH SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Intergovernmental Grants & Contracts	\$15,000	\$7,182	(\$7,818)	\$15,000	\$8,367	(\$6,633)
Interest Earnings	3,000	3,173	173	3,000	3,379	379
Fines and Forfeitures	40,000	32,634	(7,366)	34,000	31,683	(2,317)
Other Revenues	600	172	(428)	0	0	0
Total Revenues and Other Financing Sources	\$58,600	\$43,161	(\$15,439)	\$52,000	\$43,429	(\$8,571)
Expenditures and Other Financing Uses						
Current:						
General Government	\$53,800	\$21,111	\$32,689	\$54,600	\$18,232	\$36,368
Capital Outlay	1,000	100	900	1,000	0	1,000
Total Expenditures and Other Financing Uses	\$54,800	\$21,211	\$33,589	\$55,600	\$18,232	\$37,368
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$3,800	\$21,950	\$18,150	(\$3,600)	\$25,197	\$28,797
Cash Fund Balance - January 1	88,965	88,965	0	64,338	64,338	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(278)	(278)	0	(848)	(848)	0
Cash Fund Balance - December 31 Unreserved	<u>\$92,487</u>	<u>\$110,637</u>	<u>\$18,150</u>	<u>\$59,890</u>	<u>\$88,687</u>	<u>\$28,797</u>
Reserved for Encumbrances - All Budget Years		299			278	
Total Cash Fund Balance - December 31		<u><u>\$110,936</u></u>			<u><u>\$88,965</u></u>	

City of Shaker Heights

Clerk's Computerization



Comparative Financial Statements

To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(A) by the Municipal Court on the filing of each cause of action or appeal, certificate of judgment or modification of judgment for the purpose of procuring and maintaining computer systems for the office of the clerk of the Municipal Court.

**CITY OF SHAKER HEIGHTS, OHIO
CLERK'S COMPUTERIZATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$125,525	\$156,481
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	10,062	6,216
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$135,587</u>	<u>\$162,697</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$3,021	\$477
Accrued Wages And Benefits	4,361	3,196
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>7,382</u>	<u>3,673</u>
 Fund Balance:		
Reserved For Encumbrances	20,491	21,678
Reserved For Prepaid Items	0	0
Unreserved	107,714	137,346
	<hr/>	<hr/>
Total Fund Balance	<u>128,205</u>	<u>159,024</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$135,587</u>	<u>\$162,697</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
 CLERK'S COMPUTERIZATION SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	0	0
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	4,092	6,856
Special Assessments	0	0
Fines and Forfeitures	112,602	104,606
All Other Revenue	720	0
	<u>117,414</u>	<u>111,462</u>
TOTAL REVENUES		
	<u>117,414</u>	<u>111,462</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	125,959	89,245
Capital Outlay	22,274	9,971
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>148,233</u>	<u>99,216</u>
TOTAL EXPENDITURES		
	<u>148,233</u>	<u>99,216</u>
Excess of Revenues Over (Under) Expenditures	<u>(30,819)</u>	<u>12,246</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)		
	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(30,819)</u>	<u>12,246</u>
FUND EQUITY AT BEGINNING OF YEAR	<u>159,024</u>	<u>146,778</u>
FUND EQUITY AT END OF YEAR	<u><u>\$128,205</u></u>	<u><u>\$159,024</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 CLERK'S COMPUTERIZATION SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Interest Earnings	\$5,000	\$4,092	(\$908)	\$5,000	\$6,856	\$1,856
Fines and Forfeitures	115,000	108,756	(6,244)	115,000	105,445	(9,555)
Other Revenues	1,100	720	(380)	0	0	0
Total Revenues and Other Financing Sources	\$121,100	\$113,568	(\$7,532)	\$120,000	\$112,301	(\$7,699)
Expenditures and Other Financing Uses						
Current:						
General Government	\$118,800	\$121,294	(\$2,494)	\$114,000	\$93,300	\$20,700
Capital Outlay	50,000	22,274	27,726	50,000	7,798	42,202
Total Expenditures and Other Financing Uses	\$168,800	\$143,568	\$25,232	\$164,000	\$101,098	\$62,902
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$47,700)	(\$30,000)	\$17,700	(\$44,000)	\$11,203	\$55,203
Cash Fund Balance - January 1	156,481	156,481	0	142,140	142,140	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(16,000)	(16,000)	0	(16,000)	(16,000)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(7,926)	(7,926)	0	(5,562)	(4,788)	774
Cash Fund Balance - December 31						
Unreserved	\$84,855	\$102,555	\$17,700	\$76,578	\$132,555	\$55,977
Reserved for Encumbrances - All Budget Years		22,970			23,926	
Total Cash Fund Balance - December 31		\$125,525			\$156,481	

City of Shaker Heights

Exterior Home Maintenance



Comparative Financial Statements

To account for monies received from the Cuyahoga County Community Development Block Grant Program to be used to provide funding for improvements to owner-occupied homes within the City.

**CITY OF SHAKER HEIGHTS, OHIO
EXTERIOR HOME MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$28,200	\$39,570
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	60,000	25,114
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$88,200</u>	<u>\$64,684</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	1,251	0
Compensated Absences	0	0
Due To Other Funds	41,570	41,570
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>42,821</u>	<u>41,570</u>
 Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Prepaid Items	0	0
Unreserved	45,379	23,114
	<hr/>	<hr/>
Total Fund Balance	<u>45,379</u>	<u>23,114</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$88,200</u>	<u>\$64,684</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
EXTERIOR HOME MAINTENANCE SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	72,379	33,544
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	788	0
	<u>73,167</u>	<u>33,544</u>
TOTAL REVENUES	73,167	33,544
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	117,702	40,430
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>117,702</u>	<u>40,430</u>
TOTAL EXPENDITURES	117,702	40,430
Excess of Revenues Over (Under) Expenditures	<u>(44,535)</u>	<u>(6,886)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	66,800	30,000
Operating Transfers - Out	0	0
	<u>66,800</u>	<u>30,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	66,800	30,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	22,265	23,114
FUND EQUITY AT BEGINNING OF YEAR	<u>23,114</u>	<u>0</u>
FUND EQUITY AT END OF YEAR	<u><u>\$45,379</u></u>	<u><u>\$23,114</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 EXTERIOR HOME MAINTENANCE SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Intergovernmental Grants & Contracts	\$97,493	\$37,493	(\$60,000)	\$50,000	\$8,430	(\$41,570)
Other Revenues	0	788	788	0	0	0
Other Financing Sources:						
Operating Transfers In	66,800	66,800	0	30,000	30,000	0
Advances In	0	0	0	50,000	50,000	0
Total Revenues and Other Financing Sources	\$164,293	\$105,081	(\$59,212)	\$130,000	\$88,430	(\$41,570)
Expenditures and Other Financing Uses						
Current:						
Community Environment	\$112,293	\$117,482	(\$5,189)	\$80,000	\$40,430	\$39,570
Other Financing Uses:						
Operating Transfers Out	0	0	0	0	0	0
Advances Out	41,570	0	41,570	50,000	8,430	41,570
Total Expenditures and Other Financing Uses	\$153,863	\$117,482	\$36,381	\$130,000	\$48,860	\$81,140
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$10,430	(\$12,401)	(\$22,831)	\$0	\$39,570	\$39,570
Cash Fund Balance - January 1	39,570	39,570	0	0	0	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0
Cash Fund Balance - December 31						
Unreserved	\$50,000	\$27,169	(\$22,831)	\$0	\$39,570	\$39,570
Reserved for Encumbrances - All Budget Years		1,031			0	
Total Cash Fund Balance - December 31		\$28,200			\$39,570	

City of Shaker Heights

Fair Housing Grant



Comparative Financial Statements

To account for monies received from the Department of Housing and Urban Development. The funds are to be used to monitor fair housing practices within the City.

**CITY OF SHAKER HEIGHTS, OHIO
 FAIR HOUSING GRANT SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$177,286	\$158,602
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$177,286</u>	<u>\$158,602</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$1,087
Accrued Wages And Benefits	0	0
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>0</u>	<u>1,087</u>
 Fund Balance:		
Reserved For Encumbrances	0	114
Reserved For Prepaid Items	0	0
Unreserved	177,286	157,401
	<hr/>	<hr/>
Total Fund Balance	<u>177,286</u>	<u>157,515</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$177,286</u>	<u>\$158,602</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
 FAIR HOUSING GRANT SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	26,800	0
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	5,565	7,403
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>32,365</u>	<u>7,403</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	12,594	19,121
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>12,594</u>	<u>19,121</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>19,771</u>	<u>(11,718)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	19,771	(11,718)
FUND EQUITY AT BEGINNING OF YEAR	<u>157,515</u>	<u>169,233</u>
FUND EQUITY AT END OF YEAR	<u><u>\$177,286</u></u>	<u><u>\$157,515</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 FAIR HOUSING GRANT SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Intergovernmental Grants & Contracts	\$10,100	\$26,800	\$16,700	\$16,700	\$0	(\$16,700)
Interest Earnings	5,000	5,565	565	3,000	7,403	4,403
Total Revenues and Other Financing Sources	\$15,100	\$32,365	\$17,265	\$19,700	\$7,403	(\$12,297)
Expenditures and Other Financing Uses						
Current:						
General Government	\$80,000	\$13,567	\$66,433	\$95,700	\$18,148	\$77,552
Capital Outlay	0	0	0	0	0	0
Total Expenditures and Other Financing Uses	\$80,000	\$13,567	\$66,433	\$95,700	\$18,148	\$77,552
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$64,900)	\$18,798	\$83,698	(\$76,000)	(\$10,745)	\$65,255
Cash Fund Balance - January 1	158,602	158,602	0	169,233	169,233	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(114)	(114)	0	(303)	0	303
Cash Fund Balance - December 31						
Unreserved	\$93,588	\$177,286	\$83,698	\$92,930	\$158,488	\$65,558
Reserved for Encumbrances - All Budget Years		0			114	
Total Cash Fund Balance - December 31		\$177,286			\$158,602	

City of Shaker Heights

***Community Preservation
Partnership***



Comparative Financial Statements

**To account for the Gund and Cleveland Foundation
Grant monies to be used for home improvement
education and mortgage assistance.**

**CITY OF SHAKER HEIGHTS, OHIO
COMMUNITY PRESERVATION PARTNERSHIP SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$527,032	\$424,917
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	225,449	41,637
Due From Other Funds	0	0
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$752,481</u>	<u>\$466,554</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$1,094	\$1,205
Accrued Wages And Benefits	0	0
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	225,449	41,637
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>226,543</u>	<u>42,842</u>
Fund Balance:		
Reserved For Encumbrances	53,063	38,273
Reserved For Prepaid Items	0	0
Unreserved	472,875	385,439
	<hr/>	<hr/>
Total Fund Balance	<u>525,938</u>	<u>423,712</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$752,481</u>	<u>\$466,554</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
COMMUNITY PRESERVATION PARTNERSHIP SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	0	0
Charges For Services	15,977	15,328
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	15,846	0
	<u>31,823</u>	<u>15,328</u>
TOTAL REVENUES		
	<u>31,823</u>	<u>15,328</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	319,350	184,425
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	35,247	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>354,597</u>	<u>184,425</u>
TOTAL EXPENDITURES		
	<u>354,597</u>	<u>184,425</u>
Excess of Revenues Over (Under) Expenditures	<u>(322,774)</u>	<u>(169,097)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	475,000	275,000
Operating Transfers - Out	(50,000)	(30,000)
	<u>425,000</u>	<u>245,000</u>
TOTAL OTHER FINANCING SOURCES (USES)		
	<u>425,000</u>	<u>245,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	102,226	75,903
FUND EQUITY AT BEGINNING OF YEAR	<u>423,712</u>	<u>347,809</u>
FUND EQUITY AT END OF YEAR	<u><u>\$525,938</u></u>	<u><u>\$423,712</u></u>

CITY OF SHAKER HEIGHTS, OHIO
COMMUNITY PRESERVATION PARTNERSHIP SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Charges for Services	\$41,600	\$15,977	(\$25,623)	\$31,800	\$15,328	(\$16,472)
Other Revenues	10,100	15,846	5,746	0	0	0
Other Financing Sources:						
Operating Transfers In	475,000	475,000	0	275,000	275,000	0
Total Revenues and Other Financing Sources	\$526,700	\$506,823	(\$19,877)	\$306,800	\$290,328	(\$16,472)
Expenditures and Other Financing Uses						
Current:						
Community Environment	\$851,500	\$352,207	\$499,293	\$577,380	\$197,357	\$380,023
Capital Outlay	0	35,247	(35,247)	0	0	0
Other Financing Uses:						
Operating Transfers Out	50,000	50,000	0	30,000	30,000	0
Total Expenditures and Other Financing Uses	\$901,500	\$437,454	\$464,046	\$607,380	\$227,357	\$380,023
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$374,800)	\$69,369	\$444,169	(\$300,580)	\$62,971	\$363,551
Cash Fund Balance - January 1	424,917	424,917	0	349,859	349,859	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(14,231)	(14,231)	0	(15,915)	(15,915)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(24,042)	(7,180)	16,862	(15,164)	(10,271)	4,893
Cash Fund Balance - December 31						
Unreserved	\$11,844	\$472,875	\$461,031	\$18,200	\$386,644	\$368,444
Reserved for Encumbrances - All Budget Years		54,157			38,273	
Total Cash Fund Balance - December 31		\$527,032			\$424,917	

City of Shaker Heights

Law Enforcement Grants



Comparative Financial Statements

To account for grants received by the Shaker Heights Police Department whose primary purpose is to reduce the amounts and effects of external harm to individuals and property.

**CITY OF SHAKER HEIGHTS, OHIO
LAW ENFORCEMENT GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$38,060	\$35,687
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	0	31,746
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$38,060</u>	<u>\$67,433</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$19,370
Accrued Wages And Benefits	367	173
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>367</u>	<u>19,543</u>
 Fund Balance:		
Reserved For Encumbrances	0	637
Reserved For Prepaid Items	0	0
Unreserved	37,693	47,253
	<hr/>	<hr/>
Total Fund Balance	<u>37,693</u>	<u>47,890</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$38,060</u>	<u>\$67,433</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
LAW ENFORCEMENT GRANTS SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	776	91,639
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	908	1,512
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>1,684</u>	<u>93,151</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	12,244	35,751
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	0	19,370
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>12,244</u>	<u>55,121</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>(10,560)</u>	<u>38,030</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	1,920	7,358
Operating Transfers - Out	<u>(1,557)</u>	<u>(6,153)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>363</u>	<u>1,205</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,197)	39,235
FUND EQUITY AT BEGINNING OF YEAR	<u>47,890</u>	<u>8,655</u>
FUND EQUITY AT END OF YEAR	<u><u>\$37,693</u></u>	<u><u>\$47,890</u></u>

CITY OF SHAKER HEIGHTS, OHIO
LAW ENFORCEMENT GRANTS SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Intergovernmental Grants & Contracts	\$49,804	\$32,522	(\$17,282)	\$79,849	\$67,465	(\$12,384)
Interest Earnings	0	908	908	600	1,512	912
<u>Other Financing Sources:</u>						
Operating Transfers In	1,920	1,920	0	7,611	7,358	(253)
Advances In	0	0	0	3,150	3,150	0
Total Revenues and Other Financing Sources	\$51,724	\$35,350	(\$16,374)	\$91,210	\$79,485	(\$11,725)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Security of Persons and Property	\$52,978	\$11,847	\$41,131	\$55,645	\$36,533	\$19,112
Capital Outlay	21,730	17,485	4,245	23,439	2,783	20,656
<u>Other Financing Uses:</u>						
Operating Transfers Out	9,895	1,557	8,338	10,275	6,153	4,122
Advances Out	0	0	0	8,872	8,872	0
Total Expenditures and Other Financing Uses	\$84,603	\$30,889	\$53,714	\$98,231	\$54,341	\$43,890
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$32,879)	\$4,461	\$37,340	(\$7,021)	\$25,144	\$32,165
Cash Fund Balance - January 1	35,687	35,687	0	34,529	34,529	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(2,807)	(2,170)	637	(27,475)	(26,794)	681
Cash Fund Balance - December 31	\$1	\$37,978	\$37,977	\$33	\$32,879	\$32,846
Unreserved						
Reserved for Encumbrances - All Budget Years		82			2,808	
Total Cash Fund Balance - December 31		\$38,060			\$35,687	

City of Shaker Heights

Court Community Service Fund



Comparative Financial Statements

To account for the collection and use of an additional court cost imposed by the Shaker Heights municipal Court, under the authority of Ohio Revised Code Section 1901-26, on each DUI and substance related offenses as well as first-offender criminal cases to fund court community service programming.

**CITY OF SHAKER HEIGHTS, OHIO
 COURT COMMUNITY SERVICE SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$14,024	\$10,833
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	565	640
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	\$14,589	\$11,473
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	0	0
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	0	0
	<hr/>	<hr/>
Fund Balance:		
Reserved For Encumbrances	303	276
Reserved For Prepaid Items	0	0
Unreserved	14,286	11,197
	<hr/>	<hr/>
Total Fund Balance	14,589	11,473
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$14,589	\$11,473
	<hr/> <hr/>	<hr/> <hr/>

**THE CITY OF SHAKER HEIGHTS, OHIO
 COURT COMMUNITY SERVICE SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	0	0
Charges For Services	6,319	7,347
Fees, Licenses and Permits	0	0
Interest Earnings	410	394
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>6,729</u>	<u>7,741</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	3,613	3,283
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>3,613</u>	<u>3,283</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	3,116	4,458
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,116	4,458
FUND EQUITY AT BEGINNING OF YEAR	<u>11,473</u>	<u>7,015</u>
FUND EQUITY AT END OF YEAR	<u><u>\$14,589</u></u>	<u><u>\$11,473</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 COURT COMMUNITY SERVICE SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Charges for Services	\$5,000	\$6,394	\$1,394	\$5,000	\$7,075	\$2,075
Interest Earnings	400	410	10	200	394	194
Total Revenues and Other Financing Sources	\$5,400	\$6,804	\$1,404	\$5,200	\$7,469	\$2,269
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
General Government	\$5,000	\$3,640	\$1,360	\$5,000	\$3,315	\$1,685
Total Expenditures and Other Financing Uses	\$5,000	\$3,640	\$1,360	\$5,000	\$3,315	\$1,685
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$400	\$3,164	\$2,764	\$200	\$4,154	\$3,954
Cash Fund Balance - January 1	10,833	10,833	0	6,647	6,647	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(276)	(276)	0	(244)	(244)	0
Cash Fund Balance - December 31						
Unreserved	\$10,957	\$13,721	\$2,764	\$6,603	\$10,557	\$3,954
Reserved for Encumbrances - All Budget Years		303			276	
Total Cash Fund Balance - December 31		\$14,024			\$10,833	

City of Shaker Heights

***Court Alternate Dispute
Resolution Fund***



Comparative Financial Statements

To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901-26, on each civil and small claim case to fund alternate dispute resolution programming and materials.

**CITY OF SHAKER HEIGHTS, OHIO
 COURT ALTERNATE DISPUTE RESOLUTION SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$29,162	\$19,223
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	3,078	3,096
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$32,240</u>	<u>\$22,319</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	2,515	1,350
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>2,515</u>	<u>1,350</u>
Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Prepaid Items	0	0
Unreserved	29,725	20,969
	<hr/>	<hr/>
Total Fund Balance	<u>29,725</u>	<u>20,969</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$32,240</u>	<u>\$22,319</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
 COURT ALTERNATE DISPUTE RESOLUTION SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	0	0
Charges For Services	41,436	35,545
Fees, Licenses and Permits	0	0
Interest Earnings	802	817
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	310	0
	<u>42,548</u>	<u>36,362</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Security of Persons and Property	0	408
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	33,792	32,156
Capital Outlay	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>33,792</u>	<u>32,564</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	8,756	3,798
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	8,756	3,798
FUND EQUITY AT BEGINNING OF YEAR	<u>20,969</u>	<u>17,171</u>
FUND EQUITY AT END OF YEAR	<u><u>\$29,725</u></u>	<u><u>\$20,969</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 COURT ALTERNATE DISPUTE RESOLUTION SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Charges for Services	\$35,000	\$41,454	\$6,454	\$34,900	\$34,915	\$15
Interest Earnings	700	802	102	700	817	117
Other Revenue	500	310	(190)	0	0	0
Total Revenues and Other Financing Sources	\$36,200	\$42,566	\$6,366	\$35,600	\$35,732	\$132
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
General Government	\$34,100	\$32,566	\$1,534	\$33,800	\$32,524	\$1,276
Total Expenditures and Other Financing Uses	\$34,100	\$32,566	\$1,534	\$33,800	\$32,524	\$1,276
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$2,100	\$10,000	\$7,900	\$1,800	\$3,208	\$1,408
Cash Fund Balance - January 1	19,223	19,223	0	15,486	15,486	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(942)	(942)	0	(413)	(413)	0
Cash Fund Balance - December 31 Unreserved	\$20,381	\$28,281	\$7,900	\$16,873	\$18,281	\$1,408
Reserved for Encumbrances - All Budget Years		881			942	
Total Cash Fund Balance - December 31		\$29,162			\$19,223	

City of Shaker Heights

Ohio Court Security Grant Project Fund



Comparative Financial Statements

To account for a grant received from the State of Ohio to be used to upgrade court security by replacing door entry locks with a computerized keyless entry system

**CITY OF SHAKER HEIGHTS, OHIO
OHIO COURT SECURITY GRANT PROJECT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$4,331	\$30,889
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	\$4,331	\$30,889
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$25,000
Accrued Wages And Benefits	0	0
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	0	25,000
	<hr/>	<hr/>
Fund Balance:		
Reserved For Encumbrances	320	0
Reserved For Prepaid Items	0	0
Unreserved	4,011	5,889
	<hr/>	<hr/>
Total Fund Balance	4,331	5,889
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$4,331	\$30,889
	<hr/> <hr/>	<hr/> <hr/>

**THE CITY OF SHAKER HEIGHTS, OHIO
OHIO COURT SECURITY GRANT PROJECT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	0	0
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	165	1,353
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>165</u>	<u>1,353</u>
TOTAL REVENUES	165	1,353
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	764	0
Capital Outlay	959	25,000
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>1,723</u>	<u>25,000</u>
TOTAL EXPENDITURES	1,723	25,000
Excess of Revenues Over (Under) Expenditures	<u>(1,558)</u>	<u>(23,647)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,558)	(23,647)
FUND EQUITY AT BEGINNING OF YEAR	<u>5,889</u>	<u>29,536</u>
FUND EQUITY AT END OF YEAR	<u><u>\$4,331</u></u>	<u><u>\$5,889</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 OHIO COURT SECURITY GRANT PROJECT SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Interest Earnings	\$500	\$165	(\$335)	\$500	\$1,353	\$853
Total Revenues and Other Financing Sources	\$500	\$165	(\$335)	\$500	\$1,353	\$853
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
General Government	\$0	\$764	(\$764)	\$0	\$0	\$0
Capital Outlay	6,000	1,279	4,721	29,200	25,000	4,200
Total Expenditures and Other Financing Uses	\$6,000	\$2,043	\$3,957	\$29,200	\$25,000	\$4,200
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$5,500)	(\$1,878)	\$3,622	(\$28,700)	(\$23,647)	\$5,053
Cash Fund Balance - January 1	30,889	30,889	0	29,536	29,536	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(25,000)	(25,000)	0	0	0	0
Cash Fund Balance - December 31						
Unreserved	\$389	\$4,011	\$3,622	\$836	\$5,889	\$5,053
Reserved for Encumbrances - All Budget Years		320			25,000	
Total Cash Fund Balance - December 31		\$4,331			\$30,889	

City of Shaker Heights

High Intensity Drug Trafficking Area (HIDTA) Grant Fund



Comparative Financial Statements

The City is the grantee and acts as fiscal agent for the Federally Funded Ohio HIDTA. The HIDTA Program functions as a coordination umbrella by forging partnership among local, State and federal law enforcement agencies in designated areas to combine resources and efforts in order to reduce drug trafficking and distribution.

**CITY OF SHAKER HEIGHTS, OHIO
HIGH INTENSITY DRUG TRAFFICKING AREA GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$8,319	\$7,774
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	712,578	406,248
Prepaid Items	52,639	52,641
	<hr/>	<hr/>
TOTAL ASSETS	\$773,536	\$466,663
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$202,563	\$189,817
Accrued Wages And Benefits	24,880	18,524
Compensated Absences	494	1,566
Due To Other Funds	492,378	204,115
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	720,315	414,022
	<hr/>	<hr/>
Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Prepaid Items	52,639	52,641
Unreserved	582	0
	<hr/>	<hr/>
Total Fund Balance	53,221	52,641
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$773,536	\$466,663
	<hr/> <hr/>	<hr/> <hr/>

**THE CITY OF SHAKER HEIGHTS, OHIO
HIGH INTENSITY DRUG TRAFFICKING AREA GRANT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	2,291,179	1,638,906
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	4,847
	<u>2,291,179</u>	<u>1,643,753</u>
TOTAL REVENUES		
	<u>2,291,179</u>	<u>1,643,753</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	1,812,802	1,156,513
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	477,797	469,674
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>2,290,599</u>	<u>1,626,187</u>
TOTAL EXPENDITURES		
	<u>2,290,599</u>	<u>1,626,187</u>
Excess of Revenues Over (Under) Expenditures	580	17,566
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)		
	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	580	17,566
FUND EQUITY AT BEGINNING OF YEAR	<u>52,641</u>	<u>35,075</u>
FUND EQUITY AT END OF YEAR	<u><u>\$53,221</u></u>	<u><u>\$52,641</u></u>

CITY OF SHAKER HEIGHTS, OHIO
HIGH INTENSITY DRUG TRAFFICKING AREA GRANT SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Intergovernmental Grants & Contracts	\$5,078,549	\$1,984,849	(\$3,093,700)	\$2,634,850	\$1,455,301	(\$1,179,549)
Other Revenues	0	0	0	0	4,847	4,847
Other Financing Sources:						
Advances In	290,000	288,263	(1,737)	50,000	138,022	88,022
Total Revenues and Other Financing Sources	\$5,368,549	\$2,273,112	(\$3,095,437)	\$2,684,850	\$1,598,170	(\$1,086,680)
Expenditures and Other Financing Uses						
Current:						
Security of Persons and Property	\$3,958,785	\$1,779,552	\$2,179,233	\$2,068,757	\$1,144,259	\$924,498
Capital Outlay	915,649	493,560	422,089	500,000	453,911	46,089
Other Financing Uses:						
Advances Out	279,115	0	279,115	116,093	0	116,093
Total Expenditures and Other Financing Uses	\$5,153,549	\$2,273,112	\$2,880,437	\$2,684,850	\$1,598,170	\$1,086,680
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$215,000	\$0	(\$215,000)	\$0	\$0	\$0
Cash Fund Balance - January 1	7,774	7,774	0	4,115	4,115	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(7,774)	(7,774)	0	(4,115)	(4,115)	0
Cash Fund Balance - December 31	\$215,000	\$0	(\$215,000)	\$0	\$0	\$0
Unreserved						
Reserved for Encumbrances - All Budget Years		8,319			7,774	
Total Cash Fund Balance - December 31		\$8,319			\$7,774	

City of Shaker Heights

***Drug Free Community
Grant***



Comparative Financial Statements

To account for a \$100,000 grant received by the City's Health department whose primary purpose is to reduce and prevent the use of alcohol, tobacco and other drugs by the youth of Shaker Heights by influencing social norms regarding substance abuse.

**CITY OF SHAKER HEIGHTS, OHIO
 DRUG FREE COMMUNITY GRANT SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$1,617	\$0
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	9,252	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$10,869</u>	<u>\$0</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	3,418	0
Compensated Absences	610	0
Due To Other Funds	5,264	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>9,292</u>	<u>0</u>
 Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Prepaid Items	0	0
Unreserved	1,577	0
	<hr/>	<hr/>
Total Fund Balance	<u>1,577</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$10,869</u>	<u>\$0</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
 DRUG FREE COMMUNITY GRANT SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	100,337	0
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	0	0
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>100,337</u>	<u>0</u>
TOTAL REVENUES	100,337	0
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	97,012	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	1,748	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>98,760</u>	<u>0</u>
TOTAL EXPENDITURES	98,760	0
Excess of Revenues Over (Under) Expenditures	<u>1,577</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,577	0
FUND EQUITY AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>
FUND EQUITY AT END OF YEAR	<u><u>\$1,577</u></u>	<u><u>\$0</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 DRUG FREE COMMUNITY GRANT SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Intergovernmental Grants & Contracts	\$100,000	\$91,085	(\$8,915)	\$100,000	\$0	(\$100,000)
Interest Earnings	0	0	0	0	0	0
<u>Other Financing Sources:</u>						
Advances In	20,000	5,264	(14,736)	0	0	0
Total Revenues and Other Financing Sources	\$120,000	\$96,349	(\$23,651)	\$100,000	\$0	(\$100,000)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Public Health and Welfare	\$95,400	\$94,589	\$811	\$100,000	\$0	\$100,000
Capital Outlay	4,600	1,748	2,852	100,000	0	100,000
Total Expenditures and Other Financing Uses	\$100,000	\$96,337	\$3,663	\$200,000	\$0	\$200,000
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$20,000	\$12	(\$19,988)	(\$100,000)	\$0	\$100,000
Cash Fund Balance - January 1	0	0	0	0	0	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0
Cash Fund Balance - December 31	\$20,000	\$12	(\$19,988)	(\$100,000)	\$0	\$100,000
Unreserved						
Reserved for Encumbrances - All Budget Years		1,605			0	
Total Cash Fund Balance - December 31		\$1,617			\$0	

City of Shaker Heights

Street Lighting Assessment



Comparative Financial Statements

To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of street lighting within the City.

**CITY OF SHAKER HEIGHTS, OHIO
STREET LIGHTING ASSESSMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$128,897	\$151,582
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	637,713	1,186,942
Due From Other Funds	0	0
Due From Other Governments	0	0
Prepaid Items	0	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$766,610</u>	<u>\$1,338,524</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$45,760
Accrued Wages And Benefits	0	0
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	637,713	1,186,942
Notes Payable	0	0
Notes Premium Payable	0	0
	<hr/>	<hr/>
Total Liabilities	<u>637,713</u>	<u>1,232,702</u>
 Fund Balance:		
Reserved For Encumbrances	1,143	1,143
Reserved For Prepaid Items	0	0
Unreserved	127,754	104,679
	<hr/>	<hr/>
Total Fund Balance	<u>128,897</u>	<u>105,822</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$766,610</u>	<u>\$1,338,524</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
STREET LIGHTING SPECIAL ASSESSMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	0	0
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	566,707	557,460
Fines and Forfeitures	0	0
All Other Revenue	0	0
	<u>566,707</u>	<u>557,460</u>
TOTAL REVENUES	566,707	557,460
EXPENDITURES:		
Current:		
Security of Persons and Property	555,632	554,763
Public Health and Welfare	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	0	28,782
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>555,632</u>	<u>583,545</u>
TOTAL EXPENDITURES	555,632	583,545
Excess of Revenues Over (Under) Expenditures	<u>11,075</u>	<u>(26,085)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	12,000	12,000
Operating Transfers - Out	0	0
	<u>12,000</u>	<u>12,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	12,000	12,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	23,075	(14,085)
FUND EQUITY AT BEGINNING OF YEAR	<u>105,822</u>	<u>119,907</u>
FUND EQUITY AT END OF YEAR	<u><u>\$128,897</u></u>	<u><u>\$105,822</u></u>

CITY OF SHAKER HEIGHTS, OHIO
STREET LIGHTING ASSESSMENT SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Revenues:</u>						
Special Assesments	\$571,200	\$566,707	(\$4,493)	\$571,200	\$557,460	(\$13,740)
<u>Other Financing Sources:</u>						
Operating Transfers In	12,000	12,000	0	12,000	12,000	0
Total Revenues and Other Financing Sources	\$583,200	\$578,707	(\$4,493)	\$583,200	\$569,460	(\$13,740)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Security of Persons and Property	\$615,000	\$601,392	\$13,608	\$594,800	\$554,381	\$40,419
Capital Outlay	0	0	0	28,600	29,925	(1,325)
Total Expenditures and Other Financing Uses	\$615,000	\$601,392	\$13,608	\$623,400	\$584,306	\$39,094
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$31,800)	(\$22,685)	\$9,115	(\$40,200)	(\$14,846)	\$25,354
Cash Fund Balance - January 1	151,582	151,582	0	165,285	165,285	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(1,143)	(1,143)	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0
Cash Fund Balance - December 31 Unreserved	\$118,639	\$127,754	\$9,115	\$125,085	\$150,439	\$25,354
Reserved for Encumbrances - All Budget Years		1,143			1,143	
Total Cash Fund Balance - December 31		\$128,897			\$151,582	

City of Shaker Heights

Tree Maintenance Assessment



Comparative Financial Statements

To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of tree care on the City's public right-of way.

**CITY OF SHAKER HEIGHTS, OHIO
TREE MAINTENANCE ASSESSMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$418,385	\$270,841
Receivables (Net of Allowance For Uncollectibles)		
Taxes	0	0
Accounts	0	0
Deferred Special Assessments	842,492	1,594,298
Due From Other Funds	0	0
Due From Other Governments	0	0
Prepaid Items	0	0
	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$1,260,877</u>	<u>\$1,865,139</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$67	\$3,981
Accrued Wages And Benefits	24,682	21,540
Compensated Absences	0	0
Due To Other Funds	0	0
Deferred Revenue	842,492	1,594,298
Notes Payable	0	0
Notes Premium Payable	0	0
	<u>0</u>	<u>0</u>
Total Liabilities	<u>867,241</u>	<u>1,619,819</u>
 Fund Balance:		
Reserved For Encumbrances	59,267	9,773
Reserved For Prepaid Items	0	0
Unreserved	334,369	235,547
	<u>334,369</u>	<u>235,547</u>
Total Fund Balance	<u>393,636</u>	<u>245,320</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$1,260,877</u>	 <u>\$1,865,139</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
TREE MAINTENANCE ASSESSMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Property Taxes	\$0	\$0
State Levied Shared Taxes	0	0
Intergovernmental Grants and Contracts	0	0
Charges For Services	0	0
Fees, Licenses and Permits	0	0
Interest Earnings	0	0
Special Assessments	779,461	764,827
Fines and Forfeitures	0	0
All Other Revenue	11,451	4,957
	<u>790,912</u>	<u>769,784</u>
TOTAL REVENUES	790,912	769,784
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Public Health and Welfare	0	0
Community Environment	608,516	523,494
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	69,080	269,060
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
	<u>677,596</u>	<u>792,554</u>
TOTAL EXPENDITURES	677,596	792,554
Excess of Revenues Over (Under) Expenditures	<u>113,316</u>	<u>(22,770)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	35,000	35,000
Operating Transfers - Out	0	0
	<u>35,000</u>	<u>35,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	35,000	35,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	148,316	12,230
FUND EQUITY AT BEGINNING OF YEAR	<u>245,320</u>	<u>233,090</u>
FUND EQUITY AT END OF YEAR	<u><u>\$393,636</u></u>	<u><u>\$245,320</u></u>

CITY OF SHAKER HEIGHTS, OHIO
 TREE MAINTENANCE ASSESSMENT SPECIAL REVENUE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Revenues:						
Special Assesments	\$784,000	\$779,461	(\$4,539)	\$784,000	\$764,827	(\$19,173)
Other Revenues	6,500	11,452	4,952	0	4,957	4,957
Other Financing Sources:						
Operating Transfers In	35,000	35,000	0	35,000	35,000	0
Total Revenues and Other Financing Sources	\$825,500	\$825,913	\$413	\$819,000	\$804,784	(\$14,216)
Expenditures and Other Financing Uses						
Current:						
Community Environment	\$723,800	\$620,502	\$103,298	\$697,100	\$605,185	\$91,915
Capital Outlay	60,000	102,630	(42,630)	60,000	110,642	(50,642)
Total Expenditures and Other Financing Uses	\$783,800	\$723,132	\$60,668	\$757,100	\$715,827	\$41,273
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$41,700	\$102,781	\$61,081	\$61,900	\$88,957	\$27,057
Cash Fund Balance - January 1	270,841	270,841	0	373,379	373,379	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(5,800)	(5,800)	0	(3,981)	(3,981)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(28,458)	(18,362)	10,096	(231,636)	(211,772)	19,864
Cash Fund Balance - December 31 Unreserved	<u>\$278,283</u>	<u>\$349,460</u>	<u>\$71,177</u>	<u>\$199,662</u>	<u>\$246,583</u>	<u>\$46,921</u>
Reserved for Encumbrances - All Budget Years		68,925			24,258	
Total Cash Fund Balance - December 31		<u><u>\$418,385</u></u>			<u><u>\$270,841</u></u>	

City of Shaker Heights

DEBT SERVICE FUND GROUP

Combining Financial Statements

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

**Debt Service
Administration**

To account for the accumulation of resources for, and the payment of all General Long Term Debt Principal and Interest except for Urban Renewal Debt.

**Urban Renewal Bond
Retirement**

To account for the accumulation of resources for, and the payment of, Urban Renewal Debt issued pursuant to Ohio Revised Code Section 725 to finance the Sussex Area Revitalization Project and the Shaker Towne Centre Community Development District Revitalization Project.

**CITY OF SHAKER HEIGHTS, OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	DEBT SERVICE ADMINISTRATION	URBAN RENEWAL BOND RETIREMENT	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$320,463	\$49,591	\$370,054	\$324,012
Cash With Fiscal Agent	26,591	0	26,591	26,591
Due From Other Funds	4,220	0	4,220	1,947
TOTAL ASSETS	<u><u>\$351,274</u></u>	<u><u>\$49,591</u></u>	<u><u>\$400,865</u></u>	<u><u>\$352,550</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Due To Other Funds	\$249	\$49,591	\$49,840	\$7,084
Matured Bonds and Interest	26,591	0	26,591	26,591
Total Liabilities	<u>26,840</u>	<u>49,591</u>	<u>76,431</u>	<u>33,675</u>
Fund Balance:				
Reserved for Debt Service	324,434	0	324,434	318,875
Total Fund Balance	<u>324,434</u>	<u>0</u>	<u>324,434</u>	<u>318,875</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$351,274</u></u>	<u><u>\$49,591</u></u>	<u><u>\$400,865</u></u>	<u><u>\$352,550</u></u>

**CITY OF SHAKER HEIGHTS, OHIO
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	DEBT SERVICE ADMINISTRATION	URBAN RENEWAL BOND RETIREMENT	TOTALS	
			2002	2001
REVENUES:				
Interest Earnings	\$6,921	\$0	\$6,921	\$14,816
All Other Revenue	0	0	0	0
TOTAL REVENUES	6,921	0	6,921	14,816
EXPENDITURES:				
Current:				
General Government	1,362	0	1,362	2,020
Debt Service:				
Principal	40,375	0	40,375	40,375
Interest and Fiscal Charges	0	0	0	0
TOTAL EXPENDITURES	41,737	0	41,737	42,395
Excess of Revenues Over (Under) Expenditures	(34,816)	0	(34,816)	(27,579)
OTHER FINANCING SOURCES (USES):				
Operating Transfers - In	40,375	0	40,375	40,400
TOTAL OTHER FINANCING SOURCES (USES)	40,375	0	40,375	40,400
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	5,559	0	5,559	12,821
FUND EQUITY AT BEGINNING OF YEAR	318,875	0	318,875	306,054
FUND EQUITY AT END OF YEAR	\$324,434	\$0	\$324,434	\$318,875

CITY OF SHAKER HEIGHTS, OHIO
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Debt Service Administration			Urban Renewal Bond Retirement			2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources												
Revenues:												
Interest Earnings	\$12,000	\$6,921	(\$5,079)	\$0	\$0	\$0	\$12,000	\$6,921	(\$5,079)	\$15,000	\$14,816	(\$184)
Other Revenues	200,800	200,801	1	0	0	0	200,800	200,801	1	216,100	236,077	19,977
Other Financing Sources:												
Operating Transfers In	444,600	444,120	(480)	476,300	462,300	(14,000)	920,900	906,420	(14,480)	338,000	338,000	0
Sale of Notes	3,920,000	4,040,000	120,000	2,725,000	2,725,000	0	6,645,000	6,765,000	120,000	3,600,000	3,600,000	0
Note Premiums	0	4,500	4,500	73,600	73,623	23	73,600	78,123	4,523	0	15,900	15,900
Total Revenues and Other Financing Sources	\$4,577,400	\$4,696,342	\$118,942	\$3,274,900	\$3,260,923	(\$13,977)	\$7,852,300	\$7,957,265	\$104,965	\$4,169,100	\$4,204,793	\$35,693
Expenditures and Other Financing Uses												
Current:												
General Government	\$50,000	\$9,833	\$40,167	\$22,000	\$26,032	(\$4,032)	\$72,000	\$35,865	\$36,135	\$50,045	\$11,163	\$38,882
Other Financing Uses:												
Payment of Debt	4,690,100	4,690,058	42	3,185,300	3,185,300	0	7,875,400	7,875,358	42	4,172,255	4,172,125	130
Total Expenditures and Other Financing Uses	\$4,740,100	\$4,699,891	\$40,209	\$3,207,300	\$3,211,332	(\$4,032)	\$7,947,400	\$7,911,223	\$36,177	\$4,222,300	\$4,183,288	\$39,012
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$162,700)	(\$3,549)	\$159,151	\$67,600	\$49,591	(\$18,009)	(\$95,100)	\$46,042	\$141,142	(\$53,200)	\$21,505	\$74,705
Cash Fund Balance - January 1	324,012	324,012	0	0	0	0	324,012	324,012	0	302,507	302,507	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0	0	0	0	0	0	0
Cash Fund Balance - December 31 Unreserved	<u>\$161,312</u>	<u>\$320,463</u>	<u>\$159,151</u>	<u>\$67,600</u>	<u>\$49,591</u>	<u>(\$18,009)</u>	<u>\$228,912</u>	<u>\$370,054</u>	<u>\$141,142</u>	<u>\$249,307</u>	<u>\$324,012</u>	<u>\$74,705</u>
Reserved for Encumbrances - All Budget Years		0			0			0			0	
Total Cash Fund Balance - December 31		<u>\$320,463</u>			<u>\$49,591</u>			<u>\$370,054</u>			<u>\$324,012</u>	

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City of Shaker Heights

Debt Service Administration



Comparative Financial Statements

To account for the accumulation of resources for, and the payment of, all General-Long-Term-Debt Principal and Interest except for the Urban Renewal Debt.

**CITY OF SHAKER HEIGHTS, OHIO
DEBT SERVICE ADMINISTRATION DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$320,463	\$324,012
Cash With Fiscal Agent	26,591	26,591
Due From Other Funds	<u>4,220</u>	<u>1,947</u>
TOTAL ASSETS	<u><u>\$351,274</u></u>	<u><u>\$352,550</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due To Other Funds	\$249	\$7,084
Matured Bonds and Interest	<u>26,591</u>	<u>26,591</u>
Total Liabilities	<u>26,840</u>	<u>33,675</u>
Fund Balance:		
Reserved for Debt Service	<u>324,434</u>	<u>318,875</u>
Total Fund Balance	<u>324,434</u>	<u>318,875</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$351,274</u></u>	<u><u>\$352,550</u></u>

**CITY OF SHAKER HEIGHTS, OHIO
DEBT SERVICE ADMINISTRATION DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Interest Earnings	\$6,921	\$14,816
All Other Revenue	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>6,921</u>	<u>14,816</u>
EXPENDITURES:		
Current:		
General Government	1,362	2,020
Debt Service:		
Principal	40,375	40,375
Interest and Fiscal Charges	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>41,737</u>	<u>42,395</u>
Excess of Revenues Over (Under) Expenditures	<u>(34,816)</u>	<u>(27,579)</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	<u>40,375</u>	<u>40,400</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>40,375</u>	<u>40,400</u>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	5,559	12,821
FUND EQUITY AT BEGINNING OF YEAR	<u>318,875</u>	<u>306,054</u>
FUND EQUITY AT END OF YEAR	<u><u>\$324,434</u></u>	<u><u>\$318,875</u></u>

CITY OF SHAKER HEIGHTS, OHIO
DEBT SERVICE ADMINISTRATION DEBT SERVICE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
<u>Revenues:</u>						
Interest Earnings	\$12,000	\$6,921	(\$5,079)	\$15,000	\$14,816	(\$184)
Other Revenues	200,800	200,801	1	216,100	236,077	19,977
<u>Other Financing Sources:</u>						
Operating Transfers In	444,600	444,120	(480)	338,000	338,000	0
Sale of Notes	3,920,000	4,040,000	120,000	3,600,000	3,600,000	0
Note Premium	0	4,500	4,500	0	15,900	15,900
Total Revenues and Other Financing Sources	\$4,577,400	\$4,696,342	\$118,942	\$4,169,100	\$4,204,793	\$35,693
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
General Government	\$50,000	\$9,833	\$40,167	\$50,045	\$11,163	\$38,882
<u>Other Financing Uses:</u>						
Payment of Debt	4,690,100	4,690,058	42	4,172,255	4,172,125	130
Total Expenditures and Other Financing Uses	\$4,740,100	\$4,699,891	\$40,209	\$4,222,300	\$4,183,288	\$39,012
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$162,700)	(\$3,549)	\$159,151	(\$53,200)	\$21,505	\$74,705
Cash Fund Balance - January 1	324,012	324,012	0	302,507	302,507	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0
Cash Fund Balance - December 31 Unreserved	\$161,312	\$320,463	\$159,151	\$249,307	\$324,012	\$74,705
Reserved for Encumbrances - All Budget Years		0			0	
Total Cash Fund Balance - December 31		\$320,463			\$324,012	

City of Shaker Heights

***Urban Renewal Bond
Retirement***



Comparative Financial Statements

To account for the accumulation of resources for, and the payment of, Urban Renewal Debt issued pursuant to Ohio Revised Code Section 725 to finance the Sussex Area Revitalization Project and the Shaker Towne Centre Community Development District Revitalization Project.

**CITY OF SHAKER HEIGHTS, OHIO
 URBAN RENEWAL BOND RETIREMENT DEBT SERVICE FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$49,591	\$0
Cash With Fiscal Agent	0	0
Due From Other Funds	0	0
TOTAL ASSETS	<u>\$49,591</u>	<u>\$0</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due To Other Funds	\$49,591	\$0
Matured Bonds and Interest	0	0
Total Liabilities	<u>49,591</u>	<u>0</u>
Fund Balance:		
Reserved for Debt Service	0	0
Total Fund Balance	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$49,591</u>	<u>\$0</u>

**CITY OF SHAKER HEIGHTS, OHIO
 URBAN RENEWAL BOND RETIREMENT DEBT SERVICE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	2002	2001
REVENUES:		
Interest Earnings	\$0	\$0
All Other Revenue	0	0
TOTAL REVENUES	0	0
EXPENDITURES:		
Current:		
General Government	0	0
Debt Service:		
Principal	0	0
Interest and Fiscal Charges	0	0
TOTAL EXPENDITURES	0	0
Excess of Revenues Over (Under) Expenditures	0	0
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	0	0
FUND EQUITY AT BEGINNING OF YEAR	0	0
FUND EQUITY AT END OF YEAR	\$0	\$0

CITY OF SHAKER HEIGHTS, OHIO
 URBAN RENEWAL BOND RETIREMENT DEBT SERVICE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
<u>Revenues:</u>						
Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	0	0	0	0	0	0
<u>Other Financing Sources:</u>						
Operating Transfers In	476,300	462,300	(14,000)	0	0	0
Sale of Notes	2,725,000	2,725,000	0	0	0	0
Note Premium	73,600	73,623	23	0	0	0
Total Revenues and Other Financing Sources	\$3,274,900	\$3,260,923	(\$13,977)	\$0	\$0	\$0
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
General Government	\$22,000	\$26,032	(\$4,032)	\$0	\$0	\$0
<u>Other Financing Uses:</u>						
Payment of Debt	3,185,300	3,185,300	0	0	0	0
Total Expenditures and Other Financing Uses	\$3,207,300	\$3,211,332	(\$4,032)	\$0	\$0	\$0
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$67,600	\$49,591	(\$18,009)	\$0	\$0	\$0
Cash Fund Balance - January 1	0	0	0	0	0	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	0	0	0
Cash Fund Balance - December 31	\$67,600	\$49,591	(\$18,009)	\$0	\$0	\$0
Unreserved						
Reserved for Encumbrances - All Budget Years		0			0	
Total Cash Fund Balance - December 31		\$49,591			\$0	

City of Shaker Heights

CAPITAL PROJECTS FUND GROUP

Combining Financial Statements

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

General Capital Improvements	To account for Estate Tax monies designated by City Council to be used to fund major capital improvement projects and the acquisition of major capital equipment.
Sewer Capital Improvements	To account for the construction and the reconstruction of storm and sanitary sewers within the City. The projects are generally financed partially by operating transfers from the Sewer Maintenance Special Revenue Fund.
Firehouse Construction Project	To account for the construction of the new Firehouse being built on Chagrin Boulevard
Sussex Area Revitalization District	To account for public improvements and property acquisitions that are part of the Sussex Area Revitalization Plan adopted by Council on June 11, 2001.
Shaker Towne Centre Community Development Area	To account for the streetscape and public infrastructure improvements associated with the of Shaker Towne Centre Community Development Plan adopted by Council on April 29, 1988 and the development agreement between the City and Heartpoint
Chagrin Blvd. West Revitalization District	To account from monies designated by City Council to fund the creation of an Urban Renewal Revitalization District encompassing the Chagrin Boulevard commercial district west of Lee Road and a redevelopment plan for the district to be financed by tax increment financing.
Water System Improvements	To account for the reconstruction of twelve waterlines at various locations in the City. The project is financed by the proceeds of two, twenty-year, interest free loans totaling \$4.095 million supplemented by a \$148,800 transfer from the City's General Capital Fund.

CITY OF SHAKER HEIGHTS, OHIO
 CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

ASSETS	CAPITAL IMPROVEMENT:		FIREHOUSE CONSTRUC- TION PROJEC	SUSSEX AREA REVITALI- ZATION DISTRICT	STC COMMUNITY DEVEL- OPMENT AREA	CHAGRIN BLVD. WEST REVITALI- ZATION DISTRICT	WATER SYSTEM IMPROVE- MENTS	TOTALS	
	GENERAL	SEWER						2002	2001
Equity In City Treasury Cash Receivables (Net of Allowance For Uncollectibles)	\$8,117,055	\$0	\$4,267,351	\$1,435,907	\$1,912,542	\$12,000	\$113,322	\$15,858,177	\$11,467,222
Leases	1,789,950	0	0	0	0	0	0	1,789,950	1,967,935
Due From Other Funds	559,019	0	24,550	0	25,041	0	0	608,610	142,182
Due From Other Governments	1,220,131	0	0	0	0	0	0	1,220,131	1,234,069
Restricted Assets:									
Cash and Cash Equivalents	114,052	0	0	0	0	0	0	114,052	114,166
TOTAL ASSETS	\$11,800,207	\$0	\$4,291,901	\$1,435,907	\$1,937,583	\$12,000	\$113,322	\$19,590,920	\$14,925,574
LIABILITIES AND FUND BALANCE									
Liabilities:									
Vouchers and Accounts Payable	\$76,994	\$0	\$122,277	\$37,827	\$448,421	\$0	\$50,806	\$736,325	\$366,523
Accrued Wages And Benefits	0	0	0	0	20	0	0	20	212
Due To Other Funds	0	0	2,355	50,000	255,200	12,000	190,000	509,555	78,947
Deferred Revenue	2,156,631	0	0	0	0	0	0	2,156,631	2,395,978
Notes Payable	3,295,000	0	5,000,000	2,725,000	5,100,000	0	0	16,120,000	5,750,000
Notes Premium Payable	4,500	0	34,350	4,236	35,037	0	0	78,123	8,556
Total Liabilities	5,533,125	0	5,158,982	2,817,063	5,838,678	12,000	240,806	19,600,654	8,600,216
Fund Balance:									
Reserved For Encumbrances	1,029,741	0	3,288,932	45,628	140,747	0	52,516	4,557,564	1,314,614
Reserved For Appropriations	1,300,912	0	779,903	1,791,396	1,262,517	0	0	5,134,728	3,352,186
Unreserved (Deficit)	3,936,429	0	(4,935,916)	(3,218,180)	(5,304,359)	0	(180,000)	(9,702,026)	1,658,558
Total Fund Balance (Deficit)	6,267,082	0	(867,081)	(1,381,156)	(3,901,095)	0	(127,484)	(9,734)	6,325,358
TOTAL LIABILITIES AND FUND BALANCE	\$11,800,207	\$0	\$4,291,901	\$1,435,907	\$1,937,583	\$12,000	\$113,322	\$19,590,920	\$14,925,574

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CITY OF SHAKER HEIGHTS, OHIO
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	CAPITAL IMPROVEMENTS		FIREHOUSE CONSTRUC- TION PROJECT	SUSSEX AREA REVITALI- ZATION DISTRICT	STC COMMUNITY DEVEL- OPMENT AREA	CHAGRIN BLVD. WEST REVITALI- ZATION DISTRICT	WATER SYSTEM IMPROVE- MENTS	TOTALS	
	GENERAL	SEWER						2002	2001
REVENUES:									
State Levied Shared Taxes	\$2,187,477	\$0	\$0	\$0	\$0	\$0	\$0	\$2,187,477	\$3,506,591
Intergovernmental Grants and Contracts	81,823	0	0	0	0	0	0	81,823	54,000
Interest Earnings	0	0	75,581	54,783	44,616	0	0	174,980	16,542
All Other Revenue	332,435	0	0	375,000	89,269	0	0	796,704	467,619
TOTAL REVENUES	2,601,735	0	75,581	429,783	133,885	0	0	3,240,984	4,044,752
EXPENDITURES:									
Current:									
Security of Persons and Property	54,930	0	2,200	0	0	0	0	57,130	24,610
Leisure Time Activities	0	0	0	0	0	0	0	0	0
Community Environment	18,576	0	0	375	22,299	0	0	41,250	36,522
Basic Utility Services	0	0	0	2,255	0	0	50,806	53,061	212
Transportation	0	0	0	23,926	3,267	0	0	27,193	3,274
General Government	4,137	0	12,155	6,236	10,007	0	0	32,535	82,443
Capital Outlay	3,828,100	0	352,577	630,358	4,108,493	0	86,678	9,006,206	4,072,281
Debt Service:									
Interest and Fiscal Charges	57,625	0	20,776	85,300	0	0	0	163,701	96,411
TOTAL EXPENDITURES	3,963,368	0	387,708	748,450	4,144,066	0	137,484	9,381,076	4,315,753
Excess) of Revenues Over (Under) Expenditures	(1,361,633)	0	(312,127)	(318,667)	(4,010,181)	0	(137,484)	(6,140,092)	(271,001)
OTHER FINANCING SOURCES (USES):									
Operating Transfers - In	295,179	0	23,637	0	109,000	0	10,000	437,816	2,172,851
Operating Transfers - Out	(342,637)	0	(290,179)	0	0	0	0	(632,816)	(407,649)
TOTAL OTHER FINANCING SOURCES (USES)	(47,458)	0	(266,542)	0	109,000	0	10,000	(195,000)	1,765,202
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	(1,409,091)	0	(578,669)	(318,667)	(3,901,181)	0	(127,484)	(6,335,092)	1,494,201
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	7,676,173	0	(288,412)	(1,062,489)	86	0	0	6,325,358	4,831,157
FUND EQUITY (DEFICIT) AT END OF YEAR	\$6,267,082	\$0	(\$867,081)	(\$1,381,156)	(\$3,901,095)	\$0	(\$127,484)	(\$9,734)	\$6,325,358

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City of Shaker Heights



City of Shaker Heights

General Capital Improvements



Comparative Financial Statements

To account for Estate Tax monies designated by City Council to be used to fund major capital improvement projects and the acquisition of major capital equipment

**CITY OF SHAKER HEIGHTS, OHIO
GENERAL CAPITAL IMPROVEMENTS CAPITAL PROJECT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$8,117,055	\$8,804,593
Receivables (Net of Allowance For Uncollectibles)		
Leases	1,789,950	1,967,935
Due From Other Funds	559,019	142,182
Due From Other Governments	1,220,131	1,234,069
Restricted Assets:		
Cash and Cash Equivalents	<u>114,052</u>	<u>114,166</u>
TOTAL ASSETS	<u>\$11,800,207</u>	<u>\$12,262,945</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$76,994	\$257,940
Accrued Wages And Benefits	0	212
Due To Other Funds	0	0
Deferred Revenue	2,156,631	2,395,978
Notes Payable	3,295,000	1,925,000
Notes Premium Payable	<u>4,500</u>	<u>7,642</u>
Total Liabilities	<u>5,533,125</u>	<u>4,586,772</u>
Fund Balance:		
Reserved For Encumbrances	1,029,741	626,708
Reserved For Appropriations	1,300,912	1,452,589
Unreserved	<u>3,936,429</u>	<u>5,596,876</u>
Total Fund Balance	<u>6,267,082</u>	<u>7,676,173</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$11,800,207</u>	<u>\$12,262,945</u>

**CITY OF SHAKER HEIGHTS, OHIO
GENERAL CAPITAL IMPROVEMENTS CAPITAL PROJECT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
State Levied Shared Taxes	\$2,187,477	\$3,506,591
Intergovernmental Grants and Contracts	81,823	54,000
Interest Earnings	0	0
All Other Revenue	<u>332,435</u>	<u>467,619</u>
TOTAL REVENUES	<u>2,601,735</u>	<u>4,028,210</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	54,930	0
Leisure Time Activities	0	0
Community Environment	18,576	36,522
Basic Utility Services	0	212
Transportation	0	0
General Government	4,137	79,582
Capital Outlay	3,828,100	2,982,237
Debt Service:		
Interest and Fiscal Charges	<u>57,625</u>	<u>96,411</u>
TOTAL EXPENDITURES	<u>3,963,368</u>	<u>3,194,964</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,361,633)</u>	<u>833,246</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	295,179	2,172,851
Operating Transfers - Out	<u>(342,637)</u>	<u>(67,200)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(47,458)</u>	<u>2,105,651</u>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	(1,409,091)	2,938,897
FUND EQUITY AT BEGINNING OF YEAR	<u>7,676,173</u>	<u>4,737,276</u>
FUND EQUITY AT END OF YEAR	<u><u>\$6,267,082</u></u>	<u><u>\$7,676,173</u></u>

City of Shaker Heights



City of Shaker Heights

Sewer Capital Improvements



Comparative Financial Statements

To account for the construction and the reconstruction of storm and sanitary sewers within the City. The projects are generally financed partially by operating transfers from the Sewer Maintenance Special Revenue Fund.

**CITY OF SHAKER HEIGHTS, OHIO
SEWER CAPITAL IMPROVEMENTS CAPITAL PROJECT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$0	\$0
Receivables (Net of Allowance For Uncollectibles)		
Leases	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Restricted Assets:		
Cash and Cash Equivalents	0	0
TOTAL ASSETS	<u>\$0</u>	<u>\$0</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	0	0
Due To Other Funds	0	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	0	0
Total Liabilities	<u>0</u>	<u>0</u>
Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Appropriations	0	0
Unreserved	0	0
Total Fund Balance	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$0</u>	<u>\$0</u>

**CITY OF SHAKER HEIGHTS, OHIO
SEWER CAPITAL IMPROVEMENTS CAPITAL PROJECT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
State Levied Shared Taxes	\$0	\$0
Intergovernmental Grants and Contracts	0	0
Interest Earnings	0	0
All Other Revenue	0	0
	<hr/>	<hr/>
TOTAL REVENUES	0	0
	<hr/>	<hr/>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Leisure Time Activities	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	0	0
Debt Service:		
Interest and Fiscal Charges	0	0
	<hr/>	<hr/>
TOTAL EXPENDITURES	0	0
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	0	0
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	0	0
Operating Transfers - Out	0	(93,881)
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	0	(93,881)
	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	0	(93,881)
	<hr/>	<hr/>
FUND EQUITY AT BEGINNING OF YEAR	0	93,881
	<hr/>	<hr/>
FUND EQUITY AT END OF YEAR	\$0	\$0
	<hr/> <hr/>	<hr/> <hr/>

City of Shaker Heights



City of Shaker Heights

***Firehouse Construction
Project***



Comparative Financial Statements

**To account for the construction of the new
Firehouse to be built on Chagrin Boulevard.**

**CITY OF SHAKER HEIGHTS, OHIO
 FIREHOUSE CONSTRUCTION CAPITAL PROJECT FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$4,267,351	\$464,059
Receivables (Net of Allowance For Uncollectibles)		
Leases	0	0
Due From Other Funds	24,550	0
Due From Other Governments	0	0
Restricted Assets:		
Cash and Cash Equivalents	0	0
TOTAL ASSETS	<u>\$4,291,901</u>	<u>\$464,059</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$122,277	\$24,610
Accrued Wages And Benefits	0	0
Due To Other Funds	2,355	1,947
Deferred Revenue	0	0
Notes Payable	5,000,000	725,000
Notes Premium Payable	34,350	914
Total Liabilities	<u>5,158,982</u>	<u>752,471</u>
Fund Balance:		
Reserved For Encumbrances	3,288,932	333,238
Reserved For Appropriations	779,903	96,627
Unreserved (Deficit)	<u>(4,935,916)</u>	<u>(718,277)</u>
Total Fund Balance (Deficit)	<u>(867,081)</u>	<u>(288,412)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$4,291,901</u>	<u>\$464,059</u>

**CITY OF SHAKER HEIGHTS, OHIO
 FIREHOUSE CONSTRUCTION CAPITAL PROJECT FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
State Levied Shared Taxes	\$0	\$0
Intergovernmental Grants and Contracts	0	0
Interest Earnings	75,581	9,584
All Other Revenue	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>75,581</u>	<u>9,584</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	2,200	24,610
Leisure Time Activities	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	12,155	2,861
Capital Outlay	352,577	23,957
Debt Service:		
Interest and Fiscal Charges	<u>20,776</u>	<u>0</u>
TOTAL EXPENDITURES	<u>387,708</u>	<u>51,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(312,127)</u>	<u>(41,844)</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	23,637	0
Operating Transfers - Out	<u>(290,179)</u>	<u>(246,568)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(266,542)</u>	<u>(246,568)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	(578,669)	(288,412)
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	<u>(288,412)</u>	<u>0</u>
FUND EQUITY (DEFICIT) AT END OF YEAR	<u><u>(\$867,081)</u></u>	<u><u>(\$288,412)</u></u>

City of Shaker Heights



City of Shaker Heights

***Sussex Area
Revitalization District***



Comparative Financial Statements

To account for public improvements and property acquisitions that are part of the Sussex Area Revitalization Plan adopted by Council on June 11, 2001.

**CITY OF SHAKER HEIGHTS, OHIO
 SUSSEX AREA REVITALIZATION DISTRICT CAPITAL PROJECT FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$1,435,907	\$2,171,484
Receivables (Net of Allowance For Uncollectibles)		
Leases	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Restricted Assets:		
Cash and Cash Equivalents	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$1,435,907</u></u>	<u><u>\$2,171,484</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$37,827	\$83,973
Accrued Wages And Benefits	0	0
Due To Other Funds	50,000	50,000
Deferred Revenue	0	0
Notes Payable	2,725,000	3,100,000
Notes Premium Payable	<u>4,236</u>	<u>0</u>
Total Liabilities	<u><u>2,817,063</u></u>	<u><u>3,233,973</u></u>
Fund Balance:		
Reserved For Encumbrances	45,628	338,868
Reserved For Appropriations	1,791,396	1,791,770
Unreserved (Deficit)	<u>(3,218,180)</u>	<u>(3,193,127)</u>
Total Fund Balance (Deficit)	<u><u>(1,381,156)</u></u>	<u><u>(1,062,489)</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$1,435,907</u></u>	<u><u>\$2,171,484</u></u>

**CITY OF SHAKER HEIGHTS, OHIO
SUSSEX AREA REVITALIZATION DISTRICT CAPITAL PROJECT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
State Levied Shared Taxes	\$0	\$0
Intergovernmental Grants and Contracts	0	0
Interest Earnings	54,783	6,872
All Other Revenue	<u>375,000</u>	<u>0</u>
TOTAL REVENUES	<u>429,783</u>	<u>6,872</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Leisure Time Activities	0	0
Community Environment	375	0
Basic Utility Services	2,255	0
Transportation	23,926	3,274
General Government	6,236	0
Capital Outlay	630,358	1,066,087
Debt Service:		
Interest and Fiscal Charges	<u>85,300</u>	<u>0</u>
TOTAL EXPENDITURES	<u>748,450</u>	<u>1,069,361</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(318,667)</u>	<u>(1,062,489)</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	0	0
Operating Transfers - Out	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	(318,667)	(1,062,489)
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	<u>(1,062,489)</u>	<u>0</u>
FUND EQUITY (DEFICIT) AT END OF YEAR	<u><u>(\$1,381,156)</u></u>	<u><u>(\$1,062,489)</u></u>

City of Shaker Heights



City of Shaker Heights
Shaker Towne Centre
Community Development
Area



Comparative Financial Statements

To account for the streetscape and public infrastructure improvements associated with the redevelopment of Shaker Towne Centre

**CITY OF SHAKER HEIGHTS, OHIO
SHAKER TOWNE CENTRE COMMUNITY DEVELOPMENT AREA
CAPITAL PROJECT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$1,912,542	\$27,086
Receivables (Net of Allowance For Uncollectibles)		
Leases	0	0
Due From Other Funds	25,041	0
Due From Other Governments	0	0
Restricted Assets:		
Cash and Cash Equivalents	0	0
TOTAL ASSETS	<u>\$1,937,583</u>	<u>\$27,086</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$448,421	\$0
Accrued Wages And Benefits	20	0
Due To Other Funds	255,200	27,000
Deferred Revenue	0	0
Notes Payable	5,100,000	0
Notes Premium Payable	35,037	0
Total Liabilities	<u>5,838,678</u>	<u>27,000</u>
Fund Balance:		
Reserved For Encumbrances	140,747	15,800
Reserved For Appropriations	1,262,517	11,200
Unreserved (Deficit)	<u>(5,304,359)</u>	<u>(26,914)</u>
Total Fund Balance (Deficit)	<u>(3,901,095)</u>	<u>86</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,937,583</u>	<u>\$27,086</u>

**CITY OF SHAKER HEIGHTS, OHIO
SHAKER TOWNE CENTRE COMMUNITY DEVELOPMENT AREA CAPITAL PROJECT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
State Levied Shared Taxes	\$0	\$0
Intergovernmental Grants and Contracts	0	0
Interest Earnings	44,616	86
All Other Revenue	<u>89,269</u>	<u>0</u>
TOTAL REVENUES	<u>133,885</u>	<u>86</u>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Leisure Time Activities	0	0
Community Environment	22,299	0
Basic Utility Services	0	0
Transportation	3,267	0
General Government	10,007	0
Capital Outlay	4,108,493	0
Debt Service:		
Interest and Fiscal Charges	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>4,144,066</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,010,181)</u>	<u>86</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	109,000	0
Operating Transfers - Out	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>109,000</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	<u>(3,901,181)</u>	<u>86</u>
FUND EQUITY AT BEGINNING OF YEAR	<u>86</u>	<u>0</u>
FUND EQUITY (DEFICIT) AT END OF YEAR	<u><u>(\$3,901,095)</u></u>	<u><u>\$86</u></u>

City of Shaker Heights



City of Shaker Heights

Chagrin Blvd. West Revitalization District



Comparative Financial Statements

To account for monies designated by City Council to fund the creation of an Urban Renewal Revitalization District encompassing the Chagrin Boulevard commercial district west of Lee Road and a redevelopment plan for the district to be financed by tax increment financing.

CITY OF SHAKER HEIGHTS, OHIO
CHAGRIN BLVD. WEST REVITALIZATION DISTRICT
CAPITAL PROJECT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$12,000	\$0
Receivables (Net of Allowance For Uncollectibles)		
Leases	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Restricted Assets:		
Cash and Cash Equivalents	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$12,000</u></u>	<u><u>\$0</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	0	0
Due To Other Funds	12,000	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>12,000</u>	<u>0</u>
Fund Balance:		
Reserved For Encumbrances	0	0
Reserved For Appropriations	0	0
Unreserved	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$12,000</u></u>	<u><u>\$0</u></u>

**CITY OF SHAKER HEIGHTS, OHIO
 CHAGRIN BLVD. WEST REVITALIZATION DISTRICT CAPITAL PROJECT FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
State Levied Shared Taxes	\$0	\$0
Intergovernmental Grants and Contracts	0	0
Interest Earnings	0	0
All Other Revenue	0	0
	<hr/>	<hr/>
TOTAL REVENUES	0	0
	<hr/>	<hr/>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Leisure Time Activities	0	0
Community Environment	0	0
Basic Utility Services	0	0
Transportation	0	0
General Government	0	0
Capital Outlay	0	0
Debt Service:		
Interest and Fiscal Charges	0	0
	<hr/>	<hr/>
TOTAL EXPENDITURES	0	0
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	0	0
	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	0	0
	<hr/>	<hr/>
FUND EQUITY AT BEGINNING OF YEAR	0	0
	<hr/>	<hr/>
FUND EQUITY AT END OF YEAR	\$0	\$0
	<hr/> <hr/>	<hr/> <hr/>

City of Shaker Heights



City of Shaker Heights

Water System Improvements



Comparative Financial Statements

To account for the reconstruction of twelve waterlines at various locations in the City. The project is financed by the proceeds of two, twenty-year, interest free loans totaling \$4.095 million supplemented by a \$148,800 transfer from the City's General Capital Fund.

**CITY OF SHAKER HEIGHTS, OHIO
 WATER SYSTEM IMPROVEMENTS
 CAPITAL PROJECT FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$113,322	\$0
Receivables (Net of Allowance For Uncollectibles)		
Leases	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Restricted Assets:		
Cash and Cash Equivalents	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$113,322</u>	<u>\$0</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Vouchers and Accounts Payable	\$50,806	\$0
Accrued Wages And Benefits	0	0
Due To Other Funds	190,000	0
Deferred Revenue	0	0
Notes Payable	0	0
Notes Premium Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>240,806</u>	<u>0</u>
Fund Balance:		
Reserved For Encumbrances	52,516	0
Reserved For Appropriations	0	0
Unreserved (Deficit)	<u>(180,000)</u>	<u>0</u>
Total Fund Balance (Deficit)	<u>(127,484)</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$113,322</u>	<u>\$0</u>

**CITY OF SHAKER HEIGHTS, OHIO
WATER SYSTEM IMPROVEMENTS CAPITAL PROJECT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
State Levied Shared Taxes	\$0	\$0
Intergovernmental Grants and Contracts	0	0
Interest Earnings	0	0
All Other Revenue	0	0
	<hr/>	<hr/>
TOTAL REVENUES	0	0
	<hr/>	<hr/>
EXPENDITURES:		
Current:		
Security of Persons and Property	0	0
Leisure Time Activities	0	0
Community Environment	0	0
Basic Utility Services	50,806	0
Transportation	0	0
General Government	0	0
Capital Outlay	86,678	0
Debt Service:		
Interest and Fiscal Charges	0	0
	<hr/>	<hr/>
TOTAL EXPENDITURES	137,484	0
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,484)	0
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	10,000	0
Operating Transfers - Out	0	0
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	10,000	0
	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	(127,484)	0
	<hr/>	<hr/>
FUND EQUITY AT BEGINNING OF YEAR	0	0
	<hr/>	<hr/>
FUND EQUITY (DEFICIT) AT END OF YEAR	(\$127,484)	\$0
	<hr/> <hr/>	<hr/> <hr/>

City of Shaker Heights



City of Shaker Heights

Recreation Enterprise Fund



Comparative Financial Statements

To account for funds received from recreation program fees, charges and passes and for the cost of furnishing recreation services to the residents. Recreation activities accounted for include ice skating, swimming and general recreation programs. Any excess of operating transfer from the General Fund (Note: This is the only fund in this group).

**CITY OF SHAKER HEIGHTS, OHIO
RECREATION ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$129,911	\$128,717
Receivables (Net of Allowance For Uncollectibles)		
Accounts	0	0
Due From Other Funds	106,800	50,000
Prepaid Items	0	0
Fixed Assets (Net of Accumulated Depreciation)	<u>937,933</u>	<u>960,811</u>
TOTAL ASSETS	<u>\$1,174,644</u>	<u>\$1,139,528</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Vouchers and Accounts Payable	\$27,893	\$24,487
Accrued Wages And Benefits	130,377	103,701
Compensated Absences	198,731	189,800
Due To Other Funds	<u>10,000</u>	<u>20,000</u>
Total Liabilities	<u>367,001</u>	<u>337,988</u>
Fund Equity:		
Contributed Capital		
Contributed From Governments	689,067	769,859
Retained Earnings		
Unreserved	<u>118,576</u>	<u>31,681</u>
Total Fund Equity	<u>807,643</u>	<u>801,540</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,174,644</u>	<u>\$1,139,528</u>

**THE CITY OF SHAKER HEIGHTS, OHIO
RECREATION ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
Charges For Services	\$2,305,610	\$2,295,130
Other Income	1,456	344
	<u>2,307,066</u>	<u>2,295,474</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Personal Services	2,329,931	2,360,785
Travel and Education	10,382	10,822
Contractual Services	745,450	824,738
Materials and Supplies	218,003	251,785
Depreciation	105,298	102,780
	<u>3,409,064</u>	<u>3,550,910</u>
TOTAL OPERATING EXPENSES		
NET LOSS BEFORE CONTRIBUTED CAPITAL AND OPERATING TRANSFERS	(1,101,998)	(1,255,436)
Contributed Capital	86,901	18,890
Operating Transfers - In	1,021,200	1,150,000
Operating Transfers - Out	0	(9,500)
	<u>6,103</u>	<u>(96,046)</u>
NET INCOME (LOSS)		
Add Depreciation On Fixed Assets Acquired By Contribution	80,792	73,554
	<u>86,895</u>	<u>(22,492)</u>
INCREASE (DECREASE) IN RETAINED EARNINGS		
RETAINED EARNINGS AT BEGINNING OF YEAR	31,681	54,173
	<u>\$118,576</u>	<u>\$31,681</u>
RETAINED EARNINGS AT END OF YEAR		

**THE CITY OF SHAKER HEIGHTS, OHIO
RECREATION ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
Charges For Services	\$2,305,610	\$2,295,130
Other Income	1,456	344
	<u>2,307,066</u>	<u>2,295,474</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Personal Services	2,329,931	2,360,785
Travel and Education	10,382	10,822
Contractual Services	745,450	824,738
Materials and Supplies	218,003	251,785
Depreciation	105,298	102,780
	<u>3,409,064</u>	<u>3,550,910</u>
TOTAL OPERATING EXPENSES		
NET LOSS BEFORE CONTRIBUTED CAPITAL AND OPERATING TRANSFERS	(1,101,998)	(1,255,436)
Contributed Capital	86,901	18,890
Operating Transfers - In	1,021,200	1,150,000
Operating Transfers - Out	0	(9,500)
	<u>6,103</u>	<u>(96,046)</u>
NET INCOME (LOSS)		
Add Depreciation On Fixed Assets Acquired By Contribution	80,792	73,554
	<u>86,895</u>	<u>(22,492)</u>
INCREASE (DECREASE) IN RETAINED EARNINGS		
RETAINED EARNINGS AT BEGINNING OF YEAR	31,681	54,173
RETAINED EARNINGS AT END OF YEAR	<u>\$118,576</u>	<u>\$31,681</u>

CITY OF SHAKER HEIGHTS, OHIO
RECREATION ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Operating Revenue:</u>						
Charges for Services	\$2,837,800	\$2,248,810	(\$588,990)	\$2,536,500	\$2,245,130	(\$291,370)
Other Revenues	0	1,456	1,456	0	344	344
<u>Other Financing Sources:</u>						
Operating Transfers In	1,034,200	1,021,200	(13,000)	1,150,000	1,150,000	0
Total Revenues and Other Financing Sources	\$3,872,000	\$3,271,466	(\$600,534)	\$3,686,500	\$3,395,474	(\$291,026)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Personal Services	\$2,288,600	\$2,294,766	(\$6,166)	\$2,353,300	\$2,349,757	\$3,543
Travel and Education	12,900	10,382	2,518	17,600	10,822	6,778
Contractual Services	872,400	718,062	154,338	876,700	812,250	64,450
Materials and Supplies	269,100	245,860	23,240	293,000	264,575	28,425
Additions and Improvements	19,000	19,312	(312)	22,300	30,142	(7,842)
<u>Other Financing Uses:</u>						
Operating Transfers Out	0	0	0	22,000	9,500	12,500
Advances Out	10,000	10,000	0	0	10,000	(10,000)
Debt Service	0	0	0	0	0	0
Total Operating Expenditures and Other Financing Uses	\$3,472,000	\$3,298,382	\$173,618	\$3,584,900	\$3,487,046	\$97,854
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$400,000	(\$26,916)	(\$426,916)	\$101,600	(\$91,572)	(\$193,172)
Cash Retained Earnings - January 1	128,717	128,717	0	187,105	187,105	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(106,312)	(78,743)	27,569	(126,525)	(73,128)	53,397
Cash Fund Balance - December 31	\$422,405	\$23,058	(\$399,347)	\$162,180	\$22,405	(\$139,775)
Unreserved						
Reserved for Encumbrances - All Budget Years		106,853			106,312	
Total Cash Fund Balance - December 31		\$129,911			\$128,717	

**CITY OF SHAKER HEIGHTS, OHIO
RECREATION ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING ACTIVITIES:		
Cash Received From Customers	\$2,248,810	\$2,245,130
Cash Payments to Suppliers	(980,429)	(1,099,757)
Cash Payments to Employees	(2,294,324)	(2,336,970)
Other Operating Receipts	1,456	344
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,024,487)</u>	<u>(1,191,253)</u>
NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers-In	1,021,200	1,150,000
Operating Transfers-Out	0	(9,500)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>1,021,200</u>	<u>1,140,500</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(86,901)	(26,927)
Contributed Capital	86,901	18,890
Loss on Sale of Fixed Assets	4,481	402
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>4,481</u>	<u>(7,635)</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	1,194	(58,388)
Cash/Cash Equivalents at Beginning of Year	128,717	187,105
Cash/Cash Equivalents at End of Year	<u>\$129,911</u>	<u>\$128,717</u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	(\$1,101,998)	(\$1,255,436)
Adjustments to Reconcile Operating Loss to Net Cash Used By Operating Activities:		
Depreciation Expense	105,298	102,780
(Increase) in Due From Other Funds	(56,800)	(50,000)
Decrease in Prepaid Items	0	3,354
(Decrease) in Vouchers and Accounts Payable	3,406	(5,766)
Increase in Accrued Wages and Benefits Payable	26,676	22,261
Increase (Decrease) in Compensated Absences Payable	8,931	1,554
(Decrease) in Due to Other Funds	(10,000)	(10,000)
Total Adjustments	<u>77,511</u>	<u>64,183</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(\$1,024,487)</u>	<u>(\$1,191,253)</u>

City of Shaker Heights



City of Shaker Heights

INTERNAL SERVICE FUND GROUP

Combining Financial Statements

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

- | | |
|-------------------------|--|
| Central Stores | To provide a central cost center to account for the purchasing of office supplies, road materials, sidewalk materials, fuel, fire hydrants and other miscellaneous supplies to be charged back to the individual City departments as the supplies are drawn. |
| Central Printing | To provide a centralized cost center to account for work performed for City departments by the City print shop. |
| Central Garage | To provide a central cost center to account for the cost of repairing and maintaining the City's fleet of vehicles and heavy equipment. Operating costs are charged back to City departments based upon the number of vehicles and equipment maintained and upon the department's actual utilization of the garage. |
| Central Services | To provide a central cost center for work for other governmental agencies, utilities, and individuals that is not considered to be a normal City function and is billable back to the responsible party. Included in this fund is the maintenance of the rapid transit tracks for the Regional Transit Authority, street openings and closings, public property damage repair, sidewalk repair and replacement and other miscellaneous activities. |
| Self-Insurance | To account for monies charged to the General and the Enterprise funds of the City by the Self-Insurance Reserve Fund. Since 1986 the City has directly assumed the risk of loss from general liability claims. The Self-Insurance Reserve was created by Council to provide for a loss reserve, for the administration of the self-insurance activity and to account for the worker's compensation claims. The Self-Insurance Reserve is not available to fund the general operations of the City. |

CITY OF SHAKER HEIGHTS, OHIO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

<u>ASSETS</u>	CENTRAL	CENTRAL	CENTRAL	CENTRAL	SELF	<u>TOTALS</u>	
	STORES	PRINTING	GARAGE	SERVICES	INSURANCE	2002	2001
Equity In City Treasury Cash	\$13,778	\$8,639	\$121,546	\$450,486	\$4,598,026	\$5,192,475	\$4,913,899
Receivables (Net of Allowance For Uncollectibles)							
Accounts	0	0	0	99,282	0	99,282	220,787
Special Assessments	0	0	0	79,748	0	79,748	128,976
Due From Other Funds	0	0	162,400	0	0	162,400	120,000
Inventory of Supplies	22,408	0	0	0	0	22,408	16,543
Prepaid Items	0	0	0	0	2,234	2,234	1,358
Fixed Assets (Net of Accumulated Depreciation)	0	3,261	72,241	1,587	0	77,089	85,142
TOTAL ASSETS	\$36,186	\$11,900	\$356,187	\$631,103	\$4,600,260	\$5,635,636	\$5,486,705
<u>LIABILITIES AND FUND EQUITY</u>							
Liabilities:							
Vouchers and Accounts Payable	\$1,388	\$0	\$30,660	\$30,880	\$3,601	\$66,529	\$52,722
Accrued Wages And Benefits	0	2,293	58,074	12,083	6,271	78,721	52,924
Compensated Absences	0	1,322	171,073	0	56,226	228,621	204,831
Self Insurance Claims Payable	0	0	0	0	1,229,900	1,229,900	1,202,400
Total Liabilities	1,388	3,615	259,807	42,963	1,295,998	1,603,771	1,512,877
Fund Equity:							
Contributed Capital							
Contributed From Governments	0	0	78,773	0	0	78,773	83,677
Retained Earnings							
Unreserved	34,798	8,285	17,607	588,140	3,304,262	3,953,092	3,890,151
Total Fund Equity	34,798	8,285	96,380	588,140	3,304,262	4,031,865	3,973,828
TOTAL LIABILITIES AND FUND EQUITY	\$36,186	\$11,900	\$356,187	\$631,103	\$4,600,260	\$5,635,636	\$5,486,705

THE CITY OF SHAKER HEIGHTS, OHIO
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001

	CENTRAL STORES	CENTRAL PRINTING	CENTRAL GARAGE	CENTRAL SERVICES	SELF- INSURANCE	TOTALS	
						2002	2001
OPERATING REVENUES:							
Charges For Services	\$191,474	\$117,858	\$1,039,195	\$407,538	\$374,200	\$2,130,265	\$2,268,516
Other Income	0	0	0	29,163	1,459	30,622	13,460
TOTAL OPERATING REVENUES	191,474	117,858	1,039,195	436,701	375,659	2,160,887	2,281,976
OPERATING EXPENSES:							
Personal Services	0	29,920	835,296	218,092	134,792	1,218,100	1,085,642
Travel and Education	0	1,819	0	0	722	2,541	1,920
Contractual Services	0	80,420	158,295	175,825	278,611	693,151	760,650
Materials and Supplies	176,801	1,849	38,645	71,460	818	289,573	368,021
Depreciation	0	543	6,926	584	0	8,053	8,053
TOTAL OPERATING EXPENSES	176,801	114,551	1,039,162	465,961	414,943	2,211,418	2,224,286
OPERATING INCOME (LOSS)	14,673	3,307	33	(29,260)	(39,284)	(50,531)	57,690
NON-OPERATING REVENUES							
Interest Earnings	0	0	0	0	143,913	143,913	195,573
TOTAL NON-OPERATING REVENUES	0	0	0	0	143,913	143,913	195,573
NET INCOME (LOSS)							
BEFORE OPERATING TRANSFERS	14,673	3,307	33	(29,260)	104,629	93,382	253,263
Operating Transfers - Out	0	0	0	(345)	(35,000)	(35,345)	(36,021)
NET INCOME (LOSS)	14,673	3,307	33	(29,605)	69,629	58,037	217,242
Add Depreciation On Fixed Assets Acquired By Contribution	0	0	4,904	0	0	4,904	4,904
INCREASE (DECREASE) IN RETAINED EARNINGS	14,673	3,307	4,937	(29,605)	69,629	62,941	222,146
RETAINED EARNINGS AT BEGINNING OF YEAR	20,125	4,978	12,670	617,745	3,234,633	3,890,151	3,668,005
RETAINED EARNINGS AT END OF YEAR	\$34,798	\$8,285	\$17,607	\$588,140	\$3,304,262	\$3,953,092	\$3,890,151

CITY OF SHAKER HEIGHTS, OHIO
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Central Stores			Central Printing			Central Garage			Central Services		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources												
Operating Revenue:												
Charges for Services	\$230,000	\$191,474	(\$38,526)	\$121,800	\$117,858	(\$3,942)	\$995,300	\$996,795	\$1,495	\$995,849	\$578,271	(\$417,578)
Other Revenues	0	0	0	0	0	0	0	0	0	4,000	29,162	25,162
Non-Operating Revenue:												
Interest Earnings	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues and Other Financing Sources	\$230,000	\$191,474	(\$38,526)	\$121,800	\$117,858	(\$3,942)	\$995,300	\$996,795	\$1,495	\$999,849	\$607,433	(\$392,416)
Expenditures and Other Financing Uses												
Current:												
Personal Services	\$0	\$0	\$0	\$28,300	\$28,923	(\$623)	\$801,100	\$806,082	(\$4,982)	\$226,955	\$211,312	\$15,643
Travel and Education	0	0	0	1,500	1,819	(319)	0	0	0	0	0	0
Contractual Services	0	0	0	85,200	80,374	4,826	159,200	157,046	2,154	450,100	172,026	278,074
Materials and Supplies	230,000	181,824	48,176	7,500	1,848	5,652	35,800	38,584	(2,784)	75,600	71,466	4,134
Additions and Improvements	0	0	0	0	0	0	0	0	0	1,400	575	825
Other Financing Uses:												
Operating Transfers Out	0	0	0	0	0	0	0	0	0	500	345	155
Total Operating Expenditures and Other Financing Uses	\$230,000	\$181,824	\$48,176	\$122,500	\$112,964	\$9,536	\$996,100	\$1,001,712	(\$5,612)	\$754,555	\$455,724	\$298,831
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$0	\$9,650	\$9,650	(\$700)	\$4,894	\$5,594	(\$800)	(\$4,917)	(\$4,117)	\$245,294	\$151,709	(\$93,585)
Cash Retained Earnings - January 1	3,973	3,973	0	3,791	3,791	0	121,380	121,380	0	293,811	293,811	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0	(2,861)	(2,861)	0	(32,603)	(32,603)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	(820)	(820)	0	(34,976)	(33,645)	1,331	(54,780)	(51,298)	3,482
Cash Fund Balance - December 31	\$3,973	\$13,623	\$9,650	\$2,271	\$7,865	\$5,594	\$82,743	\$79,957	(\$2,786)	\$451,722	\$361,619	(\$90,103)
Unreserved												
Reserved for Encumbrances - All Budget Years		155			774			41,589			88,867	
Total Cash Fund Balance - December 31	\$3,973	\$13,778			\$8,639			\$121,546			\$450,486	

continued

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CITY OF SHAKER HEIGHTS, OHIO
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET), continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	Self Insurance			2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources									
Operating Revenue:									
Charges for Services	\$374,200	\$374,200	\$0	\$2,717,149	\$2,258,598	(\$458,551)	\$2,672,200	\$2,287,800	(\$384,400)
Other Revenues	7,500	1,459	(6,041)	11,500	30,621	19,121	11,500	13,460	1,960
Non-Operating Revenue:									
Interest Earnings	175,000	143,913	(31,087)	175,000	143,913	(31,087)	200,000	195,573	(4,427)
Total Revenues and Other Financing Sources	\$556,700	\$519,572	(\$37,128)	\$2,903,649	\$2,433,132	(\$470,517)	\$2,883,700	\$2,496,833	(\$386,867)
Expenditures and Other Financing Uses									
Current:									
Personal Services	\$90,800	\$99,420	(\$8,620)	\$1,147,155	\$1,145,737	\$1,418	\$1,146,822	\$1,125,521	\$21,301
Travel and Education	1,000	722	278	2,500	2,541	(41)	2,600	1,920	680
Contractual Services	364,800	275,885	88,915	1,059,300	685,331	373,969	1,050,800	825,286	225,514
Materials and Supplies	2,000	818	1,182	350,900	294,540	56,360	432,700	319,451	113,249
Additions and Improvements	0	0	0	1,400	575	825	0	1,380	(1,380)
Other Financing Uses:									
Operating Transfers Out	35,000	35,000	0	35,500	35,345	155	36,100	36,021	79
Total Operating Expenditures and Other Financing Uses	\$493,600	\$411,845	\$81,755	\$2,596,755	\$2,164,069	\$432,686	\$2,669,022	\$2,309,579	\$359,443
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$63,100	\$107,727	\$44,627	\$306,894	\$269,063	(\$37,831)	\$214,678	\$187,254	(\$27,424)
Cash Retained Earnings - January 1	4,490,944	4,490,944	0	4,913,899	4,913,899	0	4,723,444	4,723,444	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(1,197,401)	(1,197,401)	0	(1,232,865)	(1,232,865)	0	(1,198,901)	(1,198,901)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(3,688)	(3,688)	0	(94,264)	(89,451)	4,813	(151,953)	(125,027)	26,926
Cash Fund Balance - December 31	\$3,352,955	\$3,397,582	\$44,627	\$3,893,664	\$3,860,646	(\$33,018)	\$3,587,268	\$3,586,770	(\$498)
Unreserved									
Reserved for Encumbrances - All Budget Years		1,200,444			1,331,829			1,327,129	
Total Cash Fund Balance - December 31		\$4,598,026			\$5,192,475			\$4,913,899	

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CITY OF SHAKER HEIGHTS, OHIO
INTERNAL SERVICE FUND GROUP
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	CENTRAL STORES	CENTRAL PRINTING	CENTRAL GARAGE	CENTRAL SERVICES	SELF INSURANCE	TOTALS	
						2002	2001
OPERATING ACTIVITIES:							
Cash Received From Customers	\$191,474	\$117,858	\$996,795	\$578,271	\$374,200	\$2,258,598	\$2,287,800
Cash Payments to Suppliers	(181,669)	(84,088)	(194,353)	(239,828)	(278,283)	(978,221)	(1,153,252)
Cash Payments to Employees	0	(28,922)	(802,276)	(210,586)	(99,207)	(1,140,991)	(1,117,105)
Other Operating Receipts (Payments)	0	0	0	29,163	1,459	30,622	13,460
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	9,805	4,848	166	157,020	(1,831)	170,008	30,903
NONCAPITAL FINANCING ACTIVITIES:							
Operating Transfers - In	0	0	0	0	0	0	0
Operating Transfers - Out	0	0	0	(345)	(35,000)	(35,345)	(36,021)
NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES	0	0	0	(345)	(35,000)	(35,345)	(36,021)
INVESTING ACTIVITIES:							
Interest Earned on Investments	0	0	0	0	143,913	143,913	195,573
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0	0	0	143,913	143,913	195,573
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,805	4,848	166	156,675	107,082	278,576	190,455
Cash/Cash Equivalents at Beginning of Year	3,973	3,791	121,380	293,811	4,490,944	4,913,899	4,723,444
Cash/Cash Equivalents at End of Year	<u>\$13,778</u>	<u>\$8,639</u>	<u>\$121,546</u>	<u>\$450,486</u>	<u>\$4,598,026</u>	<u>\$5,192,475</u>	<u>\$4,913,899</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating Income (Loss)	\$14,673	\$3,307	\$33	(\$29,260)	(\$39,284)	(\$50,531)	\$57,690
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provide (Used) By Operating Activities:							
Depreciation Expense	0	543	6,926	584	0	8,053	8,053
(Increase) Decrease in Receivables	0	0	0	170,733	0	170,733	39,284
(Increase) Decrease in Due From Other Funds	0	0	(42,400)	0	0	(42,400)	(20,000)
Decrease in Inventory	(5,865)	0	0	0	0	(5,865)	9,388
(Increase) in Prepaid Items	0	0	0	0	(876)	(876)	(1,358)
Increase (Decrease) in Vouchers and Accounts Payable	997	0	2,587	7,479	2,744	13,807	(31,102)
Increase in Accrued Wages and Benefits Payable	0	500	15,796	7,484	2,017	25,797	9,468
Increase in Compensated Absences Payable	0	498	17,224	0	6,068	23,790	39,300
(Decrease) in Self-Insurance Claims Payable	0	0	0	0	27,500	27,500	(79,820)
Total Adjustments	(4,868)	1,541	133	186,280	37,453	220,539	(26,787)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$9,805	\$4,848	\$166	\$157,020	(\$1,831)	\$170,008	\$30,903

City of Shaker Heights

Central Stores



Comparative Financial Statements

To provide a central cost center to account for the purchasing of office supplies, road materials, sidewalk materials, fuel, fire hydrants and other miscellaneous supplies to be charged back to the individual City departments as the supplies drawn.

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL STORES INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$13,778	\$3,973
Receivables (Net of Allowance For Uncollectibles)		
Accounts	0	0
Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Inventory of Supplies	22,408	16,543
Prepaid Items	0	0
Fixed Assets (Net of Accumulated Depreciation)	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$36,186</u></u>	<u><u>\$20,516</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Vouchers and Accounts Payable	\$1,388	\$391
Accrued Wages And Benefits	0	0
Compensated Absences	0	0
Due To Other Funds	0	0
Self Insurance Claims Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,388</u>	<u>391</u>
 Fund Equity:		
Contributed Capital		
Contributed From Governments	0	0
Retained Earnings		
Unreserved	<u>34,798</u>	<u>20,125</u>
Total Fund Equity	<u>34,798</u>	<u>20,125</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$36,186</u></u>	 <u><u>\$20,516</u></u>

**THE CITY OF SHAKER HEIGHTS, OHIO
CENTRAL STORES INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
Charges For Services	\$191,474	\$190,047
Other Income	0	0
	<u>191,474</u>	<u>190,047</u>
TOTAL OPERATING REVENUES	191,474	190,047
OPERATING EXPENSES:		
Personal Services	0	0
Travel and Education	0	0
Contractual Services	0	0
Materials and Supplies	176,801	218,807
Depreciation	0	0
	<u>176,801</u>	<u>218,807</u>
TOTAL OPERATING EXPENSES	176,801	218,807
OPERATING INCOME (LOSS)	14,673	(28,760)
NON-OPERATING REVENUES		
Interest Earnings	0	0
	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES	0	0
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	14,673	(28,760)
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
NET INCOME (LOSS)	14,673	(28,760)
Add Depreciation On Fixed Assets Acquired By Contribution	0	0
	<u>0</u>	<u>0</u>
INCREASE (DECREASE) IN RETAINED EARNINGS	14,673	(28,760)
RETAINED EARNINGS AT BEGINNING OF YEAR	20,125	48,885
	<u>20,125</u>	<u>48,885</u>
RETAINED EARNINGS AT END OF YEAR	\$34,798	\$20,125
	<u><u>\$34,798</u></u>	<u><u>\$20,125</u></u>

CITY OF SHAKER HEIGHTS, OHIO
CENTRAL STORES INTERNAL SERVICE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Operating Revenue:						
Charges for Services	\$230,000	\$191,474	(\$38,526)	\$260,000	\$190,047	(\$69,953)
Total Revenues and Other Financing Sources	\$230,000	\$191,474	(\$38,526)	\$260,000	\$190,047	(\$69,953)
Expenditures and Other Financing Uses						
Current:						
Materials and Supplies	\$230,000	\$181,824	\$48,176	\$260,000	\$204,659	\$55,341
Total Operating Expenditures and Other Financing Uses	\$230,000	\$181,824	\$48,176	\$260,000	\$204,659	\$55,341
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$0	\$9,650	\$9,650	\$0	(\$14,612)	(\$14,612)
Cash Retained Earnings - January 1	3,973	3,973	0	29,554	29,554	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	0	0	0	(10,969)	(10,969)	0
Cash Fund Balance - December 31						
Unreserved	\$3,973	\$13,623	\$9,650	\$18,585	\$3,973	(\$14,612)
Reserved for Encumbrances - All Budget Years		155			0	
Total Cash Fund Balance - December 31		\$13,778			\$3,973	

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL STORES INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	2002	2001
OPERATING ACTIVITIES:		
Cash Received From Customers	\$191,474	\$190,047
Cash Payments to Suppliers	(181,669)	(215,628)
Cash Payments to Employees	0	0
Other Operating Receipts (Payments)	0	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	9,805	(25,581)
NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers-In	0	0
Operating Transfers-Out	0	0
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	0	0
INVESTING ACTIVITIES:		
Interest Earned on Investments	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,805	(25,581)
Cash/Cash Equivalents at Beginning of Year	3,973	29,554
Cash/Cash Equivalents at End of Year	\$13,778	\$3,973

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$14,673	(\$28,760)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Decrease in Inventory	(5,865)	9,388
Increase (Decrease) in Vouchers and Accounts Payable	997	(6,209)
Total Adjustments	(4,868)	3,179
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$9,805	(\$25,581)

City of Shaker Heights



City of Shaker Heights

Central Printing



Comparative Financial Statements

To provide a centralized cost center to account for work performed for City departments by the City print shop.

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL PRINTING INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$8,639	\$3,791
Receivables (Net of Allowance For Uncollectibles)		
Accounts	0	0
Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Inventory of Supplies	0	0
Prepaid Items	0	0
Fixed Assets (Net of Accumulated Depreciation)	<u>3,261</u>	<u>3,804</u>
TOTAL ASSETS	<u><u>\$11,900</u></u>	<u><u>\$7,595</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Vouchers and Accounts Payable	\$0	\$0
Accrued Wages And Benefits	2,293	1,793
Compensated Absences	1,322	824
Due To Other Funds	0	0
Self Insurance Claims Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>3,615</u>	<u>2,617</u>
 Fund Equity:		
Contributed Capital		
Contributed From Governments	0	0
Retained Earnings Unreserved	<u>8,285</u>	<u>4,978</u>
Total Fund Equity	<u>8,285</u>	<u>4,978</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$11,900</u></u>	 <u><u>\$7,595</u></u>

**THE CITY OF SHAKER HEIGHTS, OHIO
CENTRAL PRINTING INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
Charges For Services	\$117,858	\$121,612
Other Income	0	0
	<u>117,858</u>	<u>121,612</u>
TOTAL OPERATING REVENUES		
	<u>117,858</u>	<u>121,612</u>
OPERATING EXPENSES:		
Personal Services	29,920	28,656
Travel and Education	1,819	1,730
Contractual Services	80,420	82,877
Materials and Supplies	1,849	6,281
Depreciation	543	543
	<u>114,551</u>	<u>120,087</u>
TOTAL OPERATING EXPENSES		
	<u>114,551</u>	<u>120,087</u>
OPERATING INCOME	3,307	1,525
NON-OPERATING REVENUES		
Interest Earnings	0	0
	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES		
	<u>0</u>	<u>0</u>
NET INCOME BEFORE OPERATING TRANSFERS	3,307	1,525
Operating Transfers - In	0	0
Operating Transfers - Out	0	0
	<u>0</u>	<u>0</u>
NET INCOME	3,307	1,525
Add Depreciation On Fixed Assets Acquired By Contribution	0	0
	<u>0</u>	<u>0</u>
INCREASE IN RETAINED EARNINGS	3,307	1,525
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>4,978</u>	<u>3,453</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$8,285</u></u>	<u><u>\$4,978</u></u>

CITY OF SHAKER HEIGHTS, OHIO
CENTRAL PRINTING INTERNAL SERVICE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
Operating Revenue:						
Charges for Services	\$121,800	\$117,858	(\$3,942)	\$123,200	\$121,612	(\$1,588)
Total Revenues and Other Financing Sources	\$121,800	\$117,858	(\$3,942)	\$123,200	\$121,612	(\$1,588)
Expenditures and Other Financing Uses						
Current:						
Personal Services	\$28,300	\$28,923	(\$623)	\$28,000	\$28,369	(\$369)
Travel and Education	1,500	1,819	(319)	600	1,730	(1,130)
Contractual Services	85,200	80,374	4,826	81,000	82,923	(1,923)
Materials and Supplies	7,500	1,848	5,652	13,600	6,280	7,320
Total Operating Expenditures and Other Financing Uses	\$122,500	\$112,964	\$9,536	\$123,200	\$119,302	\$3,898
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$700)	\$4,894	\$5,594	\$0	\$2,310	\$2,310
Cash Retained Earnings - January 1	3,791	3,791	0	1,112	1,112	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	0	0	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(820)	(820)	0	(451)	(451)	0
Cash Fund Balance - December 31						
Unreserved	\$2,271	\$7,865	\$5,594	\$661	\$2,971	\$2,310
Reserved for Encumbrances - All Budget Years		774			820	
Total Cash Fund Balance - December 31		\$8,639			\$3,791	

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL PRINTING INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	2002	2001
OPERATING ACTIVITIES:		
Cash Received From Customers	\$117,858	\$121,612
Cash Payments to Suppliers	(84,088)	(90,888)
Cash Payments to Employees	(28,922)	(28,045)
Other Operating Receipts (Payments)	0	0
NET CASH PROVIDED BY OPERATING ACTIVITIES:	4,848	2,679
NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers-In	0	0
Operating Transfers-Out	0	0
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	0	0
INVESTING ACTIVITIES:		
Interest Earned on Investments	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,848	2,679
Cash/Cash Equivalents at Beginning of Year	3,791	1,112
Cash/Cash Equivalents at End of Year	\$8,639	\$3,791
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$3,307	\$1,525
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:		
Depreciation Expense	543	543
Increase in Accrued Wages and Benefits Payable	500	474
Increase in Compensated Absences Payable	498	137
Total Adjustments	1,541	1,154
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$4,848	\$2,679

City of Shaker Heights



City of Shaker Heights

Central Garage



Comparative Financial Statements

To provide a central cost center to account for the cost of repairing and maintaining the City's fleet of vehicles and heavy equipment. Operating costs are charged back to City departments based upon the number of vehicles and equipment maintained and upon the department's actual utilization of the garage.

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL GARAGE INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$121,546	\$121,380
Receivables (Net of Allowance For Uncollectibles)		
Accounts	0	0
Special Assessments	0	0
Due From Other Funds	162,400	120,000
Due From Other Governments	0	0
Inventory of Supplies	0	0
Prepaid Items	0	0
Fixed Assets (Net of Accumulated Depreciation)	<u>72,241</u>	<u>79,167</u>
TOTAL ASSETS	<u><u>\$356,187</u></u>	<u><u>\$320,547</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Vouchers and Accounts Payable	\$30,660	\$28,073
Accrued Wages And Benefits	58,074	42,278
Compensated Absences	171,073	153,849
Due To Other Funds	0	0
Self Insurance Claims Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>259,807</u>	<u>224,200</u>
 Fund Equity:		
Contributed Capital		
Contributed From Governments	78,773	83,677
Retained Earnings		
Unreserved	<u>17,607</u>	<u>12,670</u>
Total Fund Equity	<u>96,380</u>	<u>96,347</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$356,187</u></u>	 <u><u>\$320,547</u></u>

**THE CITY OF SHAKER HEIGHTS, OHIO
CENTRAL GARAGE INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
Charges For Services	\$1,039,195	\$1,070,335
Other Income	0	0
	<u>1,039,195</u>	<u>1,070,335</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Personal Services	835,296	827,676
Travel and Education	0	95
Contractual Services	158,295	211,299
Materials and Supplies	38,645	35,038
Depreciation	6,926	6,926
	<u>1,039,162</u>	<u>1,081,034</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME (LOSS)	33	(10,699)
NON-OPERATING REVENUES		
Interest Earnings	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES	<u>0</u>	<u>0</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	33	(10,699)
Operating Transfers - In	0	0
Operating Transfers - Out	<u>0</u>	<u>0</u>
NET INCOME (LOSS)	33	(10,699)
Add Depreciation On Fixed Assets Acquired By Contribution	<u>4,904</u>	<u>4,904</u>
INCREASE (DECREASE) IN RETAINED EARNINGS	4,937	(5,795)
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>12,670</u>	<u>18,465</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$17,607</u></u>	<u><u>\$12,670</u></u>

CITY OF SHAKER HEIGHTS, OHIO
CENTRAL GARAGE INTERNAL SERVICE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues and Other Financing Sources</u>						
<u>Operating Revenue:</u>						
Charges for Services	\$995,300	\$996,795	\$1,495	\$1,060,000	\$1,050,335	(\$9,665)
Total Revenues and Other Financing Sources	\$995,300	\$996,795	\$1,495	\$1,060,000	\$1,050,335	(\$9,665)
<u>Expenditures and Other Financing Uses</u>						
<u>Current:</u>						
Personal Services	\$801,100	\$806,082	(\$4,982)	\$800,000	\$802,300	(\$2,300)
Travel and Education	0	0	0	0	95	(95)
Contractual Services	159,200	157,046	2,154	222,900	218,988	3,912
Materials and Supplies	35,800	38,584	(2,784)	37,100	35,710	1,390
Total Operating Expenditures and Other Financing Uses	\$996,100	\$1,001,712	(\$5,612)	\$1,060,000	\$1,057,093	\$2,907
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(\$800)	(\$4,917)	(\$4,117)	\$0	(\$6,758)	(\$6,758)
Cash Retained Earnings - January 1	121,380	121,380	0	121,380	121,380	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(2,861)	(2,861)	0	0	0	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(34,976)	(33,645)	1,331	(41,780)	(31,080)	10,700
Cash Fund Balance - December 31 Unreserved	\$82,743	\$79,957	(\$2,786)	\$79,600	\$83,542	\$3,942
Reserved for Encumbrances - All Budget Years		41,589			37,838	
Total Cash Fund Balance - December 31		\$121,546			\$121,380	

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL GARAGE INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING ACTIVITIES:		
Cash Received From Customers	\$996,795	\$1,050,335
Cash Payments to Suppliers	(194,353)	(254,402)
Cash Payments to Employees	(802,276)	(795,933)
Other Operating Receipts (Payments)	0	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>166</u>	<u>0</u>
NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers-In	0	0
Operating Transfers-Out	0	0
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
INVESTING ACTIVITIES:		
Interest Earned on Investments	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>0</u>	<u>0</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	166	0
Cash/Cash Equivalents at Beginning of Year	<u>121,380</u>	<u>121,380</u>
Cash/Cash Equivalents at End of Year	<u><u>\$121,546</u></u>	<u><u>\$121,380</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$33	(\$10,699)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:		
Depreciation Expense	6,926	6,926
(Increase) in Due From Other Funds	(42,400)	(20,000)
Increase (Decrease) in Vouchers and Accounts Payable	2,587	(7,970)
Increase in Accrued Wages and Benefits Payable	15,796	6,876
Increase in Compensated Absences Payable	17,224	24,867
Total Adjustments	<u>133</u>	<u>10,699</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$166</u></u>	<u><u>\$0</u></u>

City of Shaker Heights



City of Shaker Heights

Central Services



Comparative Financial Statements

To provide a central cost center for work for other governmental agencies, utilities, and individuals that is not considered to be a normal city function and is billable back to the responsible party. Included in this fund is the maintenance of the rapid transit tracks for the Regional Transit Authority, street openings and closings, public property damage repair, sidewalk repair and replacement and other miscellaneous activities.

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL SERVICES INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$450,486	\$293,811
Receivables (Net of Allowance For Uncollectibles)		
Accounts	99,282	220,787
Special Assessments	79,748	128,976
Due From Other Funds	0	0
Due From Other Governments	0	0
Inventory of Supplies	0	0
Prepaid Items	0	0
Fixed Assets (Net of Accumulated Depreciation)	<u>1,587</u>	<u>2,171</u>
TOTAL ASSETS	<u><u>\$631,103</u></u>	<u><u>\$645,745</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Vouchers and Accounts Payable	\$30,880	\$23,401
Accrued Wages And Benefits	12,083	4,599
Compensated Absences	0	0
Due To Other Funds	0	0
Self Insurance Claims Payable	0	0
Total Liabilities	<u>42,963</u>	<u>28,000</u>
 Fund Equity:		
Contributed Capital		
Contributed From Governments	0	0
Retained Earnings		
Unreserved	<u>588,140</u>	<u>617,745</u>
Total Fund Equity	<u>588,140</u>	<u>617,745</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$631,103</u></u>	 <u><u>\$645,745</u></u>

**THE CITY OF SHAKER HEIGHTS, OHIO
CENTRAL SERVICES INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
Charges For Services	\$407,538	\$512,322
Other Income	29,163	4,205
	<u>436,701</u>	<u>516,527</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Personal Services	218,092	210,982
Travel and Education	0	0
Contractual Services	175,825	172,869
Materials and Supplies	71,460	106,921
Depreciation	584	584
	<u>465,961</u>	<u>491,356</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME (LOSS)	(29,260)	25,171
NON-OPERATING REVENUES		
Interest Earnings	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES	<u>0</u>	<u>0</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	(29,260)	25,171
Operating Transfers - In	0	0
Operating Transfers - Out	<u>(345)</u>	<u>(1,021)</u>
NET INCOME	(29,605)	24,150
Add Depreciation On Fixed Assets Acquired By Contribution	<u>0</u>	<u>0</u>
INCREASE (DECREASE) IN RETAINED EARNINGS	(29,605)	24,150
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>617,745</u>	<u>593,595</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$588,140</u></u>	<u><u>\$617,745</u></u>

CITY OF SHAKER HEIGHTS, OHIO
CENTRAL SERVICES INTERNAL SERVICE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
<u>Operating Revenue:</u>						
Charges for Services	\$995,849	\$578,271	(\$417,578)	\$854,800	\$551,606	(\$303,194)
Other Revenues	4,000	29,162	25,162	4,000	4,205	205
Total Revenues and Other Financing Sources	\$999,849	\$607,433	(\$392,416)	\$858,800	\$555,811	(\$302,989)
Expenditures and Other Financing Uses						
<u>Current:</u>						
Personal Services	\$226,955	\$211,312	\$15,643	\$223,122	\$211,327	\$11,795
Contractual Services	450,100	172,026	278,074	444,300	281,232	163,068
Materials and Supplies	75,600	71,466	4,134	120,000	71,818	48,182
Additions and Improvements	1,400	575	825	0	1,380	(1,380)
<u>Other Financing Uses:</u>						
Operating Transfers Out	500	345	155	1,100	1,021	79
Total Operating Expenditures and Other Financing Uses	\$754,555	\$455,724	\$298,831	\$788,522	\$566,778	\$221,744
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$245,294	\$151,709	(\$93,585)	\$70,278	(\$10,967)	(\$81,245)
Cash Retained Earnings - January 1	293,811	293,811	0	239,293	239,293	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(32,603)	(32,603)	0	(1,500)	(1,500)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(54,780)	(51,298)	3,482	(32,841)	(20,397)	12,444
Cash Fund Balance - December 31						
Unreserved	\$451,722	\$361,619	(\$90,103)	\$275,230	\$206,429	(\$68,801)
Reserved for Encumbrances - All Budget Years		88,867			87,382	
Total Cash Fund Balance - December 31		\$450,486			\$293,811	

**CITY OF SHAKER HEIGHTS, OHIO
CENTRAL SERVICES INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	2002	2001
OPERATING ACTIVITIES:		
Cash Received From Customers	\$578,271	\$551,606
Cash Payments to Suppliers	(239,828)	(289,537)
Cash Payments to Employees	(210,586)	(210,735)
Other Operating Receipts (Payments)	29,163	4,205
NET CASH PROVIDED BY OPERATING ACTIVITIES:	157,020	55,539
NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers - In	0	0
Operating Transfers - Out	(345)	(1,021)
NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES	(345)	(1,021)
INVESTING ACTIVITIES:		
Interest Earned on Investments	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	156,675	54,518
Cash/Cash Equivalents at Beginning of Year	293,811	239,293
Cash/Cash Equivalents at End of Year	\$450,486	\$293,811
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(\$29,260)	\$25,171
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:		
Depreciation Expense	584	584
(Increase) Decrease in Receivables	170,733	39,284
Increase (Decrease) in Vouchers and Accounts Payable	7,479	(10,158)
Increase (Decrease) in Accrued Wages and Benefits Payable	7,484	658
Total Adjustments	186,280	30,368
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$157,020	\$55,539

City of Shaker Heights



City of Shaker Heights

Self Insurance



Comparative Financial Statements

To account for monies charged to the General and the Enterprise funds of the City by the Self-Insurance Reserve Fund. Since 1986 the City has directly assumed the risk of loss from general liability claims. The Self-Insurance Reserve was created by Council to provide for a loss reserve, for the administration of the self-insurance activity and to account for the workers' compensation claims. The Self-Insurance Reserve is not available to fund the general operations of the City.

**CITY OF SHAKER HEIGHTS, OHIO
 SELF-INSURANCE INTERNAL SERVICE FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$4,598,026	\$4,490,944
Receivables (Net of Allowance For Uncollectibles)		
Accounts	0	0
Special Assessments	0	0
Due From Other Funds	0	0
Due From Other Governments	0	0
Inventory of Supplies	0	0
Prepaid Items	2,234	1,358
Fixed Assets (Net of Accumulated Depreciation)	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$4,600,260</u></u>	<u><u>\$4,492,302</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Vouchers and Accounts Payable	\$3,601	\$857
Accrued Wages And Benefits	6,271	4,254
Compensated Absences	56,226	50,158
Due To Other Funds	0	0
Self Insurance Claims Payable	<u>1,229,900</u>	<u>1,202,400</u>
Total Liabilities	<u><u>1,295,998</u></u>	<u><u>1,257,669</u></u>
 Fund Equity:		
Contributed Capital		
Contributed From Governments	0	0
Retained Earnings		
Unreserved	<u>3,304,262</u>	<u>3,234,633</u>
Total Fund Equity	<u><u>3,304,262</u></u>	<u><u>3,234,633</u></u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$4,600,260</u></u>	 <u><u>\$4,492,302</u></u>

**THE CITY OF SHAKER HEIGHTS, OHIO
 SELF-INSURANCE INTERNAL SERVICE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
Charges For Services	\$374,200	\$374,200
Other Income	1,459	9,255
	<u>375,659</u>	<u>383,455</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Personal Services	134,792	18,328
Travel and Education	722	95
Contractual Services	278,611	293,605
Materials and Supplies	818	974
Depreciation	0	0
	<u>414,943</u>	<u>313,002</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME (LOSS)	(39,284)	70,453
NON-OPERATING REVENUES		
Interest Earnings	143,913	195,573
	<u>143,913</u>	<u>195,573</u>
TOTAL NON-OPERATING REVENUES		
NET INCOME BEFORE OPERATING TRANSFERS	104,629	266,026
Operating Transfers - In	0	0
Operating Transfers - Out	(35,000)	(35,000)
	<u>69,629</u>	<u>231,026</u>
NET INCOME		
Add Depreciation On Fixed Assets Acquired By Contribution	0	0
	<u>69,629</u>	<u>231,026</u>
INCREASE IN RETAINED EARNINGS		
RETAINED EARNINGS AT BEGINNING OF YEAR	3,234,633	3,003,607
RETAINED EARNINGS AT END OF YEAR	<u>\$3,304,262</u>	<u>\$3,234,633</u>

CITY OF SHAKER HEIGHTS, OHIO
 SELF-INSURANCE INTERNAL SERVICE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS AND ACTUAL (NON GAAP BUDGET)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Financing Sources						
<u>Operating Revenue:</u>						
Charges for Services	\$374,200	\$374,200	\$0	\$374,200	\$374,200	\$0
Other Revenues	7,500	1,459	(6,041)	7,500	9,255	1,755
<u>Non-Operating Revenue:</u>						
Interest Earnings	175,000	143,913	(31,087)	200,000	195,573	(4,427)
Total Revenues and Other Financing Sources	\$556,700	\$519,572	(\$37,128)	\$581,700	\$579,028	(\$2,672)
Expenditures and Other Financing Uses						
<u>Current:</u>						
Personal Services	\$90,800	\$99,420	(\$8,620)	\$95,700	\$83,525	\$12,175
Travel and Education	1,000	722	278	2,000	95	1,905
Contractual Services	364,800	275,885	88,915	302,600	242,143	60,457
Materials and Supplies	2,000	818	1,182	2,000	984	1,016
<u>Other Financing Uses:</u>						
Operating Transfers Out	35,000	35,000	0	35,000	35,000	0
Total Operating Expenditures and Other Financing Uses	\$493,600	\$411,845	\$81,755	\$437,300	\$361,747	\$75,553
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	\$63,100	\$107,727	\$44,627	\$144,400	\$217,281	\$72,881
Cash Retained Earnings - January 1	4,490,944	4,490,944	0	4,332,105	4,332,105	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(1,197,401)	(1,197,401)	0	(1,197,401)	(1,197,401)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(3,688)	(3,688)	0	(65,912)	(62,130)	3,782
Cash Fund Balance - December 31	\$3,352,955	\$3,397,582	\$44,627	\$3,213,192	\$3,289,855	\$76,663
Unreserved						
Reserved for Encumbrances - All Budget Years		1,200,444			1,201,089	
Total Cash Fund Balance - December 31		\$4,598,026			\$4,490,944	

**CITY OF SHAKER HEIGHTS, OHIO
 SELF-INSURANCE INTERNAL SERVICE FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
OPERATING ACTIVITIES:		
Cash Received From Customers	\$374,200	\$374,200
Cash Payments to Suppliers	(278,283)	(302,797)
Cash Payments to Employees	(99,207)	(82,392)
Other Operating Receipts (Payments)	1,459	9,255
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	<u>(1,831)</u>	<u>(1,734)</u>
NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers - In	0	0
Operating Transfers - Out	(35,000)	(35,000)
NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(35,000)</u>	<u>(35,000)</u>
INVESTING ACTIVITIES:		
Interest Earned on Investments	143,913	195,573
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>143,913</u>	<u>195,573</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	107,082	158,839
Cash/Cash Equivalents at Beginning of Year	4,490,944	4,332,105
Cash/Cash Equivalents at End of Year	<u><u>\$4,598,026</u></u>	<u><u>\$4,490,944</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(\$39,284)	\$70,453
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used By Operating Activities:		
(Increase) in Prepaid Items	(876)	(1,358)
Increase (Decrease) in Vouchers and Accounts Payable	2,744	(6,765)
Increase in Accrued Wages and Benefits Payable	2,017	1,460
Increase in Compensated Absences Payable	6,068	14,296
Increase (Decrease) in Self-Insurance Claims Payable	27,500	(79,820)
Total Adjustments	<u>37,453</u>	<u>(72,187)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>(\$1,831)</u></u>	<u><u>(\$1,734)</u></u>

City of Shaker Heights

TRUST AND AGENCY FUND GROUP

Combining Financial Statements

Trust and Agency Funds are generally used to account for resources received by one governmental unit on behalf of a secondary recipient (*pass through*), governmental or other.

Law Enforcement Trust

To account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes as determined by Council. The fund may not be used to meet operating costs of the City that are not related to law enforcement.

Obstruction Permit Deposit

To account for the receipt of refundable deposits required of individuals to insure that obstructions or openings in public property created during construction are returned to pre-construction condition.

Excavating Permit Deposit

To account for the receipt of refundable deposits required of individuals who wish to excavate and/or haul material over public property. The deposit is to guarantee that the public property will be cleaned and restored to its original condition and that the excavation, if any, will be properly guarded in accordance with applicable provisions of the City Code.

Unclaimed Monies

Fund required by Ohio Revised Code to account for monies received or collected and not otherwise paid out according to law. Monies that are deemed to be unclaimed and credited to this fund that are not claimed within a five year period revert to the General Fund.

Fund for the Future of Shaker Heights

To account for the assets, held by the City as fiscal agent, of the Fund for the Future of Shaker Heights, Inc. (F.F.S.H.), a non-profit corporation formed to promote pro-integrative housing moves within the City of Shaker Heights.

City of Shaker Heights

TRUST AND AGENCY FUND GROUP, (cont'd)

Combining Financial Statements

Municipal Court	To account for assets received and disbursed by the Shaker Heights Municipal Court as agent or custodian related to civil and criminal court matters.
Contractor Deposit	To account for the receipt of refundable deposits required of individuals who perform construction electrical work, plumbing, sewer or HVAC work. The deposit is to guarantee that the work will be performed and inspected according to City Code.
Recreation Scholarship	To account for funds solicited to be used for the purpose of providing financial aid and/or services to assist disadvantaged youth who otherwise could not afford to participate in various Recreation Department programs. The scholarship program is a non-profit corporation established under the authority of section 501(c) of the Internal Revenue Service Code.
Shaker Family Center At Sussex	To account for assets held by the City as fiscal agent for the Shaker Family Resource Center, Inc. The purpose of this non-profit corporation is to enhance the quality of life for families with young children in the Shaker Heights City School District by providing educational, social, recreational and support programs and services.
Board of Building Standards	To account for state mandated fees collected by the City's Building Department relating to the acceptance, review and approval of building plans and specifications. An amount equal to 3% of fees imposed must be remitted on a monthly basis to the State of Ohio Department of Industrial Relations.
The First Suburbs Consortium Council	To account for assets held by the City as fiscal agent for the First Suburbs Consortium Council. The purpose of this non-profit is to provide organizational status in cooperative efforts between the member-municipalities of the Council in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development.

**CITY OF SHAKER HEIGHTS, OHIO
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001**

	AGENCY FUNDS						
	Expendable Trust Law Enforcement	Obstruction Permit	Excavating Permit	Unclaimed Monies	Fund for the Future of Shaker Heights	Municipal Court	Contractor Deposits
ASSETS							
Equity In City Treasury Cash	\$2,183	\$40,876	\$7,655	\$267,935	\$278,489	\$443,485	\$141,450
Receivables (Net of Allowance For Uncollectibles)							
Loans	0	0	0	0	757,012	0	0
Due From Other Funds	324,115	0	0	0	0	0	0
TOTAL ASSETS	\$326,298	\$40,876	\$7,655	\$267,935	\$1,035,501	\$443,485	\$141,450
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accrued Wages And Benefits	\$208	\$0	\$0	\$0	\$0	\$0	\$0
Due To Other Funds	0	0	0	0	0	154,305	0
Due To Other Governments	0	0	0	0	0	58,070	0
Due To Non-Profit Agencies	0	0	0	0	1,035,501	0	0
Refundable Deposits	0	40,876	7,655	267,935	0	0	141,450
Amounts Held as Fiduciary	0	0	0	0	0	231,110	0
Total Liabilities	208	40,876	7,655	267,935	1,035,501	443,485	141,450
Fund Balance:							
Unreserved	326,090	0	0	0	0	0	0
Total Fund Balance	326,090	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$326,298	\$40,876	\$7,655	\$267,935	\$1,035,501	\$443,485	\$141,450

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CITY OF SHAKER HEIGHTS, OHIO
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEET, continued
 DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	AGENCY FUNDS					Fiduciary Funds Totals	
	Recreation Scholarship	Shaker Family Resource Center	Board of Building Standards	First Suburbs Consortium Council	Total Agency Funds	2002	2001
ASSETS							
Equity In City Treasury Cash	\$29,494	\$14,955	\$14	\$270,696	\$1,495,049	\$1,497,232	\$1,339,975
Receivables (Net of Allowance For Uncollectibles)							
Loans	0	0	0	0	757,012	757,012	713,952
Due From Other Funds	0	0	0	0	0	324,115	204,115
TOTAL ASSETS	\$29,494	\$14,955	\$14	\$270,696	\$2,252,061	\$2,578,359	\$2,258,042
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accrued Wages And Benefits	\$0	\$0	\$0	\$0	\$0	\$208	\$752
Due To Other Funds	0	0	0	0	154,305	154,305	99,052
Due To Other Governments	0	0	14	270,696	328,780	328,780	253,015
Due To Non-Profit Agencies	29,494	14,955	0	0	1,079,950	1,079,950	1,033,789
Refundable Deposits	0	0	0	0	457,916	457,916	332,888
Amounts Held as Fiduciary	0	0	0	0	231,110	231,110	201,463
Total Liabilities	29,494	14,955	14	270,696	2,252,061	2,252,269	1,920,959
Fund Balance:							
Unreserved	0	0	0	0	0	326,090	337,083
Total Fund Balance	0	0	0	0	0	326,090	337,083
TOTAL LIABILITIES AND FUND BALANCE	\$29,494	\$14,955	\$14	\$270,696	\$2,252,061	\$2,578,359	\$2,258,042

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City of Shaker Heights



City of Shaker Heights

Law Enforcement Trust



Comparative Financial Statements

To account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes as determined by Council. The fund may not be used to meet operating costs of the City that are not related to law enforcement.

**CITY OF SHAKER HEIGHTS, OHIO
 LAW ENFORCEMENT TRUST FUND
 COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Equity In City Treasury Cash	\$2,183	\$133,720
Due From Other Funds	<u>324,115</u>	<u>204,115</u>
TOTAL ASSETS	<u><u>\$326,298</u></u>	<u><u>\$337,835</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accrued Wages and Benefits	\$208	\$752
Due To Other Funds	<u>0</u>	<u>0</u>
Total Liabilities	<u>208</u>	<u>752</u>
 Fund Balance:		
Unreserved	<u>326,090</u>	<u>337,083</u>
Total Fund Balance	<u>326,090</u>	<u>337,083</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$326,298</u></u>	 <u><u>\$337,835</u></u>

**THE CITY OF SHAKER HEIGHTS, OHIO
LAW ENFORCEMENT TRUST FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
Interest Earnings	\$6,187	\$6,529
Fines and Forfeitures	88,518	136,253
All Other Revenue	0	8,459
	<u>94,705</u>	<u>151,241</u>
TOTAL REVENUES		
EXPENDITURES:		
Security of Persons and Property	102,466	90,584
Capital Outlay	0	3,250
	<u>102,466</u>	<u>93,834</u>
TOTAL EXPENDITURES		
Excess of Revenues Over (Under) Expenditures	<u>(7,761)</u>	<u>57,407</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers - In	0	496
Operating Transfers - Out	<u>(3,232)</u>	<u>(12,137)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,232)</u>	<u>(11,641)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,993)	45,766
FUND BALANCE AT BEGINNING OF YEAR	<u>337,083</u>	<u>291,317</u>
FUND BALANCE AT END OF YEAR	<u><u>\$326,090</u></u>	<u><u>\$337,083</u></u>

City of Shaker Heights



City of Shaker Heights

All Agency Fund



**Combining Statement of Changes in
Assets and Liabilities**

**CITY OF SHAKER HEIGHTS, OHIO
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002**

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>OBSTRUCTION PERMIT DEPOSIT FUND</u>				
ASSETS				
Equity In City Treasury Cash	\$37,101	\$9,445	\$5,670	\$40,876
LIABILITIES				
Refundable Deposits	\$37,101	\$9,445	\$5,670	\$40,876
 <u>EXCAVATING PERMIT DEPOSIT FUND</u>				
ASSETS				
Equity In City Treasury Cash	\$5,695	\$1,960	\$0	\$7,655
LIABILITIES				
Refundable Deposits	\$5,695	\$1,960	\$0	\$7,655
 <u>UNCLAIMED MONIES FUND</u>				
ASSETS				
Equity In City Treasury Cash	\$148,642	\$245,994	\$126,701	\$267,935
LIABILITIES				
Refundable Deposits	\$148,642	\$245,994	\$126,701	\$267,935
 <u>FUND FOR THE FUTURE OF SHAKER HEIGHTS</u>				
ASSETS				
Equity In City Treasury Cash	\$287,897	\$50,008	\$59,416	\$278,489
Mortgage Loans Receivable	713,952	199,664	156,604	757,012
Total Assets	\$1,001,849	\$249,672	\$216,020	\$1,035,501
LIABILITIES				
Due To Non-Profit Agencies	\$1,001,849	\$249,672	\$216,020	\$1,035,501

**CITY OF SHAKER HEIGHTS, OHIO
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002**

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>MUNICIPAL COURT FUND</u>				
ASSETS				
Equity In City Treasury Cash	\$345,932	\$2,998,129	\$2,900,576	\$443,485
LIABILITIES				
Due To Other Funds	\$99,052	\$1,683,422	\$1,628,169	\$154,305
Due To Other Governments	45,417	712,266	699,613	58,070
Amounts Held As Fiduciary	201,463	602,441	572,794	231,110
Total Liabilities	\$345,932	\$2,998,129	\$2,900,576	\$443,485
<u>CONTRACTOR DEPOSIT FUND</u>				
ASSETS				
Equity In City Treasury Cash	\$141,450	\$0	\$0	\$141,450
LIABILITIES				
Refundable Deposits	\$141,450	\$0	\$0	\$141,450
<u>RECREATION SCHOLARSHIP FUND</u>				
ASSETS				
Equity In City Treasury Cash	\$26,681	\$10,311	\$7,498	\$29,494
LIABILITIES				
Due To Non-Profit Agencies	\$26,681	\$10,311	\$7,498	\$29,494
<u>SHAKER FAMILY RESOURCE CENTER</u>				
ASSETS				
Equity In City Treasury Cash	\$5,259	\$439,175	\$429,479	\$14,955
Total Assets	\$5,259	\$439,175	\$429,479	\$14,955
LIABILITIES				
Due To Non-Profit Agencies	\$5,259	\$439,175	\$429,479	\$14,955

**CITY OF SHAKER HEIGHTS, OHIO
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002**

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>BOARD OF BUILDING STANDARDS</u>				
ASSETS				
Equity In City Treasury Cash	\$53	\$0	\$39	\$14
LIABILITIES				
Due To Other Governments	\$53	\$0	\$39	\$14
<u>FIRST SUBURBS CONSORTIUM COUNCIL</u>				
ASSETS				
Equity In City Treasury Cash	\$207,545	\$295,007	\$231,856	\$270,696
LIABILITIES				
Due To Other Governments	\$207,545	\$295,007	\$231,856	\$270,696
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Equity In City Treasury Cash	\$1,206,255	\$4,050,029	\$3,761,235	\$1,495,049
Mortgage Loans Receivable	713,952	199,664	156,604	757,012
Total Assets	\$1,920,207	\$4,249,693	\$3,917,839	\$2,252,061
LIABILITIES				
Due To Other Funds	\$99,052	\$1,683,422	\$1,628,169	\$154,305
Due To Other Governments	253,015	1,007,273	931,508	328,780
Due To Non-Profit Agencies	1,033,789	699,158	652,997	1,079,950
Refundable Deposits	332,888	257,399	132,371	457,916
Amounts Held As Fiduciary	201,463	602,441	572,794	231,110
Total Liabilities	\$1,920,207	\$4,249,693	\$3,917,839	\$2,252,061

City of Shaker Heights

***General Fixed Assets
Account Group***



The General Fixed Assets Account Group accounts for all general fixed assets of the City, except for those fixed assets accounted for in the propriety and trust fund types.

**CITY OF SHAKER HEIGHTS, OHIO
 COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
 BY SOURCE
DECEMBER 31, 2002 AND 2001**

	2002	2001
GENERAL FIXED ASSETS:		
Land	\$15,170,375	\$12,328,478
Buildings	8,092,727	8,083,634
Land Improvements	3,257,521	3,279,531
Machinery and Equipment	15,347,909	14,493,714
Construction in Progress	199,367	6,250
TOTAL GENERAL FIXED ASSETS	\$42,067,899	\$38,191,607
INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:		
General Fund	\$13,888,931	\$14,051,654
Special Revenue Funds	1,026,565	992,498
Capital Projects Funds	27,012,921	23,021,473
Trust and Agency Funds	114,257	114,257
Donations	25,225	11,725
TOTAL INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE	\$42,067,899	\$38,191,607

CITY OF SHAKER HEIGHTS, OHIO
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
DECEMBER 31, 2002

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	EQUIPMENT	TOTAL
<u>Security of Persons and Property</u>					
Police	\$0	\$1,622,948	\$186,315	\$2,938,356	\$4,747,619
Fire	0	260,162	163,937	2,655,209	3,079,308
Traffic Signs and Signals	0	0	28,781	452,411	481,192
Animal Control	0	0	0	26,554	26,554
Total Security of Persons and Property	0	1,883,110	379,033	6,072,530	8,334,673
<u>Public Health</u>					
Public Health	189,978	0	0	40,242	230,220
Total Public Health	189,978	0	0	40,242	230,220
<u>Culture and Recreation</u>					
Parks and Public Land Maintenance	0	0	534,244	340,021	874,265
Total Culture and Recreation	0	0	534,244	340,021	874,265
<u>Community Environment</u>					
Planning and Development	2,249,184	189,110	13,995	30,801	2,483,090
Building Code Enforcement	0	0	0	165,835	165,835
Office of Senior Adults	0	36,529	0	140,018	176,547
Public Information	0	0	0	31,045	31,045
Center for Housing and Community Life	0	48,807	5,625	73,209	127,641
Tree Maintenance	0	0	0	475,811	475,811
Leaf Collection	0	0	0	244,192	244,192
Total Community Environment	2,249,184	274,446	19,620	1,160,911	3,704,161
<u>Basic Utility Service</u>					
Refuse Collection and Disposal	0	0	1,800	3,370,710	3,372,510
Solid Waste Recycling	0	0	0	184,267	184,267
Storm Sewer Maintenance	0	0	0	199,677	199,677
Sanitary Sewer Maintenance	0	0	0	242,711	242,711
Total Basic Utility Service	0	0	1,800	3,997,365	3,999,165
<u>Transportation</u>					
Street Sweeping	0	0	0	143,263	143,263
Ice and Snow Control	0	0	0	543,575	543,575
Street Maintenance and Repair	0	0	17,356	770,050	787,406
Traffic Signal Maintenance	0	0	0	121,435	121,435
Total Transportation	0	0	17,356	1,578,323	1,595,679
<u>General Government</u>					
Mayor and Council	0	0	0	31,238	31,238
Finance and Administration	0	0	0	65,393	65,393
Legal Administration	0	0	0	22,586	22,586
Service Administration	0	0	0	324,827	324,827
Municipal Court	0	8,100	66,532	197,992	272,624
Public Properties	12,731,213	5,927,071	2,238,936	1,516,481	22,413,701
Total General Government	12,731,213	5,935,171	2,305,468	2,158,517	23,130,369
Construction in Progress	0	199,367	0	0	199,367
Total General Fixed Assets	\$15,170,375	\$8,292,094	\$3,257,521	\$15,347,909	\$42,067,899

CITY OF SHAKER HEIGHTS, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS DECEMBER 31, 2001	ADDITIONS	DEDUCTIONS	TRANSFERS	GENERAL FIXED ASSETS DECEMBER 31, 2002
<u>Security of Persons and Property</u>					
Police	\$4,663,843	\$194,492	\$110,716	0	\$4,747,619
Fire	2,987,007	165,476	73,175	0	3,079,308
Traffic Signs and Signals	481,192	0	0	0	481,192
Animal Control	26,554	0	0	0	26,554
Total Security of Persons and Property	8,158,596	359,968	183,891	0	8,334,673
<u>Public Health</u>					
Public Health	230,220	0	0	0	230,220
Total Public Health	230,220	0	0	0	230,220
<u>Culture and Recreation</u>					
Parks and Public Land Maintenance	885,404	0	11,139	0	874,265
Total Culture and Recreation	885,404	0	11,139	0	874,265
<u>Community Environment</u>					
Planning and Development	261,296	2,940,887	719,093	0	2,483,090
Building Code Enforcement	147,619	28,727	10,511	0	165,835
Office of Senior Adults	176,547	0	0	0	176,547
Public Information	31,045	0	0	0	31,045
Center for Housing and Community Life	127,641	0	0	0	127,641
Tree Maintenance	478,740	12,825	15,754	0	475,811
Leaf Collection	223,081	21,111	0	0	244,192
Total Community Environment	1,445,969	3,003,550	745,358	0	3,704,161
<u>Basic Utility Service</u>					
Refuse Collection and Disposal	2,550,871	1,085,176	263,537	0	3,372,510
Solid Waste Recycling	161,422	22,845	0	0	184,267
Storm Sewer Maintenance	210,504	0	10,827	0	199,677
Sanitary Sewer Maintenance	242,711	0	0	0	242,711
Total Basic Utility Service	3,165,508	1,108,021	274,364	0	3,999,165
<u>Transportation</u>					
Street Sweeping	215,263	0	72,000	0	143,263
Ice and Snow Control	537,639	5,936	0	0	543,575
Street Maintenance and Repair	787,406	25,483	0	0	812,889
Traffic Signal Maintenance	153,022	0	31,587	0	121,435
Total Transportation	1,693,330	31,419	103,587	0	1,621,162
<u>General Government</u>					
Council and Mayor	31,238	0	0	0	31,238
Finance and Administration	65,393	0	0	0	65,393
Legal Administration	22,586	0	0	0	22,586
Service Administration	324,827	0	0	0	324,827
Municipal Court	247,624	25,000	0	0	272,624
Public Properties	21,914,662	1,049,261	581,955	6,250	22,388,218
Total General Government	22,606,330	1,074,261	581,955	6,250	23,104,886
Construction in Progress	6,250	199,367	0	(6,250)	199,367
Total General Fixed Assets	\$38,191,607	\$5,776,586	\$1,900,294	\$0	\$42,067,899

City of Shaker Heights

General Long—Term Obligations Account Group



The General Long—Term Obligations Account Group is used to account for all long -term obligations of the City, except for those long—term obligations accounted for in the propriety and trust fund types.

CITY OF SHAKER HEIGHTS, OHIO
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2002 AND 2001

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Amount Available In Debt Service Fund	\$324,434	\$318,875
Amount To be Provided For Retirement of General Long Term Obligations	<u>2,881,943</u>	<u>2,912,956</u>
TOTAL ASSETS	<u><u>\$3,206,377</u></u>	<u><u>\$3,231,831</u></u>
<u>LIABILITIES</u>		
Accrued Sick Leave Benefits	\$2,701,690	\$2,686,769
Loans Payable	<u>504,687</u>	<u>545,062</u>
TOTAL LIABILITIES	<u><u>\$3,206,377</u></u>	<u><u>\$3,231,831</u></u>

Statistical Section



*Comprehensive Annual Financial Report
for the Fiscal Year Ended December 31, 2002*

**CITY OF SHAKER HEIGHTS, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
TABLE #1**

Year	Taxes (2)	Inter-Governmental	Charges for Services	Fees Licenses and Permits	Interest	Special Assessments	Fines and Forfeitures	Other Revenue	Total
1993	\$25,838,211	\$394,384	\$2,025,636	\$148,676	\$716,969	\$815,777	\$382,479	\$931,215	\$31,253,347
1994	22,764,635	943,535	2,539,299	207,492	794,856	811,697	487,854	391,184	28,940,552
1995	26,101,290	1,048,624	2,514,435	256,017	978,141	1,092,526	632,205	800,824	33,424,062
1996	27,528,366	1,279,043	2,506,119	345,587	953,514	1,084,156	724,453	1,037,575	35,458,813
1997	24,724,744	1,599,068	2,520,557	290,016	1,071,608	1,055,037	735,334	969,981	32,966,345
1998	31,468,595	1,833,574	3,171,843	323,482	772,261	1,213,146	795,100	1,264,611	40,842,612
1999	27,840,208	2,360,440	3,356,057	385,808	506,874	1,247,115	798,494	1,732,223	38,227,219
2000	28,199,669	2,140,165	3,210,192	363,509	1,780,331	1,239,530	983,715	1,660,238	39,577,349
2001	31,257,033	2,920,659	3,276,315	340,124	1,839,948	1,324,288	854,688	1,487,042	43,300,097
2002	29,652,517	3,805,168	3,812,324	409,093	947,056	1,348,169	826,383	1,918,912	42,719,622

(1) All Governmental Fund Types and Expendable Trust Funds.

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

Source: City of Shaker Heights, Finance Department

**CITY OF SHAKER HEIGHTS, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
TABLE #2**

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Basic Utility Services	Transportation	General Government	Capital Outlay	Debt Service	Total
1993	\$11,329,023	\$256,643	\$480,748	\$3,240,661	\$2,528,962	\$1,672,048	\$5,245,925	\$3,127,578	\$6,152,848	\$34,034,436
1994	12,034,752	262,191	625,072	3,172,921	2,774,919	1,510,400	5,340,047	3,506,957	337,330	29,564,589
1995	12,808,454	359,446	582,908	3,522,754	2,541,103	1,868,380	5,732,548	4,605,273	461,283	32,482,149
1996	12,796,944	348,235	533,821	3,914,163	2,928,105	2,115,476	5,983,173	4,840,130	418,835	33,878,882
1997	13,198,261	348,387	524,142	3,856,804	2,804,228	1,857,433	6,273,121	3,109,480	350,497	32,322,353
1998	13,456,343	356,838	578,908	3,704,847	2,876,563	1,243,171	6,717,703	4,265,484	287,548	33,487,405
1999	14,434,394	378,668	604,396	4,694,019	3,159,114	1,909,710	6,959,563	4,711,457	2,276,151	39,127,472
2000	15,498,381	375,271	570,420	4,377,913	3,168,986	2,144,245	7,157,255	4,544,652	144,307	37,981,430
2001	16,302,671	397,931	582,860	4,590,959	3,182,130	1,542,087	7,222,763	5,463,532	231,498	39,516,431
2002	17,544,782	509,328	501,136	4,838,231	3,563,023	1,361,726	7,412,559	10,076,546	259,457	46,066,788

(1) All Governmental Fund Types and Expendable Trust Funds.

Source: City of Shaker Heights, Finance Department

**CITY OF SHAKER HEIGHTS, OHIO
MUNICIPAL INCOME TAX COLLECTIONS BY TYPE
LAST TEN FISCAL YEARS
TABLE #3**

Year	Employer Withholding	Individual	Net Profits	Penalties & Interest	Total Revenue
1993	\$3,426,442	\$9,590,903	\$173,914	\$252,346	\$13,443,605
1994	3,778,798	9,433,159	262,908	306,020	13,780,885
1995	4,191,481	9,924,539	290,241	363,062	14,769,323
1996	4,380,569	10,585,399	397,200	333,512	15,696,680
1997	4,673,804	10,649,215	298,504	346,740	15,968,263
1998	4,718,786	11,311,885	418,982	333,675	16,783,328
1999	4,899,988	11,900,607	342,527	343,580	17,486,702
2000	5,405,606	11,236,797	348,985	273,409	17,264,797
2001	5,201,142	12,739,568	556,797	429,954	18,927,461
2002	5,293,177	12,415,761	506,343	433,627	18,648,908

SOURCE: City of Shaker Heights, Finance Department

**CITY OF SHAKER HEIGHTS, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 TABLE #4**

Tax Year/ Collection Year	Real Property (1)		General Tangible Personal Property (2)		Public Utilities Tangible Personal Property (3)		Total		Ratio of Total Assessed to Estimated Actual Value
	Assessed Value	Estimated Actual	Assessed Value	Estimated Actual	Assessed Value	Estimated Actual	Assessed Value	Estimated Actual	
1993/1994	\$528,590,740	\$1,510,259,257	\$7,289,096	\$29,156,384	\$27,468,980	\$27,468,980	\$563,348,816	\$1,566,884,621	35.95%
1994/1995	580,236,040	1,657,817,257	8,350,172	33,400,688	27,310,960	27,310,960	615,897,172	1,718,528,905	35.84%
1995/1996	576,319,840	1,646,628,114	9,705,218	38,820,872	25,243,350	27,310,960	611,268,408	1,712,759,946	35.69%
1996/1997	578,333,810	1,652,382,314	11,372,730	45,490,920	24,401,660	24,401,660	614,108,200	1,722,274,894	35.66%
1997/1998	619,672,050	1,770,491,571	11,525,825	46,103,300	23,242,590	24,401,660	654,440,465	1,840,996,531	35.55%
1998/1999	620,808,980	1,773,739,943	10,729,785	42,919,140	23,210,870	26,375,989	654,749,635	1,843,035,072	35.53%
1999/2000	620,415,390	1,772,615,400	11,173,500	44,694,000	21,083,660	23,958,705	652,672,550	1,841,268,105	35.45%
2000/2001	704,415,330	2,012,615,229	12,360,677	49,442,708	20,868,560	23,714,273	737,644,567	2,085,772,210	35.37%
2001/2002	708,065,810	2,023,045,171	14,106,723	58,778,013	16,032,480	18,218,727	738,205,013	2,100,041,911	35.15%
2002/2003	706,996,220	2,019,989,200	16,864,140	73,322,348	15,306,100	17,393,295	739,166,460	2,110,704,843	35.02%

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

(2) From 1992 to 2001, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25% of its true value. Beginning in collection year 2002, the inventory assessment will be reduced 1% each year until it is completely phased out.

(3) The true value of tangible personal property of public utilities is based upon composite annual allowances and is assessed at 88%, with some exceptions.

Source: Cuyahoga County Auditor's Office

**CITY OF SHAKER HEIGHTS, OHIO
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS
TABLE #5**

Tax Year/ Collection Year	City of Shaker Heights				Total City Rate	County	Schools	Library	Total
	General Fund	Debt Service	Police Pension	Fire Pension					
1993/1994	9.30	0.00	0.30	0.30	9.90	16.80	131.20	3.00	160.90
1994/1995	9.30	0.00	0.30	0.30	9.90	16.80	131.00	3.00	160.70
1995/1996	9.30	0.00	0.30	0.30	9.90	16.60	139.70	3.00	169.20
1996/1997	9.30	0.00	0.30	0.30	9.90	16.60	139.80	3.00	169.30
1997/1998	9.30	0.00	0.30	0.30	9.90	16.60	139.60	4.00	170.10
1998/1999	9.30	0.00	0.30	0.30	9.90	15.30	139.80	4.00	169.00
1999/2000	9.30	0.00	0.30	0.30	9.90	15.30	141.00	4.00	170.20
2000/2001	9.30	0.00	0.30	0.30	9.90	16.20	150.50	4.00	180.60
2001/2002	9.30	0.00	0.30	0.30	9.90	16.20	150.50	4.00	180.60
2002/2003	9.30	0.00	0.30	0.30	9.90	16.20	150.00	4.00	180.10

Source: Cuyahoga County Auditor's Office

**CITY OF SHAKER HEIGHTS, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL AND PUBLIC UTILITY
LAST TEN FISCAL YEARS
TABLE #6**

Tax Year/ Collection Year	Current		Percent of Current Levy Collected	Collections Including Deficiencies	Total Collections As Percent of Current Levy	Accumulated Delinquency
	Levy	Collections				
1992/1993	\$6,417,167	\$6,189,565	96.45%	\$6,317,543	98.45%	\$460,773
1993/1994	5,494,611	5,331,225	97.03%	5,511,643	100.31%	350,752
1994/1995	5,999,464	5,813,092	96.89%	5,958,437	99.32%	322,450
1995/1996	6,065,921	5,923,440	97.65%	6,082,444	100.27%	346,309
1996/1997	6,087,228	5,888,637	96.74%	6,057,119	99.51%	350,966
1997/1998	6,336,703	6,127,383	96.70%	6,313,531	99.63%	409,787
1998/1999	6,374,373	6,134,194	96.23%	6,416,944	100.67%	386,184
1999/2000	6,377,232	6,106,668	95.76%	6,375,098	99.97%	371,021
2000/2001	7,178,496	6,827,641	95.11%	7,091,176	98.78%	492,465
2001/2002	7,162,530	6,774,784	94.59%	7,131,454	99.57%	542,690

Source: Cuyahoga County Auditor's Office

**CITY OF SHAKER HEIGHTS, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
TABLE #7**

Fiscal Year	Special Assessment	
	Billings	Collections
1993	\$814,521	\$815,777
1994	814,521	811,697
1995	1,075,084	1,092,526
1996	1,075,084	1,084,156
1997	1,075,084	1,055,037
1998	1,270,004	1,198,868
1999	1,265,320	1,191,779
2000	1,240,893	1,186,690
2001	1,413,239	1,308,537
2002	1,440,256	1,333,034

SOURCE: Cuyahoga County Auditor

CITY OF SHAKER HEIGHTS, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2002
 TABLE # 8

TOTAL ASSESSED VALUATION		<u>\$739,166,460</u>
<u>Overall Debt Limitation</u>		
10 1/2% of Assessed Valuation		\$77,612,478
Gross Indebtedness	\$18,304,687	
Less: Debt Outside Limitations		
Ohio Public Works Commission Loan	(504,687)	
<u>Temporary Urban Renewal Bonds</u>		
Sussex Area Revitalization Project - Public Improvements	(2,150,000)	
Sussex Area Revitalization Project - Property Acquisition	(575,000)	
Shaker Towne Centre Revitalization Project	(5,100,000)	
Shaker Towne Centre Revitalization - Firehouse Construction	<u>(5,000,000)</u>	
Debt within 10 1/2% Limitation:		
<u>Bond Anticipation Notes</u>		
Police Unfunded Pension Liability	\$870,085	
Fire Unfunded Pension Liability	809,915	
Library Building Renovation Project	1,275,000	
2000 Fire Truck Acquisition	240,000	
Ambulance Acquisition	120,000	
2002 Fire Truck Acquisition	430,000	
Public Works Equipment	790,000	
Public Works Roof Replacement	<u>440,000</u>	
Total Debt within 10 1/2% Limitation	\$4,975,000	
Less: Debt Service Fund Balance	<u>(324,434)</u>	
Net Debt within 10 1/2% Limitation		<u>4,650,566</u>
Legal Debt Margin within 10 1/2% Limitation		<u>\$72,961,912</u>
<u>Unvoted Debt Limitation</u>		
5 1/2% of Assessed Valuation		\$40,654,155
Gross Indebtedness Authorized by Council	\$18,304,687	
Less: Debt Outside Limitations		
Ohio Public Works Commission Loan	(504,687)	
<u>Temporary Urban Renewal Bonds</u>		
Sussex Area Revitalization Project - Public Improvements	(2,150,000)	
Sussex Area Revitalization Project - Property Acquisition	(575,000)	
Shaker Towne Centre Revitalization Project	(5,100,000)	
Shaker Towne Centre Revitalization - Firehouse Construction	<u>(5,000,000)</u>	
Debt within 5 1/2% Limitation		
<u>Bond Anticipation Notes</u>		
Police Unfunded Pension Liability	\$870,085	
Fire Unfunded Pension Liability	809,915	
Library Building Renovation Project	1,275,000	
2000 Fire Truck Acquisition	240,000	
Ambulance Acquisition	120,000	
2002 Fire Truck Acquisition	430,000	
Public Works Equipment	790,000	
Public Works Roof Replacement	<u>440,000</u>	
Total Debt within 5 1/2% Limitation	\$4,975,000	
Less: Debt Service Fund Balance	<u>(324,434)</u>	
Net Debt within 5 1/2% Limitation		<u>4,650,566</u>
Legal Debt Margin within 5 1/2% Limitation		<u>\$36,003,589</u>

Source: City of Shaker Heights, Finance Department

**CITY OF SHAKER HEIGHTS, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2002
TABLE # 9**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Shaker Heights</u>	<u>Amount Applicable to City of Shaker Heights</u>
<u>Direct:</u>			
City of Shaker Heights General Obligation Bond Anticipation Notes	<u>\$15,075,000</u> (a)	<u>100.00%</u>	<u>\$15,075,000</u>
<u>Overlapping:</u>			
City of Shaker Heights - School District	<u>15,124,223</u> (b)	<u>93.14%</u>	<u>14,086,701</u>
Cuyahoga County	<u>200,162,636</u> (b)	<u>2.59%</u>	<u>5,184,212</u>
Greater Cleveland Regional Transit	<u>136,310,000</u> (b)	<u>2.59%</u>	<u>3,530,429</u>
Total Overlapping	<u>351,596,859</u>		<u>22,801,342</u>
GRAND TOTAL	<u>\$366,671,859</u>		<u>\$37,876,342</u>

SOURCE: (a) City of Shaker Heights, Finance Department

(b) Cuyahoga County Auditor's Office

**CITY OF SHAKER HEIGHTS, OHIO
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUATION AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
TABLE #10**

Year	Population	Assessed Value (1)	Gross General Bonded Debt (2)	Less Balance In Debt Service Fund	Net Gross General Bonded Debt	Ratio of Net Debt To Assessed Value	Net Bonded Debt Per Capita
1993	30,867	\$563,348,816	\$5,295,000	\$216,274	\$5,078,726	0.902%	\$164.54
1994	30,867	615,897,172	6,240,000	219,838	6,020,162	0.977%	195.04
1995	30,867	611,268,408	5,110,000	222,206	4,887,794	0.800%	158.35
1996	30,867	614,108,200	3,890,000	225,195	3,664,805	0.597%	118.73
1997	30,867	654,440,465	3,065,000	263,693	2,801,307	0.428%	90.75
1998	30,867	654,749,635	2,360,000	279,597	2,080,403	0.318%	67.40
1999	30,867	652,672,550	3,845,000	291,224	3,553,776	0.544%	115.13
2000	29,405	737,644,567	3,935,000	306,054	3,628,946	0.492%	123.41
2001	29,405	738,205,013	7,600,000	318,875	7,281,125	0.986%	247.62
2002	29,405	739,166,460	17,800,000	324,434	17,475,566	2.364%	594.31

(1) SOURCE: Cuyahoga County Auditor

(2) Includes Both Exempt and Non-Exempt Bond Anticipation Notes

Population is from the 1990 and 2000 Federal Census

**CITY OF SHAKER HEIGHTS, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
TABLE #11**

Year	Short-Term Bond Anticipation Notes	Interest (1)	Total Debt Service On General Bonded Debt	General Governmental Expenditures	Ratio of Tax Supported Debt Service to General Governmental Expenditures
1993	\$1,385,000	\$179,663	\$1,564,663	\$34,034,436	4.60%
1994	670,000	178,145	848,145	29,564,589	2.87%
1995	1,130,000	281,910	1,411,910	32,482,149	4.35%
1996	1,220,000	219,275	1,439,275	33,878,882	4.25%
1997	825,000	150,937	975,937	32,322,353	3.02%
1998	705,000	87,988	792,988	33,487,405	2.37%
1999	675,000	82,335	757,335	39,127,472	1.94%
2000	310,000	103,922	413,922	37,981,430	1.09%
2001	335,000	191,123	526,123	39,516,431	1.33%
2002	835,000	219,082	1,054,082	46,066,788	2.29%

(1) Includes Interest Expense on both Bonds and Short-Term Note Obligations

SOURCE: City of Shaker Heights, Finance Department

**CITY OF SHAKER HEIGHTS, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2002
TABLE #12**

	<u>1980</u>	<u>1990</u>	<u>2000</u>
Population	32,487	30,867	29,405
Per capita income	\$15,669	\$32,708	\$41,354
Number of dwelling units	13,241	13,279	12,982
Persons per household	2.54	2.43	2.39
Median Age	36.5	37.8	39.6
% owner - occupied dwelling units	65.30%	61.40%	64.90%
Median Family Income	\$34,241	\$65,913	\$85,893
Family income distribution:			
\$ 0 - \$ 9,999	1,666	767	764
\$10,000 - \$ 24,999	3,916	1,921	1,515
\$25,000 - \$ 34,999	2,341	1,415	1,151
\$35,000 - \$ 49,999	2,041	2,054	1,481
over \$50,000	<u>2,815</u>	<u>6,443</u>	<u>7,355</u>
Total families	<u>12,779</u>	<u>12,600</u>	<u>12,266</u>
Education distribution/grades years completed: (Population 25 years or older)			
0 - 8	3.32%	1.69%	1.58%
9 - 11	5.99%	5.67%	3.79%
12	19.13%	10.54%	11.05%
13 - 15	20.98%	21.09%	21.88%
16 or more	<u>50.58%</u>	<u>61.01%</u>	<u>61.69%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

SOURCE: Federal Census and City of Shaker Heights Planning Department

CITY OF SHAKER HEIGHTS, OHIO
 EMPLOYMENT DISTRIBUTION BY OCCUPATION
 DECEMBER 31, 2002
 TABLE # 13

<u>Residents' employment distribution by occupation:</u>	<u>Number Employed</u>	<u>% of Total</u>
Professional, Scientific, Management, Administrative and Waste Management Services	2,093	22.76%
Educational, Health and Social Services	5,135	55.85%
Arts, Entertainment, Recreation, Accommodation and Food Services	820	8.92%
Public Administration	556	6.05%
Other	<u>591</u>	<u>6.43%</u>
Total Employment	<u>9,195</u>	<u>100.00%</u>

SOURCE: 1990 Federal Census and Cuyahoga County Planning Commission

**CITY OF SHAKER HEIGHTS, OHIO
 PRINCIPAL PROPERTY TAXPAYERS
 DECEMBER 31, 2002
 TABLE # 14**

<u>Taxpayer</u>	<u>Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
OfficeMax Incorporated	\$8,371,670	1.13%
Ohio Bell Telephone Company	6,185,500	0.84%
The Cleveland Electric Illuminating Company	6,059,580	0.82%
Tower East Operating Association	4,278,930	0.58%
Shaker Towne Centre E&A Llc	3,675,000	0.50%
East End School Association	3,085,210	0.42%
Community Links Limited Partnership	2,964,540	0.40%
Somerset Point LTD Partnership	2,496,380	0.34%
Deborah Salzberg Trust	1,876,280	0.25%
East Ohio Gas Company	<u>1,487,830</u>	<u>0.20%</u>
TOTAL	<u><u>\$40,480,920</u></u>	<u><u>5.48%</u></u>
TOTAL ASSESSED VALUATION OF CITY	<u><u>\$739,166,460</u></u>	

(1) Property assessed at 35% of Fair Market Value

SOURCE: Cuyahoga County Auditor

**CITY OF SHAKER HEIGHTS, OHIO
PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS
TABLE #15**

Tax Year/ Collection Year	Construction (1)		Cuyahoga County Bank Deposits (2) (In Thousands)	Total Assessed Value (1)	
	Commercial/ Industrial	Residential		Commercial	Residential
1993/1994	\$668,570	\$1,251,620	\$21,009,421	\$54,204,110	\$474,386,630
1994/1995	1,130,860	696,500	20,885,453	58,312,610	521,923,430
1995/1996	671,960	967,500	22,694,304	58,661,040	517,658,800
1996/1997	2,462,770	466,180	27,068,211	60,614,950	517,718,860
1997/1998	10,330	403,540	53,941,971	62,695,010	556,977,040
1998/1999	1,360,940	435,630	58,904,596	64,301,600	556,507,380
1999/2000	280,700	516,010	57,816,942	63,754,230	556,661,160
2000/2001	1,216,100	1,613,690	61,942,764	74,268,190	630,147,140
2001/2002	2,240,210	1,124,710	63,893,769	77,190,760	630,875,050
2002/2003	2,463,260	764,260	95,761,917	76,418,240	630,577,980

(1) SOURCE: Cuyahoga County Auditor

(2) SOURCE: Federal Reserve Bank of Cleveland (total demand, time and savings deposits) for Cuyahoga County, Ohio Banks.

**CITY OF SHAKER HEIGHTS, OHIO
OTHER STATISTICS
DECEMBER 31, 2002
TABLE # 16**

Year incorporated as a village	1912
Year incorporated as a city	1931
City Charter adopted	1931
Form of government	Mayor/Council
Area	6.3 square miles
Miles of streets	142
Number of street lights	4,565
Sworn Fire protection:	
Number of stations	2
Number of firemen and officers	64
Sworn Police protection:	
Number of stations	1
Number of policemen and officers	72
Sewers:	
Miles of storm sewers	102
Miles of sanitary sewers	99
Miles of water mains	127
Building:	
2002 Permits issued	3,505
2002 Valuation of construction	\$19,666,855
Parks and Recreation:	
Number of parks	14
Number of pools	1
Number of ice rinks	1
Number of tennis courts	10
Number of baseball diamonds	6

SOURCE: City of Shaker Heights, Public Works, Building and Recreation Departments

City Of Shaker Heights, Ohio

SINGLE AUDIT REPORTS

DECEMBER 31, 2002

CITY OF SHAKER HEIGHTS, OHIO

FOR THE YEAR ENDED DECEMBER 31, 2002

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Creating economic value through
knowledge, innovation, commitment, and service

CIUNI & PANICHI
INC.

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTING FIRM

a C&P Advisors Company

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 Shaker Heights, Ohio

We have audited the general-purpose financial statements of the City of Shaker Heights as of and for the year ended December 31, 2002, and have issued our report thereon dated June 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Shaker Heights's general-purpose 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 02-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Shaker Heights's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose 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 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 general-purpose 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Shaker Heights in a separate letter dated June 20, 2003.



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

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

Cuni & Paricki, Inc.

Cleveland, Ohio
June 20, 2003



Creating economic value through
knowledge, innovation, commitment, and service

CIUNI & PANICHI
INC.

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTING FIRM

a C&P Advisors Company

Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of the City of Shaker Heights, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City of Shaker Heights's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Shaker Heights's management. Our responsibility is to express an opinion on the City of Shaker Heights's compliance based on our audit.

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

In our opinion, the City of Shaker Heights complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.



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

Internal Control Over Compliance

The management of the City of Shaker Heights is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Shaker Heights's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Shaker Heights in a separate letter dated June 20, 2003.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the City of Shaker Heights as of and for the year ended December 31, 2002, and have issued our report there dated June 20, 2003. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. 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.

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

Cini & Panichi, Inc.

Cleveland, Ohio
June 20, 2003

CITY OF SHAKER HEIGHTS, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Federal Cash Receipts</u>	<u>Federal Cash Disbursements</u>
U.S. Department of Health & Human Services Passed Through the Ohio Department on Aging and the Western Reserve Area Agency on Aging					
Title III B Senior Adults - 2001	93.044	N/A	\$ 48,451	\$ 3,101	\$ 3,101
Title III B Senior Adults - 2002	93.044	N/A	<u>45,302</u>	<u>40,729</u>	<u>45,302</u>
Total Department of Health & Human Services			<u>93,753</u>	<u>43,830</u>	<u>48,403</u>
U.S. Department of Housing & Urban Development					
Direct Program:					
Fair Housing Assistance Program					
State and Local	14.401	FF205K985030	<u>177,286</u>	<u>-</u>	<u>13,567</u>
Total Direct Programs			<u>177,286</u>	<u>-</u>	<u>13,567</u>
Passed Through Cuyahoga County:					
Community Development Block Grants/Entitlement Grants					
CDBG - 2001 Exterior Maintenance Program	14.218	CE 12590-01	50,000	37,493	10,061
CDBG – 2002 Exterior Maintenance Program	14.218	CE-12590-01	60,000	-	60,000
CDBG – ADA Compliance for Municipal Service Center	14.218	CE-12811-01	<u>88,200</u>	<u>81,823</u>	<u>-</u>
Total Pass-Through Programs			<u>198,200</u>	<u>119,316</u>	<u>70,061</u>
Total U.S. Department of Housing & Urban Development			<u>375,486</u>	<u>119,316</u>	<u>83,628</u>

CITY OF SHAKER HEIGHTS, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Federal Cash Receipts</u>	<u>Federal Cash Disbursements</u>
U.S. Department of Justice Direct Program:					
Drug-Free Communities Support Program Grant					
Drug Free Community Grant	16.729	01-JN-FX-0115	100,000	91,085	94,733
Local Law Enforcement Block Grants Program					
Local Law Enforcement Block Grants Program - FY 2001	16.592	00LBVX1645	<u>21,095</u>	<u>-</u>	<u>17,225</u>
Total Direct Programs			<u>121,095</u>	<u>91,085</u>	<u>111,958</u>
Passed Through the State of Ohio Office of Criminal Justice Services					
Juvenile Accountability Incentive Block Grant Program					
Volunteer Magistrate - 1999	16.523	99-JB-010-A018	<u>18,384</u>	<u>14,521</u>	<u>-</u>
Total Pass-Through Program			<u>18,384</u>	<u>14,521</u>	<u>-</u>
Total U.S. Department of Justice			<u>139,479</u>	<u>105,606</u>	<u>111,958</u>
Executive Office of the President - Office of National Drug Control Policy Direct Program:					
High Intensity Drug Trafficking Area - Ohio - 1999	N/A	I9POHP501	700,000	3,818	9,840
High Intensity Drug Trafficking Area - Ohio - 2000	N/A	I0POHP501	1,301,000	56,041	253,756
High Intensity Drug Trafficking Area - Ohio - 2001	N/A	I1POHP501	2,500,000	1,107,465	1,048,096
High Intensity Drug Trafficking Area - Ohio - 2002	N/A	I1POHP501	<u>2,700,000</u>	<u>817,525</u>	<u>961,419</u>
Total Executive Office of the President			<u>7,201,000</u>	<u>1,984,849</u>	<u>2,273,111</u>

CITY OF SHAKER HEIGHTS, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Federal Cash Receipts</u>	<u>Federal Cash Disbursements</u>
<hr/>					
U.S. Department of Transportation Federal Highway Administration					
Passed through the Ohio Department of Transportation Highway Planning and Construction					
ODOT Railroad Safety Grant	20.205	#9243, PID 15393	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Total U.S. Department of Transportation Federal Highway Administration			<u>24,000</u>	<u>24,000</u>	<u>-</u>
Total Federal Assistance			\$ <u>7,833,718</u>	\$ <u>2,277,602</u>	\$ <u>2,517,100</u>

CITY OF SHAKER HEIGHTS, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Shaker Heights, Ohio and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

NOTE 2 - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute Non-Federal (matching) funds to support the Federally Funded programs. The City has complied with the matching requirements. The expenditure of Non-Federal matching funds is not included on the accompanying Schedule.

N/A - Not Applicable

CITY OF SHAKER HEIGHTS, OHIO

SCHEDULE OF FINDINGS OMB CIRCULAR A-133, SECTION .505

DECEMBER 31, 2002

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)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	No
(d)(I)(vii)	Major Programs	Office of National Drug Control Policy High Intensity Drug Trafficking Area.
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

02-1 Per ORC Section 5705.41(D), no orders or contracts involving the expenditure of money are to be made unless there is attached a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any encumbrances.

During our review of expenditures, Ciuni & Panichi, Inc. noted several instances where purchase orders were issued after the City received the invoice.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings for federal awards to report in 2002.

CITY OF SHAKER HEIGHTS, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133, SECTION .315(b)

DECEMBER 31, 2002

Item No.	Finding Summary	Fully Corrected?	Explanation
01-1	Purchase orders dated after invoice	No	The City had noncompliance in this area again in year 2002.

CITY OF SHAKER HEIGHTS

**3400 LEE ROAD
SHAKER HEIGHTS, OHIO 44120
(216) 491-1420**

RESPONSE TO FINDINGS ASSOCIATED WITH AUDIT CONDUCTED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
FOR THE YEAR ENDED DECEMBER 31, 2002

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
02-1	The City will monitor the encumbrance procedures to ensure that purchase orders are properly issued to remain in compliance with ORC Section 5705.41(D).	N/A	Frank Brichacek, Finance Director



**Auditor of State
Betty Montgomery**

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 SHAKER 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
SEPTEMBER 4, 2003**