

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2010



Dave Yost • Auditor of State

CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures	1
Notes to the Schedule of Federal Awards Expenditures	2
Independent Accountants' Report on Internal Control on Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program, on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i> , and on the Federal Awards Expenditures Schedule	5
Schedule of Findings.....	7
Schedule of Prior Audit Finding	13

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements</u>
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>		
<i>Direct Program:</i>		
Community Development Block Grant	14.218	\$ 2,339,877
ARRA-Community Development Block Grant	14.253	55,995
Total Community Development Block Grant Cluster:		<u>2,395,872</u>
 ARRA-Homelessness Prevention and Rapid Re-Housing Program	 14.257	 85,574
<i>Passed through Ohio Department of Development:</i>		
Neighborhood Stabilization Program	14.228	1,692,036
<i>Passed through Cuyahoga County Housing Consortium:</i>		
HOME Investment Partnership Program	14.239	421,128
<i>Passed through Cuyahoga County Department of Development:</i>		
Lead Safe Cuyahoga Program	14.900	286,160
Sub-Total Passed-Through Programs		<u>2,484,898</u>
Total U.S. Department of Housing and Urban Development		<u><u>4,880,770</u></u>
<u>U. S. DEPARTMENT OF HEALTH and HUMAN SERVICES:</u>		
<i>Passed through Ohio Department of Aging:</i>		
<i>Passed through the Western Reserve Area Agency on Aging:</i>		
Title III-B of the Older Americans Act	93.044	24,575
Total U.S. Department of Health and Human Services		<u>24,575</u>
<u>U. S. DEPARTMENT OF ENERGY:</u>		
<i>Direct Program:</i>		
Energy Efficiency and Conservation Block Grant	81.128	162,936
Total U.S Department of Energy		<u>162,936</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION:</u>		
<i>Passed through Greater Cleveland Regional Transit Authority:</i>		
Federal Transit Formula Grant	20.507	10,000
Total U.S. Department of Transportation		<u>10,000</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY:</u>		
<i>Direct Program:</i>		
Assistance of Firefighters Grant Program	97.044	22,744
Total Federal Emergency Management Agency		<u>22,744</u>
Total Federal Awards Expenditures		<u><u>\$5,101,025</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY
 NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2010**

Note A – Significant Accounting Policies

The accompanying Schedule of Federal Awards Expenditures is a summary of the activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

Note B – Community Development Block Grants (CDBG) Revolving Loan Program

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants the money for these loans to the City. The initial loan of this money is recorded as a disbursement on the Schedule of Federal Awards Expenditures. Loans repaid, including interest, are used to make additional loans. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans; and therefore, are reported as federal expenditures in the year of disbursement. Prior year outstanding balances are reported in the schedule below.

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2010 is as follows:

Beginning loans receivables balance as of January 1, 2010	\$1,717,504
Loans Made:	173,668
Loan principal repaid on loans issued prior to 2010:	(248,839)
Loan principal repaid on 2009 loans issued:	0
Ending loans receivable balances as of December 31, 2010	1,642,342
Cash balance on hand in the revolving loan fund as of December 31, 2010	3,361
Total value of revolving loan fund portion of the CDBG 14.218 program	1,645,694
Other grants administered through the 14.218 program	2,395,872
Total CDBG 14.218 program	\$4,041,566



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

City of Cleveland Heights
Cuyahoga County
40 Severance Circle
Cleveland Heights, Ohio 44118

To the Members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 26, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-01 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-01 and 2010-02.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated September 26, 2011.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, City Council, and federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

September 26, 2011



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

City of Cleveland Heights
Cuyahoga County
40 Severance Circle
Cleveland Heights, Ohio 44118

To the Members of City Council:

Compliance

We have audited the compliance of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Cleveland Heights complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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Internal Control Over Compliance (Continued)

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

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

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Cleveland Heights (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated September 26, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, City Council, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

September 26, 2011

CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY
 SCHEDULE OF FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2010

SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA# 14.239, Home Investment Partnership Program 81.128, Energy Efficiency and Conservation Block Grant 14.228, Neighborhood Stabilization Program
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: : > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY
 SCHEDULE OF FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (CONTINUED)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2010-01
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Illegal Advances, Material Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(H) provides that money paid into a fund must be used only for the purposes for which such fund has been established. A fund with a negative fund balance signifies that monies from other funds were used to meet their obligations.

Ohio Revised Code § 5705.10(D) requires all revenue derived from a specific source to be credited to a special fund for the purpose for which the monies were received. Although inter-fund cash advances may be a desirable method of resolving cash flow problems without the necessity of incurring additional interest expense for short-term loans, the intent of this type of cash advance is to require repayment within the current or succeeding year and cash advances are subject to the following requirements:

- Any advance must be clearly labeled as such, and must be distinguished from a transfer;
- In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the “creditor” fund) for the same purpose for which the fund receiving the cash (the “debtor” fund) was established;
- The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on use of the money to be used to make the reimbursement; and
- Advances must be approved by a formal resolution of the taxing authority of the subdivision (Village Council) which must include both a specific statement that the transaction is an advance of cash and an indication of the money (fund) from which it is expected that repayment will be made.

See Auditor of State Technical Bulletin 97-003.

In order to ensure the funds maintain a positive cash fund balance, Council authorizes the advancing of monies in the budgetary appropriation measure passed. While the total advances out were approved by Council there was no indication of which fund was receiving the advance and the amount.

During a review of advances, we noted several instances in which the advances made were improper, as they were from restricted funds and could not be used for the purposes in which they were used in the fund receiving the advance. The advances were from the Local TV Programming Fund – Special Revenue Fund Type and the Ring Road Fund – Capital Projects Fund Type to various funds. A summary of these advances are as follows:

<u>Advance From Fund</u>	<u>Advance To Fund</u>	<u>Amount</u>
Local TV Programming	HOME Program	\$107,716
	FEMA Grant	888
	Neighborhood Stabilization	618,440
	Homeless Prevention	75
	Street Lighting	196,240
	Department of Energy Grant	15
Ring Road	CDBG Resource	30,744
	Capital Improvements	131,025

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY
 SCHEDULE OF FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (CONTINUED)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2010-01
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Illegal Advances, Material Noncompliance and Material Weakness (Continued)

The accompanying financial statements and the City’s accounting records reflect an adjustment removing the above advances. As a result of this adjustment, the following funds had negative cash fund balances as of December 31, 2010:

<u>Fund</u>	<u>Amount</u>
<u>Governmental Activities:</u>	
<u>Special Revenue Funds:</u>	
CDBG Resource	(\$27,385)
HOME Program	(107,716)
Neighborhood Stabilization Program	(618,052)
Homeless Prevention	(60)
Street Lighting	(196,240)

We recommend that all advances adhere to the above requirements, and Council should approve by resolution the amount and fund advancing the money and the fund from which repayment is expected.

City’s Response:

It has been a consistent past practice of the City of Cleveland Heights for numerous years whose transactions, financial statements and audit work papers have been reviewed and opined on by various Independent Accounting Firms and with the final review of such documents by the Auditor of State’s Office.

The past practice of this City has always been to clearly distinguish advances from transfers both in Finance Department accounting transactions and to the City’s Legislative Authority, i.e., City Council, in proper legislation for their formal approval. This formal approval by the City Council has always been detailed in a specific section of the City’s Final Annual Appropriation Ordinance unmistakably defining the funds involved and the amounts that were to be advanced from originating fund(s) to the receiving fund(s).

This is the first time our auditors informed us the funds used to make the advances were restricted and could not be used. Previously, our Law Director advised us these advances were legal. At the end of each year, the City advances monies to various funds to ensure there is a positive cash balance and to comply with the applicable legal requirements you are citing. We now understand the Auditor of State’s position on this matter and we will only make advances from allowable funds in the future.

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY
 SCHEDULE OF FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (CONTINUED)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2010-02
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Proper Certification and Material Noncompliance

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the City can authorize the drawing of a warrant for the payment of the amount due. The City has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the City.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During a test of 25 transactions, we noted 19 instances (76%) in which the transaction was not certified by the fiscal officer at the time the commitment was incurred and there was no evidence the City followed the aforementioned exceptions. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010
(CONTINUED)**

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

Finding Number	2010-02
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Proper Certification and Material Noncompliance (Continued)

We recommend the City certify purchases to which section 5705.41(D) applies. To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that funds are or will be available prior to obligation by the City. When prior certification is not possible, "then and now" certification should be used. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

City's Response:

The City will convey a strong message to Department Heads and their responsible purchasing personnel that proper prior encumbrance of transactions is essential to the City's budgetary control process. Further emphasis must be given to the increased usage of "Regular" Blanket Purchase Orders and "Super" Blanket Purchase Orders. Also, an effective increased utilization of City Purchasing Cards, which already have inherent internal controls for certain transactions, will also be investigated. Further, the City will work with its MIS Department to explore the possibility of utilizing "Then & Now Certificates" within the workings of its Budget and Accounts Payable System.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY
SCHEDULE OF PRIOR AUDIT FINDING
OMB CIRCULAR A-133 § .315 (B)
FOR THE YEAR ENDED DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not corrected, partially corrected, different corrective action taken; finding no longer valid; Explain
2009-001	Obligations were entered into prior to obtaining the finance director's certification of funds, contrary to Ohio Revised Code Section 5705.41(D)	No	Repeated, see finding 2010-02.

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CAFR



Comprehensive Annual Financial Report 2010



CLEVELAND HEIGHTS, OHIO



CLEVELAND HEIGHTS, OHIO



Comprehensive Annual Financial Report

for the fiscal year ended December 31, 2010

Prepared by
The Department of Finance
Thomas K. Malone, director
Tom Raguz, assistant director



CLEVELAND HEIGHTS, OHIO



Introductory Section



CLEVELAND HEIGHTS, OHIO

City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2010

Table of Contents **Page**

Introductory Section

Title Page	i
Table of Contents	ii
Letter of Transmittal	vi
Listing of Principal City Officials	x
Certificate of Achievement	xi
Organizational Chart – City	xii
Organizational Chart – Department of Finance	xiii

Financial Section

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	16
Statement of Activities	17
Balance Sheet - Governmental Funds.....	19
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budget) - General Fund.....	23
Statement of Fund Net Assets – Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	25
Statement of Cash Flows – Proprietary Funds.....	26

City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2010

Table of Contents (Continued) **Page**

Financial Section (continued)

Statement of Fiduciary Net Assets	28
Statement of Changes in Fiduciary Net Assets.....	29
Notes to Basic Financial Statements.....	30

Supplementary Information:

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds.....	63
Combining Balance Sheet – Nonmajor Governmental Funds.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	67
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	74
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	82

Individual Fund Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budget):

General Fund	85
Debt Service Fund	92
Street Construction, Maintenance and Repair Fund	93
Foundation Grants Fund	94
First Suburbs Consortium Fund.....	95
Communications System Operating Fund	96
Public Building Maintenance Fund	97
Law Enforcement Trust Fund.....	98
Drug Law Enforcement Trust Fund.....	99
CDBG Resource Fund.....	100
CDBG Program Income Fund	101
EPA-Brownfield Grant Fund.....	102
HOME Program Fund.....	103
FEMA Grants Fund	104
Local T.V. Programming Fund.....	105

City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2010

Table of Contents (Continued) **Page**

Financial Section (continued)

Cain Park Fund	106
Public Right of Way Fund	107
Indigent Driver’s Alcohol Treatment Fund	108
Municipal Court Clerk Computerization Fund	109
DUI Enforcement and Education Fund	110
Municipal Court Special Projects Fund	111
Lead Safe Cuyahoga Fund	112
Neighborhood Stabilization Program Fund	113
CDBG Recovery Fund	114
Homelessness Prevention Fund	115
Street Lighting Fund	116
Tree Fund	117
Police Pension Trust Fund	118
Fire Pension Trust Fund	119
Earned Benefits Fund	120
Section 108 Loan Guarantee Fund	121
Department of Energy Grant Fund	122
Office on Aging Donation Fund	123
Police Memorial Fund	124
Youth Recreation Donation Fund	125
Police Facility Improvement Fund	126
Recreation Facility Improvement Fund	127
Capital Improvements Fund	128
Economic Development Fund	129
City Hall Maintenance Fund	130
Recreation Improvements Fund	131
Zagara TIF Fund	132
Ring Road Construction Fund	133

Combining Statements – Agency Funds	134
---	-----

Combining Statement of Changes in Assets and Liabilities – Agency Funds	135
--	-----

Statistical Section

Statistical Section	137
---------------------------	-----

Net Assets By Component – Last Eight Years	138
--	-----

Changes in Net Assets – Last Eight Years	139
--	-----

Fund Balances, Governmental Funds – Last Ten Fiscal Years	142
---	-----

City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2010

Table of Contents (Continued)	Page
Statistical Section (continued)	
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	144
Assessed Value and Estimated Actual Value of Taxable Property	146
Property Tax Rates – Direct and Overlapping Governments	147
Property Tax Levies and Collections	148
Principal Property Taxpayers	149
Income Tax Revenue Base and Collections	150
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita	151
Ratio of Net General Obligation Bonded Debt to Assessed Valuation and Net Bonded Debt Per Capita	153
Computation of Direct and Overlapping Debt	154
Ratios of Bonded Debt Outstanding and Legal Debt Margin	155
Pledged Revenue Coverage	157
Demographic and Economic Statistics	158
Principal Employers	159
Full-time Equivalent City Government Employees by Function/Program	160
Operating Indicators by Function/Program	161
Capital Assets Statistics by Function/Program	166



September 26, 2011

Dear Members of Council and Residents of the
City of Cleveland Heights:

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2010. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

Management's discussion and analysis may be referenced to gain a better understanding of the City's financial activities. The management discussion and analysis serves to introduce the City's basic financial statements and gives the reader, management's analysis and explanation of the City's financial position.

CITY ORGANIZATION

The City of Cleveland Heights, located in northeastern Ohio immediately east of Cleveland, is a residential community, which covers 8.11 square miles. The City's population according to the 2010 Federal Census was 46,121. The City, incorporated under Ohio law in February 1921, operates under its own charter, which was adopted in August 1921. The Charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven members elected Council, is the chief administrative officer of the City.

The City Manager, under authority granted by the City Charter, has the power to appoint and to remove all administrative officers and employees. His appointment of the Directors of Law, Finance, and Planning requires the approval of a majority of the members of Council. A Vice City Manager and two Assistants to the City Manager work with the City Manager in handling the administrative operations of the City, including the areas of Personnel, Budget and Capital Projects.

City Council holds its regular council meetings on the first and third Mondays of each month. The Charter provides procedures for special or emergency meetings, if the need arises. The City Manager and his administrative staff together with the various department directors attend all regular council meetings. City Council generally meets in committee or as a committee of the whole on those Mondays when there is no regularly scheduled meeting.

40 SEVERANCE CIRCLE, CLEVELAND HEIGHTS, OHIO 44118

216•291•4444 FAX•291•2064

ECONOMIC CONDITIONS

The City continued to benefit due to its proximity to the major cultural, educational, and medical facilities in northeastern Ohio. These facilities include the University Circle area comprised of Case Western Reserve University and its associated University Hospitals, Severance Hall for the Performing Arts which also serves as resident base to the internationally-acclaimed Cleveland Symphony Orchestra, and the Cleveland Clinic, a world-renowned medical research and treatment facility. In addition, the City is strategically located to facilitate efficient and quick access to the downtown Cleveland business district, sports facilities for the Cleveland Indians major league baseball team, the Cleveland Cavaliers professional basketball team, the Cleveland Browns professional football team, the Great Lakes Science Center, and the National Rock and Roll Hall of Fame. As a result, the City's unemployment rate in April 2011 was 6.1% as compared to a Cuyahoga County rate of 7.9%, a State of Ohio rate of 8.6%, and a national rate of 9%.

The City of Cleveland Heights has felt the effects of the same economic downturn that stalled the economy of the State of Ohio and the nation as a whole in the earlier years of this decade. The City is optimistic that the next few years will bring closure to this period of downturn. The City is currently budgeting 2010 using the same conservative approach of the past few years. The State of Ohio intends to continue reducing financial support to cities. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources. Expenditures are being closely monitored at the department level as well as the City Manager level. City Council reviews the budget and financial status of the City on a regular basis.

The assessed value of commercial property in the city has increased 20% since 2000. The assessed value of residential property has increased 27% in the same period. This is a key indicator of this City's economic health and stability where the primary "industry" is its housing. All indications are that the City will continue to be a highly desirable place in which to live in the coming years.

2010 income tax collections remained relatively strong and accounted for almost 49% of all General Fund receipts.

MAJOR INITIATIVES

Through a variety of municipal services and programs, together with public/private partnerships and citizen cooperation, there have been continued efforts to maintain and improve the exceptional environmental, economic, and social quality of life to which the residents of the City of Cleveland Heights have become accustomed.

Cain Park, the municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Orchestral, dance, and theatrical performances produced during 2010 included: The Pointer Sister, Spyro Gyra, Kathy Mattea, the Punch Brothers, Verb Ballets, Brian Henke, Natalie Sovall, Paula Cole, Harry Bacharach and Long Road. The Cain Park Arts Festival was again well attended in 2010 and is recognized as one of the best such events in the United States.

The first phase of the Monticello Boulevard resurfacing project was completed at a cost of \$1,316,480. This project was funded with Ohio Public Works Commission funds as well as with Community Development Block Grant and Community Development Block Grant-Recovery funds.

The engineering costs for the Runnymede Boulevard waterline project was completed. The project will be funded with a 15-year OWDA Loan.

In late summer 2010 the City began replacing the Denison Park soccer field with an artificial surface. The field is expected to cost \$700,000 and will be paid for using local sources.

A Department of Energy grant in the amount of \$174,000 was utilized to upgrade the lighting at the Community Center.

Camino Construction completed the Norfolk Waterline/Sewer improvements as well as the Cleveland Heights Boulevard waterline at the cost of \$279,778 and \$359,000 respectively at a lower cost than originally estimated.

PLANNED DEVELOPMENT PROJECTS FOR 2011

The engineering stage of Taylor Road Phase 1 was completed in 2010. Karvo Paving will be doing the repaving to be funded with Community Development Block Grant funds, Water Fund and Street Construction Fund at an estimated cost of \$823,482.

Work began in late 2010 for Cumberland Park Parking Lot Improvements funded with Ohio EPA Grant under the Surface Water Discharge Restoration (SWIF) program.

CITY UTILITIES

The City purchases water in bulk from the City of Cleveland through master meters and then distributes the water to City residents through the City's water mains. The City owns and maintains its water mains and also bills all water users for their consumption of water. While the City collects sewage through its own sewage system, the Northeast Ohio Regional Sewer District handles the treatment of sewage. The City's Automatic Water Meter Reading System (AMR) utilizes water meters which are read by radio signals rather than by conventional meter reader personnel, allowing staff to read the entire City in less than three working days. For convenience and safety, the meters are read in the middle of the night. The monthly water bills are sent with the billing information, a return envelope, and a message section that serves as an informative reminder of City events. As a matter of convenience, customers can now pay their water and sewer bills by credit card or ACH debit from their checking account. In addition, the City altered its relationship with the Northeast Ohio Regional Sewer District from master meter to that of a direct billing agent. This change resulted in residents receiving a direct statement each quarter from the Sewer District. A major benefit of this change is that residents are able to participate in the summer sprinkling program, which results in savings because of increased water usage in the summer.

The Cleveland Electric Illuminating Company and the Dominion East Ohio Gas Company, both independent, publicly-owned utilities provide City residents with electricity and natural gas. The City had placed issues of government aggregation of electricity supplies and natural gas supplies on the ballots in 2000 and 2001, respectively. Both issues were approved by the voters. The City proceeded with the aggregation plans and has now offered its residents city-wide aggregation plans with special rates for the supply of electricity and natural gas. The City is seeking a partner to supply electricity through the aggregation program. The City contracts with WPS Energy Services as its aggregation supplier of natural gas. The program has been popular with the residents.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2010, the City received \$1.993 million in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services, and fair housing.

CITY SERVICES

The City provides the following services for its citizens: Police and Fire Protection, Emergency Medical Services, Refuse, Recyclable and Yard Waste Collection, Street Maintenance, Recreation Programs, Municipal Court, Public Health, Community Development, Public Improvements, Water and Sewer Services, and General Administrative Services.

In addition to the basic services just described, the City continues to offer superior recreational facilities for its residents. The City operates a total of six municipal parks, which include one swimming pool and the usual sports, playground, and picnic facilities. In addition, the expansion of the Recreation Pavilion into a full-service Community Center was completed in 2001. The Olympic-size ice rink at the Community Center provides the City with two ice rinks. Other features of the Community Center are a Senior Activity Center, a field house and fitness center. The field house has two high school-size side-by-side courts with wooden floors, bleachers, scoreboards, glass backboards and the flexibility to accommodate basketball and volleyball as well as other programs. It also includes a four-lane elevated track with a rubberized surface and length of 180 yards. The fitness center features Nautilus exercise machines, aerobic, elliptical, and step machines along with a variety of bikes. There is also a cardio theater system and an aerobics room. The Community Center also contains child care facilities and meeting and general recreation rooms.

The curbside recycling program continued to be successful due to the cooperation of the residents. Included in the recycling collection are newspapers, magazines and catalogs, mixed paper (including cereal and dry good boxes), corrugated cardboard, metal, glass and #1 and #2 plastic containers. In addition, the City diverted most of its yard waste from the landfill to composting facilities. Cleveland Heights promotes the use of products made from recycled material whenever possible.

In keeping with its primarily residential character, the City operates an urban forestry department which is funded mainly through an annual special assessment on all properties. With the addition of new equipment and manpower, the department was able to concentrate on removing and replanting Cleveland Heights' aging urban forest. During 2009, the Forestry Department planted 145 trees (size 2.5" – 3" caliper) and removed 361 hazardous trees and trimmed 495 hazardous trees. The trimming and removal of hazardous trees resulted in 172 loads of wood chips and 70 loads of logs which are then offered to residents. The City received its 31st Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

The annual street resurfacing program involves removal of the asphalt street surface to its base, making base repairs, replacing curbs, catch basin and manhole castings as needed, setting all castings flush to the new street level and placing a new asphalt surface which is crowned and graded for proper drainage. The primary sources of funding for this program are motor vehicle license fees and gasoline excise tax, which generate about \$1.6 million per year. The annual street surface treatment program extends the life of the road's surface by application of crack fillers, chip sealing, and single pass asphalt recycling, a method of reclaiming the top inch of loose asphalt.

FINANCIAL CONDITION

The City of Cleveland Heights has prepared these financial statements in accordance with GASB Statement 34, "*Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*". GASB 34 created new basic financial statements for reporting on the City's financial activities as follows:

Government-Wide Financial Statements

These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses.

Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statement of Budgetary Comparisons

These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this reporting model, management is responsible for preparing a discussion and analysis of the City's finances for 2010. This discussion follows the Independent Auditors' Report.

The City maintains its legal level of budgetary control at the fund level. However, management control is exercised at the department level (Public Safety, Public Health, Culture and Recreation, Community Development, Sanitation, Transportation, and General Government). The City Manager is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each fund does not exceed that of the Council approved appropriation. The City's fully automated financial system maintains this budgetary control through its purchase order/encumbrance feature. The purchase order, required before making any purchase, creates the encumbrance against the current budget. No purchase order will be generated unless there is sufficient unobligated budget to accept the encumbrance without a budget overrun.

INTERNAL ACCOUNTING AND REPORTING CONTROL

As part of its continuing commitment to excellence in financial reporting, the City utilizes a fully integrated, financial accounting, budgeting and reporting system. Because the system is integrated, the financial and budgetary information maintained by the system is immediately available to the City's management. The timeliness and accuracy of the information provided by the City's accounting, budgeting and reporting system provides each member of the City's management with a solid, informed financial basis for daily decision-making, performance evaluation and planning.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss resulting from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed within the framework of the concept of reasonable assurance. This concept recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Regular reviews of internal control occur within this policy framework. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

CASH MANAGEMENT

The City's investment policy is to ensure safety of principal while maintaining adequate liquidity with competitive yields on its portfolio. The cash resources of all funds are combined and invested to the extent available in treasury bills, treasury notes, and other authorized instruments. Interest earned is distributed to the General Fund.

RISK MANAGEMENT

As a means of providing superior coverage and at a cost lower than conventional insurance, the City developed and implemented its own self-funded insurance plan which covers all areas of risk including general liability, property, vehicle coverage, law enforcement professional and public official coverage. This plan utilizes the services of a third-party administrator, with the City maintaining a self-insured retention overlaid with conventional excess coverage.

The City applied for and was accepted into the State of Ohio Workers Compensation Retrospective Rating Plan. Under the terms of this plan, the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the employer's premium limitation. The City's retrospective rating plan provides for a \$300,000 catastrophic limit per claim and an unlimited claim limit.

INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2010, have been audited by the State Auditor's Office. The auditor's unqualified opinion has been included in this report.

In addition, the City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1997 in accordance with U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Based upon prior experience, management believes that no material weakness in internal controls exist or questioned costs, if any, will have an adverse material effect on the financial condition of the City.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program 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. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last twenty-six (26) consecutive years (fiscal years ended December 31, 1984 through December 31, 2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

Successful preparation of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors, but especially to those employees in the Departments of Finance, Planning, and Public Relations who have spent their time and energy on various parts of the project. Finally, City Staff wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

POSTSCRIPT

All of the programs and offerings noted in this letter of transmittal are aimed at supporting the City's mission:

"Cleveland Heights is a mature residential community with a racially and culturally diverse population. We recognize this diversity as a primary strength and seek to retain our current population mix which contributes to a wholesome integrated community. In order to accomplish these objectives, we commit ourselves not only to traditional mandated services but to the following actions:

To maintain our housing stock at optimum value.

To maintain a high quality of life through recreational and cultural opportunities.

To maintain and support our commercial districts to ensure access to goods and services.

To actively engage in an on-going dialogue with neighborhood groups and residents so that changing needs of our community shape our services.

To remain competitive in relation to other surrounding communities in attracting new residents through developing new housing, controlling taxes and enhancing the quality of our community life through new and existing programs.

To assure a high return to our residents on every tax dollar."

As employees of the City of Cleveland Heights, we are proud of the community in which we work and live. We pledge our continued dedication to providing the highest possible level of service to the citizens of the City, and we commit ourselves to helping enhance the quality of life which our residents, our greatest asset, enjoy.

Respectfully submitted,


Robert C. Downey
City Manager


Thomas K. Malone
Director of Finance

City of Cleveland Heights, Ohio

Listing of Principal City Officials

December 31, 2010

ELECTED OFFICIALS

Mayor.....	Edward J. Kelley
Vice Mayor	Phyllis L. Evans
Councilmember.....	Bonita W. Caplan
Councilmember.....	Cheryl L. Stephens
Councilmember.....	Kenneth R. Montlack
Councilmember.....	Mark A. Tumeo
Councilmember.....	Dennis R. Wilcox
Municipal Judge.....	A. Deane Buchanon

APPOINTED OFFICIALS

City Manager	Robert C. Downey
Vice City Manager/Director of Community Services.....	Susanna Niermann O'Neil
Assistant to the City Manager.....	Eddie L. Carter
Assistant to the City Manager.....	Carl Czaga
Director of Finance	Thomas K. Malone
Assistant Director of Finance.....	Tom Raguz
Director of Law	John H. Gibbon
First Assistant Director of Law	Laure A. Wagner
Assistant Director of Law	William R. Hanna
Assistant Director of Law	L. James Juliano, Jr.
Assistant Director of Law	Kim Segebarth
Director of Planning.....	Richard E. Wong
Director of Public Safety	Robert C. Downey
Director of Public Works	Alex Mannarino
Chief of Fire.....	Kevin C. Mohr
Chief of Police	Jeffrey E. Robertson

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cleveland Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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.



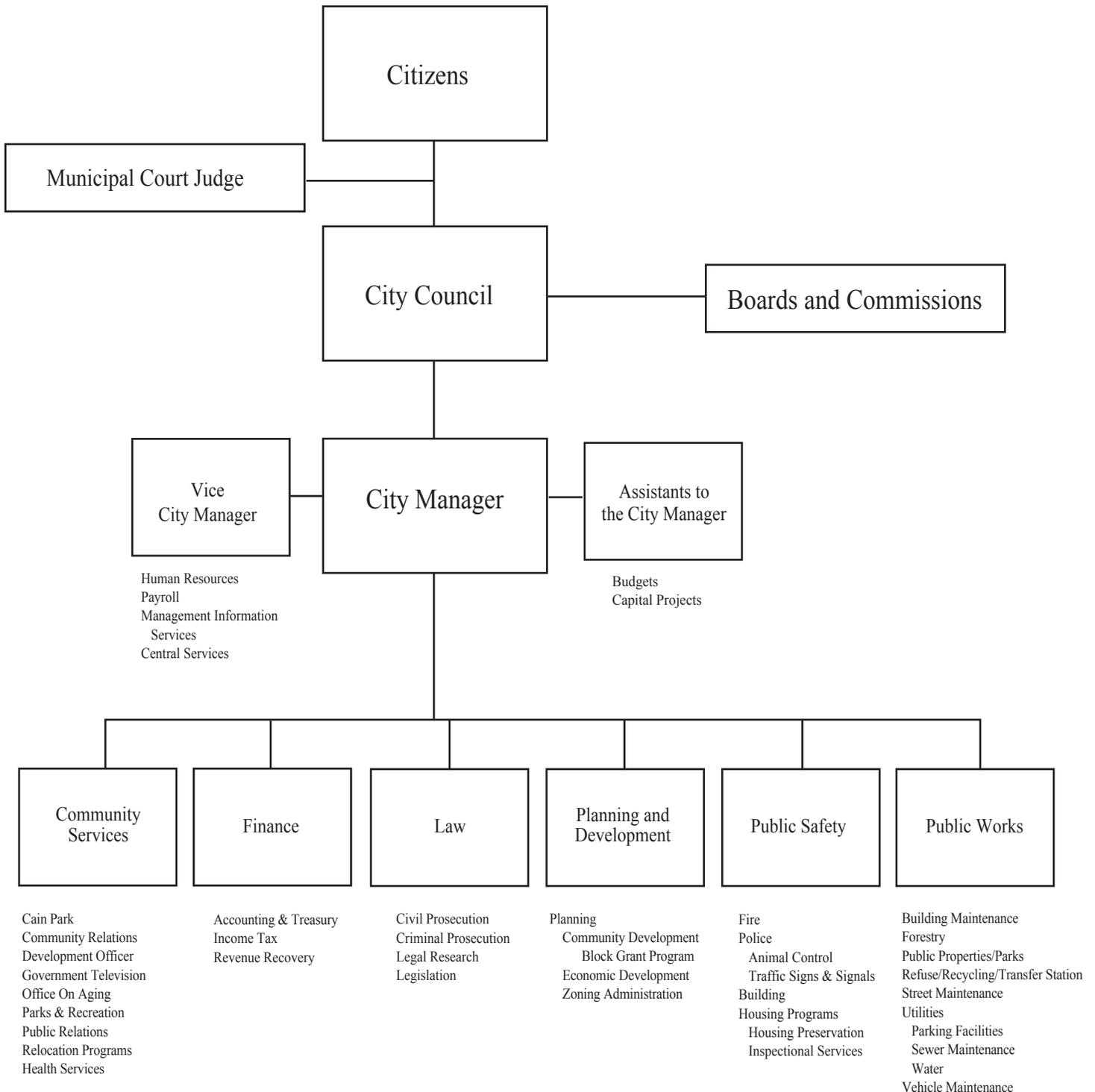
President

Executive Director



CLEVELAND HEIGHTS

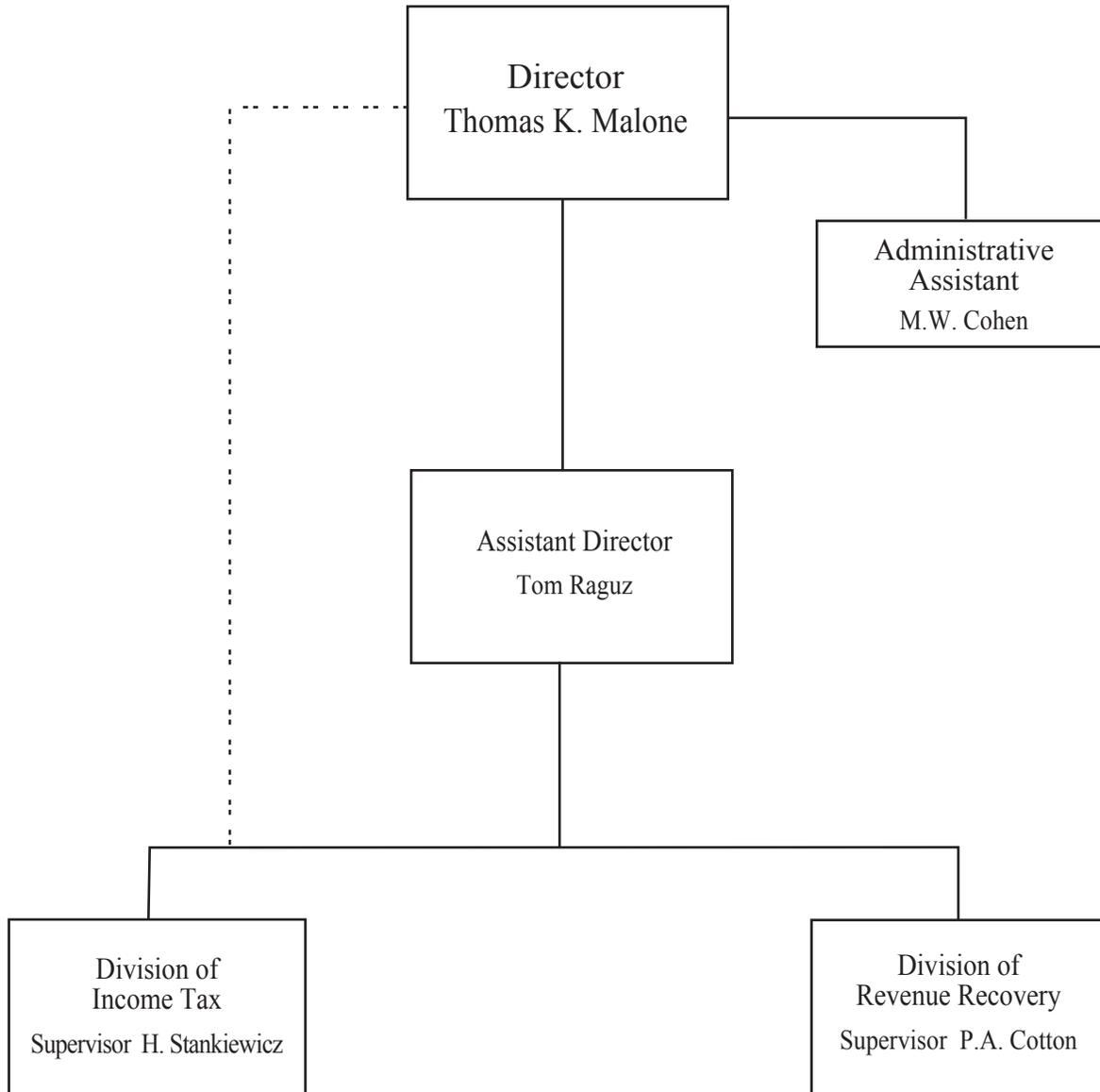
CITY ORGANIZATION AS OF DECEMBER 31, 2010





CLEVELAND HEIGHTS

DEPARTMENT OF FINANCE ORGANIZATION AS OF DECEMBER 31, 2010



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Financial Section



CLEVELAND HEIGHTS, OHIO



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Cleveland Heights
Cuyahoga County
40 Severance Circle
Cleveland Heights, Ohio 44118

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund 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 September 26, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

September 26, 2011

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

The discussion and analysis of the City of Cleveland Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The total assets of the City of Cleveland Heights exceeded its total liabilities at the close of the most recent fiscal year by \$107,296,399.
- Total net assets increased by \$3,752,999 from 2009 levels. Total assets increased by \$2,524,499 led primarily by increase of special assessment receivable and capital assets.
- Total liabilities decreased by approximately \$1.2 million from 2009. This overall decrease can be attributed to the decrease in liabilities due in more than one year of \$1.4 million. This decrease was primarily due to the repayment of debt that decreased the City's overall debt obligation.
- In total, net assets in governmental activities increased by \$3,347,596 during 2010. This represents an increase of 4.7 percent from 2009.

Using this Annual Financial Report

The discussion and analysis are intended to serve as an introduction to the City of Cleveland Heights' basic financial statements. The City of Cleveland Heights' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – Reporting the City of Cleveland Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City of Cleveland Heights' assets and liabilities, with the difference between the two reported as net assets. Over time, an increase or decrease in net assets may serve as a useful indicator of whether the financial position of the City of Cleveland Heights is improving or deteriorating. However, in evaluating the overall position of the City, nonfinancial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

In the Statement of Net Assets and the Statement of Activities, we identify two kinds of activities in the City:

- Governmental activities: Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, and state and Federal grants finance most of these activities.
- Business-type activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems, off-street parking, and ambulance services are reported here.

Fund Financial Statements - Reporting the City of Cleveland Heights' Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the Governmental Funds Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City of Cleveland Heights maintains 43 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund and Debt Service Fund both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Cleveland Heights adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental fund to demonstrate budgetary compliance.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Proprietary Funds

The City of Cleveland Heights maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utilities operations, off-street parking operations, ambulance services activity and for the Cedar Lee parking deck. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City currently does not maintain an Internal Service fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utilities services, off-street parking, ambulance services and the Cedar Lee parking deck as they are considered major funds.

The basic proprietary fund financial statements can be found starting on page 24 of this report.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page 30 of this report.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the Notes to the Financial Statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 63 of this report.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Government-wide Financial Analysis - City of Cleveland Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

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

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning and End of Year

The Statement of Net Assets looks at the City as a whole. The following Table 1 provides a summary of the City's net assets for 2010 as compared to 2009.

Table 1
City of Cleveland Heights' Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 41,924,330	\$ 40,223,325	\$ 5,661,892	\$ 5,694,350	\$ 47,586,222	\$ 45,917,675
Capital assets, net	<u>69,487,913</u>	<u>67,831,928</u>	<u>36,356,314</u>	<u>37,156,347</u>	<u>105,844,227</u>	<u>104,988,275</u>
Total assets	<u>111,412,243</u>	<u>108,055,253</u>	<u>42,018,206</u>	<u>42,850,697</u>	<u>153,430,449</u>	<u>150,905,950</u>
Current and other liabilities	15,569,251	14,224,785	1,082,807	2,062,425	16,652,058	16,287,210
Long-term liabilities:						
Due within one year	4,508,337	4,407,803	705,890	655,618	5,214,227	5,063,421
Due in more than one year	<u>16,795,603</u>	<u>18,231,209</u>	<u>7,472,162</u>	<u>7,780,710</u>	<u>24,267,765</u>	<u>26,011,919</u>
Total liabilities	<u>36,873,191</u>	<u>36,863,797</u>	<u>9,260,859</u>	<u>10,498,753</u>	<u>46,134,050</u>	<u>47,362,550</u>
Invested in capital assets, net of related debt	53,327,332	52,671,861	28,591,181	29,105,885	81,918,513	81,777,746
Restricted for:						
Debt service	3,790,860	3,642,458	-	-	3,790,860	3,642,458
Capital projects	1,747,382	1,677,073	-	-	1,747,382	1,677,073
Community development	1,290,276	1,407,781	-	-	1,290,276	1,407,781
Municipal court special projects	2,368,703	2,340,532	-	-	2,368,703	2,340,532
Streets	-	624,999	-	-	-	624,999
Public safety	187,555	127,450	-	-	187,555	127,450
Other purposes	255,559	218,745	-	-	255,559	218,745
Unrestricted	<u>11,571,385</u>	<u>8,480,557</u>	<u>4,166,166</u>	<u>3,246,059</u>	<u>15,737,551</u>	<u>11,726,616</u>
Total net assets	<u>\$ 74,539,052</u>	<u>\$ 71,191,456</u>	<u>\$ 32,757,347</u>	<u>\$ 32,351,944</u>	<u>\$ 107,296,399</u>	<u>\$ 103,543,400</u>

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Total assets exceeded total liabilities for all of Cleveland Heights' activities by \$107,296,399. The net assets have increased by \$3,752,999 from 2009. Over an extended time the pattern of these changes can become a useful indicator of a government's financial position.

The major category of the City's net assets (76.4%) is investment in capital assets such as land, buildings, infrastructure, machinery, and equipment. The amounts reflected in Table 1 are less any related outstanding debt used to acquire those assets. These assets are essential to provide services to the citizens therefore they are not available for future spending. Although the investment in capital assets is reported net of the related debt, note that the funds to repay the debt must come from sources other than the capital assets themselves.

The City's total assets increased \$2,524,499 from 2009 to 2010 while the total liabilities decreased \$1,228,500 in that period. The increase in total assets can be attributed to the special assessment receivable and purchase of capital assets. Decreases in accounts payable and accrued wages and benefits were the primary reasons for the decrease in total liabilities from 2009.

The City has made concerted efforts to maximize the return on investments of its cash and cash equivalents and to use these funds to provide liquidity for planned future capital purchases. Due to the decline of interest rates in the past few years, the investments have shifted from mostly government notes and bills to include a greater mix of federal government agency issues. However, even though the State code allows for investments with maturities of five years or less, the City has infrequently invested in an instrument with a maturity of more than two years. The City increased its weighted average maturity to 723 days in its investment portfolio as of December 31, 2010.

Another tool used by the City to reduce its long-term liability is to convert accumulated sick leave to a bonus payment for employees who have a balance in excess of 800 hours of sick time remaining in their account at the end of each year. This bonus is calculated for eligible employees based on the hours accumulated and the hours of sick leave used in the current year. Only employees who have used forty-eight or less hours of sick leave per year are eligible for this conversion to bonus option. Employees who have used forty-eight hours of sick leave during the year are eligible to convert up to eight hours of sick leave to the cash bonus. If the employee has used no sick hours the conversion to bonus could be up to fifty-six hours. This allows the City to buy back accumulated sick hours at the current hourly rate as opposed to paying for it at a higher rate in the future or at the time of retirement of the employee. Every hour that is converted to bonus will reduce the employee's accumulated sick leave hours one for one. The employees benefit by having funds available to them currently with the opportunity to invest them.

The City of Cleveland Heights participates in the Ohio Bureau of Workers' Compensation retrospective rating program. Third party administration of claims is provided by CompManagement Incorporated. Various departments within the City have established safety committees to meet the Bureau guidelines and provide the employees with safety equipment to enable them to perform their tasks efficiently and also, as much as possible, to help keep the City premises an injury-free work place. A random drug testing policy for employees with CDL licenses also affords an added measure toward achieving this goal.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

The net assets of our business-type activities increased by 1.25 percent in 2010, which the City generally can only use these net assets to finance the continuing operations of the water and sewer, off-street parking, and ambulance services departments. In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 11,977,201	\$ 10,091,794	\$ 14,388,139	\$ 13,772,780	\$ 26,365,340	\$ 23,864,574
Operating grants and contributions	2,910,754	2,321,296	3,129	4,990	2,913,883	2,326,286
Capital grants and contributions	2,493,496	413,457	547,852	111,469	3,041,348	524,926
Total program revenues	17,381,451	12,826,547	14,939,120	13,889,239	32,320,571	26,715,786
General revenues:						
Property taxes	10,680,149	11,321,707	-	-	10,680,149	11,321,707
Municipal income taxes	20,202,521	19,994,781	-	-	20,202,521	19,994,781
Grants and entitlements	7,521,076	7,829,289	485,169	-	8,006,245	7,829,289
Interest earnings	169,445	112,881	3,576	21,561	173,021	134,442
Miscellaneous income	1,244,721	1,054,747	59,029	69,019	1,303,750	1,123,766
Total general revenues	39,817,912	40,313,405	547,774	90,580	40,365,686	40,403,985
Total revenues	57,199,363	53,139,952	15,486,894	13,979,819	72,686,257	67,119,771
Program expenses:						
General government	14,767,972	14,221,696	-	-	14,767,972	14,221,696
Public safety	18,609,133	17,365,410	-	-	18,609,133	17,365,410
Public health	360,546	374,224	-	-	360,546	374,224
Culture and recreation	3,562,465	3,721,292	-	-	3,562,465	3,721,292
Community development	7,154,037	5,754,860	-	-	7,154,037	5,754,860
Sanitation	2,396,825	2,328,083	-	-	2,396,825	2,328,083
Transportation	6,409,007	4,608,968	-	-	6,409,007	4,608,968
Interest and fiscal charges	591,782	635,984	-	-	591,782	635,984
Utilities	-	-	12,374,470	12,380,388	12,374,470	12,380,388
Off-street parking	-	-	1,609,854	1,227,804	1,609,854	1,227,804
Ambulance services	-	-	665,444	659,336	665,444	659,336
Cedar Lee parking deck	-	-	431,723	538,742	431,723	538,742
Total program expenses	53,851,767	49,010,517	15,081,491	14,806,270	68,933,258	63,816,787
Excess before transfers	3,347,596	4,129,435	405,403	(826,451)	3,752,999	3,302,984
Transfers	-	(503,138)	-	503,138	-	-
Change in net assets	3,347,596	3,626,297	405,403	(323,313)	3,752,999	3,302,984
Net assets at beginning of year	71,191,456	67,565,159	32,351,944	32,675,257	103,543,400	100,240,416
Net assets at end of year	\$ 74,539,052	\$ 71,191,456	\$ 32,757,347	\$ 32,351,944	\$ 107,296,399	\$ 103,543,400

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1979. The tax was originally instituted in 1966. Residents of the City who work in another community and pay the withholding tax for that community receive a fifty percent tax credit on their City tax up to a maximum of one-half percent. During 2010, this tax generated \$20.2 million in revenues. The City will continue to collect delinquent accounts via the use of professional collection firms and agencies. In 2003 the City implemented a non-filer letter and the subpoena program to ensure compliance with the local tax laws. In 2004 these efforts resulted in increases in filings and payments. These programs continue to identify and increase our contact with non-filers and new residents. Property tax revenues in 2010 of \$10.7 million decreased from the \$11.3 million of revenues in 2009. Investment earnings increased from 2009 as the Federal Reserve has maintained extremely low short term interest rates through the end of 2010 and for the foreseeable future.

Public safety and general government are the major activities of the City accounting for 62.0 percent of the governmental expenses. Currently, there are one hundred eleven full-time sworn officers in the police department operating from one police station.

The fire department consists of seventy-two full-time fire fighters and officers of which fifty-eight are fully trained paramedics. Again, training plays a crucial role in the day-to-day operation of the fire department. Techniques such as practice drills, continuing education classes, and watching training videos help keep the men updated to perform their jobs most efficiently. The department handled 5,510 calls for assistance of which approximately 4,374 were for EMS and the rest for fire and fire-related incidents. The number of calls made for assistance in 2010 were up slightly from 2009.

The City has an annual road program which entails major and minor resurfacing of the 303 roadway lanes miles in Cleveland Heights on a rotating basis year by year. The resurfacing program is subject to competitive bid. The bid award in 2010 was \$1,964,753. Of this amount \$310,735 was funded through Community Development Block Grant. Several major projects were completed in 2010. The Phase I Monticello Road project was completed in December 2010 and was primarily funded with OPWC money.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Business-Type Activities

The Business-Type activities of the City, which include the City's utilities operations, off-street parking operations, ambulance services, and the Cedar Lee Parking Deck, increased the City's net assets by \$405,403. Program expense exceeded program revenue in the amount of \$142,371 for the operations for 2010. In addition there were general revenues of \$547,774 from interest earnings, other revenues and transfers from governmental funds.

The City's Funds

Governmental Funds

Information about the City's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$56.6 million and expenditures of \$57.6 million. Overall some areas of the revenue base continue to experience reductions such as property taxes and fines and forfeitures. Some of these reductions could not be anticipated prior to 2003 since they were the result of new state legislation. Concerted efforts have been made in 2010 to control spending within the reduced streams of revenues which can now be anticipated and budgeted accordingly. The City has been implementing revenue enhancement programs to combat the challenges presented in the current and expected future economic climate.

The General Fund revenues increased 1.6% from 2009 levels. The recession has continued to effect the City and region at large as property tax revenues experienced a decline in 2010. The General Fund expenditures increased 4.0% from 2009 which is due to an increase in public safety expenditures.

The Debt Service Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2010, the Debt Service Fund had total revenues of \$2,798,332 and expenditures of \$2,649,930 resulting in an increase in fund balance of \$148,402. The final ending fund balance at December 31, 2010 was \$3,790,860. The debt service expenditures are set by the bonds and have decreased from the prior year due to decreased debt service in 2010 relating to the 2009 refunding.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget for the following fiscal year is legally required to be presented to City Council by the City Manager in June of each year. Council is provided with a detailed budget by expenditure class for all departments, and, after a discussion at a regularly held Council meeting, which is open to the public, the budget is adopted at the department level for personal services, capital outlay, and other expenditures for all funds by City Council. The approved budget is then submitted to the Cuyahoga County Budget Commission. Within a budgeted expenditure class the appropriations can be transferred between line items with the approval of the Assistant to the City Manager for Budget or the City Manager and the respective department head. Council must approve any revisions in the budget that alter the expenditure class totals or the total appropriations for any department or fund. The final budget for the current year must be reviewed and approved during December. The City Manager recommends necessary changes to the budget and provides information as requested by Council. During fiscal year 2010, the City amended its General Fund budget for expenditures and other financing uses by an increase of \$1,501,997 at the end of the fiscal year. The Finance Director provides monthly reports to City Council depicting monthly and year-to-date activity for revenues and expenditures in a comparative format to the approved budget and certificate of estimated resources.

For the General Fund, budget basis revenue was \$3,458,460 above the original budget estimates of \$38.6 million. The actual property tax receipts were lower than anticipated due to a decline in assessed valuations. The final appropriations of \$42.4 million approximated the actual expenditures for the year, which ended up at \$41.9 million. There were no significant deviations between the final appropriations and the actual expenditures for 2010.

The City's ending unrestricted budgetary fund balance was \$3,960,445 greater than the final budgeted amount. \$130,269 was reserved for encumbrances and payables at the end of 2010.

Business-Type Funds

The City's major Enterprise Funds consist of the Utilities Fund, the Off-Street Parking Fund, the Ambulance Services Fund, and the Cedar Lee Parking Deck Fund. The basic financial statements for the major funds are included in this report.

The Business-Type activities increased the City's net total assets by \$405,403. In 2010, the Utilities department continued to aggressively pursue delinquent accounts. Program revenues increased about 7.6% or \$1,049,881 from 2009 as a result of these collection efforts. Net assets saw an increase in the Utilities Fund as expenditures increased only \$5,918 in 2010. The \$659,880 decrease in net assets of the Off-Street Parking Fund can be attributed to a decrease of \$14,692 in operating revenues with a corresponding \$382,559 increase in expenditures. Revenues showed growth and expenditures remained fairly constant in the Ambulance Fund increasing net assets by \$80,496 from 2009. The City of Cleveland Heights water rates charged to residents through October 31, 2009 was \$53.53 per thousand cubic feet. The City increased the rate to \$56.60 per thousand cubic feet on November 1, 2009. Since 2003 the water department has been turning off water service in order to collect delinquent accounts. This was found to be successful and the practice has been continued in 2010 in an attempt to reduce outstanding delinquent balances and maintain revenues.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the City of Cleveland Heights had \$105.8 million invested in capital assets (net of depreciation) which was an increase of approximately \$856,000 from 2009. This investment in capital assets includes land, buildings, improvements, construction in progress, machinery, and equipment as well as infrastructure including roads, sidewalks, bridges, water lines, sanitary sewers, curbs and gutters.

Table 3 shows fiscal year 2010 balances of capital assets (net of depreciation) as compared to 2009:

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 4,104,290	\$ 4,104,290	\$ 1,353,065	\$ 1,699,694	\$ 5,457,355	\$ 5,803,984
Construction in progress	346,122	1,919,793	-	69,198	346,122	1,988,991
Land improvements	1,200,102	1,315,402	278,960	287,337	1,479,062	1,602,739
Buildings and improvements	29,979,249	30,939,010	9,114,258	9,410,957	39,093,507	40,349,967
Machinery and equipment	5,400,800	5,014,398	1,885,335	2,309,716	7,286,135	7,324,114
Infrastructure:						
Streets and sidewalks	28,457,350	24,539,035	-	-	28,457,350	24,539,035
Waterlines	-	-	14,544,413	14,059,946	14,544,413	14,059,946
Sanitary sewer lines	-	-	5,847,919	5,916,290	5,847,919	5,916,290
Storm sewer lines	-	-	2,275,203	2,288,101	2,275,203	2,288,101
Off-street parking lots	-	-	1,057,161	1,115,108	1,057,161	1,115,108
Total capital assets	\$ <u>69,487,913</u>	\$ <u>67,831,928</u>	\$ <u>36,356,314</u>	\$ <u>37,156,347</u>	\$ <u>105,844,227</u>	\$ <u>104,988,275</u>

Overall there was an increase in capital assets from 2009. The City will continue to carry out an aggressive policy in maintaining its assets in excellent condition. Along with the street improvement projects, the City will continue to issue short-term notes to facilitate the purchase of motorized equipment on an annual basis. Vehicles, such as fire trucks, ambulances, rubbish trucks, etc., are planned for well in advance by the respective department heads and a scheduled maintenance and replacement time table is followed to provide peak performance for the maximum time frame. Police cars are replaced on an annual basis with approximately thirteen new cruisers placed in service each year. The older vehicles are either traded in to the dealers or sold to the highest bidder at the City's annual vehicle auction.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

With regards to the infrastructure, the City's public works department maintains a comprehensive listing of all the streets, bridges, culverts and water and sewer lines in the City. The public works department performs in-house maintenance and repairs as a supplement to the road projects that are bid out annually. The City maintains annual street resurfacing and surface treatment programs. As part of the City's annual road maintenance program, the capital projects manager evaluates the condition of each street after the winter and prepares a list of streets to be either resurfaced or crack-sealed, and, in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are competitively bid in early spring to get the best possible pricing from contractors. This program is paid for out of the current operating funds of the City. In the case of a major resurfacing project on one of the main arteries in the City of Cleveland Heights, the City has effectively pursued external funding sources to provide as much as forty to fifty percent of the project. Grants and loan assistance programs are from sources such as Cuyahoga County, State Issue II funds, and Federal highway funds. These awards reduce the total amount that must be borrowed to provide the matching funds in some cases. Additional information concerning the City's capital assets can be found in Note 7 to the financial statements.

Debt

At December 31, 2010, the City of Cleveland Heights had \$29,481,992 in total outstanding debt, of which \$18,870,498 was in general obligation bonds. There is a decrease of 5.1% in total outstanding debt from 2009. Table 4 summarizes the debt outstanding.

Table 4
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 12,890,498	\$ 14,466,915	\$ 5,980,000	\$ 6,210,000	\$ 18,870,498	\$ 20,676,915
OPWC loans	1,399,070	1,226,097	1,172,917	1,237,667	2,571,987	2,463,764
OWDA loan	-	-	495,486	335,792	495,486	335,792
Economic development bonds	235,000	460,000	-	-	235,000	460,000
Capital leases	521,013	122,055	116,730	267,003	637,743	389,058
Compensated absences	6,258,359	6,363,945	412,919	385,866	6,671,278	6,749,811
Total	\$ <u>21,303,940</u>	\$ <u>22,639,012</u>	\$ <u>8,178,052</u>	\$ <u>8,436,328</u>	\$ <u>29,481,992</u>	\$ <u>31,075,340</u>

At December 31, 2010, the City's overall legal debt margin was \$75,622,503 with an unvoted debt margin of \$29,380,282. The City had an outstanding balance of \$2,571,987 on interest-free loans obtained from the Ohio Public Works Commission for the Cedar Road waterline rehabilitation and sanitary sewer improvement, Taylor Road rehabilitation, Coventry Road rehabilitation, Lee Road rehabilitation, Monticello Boulevard rehabilitation and the Meadowbrook Boulevard rehabilitation projects. These loans allowed the City to spread the payments for the improvements over twenty years with no interest costs. The City also had an outstanding balance of \$495,486 from the Ohio Water Development Authority which carries an interest rate of 4.12% and 3.84%. Proceeds from the OWDA loan will be used for the Demington/Fairmount Sanitary Sewer rehabilitation project and the Runnymede Waterline project. Other obligations include accrued vacation pay and sick leave and capital leases. Additional information concerning the City's long-term obligations can be found in Notes 8 and 10 to the financial statements.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2010
Unaudited

Contacting the City of Cleveland Heights' Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives, spends, or invests. If you have questions about this report or need financial information, contact the Finance Director, Thomas K. Malone, at the City of Cleveland Heights, 40 Severance Circle, Cleveland Heights, Ohio 44118, telephone 216-291-3900, or e-mail tmalone@clvhts.com.

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City of Cleveland Heights, Ohio

Statement of Net Assets

December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in city treasury cash	\$ 13,466,038	\$ 1,495,633	\$ 14,961,671
Restricted assets: cash	1,985,158	660,027	2,645,185
Accounts receivable	194,084	3,398,473	3,592,557
Special assessment receivable	2,743,508	-	2,743,508
Interest receivable	32,961	-	32,961
Loans receivable	1,684,934	-	1,684,934
Intergovernmental receivable	3,420,715	-	3,420,715
Inventory of supplies	329,078	107,759	436,837
Taxes receivable	17,451,832	-	17,451,832
Assets held for resale	422,791	-	422,791
Unamortized bond issuance costs	193,231	-	193,231
Nondepreciable capital assets	4,450,412	1,353,065	5,803,477
Depreciable capital assets, net	<u>65,037,501</u>	<u>35,003,249</u>	<u>100,040,750</u>
Total assets	<u>111,412,243</u>	<u>42,018,206</u>	<u>153,430,449</u>
Liabilities:			
Vouchers and accounts payable	955,467	357,784	1,313,251
Accrued wages and benefits	839,167	25,891	865,058
Due to other governments	1,661,542	16,520	1,678,062
Contracts payable	704	-	704
Unearned revenue	9,575,520	-	9,575,520
Refundable deposits	-	660,027	660,027
Accrued interest payable	54,589	20,689	75,278
Claims payable	23,182	1,896	25,078
Matured compensated absences	609,080	-	609,080
Notes payable	1,850,000	-	1,850,000
Long-term liabilities:			
Due within one year	4,508,337	705,890	5,214,227
Due in more than one year	<u>16,795,603</u>	<u>7,472,162</u>	<u>24,267,765</u>
Total liabilities	<u>36,873,191</u>	<u>9,260,859</u>	<u>46,134,050</u>
Net assets:			
Invested in capital assets, net of related debt	53,327,332	28,591,181	81,918,513
Restricted for:			
Debt service	3,790,860	-	3,790,860
Capital projects	1,747,382	-	1,747,382
Community development	1,290,276	-	1,290,276
Municipal court special projects	2,368,703	-	2,368,703
Public Safety	187,555	-	187,555
Other purposes	255,559	-	255,559
Unrestricted	<u>11,571,385</u>	<u>4,166,166</u>	<u>15,737,551</u>
Total net assets	<u>\$ 74,539,052</u>	<u>\$ 32,757,347</u>	<u>\$ 107,296,399</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Activities

For the Year Ended December 31, 2010

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 14,767,972	\$ 4,991,070	\$ 346,969	\$ 165,221
Public safety	18,609,133	2,053,998	31,309	-
Public health	360,546	1,320	27,394	-
Culture and recreation	3,562,465	1,721,728	10,922	-
Community development	7,154,037	1,682,112	2,494,160	1,634,460
Sanitation	2,396,825	1,522,649	-	-
Transportation	6,409,007	4,324	-	693,815
Interest and fiscal charges	591,782	-	-	-
Total governmental activities	<u>53,851,767</u>	<u>11,977,201</u>	<u>2,910,754</u>	<u>2,493,496</u>
Business-type activities:				
Utilities	12,374,470	12,746,117	-	547,852
Off-street parking	1,609,854	908,211	-	-
Ambulance services	665,444	733,811	3,129	-
Cedar Lee parking deck	431,723	-	-	-
Total business-type activities	<u>15,081,491</u>	<u>14,388,139</u>	<u>3,129</u>	<u>547,852</u>
Total	\$ <u>68,933,258</u>	\$ <u>26,365,340</u>	\$ <u>2,913,883</u>	\$ <u>3,041,348</u>

General revenues:

Property taxes levied for:

General purposes

Debt service

Police and fire pension

Municipal income taxes for general purposes

Grants and entitlements not restricted to specific programs

Interest earnings

Other revenues

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

The accompanying notes are an integral part of the financial statements.

Net (Expense)/Revenue and Change in Net Assets

<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (9,264,712)	\$ -	\$ (9,264,712)
(16,523,826)	-	(16,523,826)
(331,832)	-	(331,832)
(1,829,815)	-	(1,829,815)
(1,343,305)	-	(1,343,305)
(874,176)	-	(874,176)
(5,710,868)	-	(5,710,868)
<u>(591,782)</u>	<u>-</u>	<u>(591,782)</u>
<u>(36,470,316)</u>	<u>-</u>	<u>(36,470,316)</u>
-	919,499	919,499
-	(701,643)	(701,643)
-	71,496	71,496
<u>-</u>	<u>(431,723)</u>	<u>(431,723)</u>
<u>-</u>	<u>(142,371)</u>	<u>(142,371)</u>
<u>(36,470,316)</u>	<u>(142,371)</u>	<u>(36,612,687)</u>
7,865,388	-	7,865,388
2,332,232	-	2,332,232
482,529	-	482,529
20,202,521	-	20,202,521
7,521,076	485,169	8,006,245
169,445	3,576	173,021
<u>1,244,721</u>	<u>59,029</u>	<u>1,303,750</u>
<u>39,817,912</u>	<u>547,774</u>	<u>40,365,686</u>
3,347,596	405,403	3,752,999
<u>71,191,456</u>	<u>32,351,944</u>	<u>103,543,400</u>
\$ <u><u>74,539,052</u></u>	\$ <u><u>32,757,347</u></u>	\$ <u><u>107,296,399</u></u>

City of Cleveland Heights, Ohio

Balance Sheet Governmental Funds

December 31, 2010

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in city treasury cash	\$ 2,759,511	\$ 3,816,935	\$ 6,889,592	\$ 13,466,038
Restricted cash	1,985,158	-	-	1,985,158
Receivables (net of allowance for uncollectibles):				
Taxes	13,840,903	2,493,262	1,117,667	17,451,832
Accounts	194,084	-	-	194,084
Special assessments	-	-	2,743,508	2,743,508
Accrued interest	32,961	-	-	32,961
Loans	-	-	1,684,934	1,684,934
Intergovernmental	2,215,754	167,194	1,037,767	3,420,715
Interfund	26,075	-	-	26,075
Assets held for resale	-	-	422,791	422,791
Inventory of supplies	<u>329,078</u>	<u>-</u>	<u>-</u>	<u>329,078</u>
 Total assets	 <u>\$ 21,383,524</u>	 <u>\$ 6,477,391</u>	 <u>\$ 13,896,259</u>	 <u>\$ 41,757,174</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 519,632	\$ -	\$ 435,835	\$ 955,467
Contracts payable	-	-	704	704
Accrued wages and benefits	783,332	-	55,835	839,167
Matured compensated absences	411,443	-	197,637	609,080
Due to other governments	972,701	-	688,841	1,661,542
Notes payable	-	-	1,850,000	1,850,000
Interfund payable	-	26,075	-	26,075
Deferred revenue	12,624,395	2,660,456	4,400,093	19,684,944
Claims payable	<u>21,766</u>	<u>-</u>	<u>1,416</u>	<u>23,182</u>
 Total liabilities	 <u>15,333,269</u>	 <u>2,686,531</u>	 <u>7,630,361</u>	 <u>25,650,161</u>
Fund balances:				
Reserved for encumbrances	123,037	-	949,484	1,072,521
Reserved for loans receivable	-	-	1,684,954	1,684,954
Reserved for inventory of supplies	329,078	-	-	329,078
Reserved for assets held for resale	-	-	422,791	422,791
Unreserved, undesignated, reported in:				
General fund	5,598,140	-	-	5,598,140
Special revenue funds	-	-	1,850,265	1,850,265
Debt service fund	-	3,790,860	-	3,790,860
Capital projects funds	<u>-</u>	<u>-</u>	<u>1,358,404</u>	<u>1,358,404</u>
 Total fund balances	 <u>6,050,255</u>	 <u>3,790,860</u>	 <u>6,265,898</u>	 <u>16,107,013</u>
 Total liabilities and fund balances	 <u>\$ 21,383,524</u>	 <u>\$ 6,477,391</u>	 <u>\$ 13,896,259</u>	 <u>\$ 41,757,174</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities

December 31, 2010

Total governmental funds balances \$ 16,107,013

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 69,487,913

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

Property and other taxes	\$ 1,515,195
Municipal income taxes	3,663,529
Special assessments	2,743,508
Intergovernmental	<u>2,187,192</u>

Total 10,109,424

In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds an interest expenditures is reported when due. (54,589)

In the Statement of Activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds bond issuance expenditures are reported when bonds are issued. 193,231

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.

General obligation bonds	(12,685,000)
Premium on bonds	(205,498)
Economic development bonds	(235,000)
OPWC loans payable	(1,399,070)
Capital leases payable	(521,013)
Compensated absences	<u>(6,258,359)</u>

Total (21,303,940)

Net assets of governmental activities \$ 74,539,052

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

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

For the Year Ended December 31, 2010

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and other local taxes	\$ 6,996,690	\$ 2,332,232	\$ 1,247,396	\$ 10,576,318
Municipal income taxes	20,623,037	-	-	20,623,037
Intergovernmental	5,404,568	331,477	7,143,708	12,879,753
Charges for services	2,885,716	-	685,993	3,571,709
Fees, licenses, and permits	1,432,220	-	433,296	1,865,516
Interest earnings	167,774	-	1,671	169,445
Special assessments	15,233	134,623	1,302,049	1,451,905
Fines and forfeitures	2,485,171	-	471,458	2,956,629
Reimbursements received	1,086,343	-	587,131	1,673,474
Other revenues	409,927	-	446,799	856,726
Total revenues	<u>41,506,679</u>	<u>2,798,332</u>	<u>12,319,501</u>	<u>56,624,512</u>
Expenditures:				
Current:				
Public safety	15,173,880	-	3,226,390	18,400,270
Public health	357,744	-	2,568	360,312
Culture and recreation	1,849,152	-	917,856	2,767,008
Community development	1,717,269	-	4,584,999	6,302,268
Sanitation	2,116,004	-	18,042	2,134,046
Transportation	2,997,055	-	72,244	3,069,299
General government	13,616,055	486,502	1,712,768	15,815,325
Debt service:				
Principal	15,723	1,565,000	278,806	1,859,529
Interest and fiscal charges	509	598,428	28,882	627,819
Capital outlay	<u>91,947</u>	<u>-</u>	<u>6,182,587</u>	<u>6,274,534</u>
Total expenditures	<u>37,935,338</u>	<u>2,649,930</u>	<u>17,025,142</u>	<u>57,610,410</u>
Excess of revenues over (under) expenditures	<u>3,571,341</u>	<u>148,402</u>	<u>(4,705,641)</u>	<u>(985,898)</u>
Other financing sources (uses):				
Issuance of debt	-	-	191,460	191,460
Proceeds from sale of assets	24,273	-	-	24,273
Inception of capital lease	-	-	450,000	450,000
Transfers – in	-	-	3,351,610	3,351,610
Transfers – out	<u>(3,351,610)</u>	<u>-</u>	<u>-</u>	<u>(3,351,610)</u>
Total other financing sources (uses)	<u>(3,327,337)</u>	<u>-</u>	<u>3,993,070</u>	<u>665,733</u>
Net change in fund balances	244,004	148,402	(712,571)	(320,165)
Fund balance at beginning of year	<u>5,806,251</u>	<u>3,642,458</u>	<u>6,978,469</u>	<u>16,427,178</u>
Fund balance at end of year	<u>\$ 6,050,255</u>	<u>\$ 3,790,860</u>	<u>\$ 6,265,898</u>	<u>\$ 16,107,013</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds \$ (320,165)

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

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

Capital outlay	\$ 5,273,790	
Depreciation	<u>(3,577,716)</u>	
Total		1,696,074

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets. (40,089)

Revenue in the Statement of Activities that do not provide current financial resources is not reported as revenue in the funds.

Property and other taxes	103,831	
Municipal income taxes	(420,516)	
Special assessments	921,108	
Intergovernmental	<u>47,661</u>	
Total		652,084

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,859,529

Debt proceeds provide current financial resources to governmental funds, but have no effect on net assets. (641,460)

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

Compensated absences	105,587	
Amortization of premium	11,417	
Accrued interest on bonds	35,410	
Amortization of issuance costs	<u>(10,791)</u>	
Total		<u>141,623</u>

Change in net assets of governmental activities \$ 3,347,596

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other local taxes	\$ 7,439,350	\$ 7,439,350	\$ 6,996,690	\$ (442,660)
Municipal income taxes	18,238,292	18,238,292	20,494,690	2,256,398
Intergovernmental	4,770,569	4,770,569	5,367,252	596,683
Charges for services	2,552,903	2,552,903	2,872,209	319,306
Fees, licenses, and permits	1,272,999	1,272,999	1,432,220	159,221
Interest earnings	123,562	123,562	139,017	15,455
Special assessments	13,540	13,540	15,233	1,693
Fines and forfeitures	2,296,455	2,296,455	2,583,686	287,231
Reimbursements received	1,561,360	1,561,360	1,756,648	195,288
Other revenues	<u>364,355</u>	<u>364,355</u>	<u>409,927</u>	<u>45,572</u>
Total revenues	<u>38,633,385</u>	<u>38,633,385</u>	<u>42,067,572</u>	<u>3,434,187</u>
Expenditures:				
Current:				
Public safety	15,366,739	15,353,458	15,281,968	71,490
Public health	352,804	370,061	363,102	6,959
Culture and recreation	2,143,657	1,942,502	1,892,783	49,719
Community development	1,968,619	1,964,884	1,924,744	40,140
Sanitation	2,206,421	2,245,360	2,210,531	34,829
Transportation	3,155,190	3,236,614	3,188,065	48,549
General government	<u>13,283,940</u>	<u>13,928,804</u>	<u>13,698,501</u>	<u>230,303</u>
Total expenditures	<u>38,477,370</u>	<u>39,041,683</u>	<u>38,559,694</u>	<u>481,989</u>
Excess of revenues over (under) expenditures	<u>156,015</u>	<u>(408,298)</u>	<u>3,507,878</u>	<u>3,916,176</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	-	24,273	24,273
Transfers - out	<u>(2,463,700)</u>	<u>(3,401,384)</u>	<u>(3,381,388)</u>	<u>19,996</u>
Total other financing sources (uses)	<u>(2,463,700)</u>	<u>(3,401,384)</u>	<u>(3,357,115)</u>	<u>44,269</u>
Net change in fund balance	(2,307,685)	(3,809,682)	150,763	3,960,445
Cash fund balance at beginning of year	4,937,077	4,937,077	4,937,077	-
Current year charges against prior year cash fund balance:				
Reserved for encumbrances	<u>(296,888)</u>	<u>(296,888)</u>	<u>(296,888)</u>	<u>-</u>
Cash fund balance at end of year				
Unreserved	2,332,504	830,507	4,790,952	3,960,445
Reserved for encumbrances	<u>130,269</u>	<u>130,269</u>	<u>130,269</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 2,462,773</u>	<u>\$ 960,776</u>	<u>\$ 4,921,221</u>	<u>\$ 3,960,445</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2010

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Assets:					
Current assets:					
Equity in city treasury cash	\$ 982,633	\$ 105,246	\$ 293,891	\$ 113,863	\$ 1,495,633
Restricted assets					
Deposits	660,027	-	-	-	660,027
Receivables (net of allowance for uncollectibles):					
Accounts	3,153,257	-	245,216	-	3,398,473
Inventory of supplies	17,026	90,733	-	-	107,759
Total current assets	4,812,943	195,979	539,107	113,863	5,661,892
Noncurrent assets:					
Nondepreciable capital assets	-	1,353,065	-	-	1,353,065
Depreciable capital assets, net	23,664,370	3,515,692	1,513,961	6,309,226	35,003,249
Total noncurrent assets	23,664,370	4,868,757	1,513,961	6,309,226	36,356,314
Total assets	28,477,313	5,064,736	2,053,068	6,423,089	42,018,206
Liabilities:					
Current liabilities:					
Vouchers and accounts payable	111,463	238,116	8,205	-	357,784
Accrued wages and benefits	22,550	1,928	1,413	-	25,891
Due to other governments	15,245	1,275	-	-	16,520
Claims payable	1,655	181	60	-	1,896
Accrued interest payable	-	-	-	20,689	20,689
Refundable deposits	660,027	-	-	-	660,027
Due within one year	317,531	31,629	116,730	240,000	705,890
Total current liabilities	1,128,471	273,129	126,408	260,689	1,788,697
Long-term liabilities:					
Compensated absences	177,300	26,357	-	-	203,657
Bonds payable	-	-	-	5,740,000	5,740,000
OWDA loan payable	484,637	-	-	-	484,637
OPWC loans payable	1,043,868	-	-	-	1,043,868
Total long-term liabilities	1,705,805	26,357	-	5,740,000	7,472,162
Total liabilities	2,834,276	299,486	126,408	6,000,689	9,260,859
Net assets:					
Invested in capital assets, net of related debt	21,995,967	4,868,757	1,397,231	329,226	28,591,181
Unrestricted	3,647,070	(103,507)	529,429	93,174	4,166,166
Total net assets	\$ 25,643,037	\$ 4,765,250	\$ 1,926,660	\$ 422,400	\$ 32,757,347

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For the Year Ended December 31, 2010

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Operating revenues:					
Charges for services	\$ 12,305,818	\$ 908,211	\$ 733,811	\$ -	\$ 13,947,840
Other income	<u>7,757</u>	<u>42,272</u>	<u>9,000</u>	<u>-</u>	<u>59,029</u>
Total operating revenues	<u>12,313,575</u>	<u>950,483</u>	<u>742,811</u>	<u>-</u>	<u>14,006,869</u>
Operating expenses:					
Personal services	1,507,190	128,193	135,017	-	1,770,400
Fringe benefits	577,896	85,468	189	-	663,553
Contractual services	9,438,593	677,184	155,781	50	10,271,608
Materials and supplies	178,305	85,078	17,056	25,849	306,288
Utilities	3,689	106,767	-	-	110,456
Other expenses	689	54	28,335	-	29,078
Depreciation	<u>668,108</u>	<u>180,481</u>	<u>321,081</u>	<u>175,933</u>	<u>1,345,603</u>
Total operating expenses	<u>12,374,470</u>	<u>1,263,225</u>	<u>657,459</u>	<u>201,832</u>	<u>14,496,986</u>
Operating income (loss)	<u>(60,895)</u>	<u>(312,742)</u>	<u>85,352</u>	<u>(201,832)</u>	<u>(490,117)</u>
Non-operating revenues (expenses):					
Taxes	-	-	-	485,169	485,169
Intergovernmental	-	-	3,129	-	3,129
Interest income	4,085	-	-	-	4,085
Special assessments	440,299	-	-	-	440,299
Loss on sale of assets	-	(346,629)	-	-	(346,629)
Interest and fiscal charges	<u>-</u>	<u>(509)</u>	<u>(7,985)</u>	<u>(229,891)</u>	<u>(238,385)</u>
Total non-operating revenues (expenses)	<u>444,384</u>	<u>(347,138)</u>	<u>(4,856)</u>	<u>255,278</u>	<u>(137,501)</u>
Net income (loss) before transfers	383,489	(659,880)	80,496	53,446	(627,618)
Contributed Capital	<u>547,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547,852</u>
Change in net assets	931,341	(659,880)	80,496	53,446	405,403
Net assets (deficit) at beginning of year	<u>24,711,696</u>	<u>5,425,130</u>	<u>1,846,164</u>	<u>368,954</u>	<u>32,351,944</u>
Net assets at end of year	\$ <u>25,643,037</u>	\$ <u>4,765,250</u>	\$ <u>1,926,660</u>	\$ <u>422,400</u>	\$ <u>32,757,347</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2010

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Operating activities:					
Cash received from customers	\$ 12,198,356	\$ 908,211	\$ 656,442	\$ -	\$ 13,763,009
Cash payments to suppliers	(10,549,571)	(868,366)	(177,285)	(25,899)	(11,621,121)
Cash payments to employees	(2,098,783)	(194,002)	(134,826)	-	(2,427,611)
Cash payments for other expenses	(689)	(54)	(28,335)	-	(29,078)
Other operating receipts	<u>7,757</u>	<u>42,272</u>	<u>9,000</u>	<u>-</u>	<u>59,029</u>
Net cash provided by (used for) operating activities:	<u>(442,930)</u>	<u>(111,939)</u>	<u>324,996</u>	<u>(25,899)</u>	<u>(255,772)</u>
Noncapital financing activities:					
Intergovernmental	-	-	3,129	-	3,129
Taxes	-	-	-	485,169	485,169
Advances-out	-	-	-	44,687	44,687
Net cash provided by noncapital financing activities:	<u>-</u>	<u>-</u>	<u>3,129</u>	<u>529,856</u>	<u>532,985</u>
Capital and related financing activities:					
Acquisition and construction of capital assets	(313,193)	(6,000)	(25,154)	-	(344,347)
Debt proceeds	180,362	-	-	-	180,362
Principal paid on debt	(85,418)	-	(150,273)	(230,000)	(465,691)
Interest and fiscal charges	-	(44)	(7,985)	(255,169)	(263,198)
Special assessments	<u>440,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,299</u>
Net cash provided by (used for) capital and related financing activities	<u>222,050</u>	<u>(6,044)</u>	<u>(183,412)</u>	<u>(485,169)</u>	<u>(452,575)</u>
Investing activities:					
Interest received	<u>6,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,594</u>
Net increase (decrease) Cash and cash equivalents	(214,286)	(117,983)	144,713	18,788	(168,768)
Cash and cash equivalents at beginning of year	<u>1,856,946</u>	<u>223,229</u>	<u>149,178</u>	<u>95,075</u>	<u>2,324,428</u>
Cash and cash equivalents at end of year	\$ <u><u>1,642,660</u></u>	\$ <u><u>105,246</u></u>	\$ <u><u>293,891</u></u>	\$ <u><u>113,863</u></u>	\$ <u><u>2,155,660</u></u>

(Continued)

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds (Continued)

For the Year Ended December 31, 2010

	Business-Type Activities				Total
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ (60,895)	\$ (312,742)	\$ 85,352	\$ (201,832)	\$ (490,117)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	668,108	180,481	321,081	175,933	1,345,603
Change in operating assets and liabilities:					
Receivables	(107,462)	-	(77,369)	-	(184,831)
Inventory	(2,028)	2,888	-	-	860
Vouchers and accounts payable	(910,354)	(2,225)	(4,448)	-	(917,027)
Accrued wages and benefits payable	4,072	610	331	-	5,013
Due to other governments	(21,229)	(2,303)	49	-	(23,483)
Claims payable	(2,028)	(213)	-	-	(2,241)
Refundable deposits	(16,602)	-	-	-	(16,602)
Compensated absences	5,488	21,565	-	-	27,053
Total adjustments	(382,035)	200,803	239,644	175,933	234,345
Net cash provided by (used for) operating activities	\$ <u>(442,930)</u>	\$ <u>(111,939)</u>	\$ <u>324,996</u>	\$ <u>(25,899)</u>	\$ <u>(255,772)</u>

Noncash Capital Financing Activities

Contributions of capital assets from governmental funds - \$547,852

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2010

	Private Purpose Trust		Agency
	James A. Nelson Trust		
Assets:			
Equity in city treasury cash	\$ <u>3,151</u>	\$	<u>829,926</u>
Total assets	<u>3,151</u>	\$	<u>829,926</u>
Liabilities:			
Due to others	-	\$	171,457
Due to other governments	-		141,235
Restricted deposits	<u>-</u>		<u>517,234</u>
Total liabilities	<u>-</u>	\$	<u>829,926</u>
Net assets:			
Held in trust	\$ <u>3,151</u>		

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Changes in Fiduciary Net Assets Fiduciary Funds

For the Year Ended December 31, 2010

	<u>Private Purpose Trust</u> <u>James A. Nelson Trust</u>
Additions:	
Interest	\$ 876
Deductions:	
Other	<u>(3,585)</u>
Change in net assets	(2,709)
Net assets beginning of year	<u>5,860</u>
Net assets end of year	\$ <u><u>3,151</u></u>

The accompanying notes are an integral part of the financial statements.

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City of Cleveland Heights, Ohio

Notes To Basic Financial Statements

December 31, 2010

Note 1: Description of the City and Reporting Entity

The City of Cleveland Heights is a home rule municipal corporation operating under its own charter since August 9, 1921. The charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven-member elected Council, is the chief administrative officer of the City.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Cleveland Heights this includes Public Safety, Street Maintenance, Refuse Collection, Recreation Programs, Municipal Court, Public Health, Community Development, Public Improvements, Water and Sewer Services, and General Administrative Services. The City's departments include a public safety department, a public service department, a street maintenance department, a water and sewer department, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

The Cleveland Heights Municipal Court has been included in the City's financial statements as an agency fund. The clerk of courts is an appointed City official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

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

Note 2: Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The most significant of the City's accounting policies are described below.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

A. *Basis of Presentation*

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

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

B. *Fund Accounting*

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds

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

General Fund

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Cleveland Heights and/or the general laws of Ohio.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

Proprietary Funds

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Utilities

To account for the monies received from water and sewer billings and the cost of furnishing water and sewer services.

Off-Street Parking

To account for the monies received from metered and permit charges for parking in municipal lots and the cost of maintaining such lots.

Ambulance Services

To account for the monies received from pre-hospital life support services.

Cedar Lee Parking Deck

To account for monies received for the Cedar Lee parking deck.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Fiduciary

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets, except Fiduciary Funds. The Statements of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statements of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6).

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Unearned/Deferred Revenue

Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as unearned/deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned/deferred revenue.

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenditures/Expenses

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

E. Budgetary Process

Tax Budget

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

Estimated Resources

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

Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures must be legally enacted on or about January 1. The ordinance may be temporary in nature in that its effectiveness applies from the date on which it is enacted to the date on which a permanent appropriation ordinance must be passed. Ohio law requires the permanent appropriation ordinance to be passed no later than April 1 of the fiscal year for which it applies. Amendments to the 2010 appropriation ordinance were approved by City Council as provided by the City Charter.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Appropriations (continued)

The City maintains its legal level of budgetary control at the department level for personal services, capital outlay, and other expenditures for all funds. However, management control is exercised at the department level (Police, Fire, Law, etc.) within each function (Public Safety, Public Health, Culture and Recreation, Community Development, Sanitation, Transportation, and General Government). The City Manager or Assistant to the City Manager is authorized to transfer budgeted amounts within each fund (between departments), so long as the total amount appropriated by Council for each fund is not exceeded.

Lapsing of Appropriations

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.

Encumbrances

As part of formal budgetary control over governmental funds, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the Non-GAAP budget basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance for subsequent-year expenditures for the governmental funds.

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in city treasury cash" on the balance sheet.

Investments are reported at fair value, which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City invested in STAR Ohio, an investment pool managed by the State Treasurer's Office. STAR Ohio which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

The cash resources of all funds are combined and invested to the extent available in the State of Ohio's Investment Pool, treasury notes, and other authorized instruments. The City's Codified Ordinance Section 179.02 supersedes Ohio Revised Code Section 135.21 as to the allocation of interest. Interest revenue

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

credited to the general fund during 2010 amounted to \$167,774, of which \$123,405 was assigned from other funds.

The restricted cash in the General Fund of \$1,985,158 represents a certificate of deposit with Third Federal Savings and Loan. The interest from the restricted cash is used to fund a ten year, three percent mortgage subsidy for the Greyton Court Condominium project. The subsidy will phase out in the next two years. For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. Inventory

Inventories are presented at cost using the first-in, first-out basis and are expensed/expensed when used. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which it was consumed. At December 31, 2010, the amount of the prepaid items was not material.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 to 50 years
Improvements	10 to 50 years
Equipment and Machinery	3 to 20 years
Infrastructure	15 to 100 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "intergovernmental receivable/payable". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the Statement of Net Assets.

K. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

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

L. Accrued Liabilities and Long-Term Obligations

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-Term Obligations (continued)

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

M. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and, therefore, are not available for appropriation and expenditure. Fund balances are reserved for encumbrances, loans receivable and inventory.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Proprietary Funds. For the City, these revenues are charges for water and sewer services, off-street parking, and ambulance services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Anything not meeting this definition is part of non-operating revenue.

P. Interfund Activity

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 2: Summary of Significant Accounting Policies (continued)

P. Interfund Activity (continued)

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2010.

R. Estimates

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

S. Comparative Data/Reclassifications

Comparative Data for the prior year are presented in order to provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2009 financial statements in order to conform to the 2010 presentation.

T. Indirect Costs

The General Fund charges the CDBG Resource, Utilities, Off-Street Parking, and Ambulance Services funds throughout the year for services provided for those funds. The functional expenses in those funds include an element of indirect cost.

U. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through September 26, 2011, the date the financial statements were available to be issued.

Note 3: Change in Accounting Principles

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 3: Change in Accounting Principles (continued)

GASB Statement No. 51 provides guidance on accounting and financial reporting requirements for intangible assets. The City has no intangible assets and thus, the implementation of this Statement has no impact on the City's financial statements or disclosures.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The City has no derivatives and thus, the implementation of this Statement has no impact on the City's financial statements or disclosures.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The City did not file for Chapter 9 bankruptcy and thus, the implementation of this Statement has no impact on the City's financial statements or disclosures.

Note 4: Budgetary 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 Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Budget and Actual presented on the budgetary basis for the General Fund is presented on the budgetary basis to provide a relevant comparison of actual results with the budget. 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).

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 4: Budgetary Basis of Accounting (continued)

- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balance (GAAP).

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

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP basis (as reported)	\$ 244,004
Increase (decrease) due to:	
Revenue accruals	560,893
Expenditure accruals	(487,515)
Encumbrances:	
Current year charges against prior years cash fund balance reserve for encumbrances	130,269
Encumbered at December 31, 2009, but recorded as the equivalent of cash expenditures for budgetary purposes	<u>(296,888)</u>
Non-GAAP budget basis	<u>\$ 150,763</u>

Note 5: Deposits and Investments

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

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

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

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 5: Deposits and Investments (continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Investment grade obligations of state and local governments, and public authorities;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 5: Deposits and Investments (continued)

At year-end, the carrying amount of the City's deposits was \$10,335,667 and the bank balance was \$10,631,377. Of the bank balance, \$2,587,505 was covered by Federal depository insurance and \$8,043,872 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 deposit.

Investments

Investments are reported at fair value. As of December 31, 2010, the City had the following investments:

	Maturity				Total
	Within six months	More than six months but less than one year	More than one year but less than three years	More than three years	
Federal Farm Credit Bank	\$ -	\$ -	\$ 1,002,540	\$ -	\$ 1,002,540
Federal Home Loan Mortgage	-	-	2,018,720	490,940	2,509,660
Federal National Mortgage Association	-	-	2,003,490	500,000	2,503,490
STAROhio	576,940	-	-	-	576,940
Lucas County BAN	-	501,850	-	-	501,850
City of Cuyahoga Falls BAN	-	501,965	-	-	501,965
City of Euclid BAN	502,030	-	-	-	502,030
Centennial Trust	5,776	-	-	-	5,776
Total Portfolio	\$ <u>1,084,746</u>	\$ <u>1,003,815</u>	\$ <u>5,024,750</u>	\$ <u>990,940</u>	\$ <u>8,104,251</u>

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 5: Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2010:

	<u>Fair Value</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank Bonds	\$ 2,509,660	30.9 %
Federal Farm Credit Bank	1,002,540	12.4
Federal National Mortgage Association	2,503,490	30.9
STAROhio	576,940	7.1
Lucas County BAN	501,850	6.2
City of Cuyahoga Falls BAN	501,965	6.2
City of Euclid BAN	502,030	6.2
Centennial Tax Exempt Money Fund	<u>5,776</u>	<u>0.1</u>
Total Portfolio	\$ <u>8,104,251</u>	<u>100.0 %</u>

Note 6: Receivables

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, intergovernmental, loans, and interfund. All receivables are deemed collectible in full.

A. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Local Government	\$ 1,480,716
Homestead & Rollback	737,251
Gasoline Tax	565,952
Estate Tax	51,885
Franchise Fee	131,632
Permissive Tax	54,027
Municipal Court	166,436
Miscellaneous	135,260
Auto Registration	<u>97,556</u>
Total	\$ <u>3,420,715</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 6: Receivables (continued)

B. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections for 2009 taxes. Property tax payments received during 2010 for tangible personal property (and other public utility property) are for 2010 taxes.

Property taxes include amounts levied against all real, public utility, and tangible (used in business) personal property located in the City. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Real property is assessed at 35% of true (market) value. The County Auditor is required to reappraise all real estate once every six years. Equalization adjustments are then made in the third year following reappraisal.

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 percent of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2006 affecting collections beginning in 2007.

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 mid January with the remainder payable by mid July. 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.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 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.

Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes and is being phased out – the assessment percentage for all property including inventory for 2010 is zero. Amounts for prior year unpaid tangible personal property taxes may still be collected. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

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 valuation upon which the 2010 property tax receipts (\$.0129 on each dollar of tax valuation) were based are as follows:

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 6: Receivables (continued)

B. Property Taxes (continued)

Real estate:	
Residential/agricultural	\$ 768,320,370
Other	145,568,470
Public utilities	<u>10,441,200</u>
Total valuation	\$ <u>924,330,040</u>

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.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City.

C. Income Taxes

The City levies a municipal income tax of 2% on all salaries, wages, commissions and other compensation, and the net profits earned within the City as well as incomes of residents earned outside the City. In the latter case, the City allows a credit of 50% of the tax paid to another municipality to a maximum of one-half of one percent of income earned outside the City.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly (if the annual estimated tax is greater than ten dollars) and file a declaration annually.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	<u>12/31/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/10</u>
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 4,104,290	\$ -	\$ -	\$ 4,104,290
Construction in progress	<u>1,919,793</u>	<u>4,369,505</u>	<u>(5,943,176)</u>	<u>346,122</u>
Total nondepreciable capital assets	<u>6,024,083</u>	<u>4,369,505</u>	<u>(5,943,176)</u>	<u>4,450,412</u>
Depreciable capital assets:				
Land improvements	1,729,497	-	-	1,729,497
Building and improvements	50,805,222	219,281	-	51,024,503
Machinery and equipment	16,825,002	1,406,858	(742,009)	17,489,851
Infrastructure:				
Streets and sidewalks	<u>35,595,260</u>	<u>5,221,322</u>	<u>-</u>	<u>40,816,582</u>
Total depreciable capital assets	<u>104,954,981</u>	<u>6,847,461</u>	<u>(742,009)</u>	<u>111,060,433</u>
Less accumulated depreciation:				
Land improvements	(414,095)	(115,300)	-	(529,395)
Buildings and improvements	(19,866,212)	(1,179,042)	-	(21,045,254)
Machinery and equipment	(11,810,604)	(980,367)	701,920	(12,089,051)
Infrastructure:				
Streets and sidewalks	<u>(11,056,225)</u>	<u>(1,303,007)</u>	<u>-</u>	<u>(12,359,232)</u>
Total accumulated depreciation	<u>(43,147,136)</u>	<u>(3,577,716)</u>	<u>701,920</u>	<u>(46,022,932)</u>
Depreciable capital assets, net	<u>61,807,845</u>	<u>3,269,745</u>	<u>(40,089)</u>	<u>65,037,501</u>
Total governmental activities capital assets, net	\$ <u>67,831,928</u>	\$ <u>7,639,250</u>	\$ <u>(5,983,265)</u>	\$ <u>69,487,913</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 7: Capital Assets (continued)

	<u>12/31/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/10</u>
Business-Type Activities				
Nondepreciable capital assets:				
Land	\$ 1,699,694	\$ -	\$ (346,629)	\$ 1,353,065
Construction-in-progress	<u>69,198</u>	<u>74,254</u>	<u>(143,452)</u>	<u>-</u>
Total nondepreciable capital assets	<u>1,768,892</u>	<u>74,254</u>	<u>(490,081)</u>	<u>1,353,065</u>
Depreciable capital assets:				
Land improvements	315,517	-	-	315,517
Buildings and improvements	12,034,349	26,890	-	12,061,239
Machinery and equipment	7,985,098	96,317	(71,297)	8,010,118
Infrastructure:				
Waterlines	17,065,189	727,720	-	17,792,909
Sanitary sewer lines	7,230,383	53,341	-	7,283,724
Storm sewer lines	2,884,502	57,129	-	2,941,631
Off-street parking lots	<u>2,604,360</u>	<u>-</u>	<u>-</u>	<u>2,604,360</u>
Total depreciable capital assets	<u>50,119,398</u>	<u>961,397</u>	<u>(71,297)</u>	<u>51,009,498</u>
Less accumulated depreciation:				
Land improvements	(28,180)	(8,377)	-	(36,557)
Buildings and improvements	(2,623,392)	(323,589)	-	(2,946,981)
Machinery and equipment	(5,675,382)	(520,698)	71,297	(6,124,783)
Infrastructure:				
Waterlines	(3,005,243)	(243,253)	-	(3,248,496)
Sanitary sewer lines	(1,314,093)	(121,712)	-	(1,435,805)
Storm sewer lines	(596,401)	(70,027)	-	(666,428)
Off-street parking lots	<u>(1,489,252)</u>	<u>(57,947)</u>	<u>-</u>	<u>(1,547,199)</u>
Total accumulated depreciation	<u>(14,731,943)</u>	<u>(1,345,603)</u>	<u>71,297</u>	<u>(16,006,249)</u>
Total depreciable capital assets, net	<u>35,387,455</u>	<u>(384,206)</u>	<u>-</u>	<u>35,003,249</u>
Total business-type activities capital assets, net	\$ <u>37,156,347</u>	\$ <u>(309,952)</u>	\$ <u>(490,081)</u>	\$ <u>36,356,314</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 7: Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 519,061
Public safety	388,127
Culture and recreation	693,184
Community development	102,414
Sanitation	242,196
Transportation	<u>1,632,734</u>
Total	<u>\$ 3,577,716</u>

Note 8: Long-Term Obligations

Long-term obligations of the City at December 31, 2010, are as follows:

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Due Within One Year
Governmental activities:								
General obligation bonds:								
Unvoted issues:								
1999	Pension Fund due 2013	3.050-4.500%	\$ 2,000,000	\$ 655,000	\$ -	\$ (155,000)	\$ 500,000	\$ 160,000
2001	Refund off-street parking facilities due 2012	3.300-4.400%	2,385,000	695,000	-	(225,000)	470,000	230,000
2001	Recreation facilities improvements due 2017	3.300-4.900%	4,000,000	2,260,000	-	(240,000)	2,020,000	250,000
2004	Ring Road improvement	2.500-5.000%	3,200,000	2,850,000	-	(80,000)	2,770,000	85,000
2009	Refunding Rec. Facilities Improvements due 2017	3.00%-5.00%	8,695,000	7,790,000	-	(865,000)	6,925,000	890,000
	Premium on bonds			<u>216,915</u>	<u>-</u>	<u>(11,417)</u>	<u>205,498</u>	<u>-</u>
	Total unvoted issues			<u>14,466,915</u>	<u>-</u>	<u>(1,576,417)</u>	<u>12,890,498</u>	<u>1,615,000</u>
	Total general obligation bonds			<u>14,466,915</u>	<u>-</u>	<u>(1,576,417)</u>	<u>12,890,498</u>	<u>1,615,000</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 8: Long-Term Obligations (continued)

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Due Within One Year
2001	Economic development revenue bonds 2001 Zagara TIF project due 2011	2.90-4.10%	\$1,995,000	\$ 460,000	\$ -	\$ (225,000)	\$ 235,000	\$ 235,000
OPWC Loans:								
2005	Coventry Road Rehabilitation	0.0%	369,741	277,306	-	(18,487)	258,819	18,486
2006	Meadowbrook Blvd. Rehabilitation - Streets	0.0%	1,010,406	833,586	-	-	833,586	101,040
2001	Taylor Road Rehabilitation	0.0%	132,780	76,349	-	-	76,349	13,278
2010	Monticello Blvd Rehabilitation	0.0%	**	-	191,460	-	191,460	9,573
2009	Lee Road Rehabilitation	0.0%	**	38,856	-	-	38,856	3,986
Total OPWC loans				1,226,097	191,460	(18,487)	1,399,070	146,363
Accrued compensated absences				6,363,945	342,835	(448,422)	6,258,359	2,397,834
Capital lease commitments				122,055	450,000	(51,042)	521,013	114,140
Total governmental activities long-term liabilities				\$ 22,639,012	\$ 984,295	\$ (2,319,368)	\$ 21,303,940	\$ 4,508,337
Business-type activities:								
Unvoted issues:								
2008	Cedar Lee Parking Deck Due 2028	3.00%-4.75%	\$6,355,000	\$ 6,210,000	\$ -	\$ (230,000)	\$ 5,980,000	\$ 240,000
OPWC Loans:								
2000	Cedar Road – Water	0.0%	940,876	470,438	-	(47,044)	423,394	47,044
2000	Cedar Road – Sewer	0.0%	170,407	85,204	-	(8,520)	76,684	8,520
2006	Meadowbrook Blvd. Rehabilitation - Water	0.0%	367,421	303,123	-	(9,186)	293,937	27,557
2006	Meadowbrook Blvd. Rehabilitation - Sewer	0.0%	459,276	378,902	-	-	378,902	45,928
Total OPWC loans				1,237,667	-	(64,750)	1,172,917	129,049
2007	OWDA Loan – Sewer	4.12%	425,054	335,792	-	(15,396)	320,396	-
2010	OWDA Loan – Waterline	3.84%	**	-	180,362	(5,272)	175,090	10,849
Accrued compensated absences				385,866	37,783	(10,730)	412,919	209,262
Capital lease commitments				267,003	-	(150,273)	116,730	116,730
Total business-type activities long-term liabilities				\$ 8,436,328	\$ 218,145	\$ (476,421)	\$ 8,178,052	\$ 705,890

** As the City is still drawing down loan proceeds, final amount of loan has not yet been determined.

In 1999, the City defeased the unfunded pension liability by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old liability.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 8: Long-Term Obligations (continued)

In 2001, the City refunded Off-Street Parking Facilities bonds which were originally issued in 1992 at rates of 3.00%-6.20% and were due in 2012. The refunding bonds were issued in 2001 at rates of 3.30%-4.40% and are due in 2012. The refunding resulted in an economic gain to the City of \$106,940.

A description of all the City's advance refunded, defeased bonds with remaining outstanding amounts follows:

Description of Defeased Bonds	Interest Rate	Date Issued	Date Defeased	Redemption Or Call Date	Original Amount	Amount Retired or not Subject to Refunding	Amount Refunded	Defeased Amount Redeemed	Amount Outstanding at December 31, 2010
Unfunded Pension Liability	4.25%	11/15/1973	01/11/1999	12/31/2034	\$ 3,588,449	\$ 1,608,749	\$ 1,979,700	\$ 1,479,700	\$ 500,000
Off-Street Parking Facility	3.00-6.20%	10/01/1992	04/05/2001	12/01/2012	3,000,000	615,000	2,385,000	1,915,000	470,000
Recreation Facilities Imp	3.85-6.38%	09/01/1997	08/05/2008	12/01/2017	15,000,000	6,305,000	8,695,000	1,770,000	<u>6,925,000</u>
Total									\$ <u>7,895,000</u>

In 2008, the City refunded Recreational Facilities Improvement Bonds, which were originally issued in 1997, via a current refunding in order to take advantage of lower interest rates. The bonds were issued in 1997 at rates of 3.85% - 6.375% and were due in 2017. The refunding resulted in an economic gain to the City of \$657,797.

As of December 31, 2010, the City's legal debt margin (the ability to issue additional principal amounts of general obligation bonded debt) was approximately \$75.6 million. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2010, are:

Year	Governmental Activities					
	General Obligation Bonds		Economic Development Revenue Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,615,000	530,577	\$ 235,000	\$ 9,635	\$ 146,363	\$ -
2012	1,680,000	473,223	-	-	87,213	-
2013	1,485,000	410,610	-	-	87,213	-
2014	1,365,000	353,910	-	-	87,213	-
2015	1,415,000	302,525	-	-	87,213	-
2016-2020	3,365,000	697,975	-	-	436,059	-
2021-2025	680,000	363,930	-	-	387,697	-
2026-2030	<u>1,080,000</u>	<u>167,362</u>	-	-	<u>80,099</u>	-
Total	\$ <u>12,685,000</u>	\$ <u>3,300,112</u>	\$ <u>235,000</u>	\$ <u>9,635</u>	\$ <u>1,399,070</u>	\$ <u>-</u>

Year	Business-Type Activities					
	Parking Deck Improvement Bond		OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 240,000	\$ 248,268	\$ 129,049	\$ -	\$ 10,849	\$ 11,711
2012	245,000	241,068	96,899	-	23,740	17,957
2013	255,000	233,106	96,899	-	37,424	23,410
2014	260,000	224,818	96,899	-	38,948	21,885
2015	270,000	215,718	96,899	-	40,545	20,299
2016-2020	1,515,000	914,170	428,931	-	228,594	75,335
2021-2025	1,860,000	571,194	206,675	-	115,386	17,000
2026-2030	<u>1,335,000</u>	<u>128,196</u>	<u>20,666</u>	-	-	-
Total	\$ <u>5,980,000</u>	\$ <u>2,776,538</u>	\$ <u>1,172,917</u>	\$ <u>-</u>	\$ <u>495,486</u>	\$ <u>187,597</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 8: Long-Term Obligations (continued)

Year	Totals	
	Principal	Interest
2011	\$ 2,376,261	\$ 800,191
2012	2,132,852	732,248
2013	1,961,536	667,126
2014	1,848,060	600,613
2015	1,909,657	538,542
2016-2020	5,973,817	1,687,480
2021-2025	3,249,758	952,124
2026-2030	2,515,763	295,558
Total	\$ <u>21,967,475</u>	\$ <u>6,273,882</u>

Note 9: Notes Payable

A summary of all short-term debt activity for the year ended December 31, 2010, follows:

Year	Description	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010
2010	Police Motor Vehicles	1.25%	\$ -	\$ 215,000	\$ -	\$ 215,000
2010	Street Improvements	1.25%	-	380,000	-	380,000
2010	Monticello & Taylor Road	1.25%	-	590,000	-	590,000
2010	Motorized Equipment	1.25%	-	665,000	-	665,000
Total Governmental Activities			\$ -	\$ 1,850,000	\$ -	\$ 1,850,000

Note 10: Lease Commitments

A. Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental and business-type activities, respectively. Capitalized assets acquired under capital leases are all classified as machinery and equipment and totaled \$1,897,341 as of December 31, 2010. Governmental capital leases will be paid from the General Fund – general government line item, and the Municipal Court Clerk Computerization Fund – general government line item. Business-Type capital leases will be paid from the Ambulance Services Fund. The following is a schedule by years of the future minimum lease payments for capital leases together, with the present value of the net minimum lease payments as of December 31, 2010:

Year Ending December 31	Governmental	Business-Type
2011	\$ 126,837	\$ 118,694
2012	130,039	-
2013	95,390	-
2014	95,390	-
2015	95,390	-
2016	7,949	-
Minimum lease payments for all capital leases	550,995	118,694
Less: amount representing interest	(29,982)	(1,964)
Present value of net minimum lease payments	\$ <u>521,013</u>	\$ <u>116,730</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 10: Lease Commitments (continued)

B. Operating Leases

The City is obligated under certain leases accounted for as operating leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2010:

<u>Year Ending December 31</u>	<u>Governmental</u>
2011	\$ 3,349
2012	3,349
2013	<u>2,233</u>
Minimum lease payments for all operating leases	\$ <u><u>8,931</u></u>

Note 11: Compensated Absences

Each bargaining unit and the management staff earn vacation at different rates and based upon length of service. No more than the amount of vacation accrued in the previous twelve-month period can be carried forward into the next calendar year without written consent of the City Manager. Without this approval, any excess is eliminated from the employee's leave balance. In the case of death, termination, or retirement an employee (or his estate), who has worked six months or more, is paid for the unused vacation up to a maximum of the two-year accrual or greater amount as approved by the City Manager.

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. An employee with five or more consecutive years of service is entitled to payment to a maximum of 750 hours for accumulated sick leave. Compensated absences are charged to the various funds of the City in accordance to where an employee's salary is charged.

Compensated absences will be paid from the general fund, communication system operating, CDBG resource, local programming, earned benefits, and tree special revenue funds, and the utilities and off-street parking enterprise funds.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 12: Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

For 2010, the members and employer contribution rates were consistent across all three plans. For the year ended, December 31 2010, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll, of which 5.5 percent from January 1 through February 28 and 5.0 percent from March 1 through December 31 was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations, excluding the health care portion, to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$2,435,579, \$2,296,664, and \$2,483,356, respectively, 93 percent has been contributed for 2010, which has been recorded as a liability and 100 percent for 2009 and 2008. Contributions to the member-directed plan for 2010 were \$12,122 made by the City of Cleveland Heights and \$8,659 made by the plan members.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. The OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. 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, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 12: Pension Plans (continued)

B. Ohio Police and Fire Pension Fund (continued)

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City's contributions, excluding the health care portion, to OP&F for police and firefighters were \$2,377,764 for the year ended December 31, 2010, \$2,320,178 for the year ended December 31, 2009, and \$2,325,122 for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. For 2010, 72 percent for police and firefighters has been contributed with the remainder being reported as a liability.

Note 13: Postemployment Benefits

A. Ohio Public Employees Retirement System

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

In order to qualify for post-retirement health care coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained in writing to OPERS, 227 E. Town St., Columbus, OH, 43215-4642, or by calling (614)222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 13: Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

For 2010, the employer contribution allocated to the health care plan for members in the Traditional Plan was 5.5 percent from January 1 through February 28 and 5.0 percent from March 1 through December 31 of covered payroll. The employer contribution allocated to the health care plan for members in the Combined Plan was 4.73 percent from January 1 through February 28 and 4.23 percent from March 1 through December 31 of covered payroll. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2010, 2009, and 2008 were \$881,475, \$958,017, and \$1,241,678, respectively; 93 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

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

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the Pension Fund, Attention: Chief Financial Officer, 140 E. Town St., Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 13: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 1150 and 401(h).

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

The City's contributions to OP&F for police and fire for the years ending December 31, 2010, 2009, and 2008 were \$1,033,414 and \$1,344,350, \$984,349 and \$1,333,601, and \$970,809 and \$1,354,313, respectively, of which \$357,561 and \$377,762, \$344,237 and \$372,402, and \$335,900 and \$380,562, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2009 and 2008. For 2009, 72 percent for police and firefighters has been contributed, with the remainder being reported as a liability.

Note 14: Risk Management

The City is exposed to various risks of loss related to property and casualty, general liability, workers' compensation and employee health and dental benefits.

The City has contracted with a commercial insurance company to provide property and liability insurance with the following claim limits and deductibles:

<u>Coverage</u>	Self-Insured Retention (per <u>Occurrence</u>)	<u>Liability Limits</u>	
		<u>Per Occurrence</u>	<u>Annual Aggregate</u>
General liability	\$ 100,000	\$ 11,000,000	\$ 12,000,000
Property	50,000	100,855,000	None
Auto	100,000	11,000,000	None
Law enforcement professional	100,000	11,000,000	11,000,000
Public official	100,000	11,000,000	11,000,000

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 14: Risk Management (continued)

The City accounts for its property and liability insurance premiums as well as its deductibles in the General Fund. There is no claims liability reported in the General Fund at December 31, 2010 based on the requirements that a liability for claims be reported if a liability has been incurred at the date of the financial statements and the amount of the loss is due and payable.

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

The City maintains two hospitalization plans for its full-time employees and their dependents. Some City employees choose to belong to an HMO, whereby the City makes a premium payment to the HMO and all risk is effectively transferred. In November of 2009 the City discontinued its self-funded health care program and instead contracted for a fully insured program. Most City employees are enrolled in the City's fully insured program. All full-time City employees receive dental benefits through the City's self-funded employee benefits program. Employee health and dental benefits are charged to the various funds of the City in accordance to where an employee's salary is charged. Based on historical estimates, a total of \$25,078 has been accrued at year end in the various funds of the City as a component of claims payable.

The schedule below presents the changes in claims liabilities for the past two fiscal years.

	Employee Benefits	
	2010	2009
Beginning of fiscal year liability	\$ 56,236	\$ 568,446
Current year claims and changes in estimates	4,549,444	3,906,890
Claim payments	<u>(4,580,602)</u>	<u>(4,419,100)</u>
Balance at fiscal year end	\$ <u>25,078</u>	\$ <u>56,236</u>

Beginning January 1, 2011, the City became self-insured for its health insurance.

The City is required to purchase workers' compensation insurance through the State of Ohio. The City applied for and was accepted into the State's Retrospective Rating Plan, whereby the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the City's injured workers' claims are incurred, the City must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the City's premium limitation. The City's retrospective rating plan provides for a \$300,000 catastrophic limit per claim and an unlimited claim limit.

At December 31, 2010, \$867,482 has been accrued for workers' compensation claims, included in the due to other governments line item on the Financial Statements, representing estimates of amounts to be paid for reported claims and incurred but not reported claims based upon the current available information.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 15: Construction Commitments

At December 31, 2010, uncompleted construction contracts were as follows:

<u>Description</u>	<u>Remaining Construction Committed</u>
Street Resurfacing	\$ 581,720
Parking Lot Improvements	225,274
Community Development	95,207
City Park Improvements	13,592
Community Center Lighting	8,977
Ring Road Construction	4,734
Water Line Improvements	16,439
Sewer Line Improvements	28,731
Total	\$ <u>974,674</u>

Note 16: Interfund Activity

A. Individual fund interfund receivable and payable balances at December 31, 2010, are as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable General Fund</u>
Debt Service Fund	\$ 26,075

The Debt Service Fund owes the General Fund for the reduction of debt service paid.

B. Interfund transfers for the year ending December 31, 2010, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>
Nonmajor governmental funds	\$ <u>General</u> 3,351,610

The transfers from the General Fund to the Nonmajor Governmental Funds include transfers for operating costs.

Note 17: Claims and Judgments

The City is currently a defendant in several lawsuits. It is the opinion of legal counsel that none of this litigation will have a material adverse affect on the financial condition of the City. In addition, there are several unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 2010.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 17: Claims and Judgments (continued)

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 Grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

Note 18: Fund Deficits and Legal Compliance

A. Fund Deficits

The following funds had a deficit balance at December 31, 2010:

Governmental Activities:	
Special Revenue Funds:	
SCMR	\$ 78,450
Communication Systems Operating	21,930
CDBG Resource	33,861
HOME Program	65,124
Cain Park	1,309
Neighborhood Stabilization	274,219
Homelessness Prevention	93
Street Lighting	346,373
Police Pension	305,674
Fire Pension	397,997
Department of Energy Grant	7,018
Capital Projects Funds:	
Capital Improvements	757,763

The deficit fund balances are a result of the application of generally accepted accounting principles, namely the accruing of wages and the recording of interfund and accounts payable at year end. All deficits will be eliminated with intergovernmental revenues in the next accounting period. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

B. Legal Compliance

The City had negative cash balance in the following funds indicating that revenues from other sources were used to pay obligations of these funds contrary to Ohio Revised Code Section 5705.10:

Governmental Activities:	
Special Revenue Funds:	
CDBG Resource	\$ 27,385
HOME Program	107,716
Neighborhood Stabilization Program	618,052
Homelessness Prevention	60
Street Lighting	196,240

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2010

Note 19: Solid Waste

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Cleveland Heights executed the final closure financial assurance instrument for the solid waste transfer station by the required September 30, 2003, deadline. The financial test assured that the City could support any amount up to \$200,000 in post-closure costs and that the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. This location is used for the transfer of solid waste from the City's refuse trucks to a larger loader which is used to transport the waste to a commercial landfill located outside of the City. This transfer station has operated at this location for over fifty years and the City has no plans to close or move this transfer station. For this reason the City does not currently accrue a liability. This treatment is in accordance with generally accepted accounting principles.

Note 20: Assets Held for Resale

Assets held for resale represents homes purchased and repaired to be resold under the Community Development housing project. During fiscal year 2010, the City sold no homes. As of December 31, 2010, the City has 13 homes remaining which are being held for resale.

Note 21: Jointly Governed Organizations

The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 12 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2010, the City contributed \$1,500 for membership to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, OH 44118.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Street Construction, Maintenance and Repair – Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for repair and maintenance of streets within the City.

Foundation Grants – To account for grants received from various non-profit organizations used for community development and public health purposes.

First Suburbs Consortium – To account for staffing and other expenses of the Consortium office which is located in Cleveland Heights City Hall. The costs are shared by the twelve communities which make up and support the Consortium and its economic and community development initiatives.

Communication System Operating – To account for the operations of the fire department dispatch office serving Cleveland Heights and a neighboring community.

Public Building Maintenance – To account for funds received from lease of City property for placement of communication towers. These funds are to be used for only building maintenance.

Law Enforcement Trust – To account for monies received from certain civil penalties permitted by state law and collected by the City and costs of complex investigations and prosecutions and other law enforcement purposes as determined by Council.

Drug Law Enforcement Trust – To account for monies received from confiscated property to be used solely for drug law enforcement purposes.

Community Development Block Grant (C.D.B.G.) Resource – To account for monies received from the federal government under Community Development Block Grant programs for a wide variety of projects such as commercial area rehabilitation, residential rehabilitation, and fair housing activities. The C.D.B.G. Resource Fund accounts for the grant of the current year and unspent grants from prior years.

C.D.B.G. Program Income – To account for monies generated by C.D.B.G. programs, such as repayment of rehabilitation loans and other housing programs where the City receives revenue.

EPA-Brownfield Grant – To account for monies received from Federal EPA-Brownfield Grant and corresponding expenditures allowable under the grant agreement.

Home Program – To account for the City's portion of the funds available through the Cuyahoga Housing Consortium which includes Cuyahoga County, and the cities of Euclid, Lakewood, Parma and East Cleveland pursuant to the Home Investment Partnership Program.

FEMA (Federal Emergency Management Agency) Grant – To account for fire and safety grants received from FEMA in a separate fund as required by FEMA.

Local Television (T.V.) Programming – To account for monies received pursuant to the franchise agreement with the local cable T.V. network and used for programming of local events.

Cain Park – To account for the operation and maintenance of the Cain Park Summer Theater.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Non-Major Special Revenue Funds (continued)

Public Right of Way – To account for the monies received from public or private service providers for use of the public right of way.

Indigent (DUI) Driver's Alcohol Treatment – To account for the City's portion of fines collected by the State of Ohio to pay for the cost of an alcohol and other drug addiction treatment program for those unable to pay for such attendance.

Municipal Court Clerk Computerization – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for computer-related expenditures.

DUI Enforcement and Education – To account for the City's portion of fines collected on all DUI-related offense convictions collected by the court and controlled by the police agency at their discretion for DUI-related law enforcement and education.

Municipal Court Special Projects – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for identified projects.

Lead Safe Cuyahoga – To account for receipts and disbursements from grants received from Cuyahoga County for costs related to testing paint for lead content and remediation of the identified areas.

Neighborhood Stabilization – To account for monies to address the City's foreclosed homes crisis and stabilize neighborhoods.

CDBG Recovery – To account for monies to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency and expand educational activities and access to health care.

Homelessness Prevention – To account for monies to be used for assisting individuals and families who are currently in housing but are at risk of becoming homeless and need temporary rent or utility assistance and programming and administrative costs associated with the implementation of these activities.

Street Lighting – To account for monies received from the levy of special assessments for the purpose of paying the cost of street lighting.

Tree – To account for monies received from the levy of special assessments for the purpose of paying the cost of maintaining trees on the public right-of-way.

Police Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for police disability and pension due the State pension agency.

Fire Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for fire disability and pension due the State pension agency.

Earned Benefits – To account for the accumulation of resources for those employees eligible to retire.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Section 108 Loan Guarantee – To account for receipts and disbursements made as an agency for the HUD Section 108 loan program financed by the issuance of U.S. Government Guaranteed Notes.

Department of Energy Grant – To account for efficiency improvements to the City’s community building.

Office on Aging Donation – To account for the Martin bequest and other donations and their related expenditures.

Police Memorial – To account for private donations received for the purpose of establishing a police memorial to honor officers that have been killed in the line of duty.

Youth Recreation Donation – To account for donations made to benefit youth recreation.

Non-Major Capital Projects Funds

Police Facility Improvement – To account for administrative fees collected by police department and designated for the maintenance, repair, rehabilitation and improvement of the City's police department buildings and facilities outside of City Hall.

Recreation Facility Improvement – To account for property taxes levied for the improvement and maintenance of the City's parks, recreation and cultural facilities.

Capital Improvements – To account for the annual purchase of capital equipment and certain capital improvements financed by unvoted general obligation bond anticipation notes and General Fund operating transfers.

Economic Development – To account for transactions relative to the economic development of the City.

City Hall Maintenance and Repair – To account for the costs of major maintenance and repair of City Hall.

Recreation Improvement – To account for transactions relative to the voted 1.8735-mill Recreation Bond Issue for the purpose of acquiring, constructing, renovating, furnishing and equipping park, cultural and recreational facilities and acquiring any necessary real estate.

Zagara TIF – To account for transactions relative to the sale of special revenue bonds and disbursement of these bonds for the purpose of fulfilling a Tax Increment Financing (TIF) agreement to promote economic development in the City as allowed by the laws of the State of Ohio.

Ring Road Construction – To account for receipts and disbursements related to reconstruction of Severance Ring Road.

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in city treasury cash	\$ 4,351,405	\$ 2,538,187	\$ 6,889,592
Receivables (net of allowance for uncollectibles):			
Taxes	515,844	601,823	1,117,667
Special assessments	2,743,508	-	2,743,508
Loans	1,684,934	-	1,684,934
Intergovernmental	991,733	46,034	1,037,767
Assets Held for Resale	<u>422,791</u>	<u>-</u>	<u>422,791</u>
 Total assets	 <u>\$ 10,710,215</u>	 <u>\$ 3,186,044</u>	 <u>\$ 13,896,259</u>
Liabilities and fund balances:			
Liabilities:			
Vouchers and accounts payable	\$ 417,831	\$ 18,004	\$ 435,835
Contracts payable	704	-	704
Accrued wages and benefits	54,965	870	55,835
Matured compensated absences	197,637	-	197,637
Due to other governments	688,302	539	688,841
Notes payable	970,000	880,000	1,850,000
Deferred revenue	3,752,236	647,857	4,400,093
Claims payable	<u>1,356</u>	<u>60</u>	<u>1,416</u>
 Total liabilities	 <u>6,083,031</u>	 <u>1,547,330</u>	 <u>7,630,361</u>
Fund balances:			
Reserved for encumbrances	669,174	280,310	949,484
Reserved for loans receivable	1,684,954	-	1,684,954
Reserved for assets held for resale	422,791	-	422,791
Unreserved, undesignated	<u>1,850,265</u>	<u>1,358,404</u>	<u>3,208,669</u>
 Total fund balances	 <u>4,627,184</u>	 <u>1,638,714</u>	 <u>6,265,898</u>
 Total liabilities and fund balances	 <u>\$ 10,710,215</u>	 <u>\$ 3,186,044</u>	 <u>\$ 13,896,259</u>

City of Cleveland Heights, Ohio

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

For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and other local taxes	\$ 614,161	\$ 633,235	\$ 1,247,396
Intergovernmental	7,063,696	80,012	7,143,708
Charges for services	682,063	3,930	685,993
Fees, licenses, and permits	413,141	20,155	433,296
Interest earnings	1,671	-	1,671
Special assessments	1,302,049	-	1,302,049
Fines and forfeitures	471,458	-	471,458
Reimbursements received	69,327	517,804	587,131
Other revenues	<u>418,589</u>	<u>28,210</u>	<u>446,799</u>
 Total revenues	 <u>11,036,155</u>	 <u>1,283,346</u>	 <u>12,319,501</u>
Expenditures:			
Current:			
Public safety	3,205,231	21,159	3,226,390
Public health	2,568	-	2,568
Culture and recreation	678,922	238,934	917,856
Community development	4,556,863	28,136	4,584,999
Transportation	76,180	329	72,244
General government	1,651,633	61,135	1,712,768
Sanitation	17,703	339	18,042
Debt service:			
Principal retirement	53,806	225,000	278,806
Interest and fiscal charges	3,833	20,784	28,882
Capital outlay	<u>4,657,370</u>	<u>1,525,217</u>	<u>6,182,587</u>
 Total expenditures	 <u>14,904,109</u>	 <u>2,121,033</u>	 <u>17,025,142</u>
Excess of revenues over (under) expenditures	<u>(3,867,954)</u>	<u>(837,687)</u>	<u>(4,705,641)</u>
Other financing sources (uses):			
Issuance of debt	191,460	-	191,460
Transfers - in	3,178,258	173,352	3,351,610
Inception of capital lease	<u>-</u>	<u>450,000</u>	<u>450,000</u>
 Total other financing sources (uses)	 <u>3,369,718</u>	 <u>623,352</u>	 <u>3,993,070</u>
Net change in fund balances	(498,236)	(214,335)	(712,571)
Fund balances beginning of year	<u>5,125,420</u>	<u>1,853,049</u>	<u>6,978,469</u>
Fund balances end of year	\$ <u>4,627,184</u>	\$ <u>1,638,714</u>	\$ <u>6,265,898</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2010

	<u>Street Construction Maintenance, and Repair</u>	<u>Foundation Grants</u>	<u>First Suburbs Consortium</u>	<u>Communications System Operating</u>
Assets:				
Equity in city treasury cash	\$ 676,400	\$ 22,481	\$ 50,841	\$ 4,539
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Special assessments	-	-	-	-
Loans	-	-	-	-
Intergovernmental	717,535	-	-	-
Assets held for resale	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>1,393,935</u>	\$ <u>22,481</u>	\$ <u>50,841</u>	\$ <u>4,539</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 45,039	\$ 3,953	\$ -	\$ 15,403
Contracts payable	-	298	-	-
Accrued wages and benefits	-	-	419	6,199
Matured compensated absences	-	-	-	-
Due to other governments	-	-	285	4,438
Notes payable	970,000	-	-	-
Deferred revenue	457,346	-	-	-
Claims payable	<u>-</u>	<u>-</u>	<u>30</u>	<u>429</u>
Total liabilities	<u>1,472,385</u>	<u>4,251</u>	<u>734</u>	<u>26,469</u>
Fund balances:				
Reserved for encumbrances	575,806	-	-	101
Reserved for loans receivable	-	-	-	-
Reserved for assets held for resale	-	-	-	-
Unreserved (deficit), undesignated	<u>(654,256)</u>	<u>18,230</u>	<u>50,107</u>	<u>(22,031)</u>
Total fund balances (deficit)	<u>(78,450)</u>	<u>18,230</u>	<u>50,107</u>	<u>(21,930)</u>
Total liabilities and fund balances	\$ <u>1,393,935</u>	\$ <u>22,481</u>	\$ <u>50,841</u>	\$ <u>4,539</u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ 35,450	\$ 7,727	\$ 180,937	\$ (27,385)	\$ -	\$ 2,998	\$ (107,716)	\$ 751
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,642,342	-	42,592	-
-	-	-	81,355	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 35,450</u>	<u>\$ 7,727</u>	<u>\$ 180,937</u>	<u>\$ 53,970</u>	<u>\$ 1,642,342</u>	<u>\$ 2,998</u>	<u>\$ (65,124)</u>	<u>\$ 751</u>
\$ 1,513	\$ -	\$ 1,770	\$ 77,965	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	90	5,320	-	-	-	-
-	-	-	861	-	-	-	-
-	-	-	3,359	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	326	-	-	-	-
<u>1,513</u>	<u>-</u>	<u>1,860</u>	<u>87,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	91,009	-	-	-	-	1,639
-	-	-	-	1,642,362	-	42,592	-
-	-	-	-	-	-	-	-
<u>33,937</u>	<u>7,727</u>	<u>88,068</u>	<u>(33,861)</u>	<u>(20)</u>	<u>2,998</u>	<u>(107,716)</u>	<u>(888)</u>
<u>33,937</u>	<u>7,727</u>	<u>179,077</u>	<u>(33,861)</u>	<u>1,642,342</u>	<u>2,998</u>	<u>(65,124)</u>	<u>751</u>
<u>\$ 35,450</u>	<u>\$ 7,727</u>	<u>\$ 180,937</u>	<u>\$ 53,970</u>	<u>\$ 1,642,342</u>	<u>\$ 2,998</u>	<u>\$ (65,124)</u>	<u>\$ 751</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2010

	Local T.V. Programming	Cain Park	Public Right of Way Fund	Indigent Driver's Alcohol Treatment
Assets:				
Equity in city treasury cash	\$ 1,146,351	\$ 189	\$ 10,650	\$ 88,745
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Special assessments	-	-	-	-
Loans	-	-	-	-
Intergovernmental	131,632	-	-	1,734
Assets held for resale	-	-	-	-
Total assets	\$ <u>1,277,983</u>	\$ <u>189</u>	\$ <u>10,650</u>	\$ <u>90,479</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 1,241	\$ 1,309	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	1,056	-	-	-
Matured compensated absences	-	-	-	-
Due to other governments	717	189	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Claims payable	60	-	-	-
Total liabilities	<u>3,074</u>	<u>1,498</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for encumbrances	-	-	-	-
Reserved for loans receivable	-	-	-	-
Reserved for assets held for resale	-	-	-	-
Unreserved (deficit), undesignated	<u>1,274,909</u>	<u>(1,309)</u>	<u>10,650</u>	<u>90,479</u>
Total fund balances (deficit)	<u>1,274,909</u>	<u>(1,309)</u>	<u>10,650</u>	<u>90,479</u>
Total liabilities and fund balances	\$ <u>1,277,983</u>	\$ <u>189</u>	\$ <u>10,650</u>	\$ <u>90,479</u>

Municipal Court Clerk Computer-ization	DUI Enforcement and Education	Municipal Courts Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization	CDBG Recovery	Homelessness Prevention
\$ 959,826	\$ 61,073	\$ 1,393,262	\$ 1	\$ (618,052)	\$ 2	\$ (60)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,289	734	13,916	-	-	-	-
-	-	-	-	422,791	-	-
<u>\$ 969,115</u>	<u>\$ 61,807</u>	<u>\$ 1,407,178</u>	<u>\$ 1</u>	<u>\$ (195,261)</u>	<u>\$ 2</u>	<u>\$ (60)</u>
\$ 87	\$ -	\$ -	\$ -	\$ 77,934	\$ -	\$ -
-	-	-	-	-	-	-
926	-	1,029	-	636	-	18
-	-	-	-	-	-	-
4,759	-	699	-	388	-	15
-	-	-	-	-	-	-
-	-	-	-	-	-	-
90	-	-	-	-	-	-
<u>5,862</u>	<u>-</u>	<u>1,728</u>	<u>-</u>	<u>78,958</u>	<u>-</u>	<u>33</u>
547	-	72	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	422,791	-	-
<u>962,706</u>	<u>61,807</u>	<u>1,405,378</u>	<u>1</u>	<u>(697,010)</u>	<u>2</u>	<u>(93)</u>
<u>963,253</u>	<u>61,807</u>	<u>1,405,450</u>	<u>1</u>	<u>(274,219)</u>	<u>2</u>	<u>(93)</u>
<u>\$ 969,115</u>	<u>\$ 61,807</u>	<u>\$ 1,407,178</u>	<u>\$ 1</u>	<u>\$ (195,261)</u>	<u>\$ 2</u>	<u>\$ (60)</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2010

	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Earned Benefits</u>
Assets:					
Equity in city treasury cash	\$ (196,240)	\$ 124,461	\$ -	\$ -	\$ 430,901
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	257,922	257,922	-
Special assessments	1,554,954	1,188,554	-	-	-
Loans	-	-	-	-	-
Intergovernmental	-	-	17,769	17,769	-
Assets held for resale	-	-	-	-	-
Total assets	\$ <u>1,358,714</u>	\$ <u>1,313,015</u>	\$ <u>275,691</u>	\$ <u>275,691</u>	\$ <u>430,901</u>
Liabilities and fund balances:					
Liabilities:					
Vouchers and accounts payable	\$ 150,133	\$ 34,872	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-
Accrued wages and benefits	-	5,404	14,860	19,008	-
Matured compensated absences	-	941	-	-	195,835
Due to other governments	-	3,650	290,814	378,989	-
Notes payable	-	-	-	-	-
Deferred revenue	1,554,954	1,188,554	275,691	275,691	-
Claims payable	-	421	-	-	-
Total liabilities	\$ <u>1,705,087</u>	\$ <u>1,233,842</u>	\$ <u>581,365</u>	\$ <u>673,688</u>	\$ <u>195,835</u>
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-
Reserved for assets held for resale	-	-	-	-	-
Unreserved (deficit), undesignated	<u>(346,373)</u>	<u>79,173</u>	<u>(305,674)</u>	<u>(397,997)</u>	<u>235,066</u>
Total fund balances (deficit)	\$ <u>(346,373)</u>	\$ <u>79,173</u>	\$ <u>(305,674)</u>	\$ <u>(397,997)</u>	\$ <u>235,066</u>
Total liabilities and fund balances	\$ <u>1,358,714</u>	\$ <u>1,313,015</u>	\$ <u>275,691</u>	\$ <u>275,691</u>	\$ <u>430,901</u>

<u>Section 108</u>	<u>Department of Energy Grant</u>	<u>Office on Aging Donation</u>	<u>Police Memorial</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 100,627	\$ 608	\$ 2,038	\$ 4,351,405
-	-	-	-	-	515,844
-	-	-	-	-	2,743,508
-	-	-	-	-	1,684,934
-	-	-	-	-	991,733
-	-	-	-	-	422,791
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,627</u>	<u>\$ 608</u>	<u>\$ 2,038</u>	<u>\$ 10,710,215</u>
\$ -	\$ 6,612	\$ -	\$ -	\$ -	\$ 417,831
-	406	-	-	-	704
-	-	-	-	-	54,965
-	-	-	-	-	197,637
-	-	-	-	-	688,302
-	-	-	-	-	970,000
-	-	-	-	-	3,752,236
-	-	-	-	-	1,356
-	7,018	-	-	-	6,083,031
-	-	-	-	-	669,174
-	-	-	-	-	1,684,954
-	-	-	-	-	422,791
-	(7,018)	100,627	608	2,038	1,850,265
-	(7,018)	100,627	608	2,038	4,627,184
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,627</u>	<u>\$ 608</u>	<u>\$ 2,038</u>	<u>\$ 10,710,215</u>

City of Cleveland Heights, Ohio

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

For Year Ended December 31, 2010

	Street Construction Maintenance, and Repair	Foundation Grants	First Suburbs Consortium	Communications System Operating
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,312,073	5,894	-	-
Charges for services	-	450	-	274,487
Fees, licenses, and permits	-	-	-	-
Interest earnings	1,388	-	-	-
Special assessments	-	120	-	-
Fines and forfeitures	-	-	-	-
Reimbursements received	-	-	7,694	-
Other revenues	-	27,021	22,500	-
Total revenues	<u>2,313,461</u>	<u>33,485</u>	<u>30,194</u>	<u>274,487</u>
Expenditures:				
Current:				
Public safety	-	-	-	604,985
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	120	48,259	-
Sanitation	-	-	-	-
Transportation	34,058	-	-	-
General government	-	684	-	-
Debt Service:				
Principal	18,487	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay	3,155,825	27,703	-	8,312
Total expenditures	<u>3,208,370</u>	<u>28,507</u>	<u>48,259</u>	<u>613,297</u>
Excess of revenues over (under) expenditures	<u>(894,909)</u>	<u>4,978</u>	<u>(18,065)</u>	<u>(338,810)</u>
Other financing sources (uses):				
Issuance of debt	191,460	-	-	-
Transfers - in	-	-	-	284,537
Total other financing sources (uses)	<u>191,460</u>	<u>-</u>	<u>-</u>	<u>284,537</u>
Net change in fund balances	(703,449)	4,978	(18,065)	(54,273)
Fund balance (deficit) at beginning of year	<u>624,999</u>	<u>13,252</u>	<u>68,172</u>	<u>32,343</u>
Fund balance (deficit) at end of year	\$ <u><u>(78,450)</u></u>	\$ <u><u>18,230</u></u>	\$ <u><u>50,107</u></u>	\$ <u><u>(21,930)</u></u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,397,813	-	-	437,783	31,309
-	-	-	-	8,691	-	-	-
-	33	128	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,512	115,222	-	-	-	-	-
-	655	19,528	-	1,000	-	-	-
<u>49,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,827</u>	<u>-</u>	<u>8,986</u>	<u>-</u>
<u>49,680</u>	<u>12,200</u>	<u>134,878</u>	<u>2,397,813</u>	<u>269,518</u>	<u>-</u>	<u>446,769</u>	<u>31,309</u>
-	15,882	57,461	-	-	-	-	6,735
-	-	-	-	-	-	-	-
-	-	-	1,533,875	344,680	-	421,040	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18,223	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>3,595</u>	<u>20,239</u>	<u>809,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,370</u>
<u>18,223</u>	<u>19,477</u>	<u>77,700</u>	<u>2,343,233</u>	<u>344,680</u>	<u>-</u>	<u>421,040</u>	<u>21,105</u>
<u>31,457</u>	<u>(7,277)</u>	<u>57,178</u>	<u>54,580</u>	<u>(75,162)</u>	<u>-</u>	<u>25,729</u>	<u>10,204</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31,457	(7,277)	57,178	54,580	(75,162)	-	25,729	10,204
<u>2,480</u>	<u>15,004</u>	<u>121,899</u>	<u>(88,441)</u>	<u>1,717,504</u>	<u>2,998</u>	<u>(90,853)</u>	<u>(9,453)</u>
\$ <u><u>33,937</u></u>	\$ <u><u>7,727</u></u>	\$ <u><u>179,077</u></u>	\$ <u><u>(33,861)</u></u>	\$ <u><u>1,642,342</u></u>	\$ <u><u>2,998</u></u>	\$ <u><u>(65,124)</u></u>	\$ <u><u>751</u></u>

(Continued)

City of Cleveland Heights, Ohio

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

For the Year Ended December 31, 2010

	Local T.V. Programming	Cain Park	Public Right of Way Fund	Indigent Driver's Alcohol Treatment
Revenues:				
Property and other local taxes	\$ 131,632	\$ -	\$ -	\$ -
Intergovernmental	-	10,922	-	-
Charges for services	-	398,070	-	-
Fees, licenses, and permits	388,650	-	14,512	-
Interest earnings	-	-	-	-
Special assessments	-	-	-	-
Fines and forfeitures	-	-	-	25,578
Reimbursements received	-	13,127	-	-
Other revenues	-	2,980	-	-
	<u>520,282</u>	<u>425,099</u>	<u>14,512</u>	<u>25,578</u>
Total revenues				
Expenditures:				
Current:				
Public safety	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	671,115	-	-
Community development	130,717	-	-	-
Sanitation	-	-	-	-
Transportation	-	-	-	-
General government	-	-	3,080	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay	960	-	-	-
	<u>131,677</u>	<u>671,115</u>	<u>3,080</u>	<u>-</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>388,605</u>	<u>(246,016)</u>	<u>11,432</u>	<u>25,578</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers - in	-	246,253	-	-
	<u>-</u>	<u>246,253</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	388,605	237	11,432	25,578
Fund balance (deficit) at beginning of year	<u>886,304</u>	<u>(1,546)</u>	<u>(782)</u>	<u>64,901</u>
Fund balance (deficit) at end of year	\$ <u>1,274,909</u>	\$ <u>(1,309)</u>	\$ <u>10,650</u>	\$ <u>90,479</u>

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Neighborhood Stabilization</u>	<u>CDBG Recovery</u>	<u>Homelessness Prevention</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	346,969	1,148,096	56,022	85,662
-	-	-	-	-	-	-
9,289	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
118,965	6,191	193,990	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>128,254</u>	<u>6,191</u>	<u>193,990</u>	<u>346,969</u>	<u>1,148,096</u>	<u>56,022</u>	<u>85,662</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	286,006	1,068,918	1,085	85,554
-	-	-	-	-	-	-
-	-	-	-	-	-	-
136,449	-	75,642	-	-	-	-
1,311	-	-	-	-	-	-
42	-	-	-	-	-	-
<u>79,120</u>	<u>-</u>	<u>1,509</u>	<u>-</u>	<u>274,470</u>	<u>48,346</u>	<u>-</u>
<u>216,922</u>	<u>-</u>	<u>77,151</u>	<u>286,006</u>	<u>1,343,388</u>	<u>49,431</u>	<u>85,554</u>
<u>(88,668)</u>	<u>6,191</u>	<u>116,839</u>	<u>60,963</u>	<u>(195,292)</u>	<u>6,591</u>	<u>108</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(88,668)</u>	<u>6,191</u>	<u>116,839</u>	<u>60,963</u>	<u>(195,292)</u>	<u>6,591</u>	<u>108</u>
<u>1,051,921</u>	<u>55,616</u>	<u>1,288,611</u>	<u>(60,962)</u>	<u>(78,927)</u>	<u>(6,589)</u>	<u>(201)</u>
\$ <u><u>963,253</u></u>	\$ <u><u>61,807</u></u>	\$ <u><u>1,405,450</u></u>	\$ <u><u>1</u></u>	\$ <u><u>(274,219)</u></u>	\$ <u><u>2</u></u>	\$ <u><u>(93)</u></u>

(Continued)

City of Cleveland Heights, Ohio

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

For the Year Ended December 31, 2010

	Street Lighting	Tree	Police Pension Trust	Fire Pension Trust	Earned Benefits
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ 241,264	\$ 241,265	\$ -
Intergovernmental	-	-	34,291	34,291	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	-	690	-	-	-
Interest earnings	-	-	-	-	-
Special assessments	697,054	604,875	-	-	-
Fines and forfeitures	-	-	-	-	-
Reimbursements received	-	400	3,500	21,250	2,173
Other revenues	-	8,624	-	-	-
Total revenues	<u>697,054</u>	<u>614,589</u>	<u>279,055</u>	<u>296,806</u>	<u>2,173</u>
Expenditures:					
Current:					
Public safety	907,115	-	1,037,259	73,505	501,497
Public health	-	-	-	-	711
Culture and recreation	-	-	-	-	7,807
Community development	-	606,963	-	-	29,646
Sanitation	-	-	-	-	17,703
Transportation	-	-	-	-	14,889
General government	46,162	46,216	-	1,275,303	45,708
Debt service:					
Principal	-	34,008	-	-	-
Interest and fiscal charges	-	3,791	-	-	-
Capital Outlay	-	43,609	-	-	-
Total expenditures	<u>953,277</u>	<u>734,587</u>	<u>1,037,259</u>	<u>1,348,808</u>	<u>617,961</u>
Excess of revenues over (under) expenditures	<u>(256,223)</u>	<u>(119,998)</u>	<u>(758,204)</u>	<u>(1,052,002)</u>	<u>(615,788)</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Transfers - in	19,030	15,000	737,151	1,025,433	850,854
Total other financing sources (uses)	<u>19,030</u>	<u>15,000</u>	<u>737,151</u>	<u>1,025,433</u>	<u>850,854</u>
Net change in fund balances	(237,193)	(104,998)	(21,053)	(26,569)	235,066
Fund balance (deficit) at beginning of year	<u>(109,180)</u>	<u>184,171</u>	<u>(284,621)</u>	<u>(371,428)</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u><u>(346,373)</u></u>	\$ <u><u>79,173</u></u>	\$ <u><u>(305,674)</u></u>	\$ <u><u>(397,997)</u></u>	\$ <u><u>235,066</u></u>

<u>Section 108</u>	<u>Department of Energy Grant</u>	<u>Office on Aging Donation</u>	<u>Police Memorial</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 614,161
-	162,571	-	-	-	7,063,696
-	365	-	-	-	682,063
-	-	-	-	-	413,141
-	-	122	-	-	1,671
-	-	-	-	-	1,302,049
-	-	-	-	-	471,458
-	-	-	-	-	69,327
<u>27,233</u>	<u>-</u>	<u>5,619</u>	<u>-</u>	<u>6,119</u>	<u>418,589</u>
<u>27,233</u>	<u>162,936</u>	<u>5,741</u>	<u>-</u>	<u>6,119</u>	<u>11,036,155</u>
-	-	-	792	-	3,205,231
-	-	1,857	-	-	2,568
-	-	-	-	-	678,922
-	-	-	-	-	4,556,863
-	-	-	-	-	17,703
27,233	-	-	-	-	76,180
-	-	-	-	4,166	1,651,633
-	-	-	-	-	53,806
-	-	-	-	-	3,833
<u>-</u>	<u>169,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,657,370</u>
<u>27,233</u>	<u>169,954</u>	<u>1,857</u>	<u>792</u>	<u>4,166</u>	<u>14,904,109</u>
<u>-</u>	<u>(7,018)</u>	<u>3,884</u>	<u>(792)</u>	<u>1,953</u>	<u>(3,867,954)</u>
-	-	-	-	-	191,460
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,178,258</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,369,718</u>
-	(7,018)	3,884	(792)	1,953	(498,236)
<u>-</u>	<u>-</u>	<u>96,743</u>	<u>1,400</u>	<u>85</u>	<u>5,125,420</u>
<u>\$ -</u>	<u>\$ (7,018)</u>	<u>\$ 100,627</u>	<u>\$ 608</u>	<u>\$ 2,038</u>	<u>\$ 4,627,184</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2010

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Assets:				
Equity in city treasury cash	\$ 17,709	\$ 1,233,713	\$ 125,548	\$ 448,056
Receivables:				
Taxes	-	601,823	-	-
Intergovernmental	<u>-</u>	<u>46,034</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u><u>17,709</u></u>	\$ <u><u>1,881,570</u></u>	\$ <u><u>125,548</u></u>	\$ <u><u>448,056</u></u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 1,678	\$ -	\$ 3,311	\$ 13,015
Accrued wages and benefits	-	-	-	870
Intergovernmental payable	-	-	-	539
Note payable	-	-	880,000	-
Deferred revenue	-	647,857	-	-
Claims payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
Total liabilities	<u>1,678</u>	<u>647,857</u>	<u>883,311</u>	<u>14,484</u>
Fund balances:				
Reserved for encumbrances	-	48,389	227,187	-
Unreserved (deficit), undesignated	<u>16,031</u>	<u>1,185,324</u>	<u>(984,950)</u>	<u>433,572</u>
Total fund balances (deficit)	<u>16,031</u>	<u>1,233,713</u>	<u>(757,763)</u>	<u>433,572</u>
Total liabilities and fund balances	\$ <u><u>17,709</u></u>	\$ <u><u>1,881,570</u></u>	\$ <u><u>125,548</u></u>	\$ <u><u>448,056</u></u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 26,010	\$ 7,365	\$ -	\$ 679,786	\$ 2,538,187
-	-	-	-	601,823
-	-	-	-	46,034
<u>\$ 26,010</u>	<u>\$ 7,365</u>	<u>\$ -</u>	<u>\$ 679,786</u>	<u>\$ 3,186,044</u>
\$ -	\$ -	\$ -	\$ -	\$ 18,004
-	-	-	-	870
-	-	-	-	539
-	-	-	-	880,000
-	-	-	-	647,857
-	-	-	-	60
-	-	-	-	1,547,330
-	-	-	4,734	280,310
<u>26,010</u>	<u>7,365</u>	<u>-</u>	<u>675,052</u>	<u>1,358,404</u>
<u>26,010</u>	<u>7,365</u>	<u>-</u>	<u>679,786</u>	<u>1,638,714</u>
<u>\$ 26,010</u>	<u>\$ 7,365</u>	<u>\$ -</u>	<u>\$ 679,786</u>	<u>\$ 3,186,044</u>

City of Cleveland Heights, Ohio

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

For the Year Ended December 31, 2010

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Revenues:				
Property and other local taxes	\$ -	\$ 562,952	\$ -	\$ -
Intergovernmental	-	80,012	-	-
Charges for services	3,230	700	-	-
Fees, licenses, and permits	20,155	-	-	-
Reimbursements received	-	10,150	-	507,654
Other revenues	-	-	<u>3,927</u>	-
Total revenues	<u>23,385</u>	<u>653,814</u>	<u>3,927</u>	<u>507,654</u>
Expenditures:				
Current:				
Public safety	16,559	-	4,600	-
Culture and recreation	-	238,934	-	-
Community development	-	-	-	28,136
Transportation	-	-	329	-
General government	-	46,591	-	12,437
Sanitation	-	-	339	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	2,149	-
Capital outlay	-	<u>90,151</u>	<u>1,380,249</u>	<u>938</u>
Total expenditures	<u>16,559</u>	<u>375,676</u>	<u>1,387,666</u>	<u>41,511</u>
Excess of revenues over (under) expenditures	<u>6,826</u>	<u>278,138</u>	<u>(1,383,739)</u>	<u>466,143</u>
Other financing sources (uses):				
Transfers - in	-	-	-	-
Inception of capital lease	-	-	<u>450,000</u>	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>450,000</u>	<u>-</u>
Net change in fund balances	6,826	278,138	(933,739)	466,143
Fund balance (deficit) at beginning of year	<u>9,205</u>	<u>955,575</u>	<u>175,976</u>	<u>(32,571)</u>
Fund balance (deficit) at end of year	\$ <u><u>16,031</u></u>	\$ <u><u>1,233,713</u></u>	\$ <u><u>(757,763)</u></u>	\$ <u><u>433,572</u></u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ 70,283	\$ -	\$ 633,235
-	-	-	-	80,012
-	-	-	-	3,930
-	-	-	-	20,155
-	-	-	-	517,804
<u>13,283</u>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>28,210</u>
<u>13,283</u>	<u>-</u>	<u>70,283</u>	<u>11,000</u>	<u>1,283,346</u>
-	-	-	-	21,159
-	-	-	-	238,934
-	-	-	-	28,136
-	-	-	-	329
2,107	-	-	-	61,135
-	-	-	-	339
-	-	225,000	-	225,000
-	-	18,635	-	20,784
<u>-</u>	<u>-</u>	<u>-</u>	<u>53,879</u>	<u>1,525,217</u>
<u>2,107</u>	<u>-</u>	<u>243,635</u>	<u>53,879</u>	<u>2,121,033</u>
<u>11,176</u>	<u>-</u>	<u>(173,352)</u>	<u>(42,879)</u>	<u>(837,687)</u>
-	-	173,352	-	173,352
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
<u>-</u>	<u>-</u>	<u>173,352</u>	<u>-</u>	<u>623,352</u>
11,176	-	-	(42,879)	(214,335)
<u>14,834</u>	<u>7,365</u>	<u>-</u>	<u>722,665</u>	<u>1,853,049</u>
\$ <u><u>26,010</u></u>	\$ <u><u>7,365</u></u>	\$ <u><u>-</u></u>	\$ <u><u>679,786</u></u>	\$ <u><u>1,638,714</u></u>

**Individual Fund
Schedule of Revenues, Expenditures, Encumbrances and
Changes in Fund Balance –
Budget and Actual (Non-GAAP Budget)**

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other local taxes	\$ 7,439,350	\$ 7,439,350	\$ 6,996,690	\$ (442,660)
Municipal income taxes	18,238,292	18,238,292	20,494,690	2,256,398
Intergovernmental	4,770,569	4,770,569	5,367,252	596,683
Charges for services	2,552,903	2,552,903	2,872,209	319,306
Fees, licenses, and permits	1,272,999	1,272,999	1,432,220	159,221
Interest earnings	123,562	123,562	139,017	15,455
Special assessments	13,540	13,540	15,233	1,693
Fines and forfeitures	2,296,455	2,296,455	2,583,686	287,231
Reimbursements received	1,561,360	1,561,360	1,756,648	195,288
Other revenue	<u>364,355</u>	<u>364,355</u>	<u>409,927</u>	<u>45,572</u>
Total revenues	<u>38,633,385</u>	<u>38,633,385</u>	<u>42,067,572</u>	<u>3,434,187</u>
Expenditures:				
Current:				
Public safety:				
Police department:				
Personal services	7,884,575	8,019,738	7,971,751	47,987
Other than personal services	505,600	520,650	516,342	4,308
Capital	224,000	68,345	68,236	109
Non-governmental	<u>1,000</u>	<u>1,382</u>	<u>1,380</u>	<u>2</u>
Total police department	<u>8,615,175</u>	<u>8,610,115</u>	<u>8,557,709</u>	<u>52,406</u>
Police academy:				
Personal services	4,378	3,140	2,406	734
Other than personal services	91,650	78,850	77,952	898
Capital	3,000	-	-	-
Non-governmental	<u>-</u>	<u>510</u>	<u>509</u>	<u>1</u>
Total police academy	<u>99,028</u>	<u>82,500</u>	<u>80,867</u>	<u>1,633</u>
Police motor vehicle maintenance:				
Personal services	242,008	251,814	247,986	3,828
Other than personal services	99,100	84,100	81,867	2,233
Capital	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total police motor vehicle maintenance	<u>342,608</u>	<u>335,914</u>	<u>329,853</u>	<u>6,061</u>
Traffic signs and signals:				
Personal services	114,743	84,295	81,703	2,592
Other than personal services	82,700	83,025	82,501	524
Capital	<u>5,000</u>	<u>3,450</u>	<u>3,450</u>	<u>-</u>
Total traffic signs department	<u>202,443</u>	<u>170,770</u>	<u>167,654</u>	<u>3,116</u>
Animal protection unit:				
Personal services	61,497	66,093	64,549	1,544
Other than personal services	<u>26,600</u>	<u>31,197</u>	<u>30,837</u>	<u>360</u>
Total animal protection unit	<u>88,097</u>	<u>97,290</u>	<u>95,386</u>	<u>1,904</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire department:				
Personal services	5,705,110	5,770,413	5,767,589	2,824
Other than personal services	230,250	200,000	197,064	2,936
Capital	-	4,109	4,108	1
Total fire department	<u>5,935,360</u>	<u>5,974,522</u>	<u>5,968,761</u>	<u>5,761</u>
Fire prevention bureau:				
Personal services	78,058	78,777	78,745	32
Other than personal services	4,470	2,470	1,969	501
Capital	1,500	1,100	1,024	76
Total fire prevention bureau	<u>84,028</u>	<u>82,347</u>	<u>81,738</u>	<u>609</u>
Total public safety	<u>15,366,739</u>	<u>15,353,458</u>	<u>15,281,968</u>	<u>71,490</u>
Public health:				
Health and vital statistics:				
Other than personal services	<u>188,200</u>	<u>197,500</u>	<u>196,835</u>	<u>665</u>
Total public health	<u>188,200</u>	<u>197,500</u>	<u>196,835</u>	<u>665</u>
Office on aging:				
Personal services	142,609	148,792	143,933	4,859
Other than personal services	21,445	23,669	22,240	1,429
Non-governmental	300	100	94	6
Total office on aging	<u>164,354</u>	<u>172,561</u>	<u>166,267</u>	<u>6,294</u>
Commission on aging:				
Other than personal services	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total commission on aging	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public health	<u>352,804</u>	<u>370,061</u>	<u>363,102</u>	<u>6,959</u>
Culture and recreation:				
Recreation administration:				
Personal services	177,754	187,537	184,680	2,857
Other than personal services	<u>35,463</u>	<u>35,463</u>	<u>33,238</u>	<u>2,225</u>
Total recreation administration	<u>213,217</u>	<u>223,000</u>	<u>217,918</u>	<u>5,082</u>
Swimming pools:				
Personal services	245,263	260,461	260,145	316
Other than personal services	33,350	28,350	27,021	1,329
Non-governmental	700	200	158	42
Total swimming pools	<u>279,313</u>	<u>289,011</u>	<u>287,324</u>	<u>1,687</u>
Ice programs:				
Personal services	242,167	236,855	228,221	8,634
Other than personal services	32,950	17,950	15,645	2,305
Non-governmental	1,000	3,300	3,045	255
Total ice programs	<u>276,117</u>	<u>258,105</u>	<u>246,911</u>	<u>11,194</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General recreation programs:				
Personal services	181,767	153,332	148,517	4,815
Other than personal services	19,700	19,700	17,103	2,597
Non-governmental	<u>2,500</u>	<u>2,000</u>	<u>1,411</u>	<u>589</u>
Total general recreation programs	<u>203,967</u>	<u>175,032</u>	<u>167,031</u>	<u>8,001</u>
Sports programs:				
Personal services	95,952	89,700	85,846	3,854
Other than personal services	125,400	99,033	96,228	2,805
Capital	-	2,473	2,039	434
Non-governmental	<u>5,000</u>	<u>1,550</u>	<u>1,503</u>	<u>47</u>
Total sports programs	<u>226,352</u>	<u>192,756</u>	<u>185,616</u>	<u>7,140</u>
Community Center:				
Personal services	313,591	272,198	264,843	7,355
Other than personal services	629,600	531,400	522,532	8,868
Capital	<u>1,500</u>	<u>1,000</u>	<u>608</u>	<u>392</u>
Total community center	<u>944,691</u>	<u>804,598</u>	<u>787,983</u>	<u>16,615</u>
Total culture and recreation	<u>2,143,657</u>	<u>1,942,502</u>	<u>1,892,783</u>	<u>49,719</u>
Community development:				
Community relations:				
Personal services	133,915	128,676	125,855	2,821
Other than personal services	<u>22,300</u>	<u>22,300</u>	<u>20,278</u>	<u>2,022</u>
Total community relations	<u>156,215</u>	<u>150,976</u>	<u>146,133</u>	<u>4,843</u>
Public relations:				
Personal services	158,140	167,298	164,713	2,585
Other than personal services	<u>99,500</u>	<u>90,000</u>	<u>88,723</u>	<u>1,277</u>
Total public relations	<u>257,640</u>	<u>257,298</u>	<u>253,436</u>	<u>3,862</u>
Planning department:				
Personal services	290,710	263,745	256,625	7,120
Other than personal services	21,400	10,400	7,312	3,088
Capital	-	5,083	5,082	1
Non-governmental	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>
Total planning department	<u>312,110</u>	<u>279,268</u>	<u>269,059</u>	<u>10,209</u>
Planning commission:				
Personal services	6,490	7,042	6,353	689
Other than personal services	2,800	2,800	2,721	79
Non-governmental	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total planning commission	<u>9,340</u>	<u>9,842</u>	<u>9,074</u>	<u>768</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Board of zoning appeals:				
Personal services	5,949	5,945	5,667	278
Other than personal services	3,700	2,850	2,478	372
Non-governmental	50	100	80	20
Total board of zoning appeals	<u>9,699</u>	<u>8,895</u>	<u>8,225</u>	<u>670</u>
Special improvement districts:	<u>298,000</u>	<u>285,000</u>	<u>284,886</u>	<u>114</u>
Building department:				
Personal services	356,555	388,535	383,037	5,498
Other than personal services	35,100	31,100	30,225	875
Capital	-	300	293	7
Non-governmental	100	100	46	54
Total building department	<u>391,755</u>	<u>420,035</u>	<u>413,601</u>	<u>6,434</u>
Housing inspections:				
Personal services	481,460	513,670	503,696	9,974
Other than personal services	49,400	22,400	19,911	2,489
Non-governmental	2,000	6,500	6,300	200
Total housing inspections	<u>532,860</u>	<u>542,570</u>	<u>529,907</u>	<u>12,663</u>
Landmark commission:				
Other than personal services	1,000	11,000	10,423	577
Total landmark commission	<u>1,000</u>	<u>11,000</u>	<u>10,423</u>	<u>577</u>
Total community development	<u>1,968,619</u>	<u>1,964,884</u>	<u>1,924,744</u>	<u>40,140</u>
Sanitation:				
Refuse collection/transfer station				
Personal services	1,612,271	1,682,210	1,650,322	31,888
Other than personal services	594,150	563,150	560,209	2,941
Total refuse collection/transfer station	<u>2,206,421</u>	<u>2,245,360</u>	<u>2,210,531</u>	<u>34,829</u>
Total sanitation	<u>2,206,421</u>	<u>2,245,360</u>	<u>2,210,531</u>	<u>34,829</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Transportation:				
Parking meters:				
Personal services	34,357	31,245	30,216	1,029
Other than personal services	<u>2,650</u>	<u>1,250</u>	<u>985</u>	<u>265</u>
Total parking meters	<u>37,007</u>	<u>32,495</u>	<u>31,201</u>	<u>1,294</u>
Vehicle maintenance:				
Personal services	517,929	540,740	531,061	9,679
Other than personal services	1,071,400	1,174,300	1,168,417	5,883
Capital	<u>5,700</u>	<u>1,095</u>	<u>1,095</u>	<u>-</u>
Total vehicle maintenance	<u>1,595,029</u>	<u>1,716,135</u>	<u>1,700,573</u>	<u>15,562</u>
Street maintenance:				
Personal services	1,189,254	1,136,971	1,108,298	28,673
Other than personal services	333,900	342,000	339,981	2,019
Capital	<u>-</u>	<u>9,013</u>	<u>8,012</u>	<u>1,001</u>
Total street maintenance	<u>1,523,154</u>	<u>1,487,984</u>	<u>1,456,291</u>	<u>31,693</u>
Total transportation	<u>3,155,190</u>	<u>3,236,614</u>	<u>3,188,065</u>	<u>48,549</u>
General government:				
City council:				
Personal services	80,824	79,226	78,062	1,164
Other than personal services	<u>10,100</u>	<u>9,400</u>	<u>8,836</u>	<u>564</u>
Total city council	<u>90,924</u>	<u>88,626</u>	<u>86,898</u>	<u>1,728</u>
City manager:				
Personal services	538,636	572,963	563,177	9,786
Other than personal services	<u>22,650</u>	<u>19,150</u>	<u>18,532</u>	<u>618</u>
Total city manager	<u>561,286</u>	<u>592,113</u>	<u>581,709</u>	<u>10,404</u>
Management information systems (MIS):				
Personal services	249,049	257,630	253,545	4,085
Other than personal services	51,100	45,600	43,830	1,770
Capital	<u>25,000</u>	<u>22,000</u>	<u>21,081</u>	<u>919</u>
Total MIS	<u>325,149</u>	<u>325,230</u>	<u>318,456</u>	<u>6,774</u>
Central services:				
Personal services	67,962	71,725	70,618	1,107
Other than personal services	16,405	16,405	16,405	-
Capital	<u>17,707</u>	<u>16,307</u>	<u>16,231</u>	<u>76</u>
Total central services	<u>102,074</u>	<u>104,437</u>	<u>103,254</u>	<u>1,183</u>
Civil service commission:				
Personal services	2,575	1,029	911	118
Other than personal services	<u>14,050</u>	<u>2,050</u>	<u>2,010</u>	<u>40</u>
Total civil service commission	<u>16,625</u>	<u>3,079</u>	<u>2,921</u>	<u>158</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance department:				
Personal services	410,398	427,620	421,590	6,030
Other than personal services	110,975	106,825	106,417	408
Capital	500	1,163	1,162	1
Total finance department	<u>521,873</u>	<u>535,608</u>	<u>529,169</u>	<u>6,439</u>
Income tax department:				
Personal services	320,240	335,671	330,693	4,978
Other than personal services	100,300	89,525	89,499	26
Capital	-	775	774	1
Non-governmental	260,000	357,405	357,404	1
Total income tax department	<u>680,540</u>	<u>783,376</u>	<u>778,370</u>	<u>5,006</u>
Revenue recovery:				
Personal services	117,256	125,217	123,511	1,706
Other than personal services	311,450	329,450	327,625	1,825
Non-governmental	2,000	428	427	1
Total revenue recovery	<u>430,706</u>	<u>455,095</u>	<u>451,563</u>	<u>3,532</u>
Law department:				
Personal services	447,917	472,114	465,308	6,806
Other than personal services	201,900	236,900	233,911	2,989
Total law department	<u>649,817</u>	<u>709,014</u>	<u>699,219</u>	<u>9,795</u>
Service administration:				
Personal services	315,965	334,281	329,597	4,684
Other than personal services	5,475	4,475	3,663	812
Total service administration	<u>321,440</u>	<u>338,756</u>	<u>333,260</u>	<u>5,496</u>
Capital projects:				
Personal services	147,266	154,990	152,748	2,242
Other than personal services	2,725	2,725	1,840	885
Total capital projects	<u>149,991</u>	<u>157,715</u>	<u>154,588</u>	<u>3,127</u>
Public properties/parks maintenance:				
Personal services	1,241,381	1,518,500	1,497,482	21,018
Other than personal services	1,215,850	1,180,850	1,180,850	-
Capital	-	518	517	1
Non-governmental	-	65	65	-
Total public properties/parks maintenance	<u>2,457,231</u>	<u>2,699,933</u>	<u>2,678,914</u>	<u>21,019</u>
Community services administration:				
Personal services	255,503	274,447	271,663	2,784
Other than personal services	1,600	1,600	1,054	546
Total community services administration	<u>257,103</u>	<u>276,047</u>	<u>272,717</u>	<u>3,330</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
County auditor deductions:				
Election expense	45,000	13,750	13,737	13
Auditor/treasurer fees	188,000	177,785	177,784	1
Delinquent land advertising	2,500	2,100	2,034	66
State examiner fees	1,000	-	-	-
DTAN repayment	-	150,000	150,000	-
DTAN fees	-	23,536	23,536	-
Collector's salary	500	-	-	-
Total county auditor deductions	<u>237,000</u>	<u>367,171</u>	<u>367,091</u>	<u>80</u>
Municipal court:				
Personal services	987,697	981,877	966,918	14,959
Other than personal services	173,050	137,774	131,076	6,698
Non-governmental	100	376	376	-
Total municipal court	<u>1,160,847</u>	<u>1,120,027</u>	<u>1,098,370</u>	<u>21,657</u>
Administrative support:				
Personal services	571,757	534,657	534,110	547
Other than personal services	617,750	707,109	709,620	(2,511)
Capital	4,327	3,284	3,279	5
Non-governmental	-	27	26	1
Total administrative support	<u>1,193,834</u>	<u>1,245,077</u>	<u>1,247,035</u>	<u>(1,958)</u>
Hospitalization insurance	<u>4,127,500</u>	<u>4,127,500</u>	<u>3,994,967</u>	<u>132,533</u>
Total general government	<u>13,283,940</u>	<u>13,928,804</u>	<u>13,698,501</u>	<u>230,303</u>
Total expenditures	<u>38,477,370</u>	<u>39,041,683</u>	<u>38,559,694</u>	<u>481,989</u>
Excess of revenues over (under) expenditures	<u>156,015</u>	<u>(408,298)</u>	<u>3,507,878</u>	<u>3,916,176</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	-	24,273	24,273
Transfers – out	(2,463,700)	(3,401,384)	(3,381,388)	19,996
Total other financing sources (uses)	<u>(2,463,700)</u>	<u>(3,401,384)</u>	<u>(3,357,115)</u>	<u>44,269</u>
Net change in fund balance	(2,307,685)	(3,809,682)	150,763	3,960,445
Cash fund balance at beginning of year	4,937,077	4,937,077	4,937,077	-
Current year charges against prior year: reserved for encumbrance	(296,888)	(296,888)	(296,888)	-
Cash fund balance at end of year:				
Unreserved	2,332,504	830,507	4,790,952	3,960,445
Reserved for encumbrances	<u>130,269</u>	<u>130,269</u>	<u>130,269</u>	-
Total cash fund balance at end of year	<u>\$ 2,462,773</u>	<u>\$ 960,776</u>	<u>\$ 4,921,221</u>	<u>\$ 3,960,445</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Debt Service Fund

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,479,785	\$ 2,479,785	\$ 2,332,229	\$ (147,556)
Intergovernmental	-	-	331,480	331,480
Special assessments	-	-	134,623	134,623
Total revenues	<u>2,479,785</u>	<u>2,479,785</u>	<u>2,798,332</u>	<u>318,547</u>
Expenditures:				
Current:				
General government	1,861	1,383	486,502	18,372
Debt service:				
Bond principal retirement	2,506,293	1,862,785	1,565,000	59,100
Interest and fiscal charges	<u>1,191,846</u>	<u>885,832</u>	<u>598,428</u>	<u>22,599</u>
Total expenditures	<u>3,700,000</u>	<u>2,750,000</u>	<u>2,649,930</u>	<u>100,070</u>
Net change in fund balance	<u>(1,220,215)</u>	<u>(270,215)</u>	<u>148,402</u>	<u>418,617</u>
Cash fund balance at beginning of year	<u>3,668,533</u>	<u>3,668,533</u>	<u>3,668,533</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 2,448,318</u>	<u>\$ 3,398,318</u>	<u>\$ 3,816,935</u>	<u>\$ 418,617</u>

City of Cleveland Heights, Ohio

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

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other local taxes	\$ 79,581	\$ 159,471	\$ 155,305	\$ (4,166)
State levied shared taxes	737,268	1,477,404	1,438,807	(38,597)
Interest earnings	500,649	1,003,245	977,035	(26,210)
Other revenues	<u>482,502</u>	<u>966,880</u>	<u>941,620</u>	<u>(25,260)</u>
Total revenues	<u>1,800,000</u>	<u>3,607,000</u>	<u>3,512,767</u>	<u>(94,233)</u>
Expenditures:				
Current:				
Transportation	1,789,570	3,724,790	3,661,561	63,229
General government	<u>10,430</u>	<u>21,710</u>	<u>21,341</u>	<u>369</u>
Total expenditures	<u>1,800,000</u>	<u>3,746,500</u>	<u>3,682,902</u>	<u>63,598</u>
Net change in fund balance	-	(139,500)	(170,135)	(30,635)
Cash fund balance at beginning of year	<u>493,663</u>	<u>493,663</u>	<u>493,663</u>	<u>-</u>
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(233,079)</u>	<u>(233,079)</u>	<u>(233,079)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	260,584	121,084	90,449	(30,635)
Reserved for encumbrances	<u>585,951</u>	<u>585,951</u>	<u>585,951</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 846,535</u>	<u>\$ 707,035</u>	<u>\$ 676,400</u>	<u>\$ (30,635)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Foundation Grants

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts \$	-	\$ 327,000	\$ 6,344	\$ (320,656)
Other revenues	<u>-</u>	<u>-</u>	<u>27,141</u>	<u>27,141</u>
Total revenues	<u>-</u>	<u>327,000</u>	<u>33,485</u>	<u>(293,515)</u>
Expenditures:				
Current:				
Community development	<u>-</u>	<u>349,776</u>	<u>34,250</u>	<u>315,526</u>
Net change in fund balance	-	(22,776)	(765)	22,011
Cash fund balance at beginning of year	<u>23,246</u>	<u>23,246</u>	<u>23,246</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>23,246</u></u>	\$ <u><u>470</u></u>	\$ <u><u>22,481</u></u>	\$ <u><u>22,011</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – First Suburbs Consortium

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ -	\$ 30,195	\$ 30,195
Expenditures:				
Current:				
Community development	47,365	53,859	49,691	4,168
Net change in fund balance	(47,365)	(53,859)	(19,496)	34,363
Cash fund balance at beginning of year	70,337	70,337	70,337	-
Total cash fund balance at end of year	\$ <u>22,972</u>	\$ <u>16,478</u>	\$ <u>50,841</u>	\$ <u>34,363</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Communications System Operating

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental grants and contracts	\$ 306,200	\$ 330,200	\$ 303,992	\$ (26,208)
Expenditures:				
Current:				
Public safety	612,400	635,640	617,738	17,902
Excess of revenues over (under) expenditures	(306,200)	(305,440)	(313,746)	(8,306)
Other financing sources (uses):				
Transfers – in	306,200	306,200	314,315	8,115
Net change in fund balance	-	760	569	(191)
Cash fund balance at beginning of year	11,106	11,106	11,106	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	(7,237)	(7,237)	(7,237)	-
Cash fund balance at end of year:				
Unreserved	3,869	4,629	4,438	(191)
Reserved for encumbrances	101	101	101	-
Total cash fund balance at end of year	\$ 3,970	\$ 4,730	\$ 4,539	\$ (191)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Building Maintenance

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>21,000</u>	\$ <u>21,000</u>	\$ <u>49,680</u>	\$ <u>28,680</u>
Expenditures:				
Current:				
General government	<u>21,000</u>	<u>20,000</u>	<u>19,759</u>	<u>241</u>
Net change in fund balance	-	1,000	29,921	28,921
Cash fund balance at beginning of year	<u>5,529</u>	<u>5,529</u>	<u>5,529</u>	-
Total cash fund balance at end of year	\$ <u><u>5,529</u></u>	\$ <u><u>6,529</u></u>	\$ <u><u>35,450</u></u>	\$ <u><u>28,921</u></u>

City of Cleveland Heights, Ohio

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

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ 18,930	\$ 18,930	\$ 11,585	\$ (7,345)
Other revenues	<u>1,070</u>	<u>1,070</u>	<u>655</u>	<u>(415)</u>
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>12,240</u>	<u>(7,760)</u>
Expenditures:				
Current				
Public safety	<u>12,000</u>	<u>25,533</u>	<u>18,127</u>	<u>7,406</u>
Net change in fund balance	8,000	(5,533)	(5,887)	(354)
Cash fund balance at beginning of year	14,964	14,964	14,964	-
Current year charges against prior years:				
Cash fund balance:				
Reserved for encumbrances	<u>(1,350)</u>	<u>(1,350)</u>	<u>(1,350)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>21,614</u></u>	\$ <u><u>8,081</u></u>	\$ <u><u>7,727</u></u>	\$ <u><u>(354)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Drug Law Enforcement Trust

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earnings	\$ 343	\$ 463	\$ 464	\$ 1
Fines and forfeitures	<u>99,657</u>	<u>134,537</u>	<u>134,750</u>	<u>213</u>
Total revenues	<u>100,000</u>	<u>135,000</u>	<u>135,214</u>	<u>214</u>
Expenditures:				
Current:				
Public safety	<u>125,000</u>	<u>256,696</u>	<u>168,204</u>	<u>88,492</u>
Excess of revenues over (under) expenditures	(25,000)	(121,696)	(32,990)	88,706
Other financing sources (uses):				
Transfers – out	<u>-</u>	<u>(3,500)</u>	<u>-</u>	<u>3,500</u>
Net change in fund balance	(25,000)	(125,196)	(32,990)	92,206
Cash fund balance at beginning of year	<u>125,989</u>	<u>125,989</u>	<u>125,989</u>	<u>-</u>
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(3,071)</u>	<u>(3,071)</u>	<u>(3,071)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	97,918	(2,278)	89,928	92,206
Reserved for encumbrances	<u>91,009</u>	<u>91,009</u>	<u>91,009</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>188,927</u>	\$ <u>88,731</u>	\$ <u>180,937</u>	\$ <u>92,206</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Resource

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>3,250,700</u>	\$ <u>3,250,700</u>	\$ <u>2,337,963</u>	\$ <u>(912,737)</u>
Expenditures:				
Current:				
Community development	<u>3,250,608</u>	<u>2,375,665</u>	<u>2,342,185</u>	<u>33,480</u>
Excess of revenues over (under) expenditures	<u>92</u>	<u>875,035</u>	<u>(4,222)</u>	<u>(879,257)</u>
Other financing sources (uses):				
Advance – in	-	325,000	-	(325,000)
Advance – out	<u>-</u>	<u>-</u>	<u>(28,829)</u>	<u>(28,829)</u>
Total other financing sources	<u>-</u>	<u>325,000</u>	<u>(28,829)</u>	<u>(353,829)</u>
Net change in fund balance	92	1,200,035	(33,051)	(1,233,086)
Cash fund balance at beginning of year	<u>5,666</u>	<u>5,666</u>	<u>5,666</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>5,758</u></u>	\$ <u><u>1,205,701</u></u>	\$ <u><u>(27,385)</u></u>	\$ <u><u>(1,233,086)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Program Income

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>400,000</u>	\$ <u>400,000</u>	\$ <u>344,680</u>	\$ <u>(55,320)</u>
Expenditures:				
Current:				
Community development	<u>270,000</u>	<u>353,222</u>	<u>344,680</u>	<u>8,542</u>
Net change in fund balance	<u>130,000</u>	<u>46,778</u>	<u>-</u>	<u>(46,778)</u>
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>130,000</u></u>	\$ <u><u>46,778</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(46,778)</u></u>

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – EPA-Brownfield Grant**

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Cash fund balance at beginning of year	\$ <u>2,998</u>	\$ <u>2,998</u>	\$ <u>2,998</u>	\$ <u>-</u>
Total cash fund balance at end of year	\$ <u><u>2,998</u></u>	\$ <u><u>2,998</u></u>	\$ <u><u>2,998</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – HOME Program

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental grants and contracts	\$ 194,430	\$ 551,210	\$ 437,783	\$ (113,427)
Other revenues	<u>5,570</u>	<u>15,790</u>	<u>12,541</u>	<u>(3,249)</u>
Total revenues	<u>200,000</u>	<u>567,000</u>	<u>450,324</u>	<u>(116,676)</u>
Expenditures:				
Current:				
Community development	<u>110,700</u>	<u>566,618</u>	<u>421,128</u>	<u>145,490</u>
Excess of revenues over (under) expenditures	89,300	382	29,196	28,814
Other financing sources (uses):				
Advance – in	-	110,000	-	(110,000)
Advance – out	<u>-</u>	<u>-</u>	<u>(136,912)</u>	<u>(136,912)</u>
Total other financing sources	<u>-</u>	<u>110,000</u>	<u>(136,912)</u>	<u>(246,912)</u>
Net change in fund balance	89,300	110,382	(107,716)	(218,098)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>89,300</u></u>	\$ <u><u>110,382</u></u>	\$ <u><u>(107,716)</u></u>	\$ <u><u>(218,098)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – FEMA Grants

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 35,000	\$ 31,309	\$ (3,691)
Expenditures:				
Current:				
Public safety	-	34,465	22,744	11,721
Excess revenues over (under)	-	535	8,565	8,030
Other financing sources (uses):				
Advance – in	-	1,000	-	(1,000)
Advance – out	-	-	(9,453)	(9,453)
Total other financing sources (uses)	-	1,000	(9,453)	(10,453)
Net change in fund balance	-	1,535	(888)	(2,423)
Cash fund balance at beginning of year	-	-	-	-
Cash balance at end of year:				
Unreserved	-	1,535	(888)	(2,423)
Reserved for encumbrances	1,639	1,639	1,639	-
Total cash fund balance at end of year	\$ 1,639	\$ 3,174	\$ 751	\$ (2,423)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Local T.V. Programming

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>330,000</u>	\$ <u>330,000</u>	\$ <u>515,236</u>	\$ <u>185,236</u>
Expenditures:				
Current:				
Community development	<u>148,300</u>	<u>148,300</u>	<u>132,025</u>	<u>16,275</u>
Excess of revenues over (under) expenditures	181,700	181,700	383,211	201,511
Other financing sources (uses):				
Advance – out	-	(1,013,000)	-	1,013,000
Net change in fund balance	181,700	(831,300)	383,211	1,214,511
Cash fund balance at beginning of year	<u>763,235</u>	<u>763,235</u>	<u>763,235</u>	<u>-</u>
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(95)</u>	<u>(95)</u>	<u>(95)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>944,840</u></u>	\$ <u><u>(68,160)</u></u>	\$ <u><u>1,146,351</u></u>	\$ <u><u>1,214,511</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Cain Park

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental grants and contracts \$	8,992	\$ 9,635	\$ 10,922	\$ 1,287
Charges for services	327,747	351,156	398,070	46,914
Other revenues	<u>13,261</u>	<u>14,209</u>	<u>16,107</u>	<u>1,898</u>
Total revenues	<u>350,000</u>	<u>375,000</u>	<u>425,099</u>	<u>50,099</u>
Expenditures:				
Current:				
Culture and recreation	<u>650,000</u>	<u>674,805</u>	<u>671,352</u>	<u>3,453</u>
Excess of revenues over (under) expenditures	(300,000)	(299,805)	(246,253)	53,552
Other financing sources (uses):				
Transfers – in	<u>300,000</u>	<u>300,000</u>	<u>246,253</u>	<u>(53,747)</u>
Net change in fund balance	-	195	-	(195)
Cash fund balance at beginning of year	<u>189</u>	<u>189</u>	<u>189</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>189</u></u>	\$ <u><u>384</u></u>	\$ <u><u>189</u></u>	\$ <u><u>(195)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Right of Way

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses, and permits	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>14,512</u>	\$ <u>2,012</u>
Expenditures:				
Current:				
General government	<u>12,000</u>	<u>5,000</u>	<u>3,862</u>	<u>1,138</u>
Net change in fund balance	500	7,500	10,650	3,150
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>500</u></u>	\$ <u><u>7,500</u></u>	\$ <u><u>10,650</u></u>	\$ <u><u>3,150</u></u>

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – Indigent Driver’s Alcohol Treatment**

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 27,139</u>	\$ <u> 27,139</u>
Expenditures:				
Current:				
General government	<u> 14,000</u>	<u> 14,000</u>	<u> -</u>	<u> 14,000</u>
Net change in fund balance	(14,000)	(14,000)	27,139	41,139
Cash fund balance at beginning of year	<u> 61,606</u>	<u> 61,606</u>	<u> 61,606</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> 47,606</u>	\$ <u> 47,606</u>	\$ <u> 88,745</u>	\$ <u> 41,139</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Clerk Computerization

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ 120,000	\$ 120,000	\$ 135,721	\$ 15,721
Expenditures:				
Current:				
General government	243,250	298,250	223,250	75,000
Net change in fund balance	(123,250)	(178,250)	(87,529)	90,721
Cash fund balance at beginning of year	1,049,281	1,049,281	1,049,281	-
Current year charges against prior years:				
Cash fund balance:				
Reserved for encumbrances	(2,473)	(2,473)	(2,473)	-
Cash fund balance at end of year:				
Unreserved	923,558	868,558	959,279	90,721
Reserved for encumbrances	547	547	547	-
Total cash fund balance at end of year	\$ 924,105	\$ 869,105	\$ 959,826	\$ 90,721

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – DUI Enforcement and Education**

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 5,657</u>	\$ <u> 5,657</u>
Expenditures:				
Current:				
General government	<u> 10,000</u>	<u> 10,000</u>	<u> -</u>	<u> 10,000</u>
Net change in fund balance	(10,000)	(10,000)	5,657	15,657
Cash fund balance at beginning of year	<u> 55,416</u>	<u> 55,416</u>	<u> 55,416</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> 45,416</u>	\$ <u> 45,416</u>	\$ <u> 61,073</u>	\$ <u> 15,657</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Special Projects

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>175,000</u>	\$ <u>175,000</u>	\$ <u>205,221</u>	\$ <u>30,221</u>
Expenditures:				
Current:				
General government	<u>199,970</u>	<u>199,970</u>	<u>76,118</u>	<u>123,852</u>
Net change in fund balance	(24,970)	(24,970)	129,103	154,073
Cash fund balance at beginning of year	<u>1,265,596</u>	<u>1,265,596</u>	<u>1,265,596</u>	<u>-</u>
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(1,509)</u>	<u>(1,509)</u>	<u>(1,509)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	1,239,117	1,239,117	1,393,190	154,073
Reserved for encumbrances	<u>72</u>	<u>72</u>	<u>72</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,239,189</u></u>	\$ <u><u>1,239,189</u></u>	\$ <u><u>1,393,262</u></u>	\$ <u><u>154,073</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Lead Safe Cuyahoga

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 212,000	\$ 347,500	\$ 346,970	\$ (530)
Expenditures:				
Current:				
Community development	212,000	347,020	286,161	60,859
Excess of revenues over (under) expenditures	-	480	60,809	60,329
Other financing sources (uses):				
Advance – out	-	-	(60,808)	(60,808)
Net change in fund balance	-	480	1	(479)
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ 480	\$ 1	\$ (479)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Neighborhood Stabilization Program

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 2,214,000	\$ 1,148,097	\$ (1,065,903)
Expenditures:				
Current:				
Community development	-	2,213,859	1,691,996	521,863
Excess of revenues over (under) expenditures	-	141	(543,899)	(544,040)
Other financing sources (uses):				
Advance – out	-	-	(74,500)	(74,500)
Total other financing sources (uses)	-	-	(74,500)	(74,500)
Net change in fund balance	-	141	(618,399)	(618,540)
Cash fund balance at beginning of year	347	347	347	-
Total cash fund balance at end of year	\$ 347	\$ 488	\$ (618,052)	\$ (618,540)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Recovery

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 56,500	\$ 56,022	\$ (478)
Expenditures:				
Current:				
Community development	-	56,022	56,001	21
Excess of revenues over (under) expenditures	-	478	21	(457)
Other financing sources (uses):				
Advance – out	-	-	(25)	(25)
Net change in fund balance	-	478	(4)	(482)
Cash fund balance at beginning of year	6	6	6	-
Total cash fund balance at end of year	\$ 6	\$ 484	\$ 2	\$ (482)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Homelessness Prevention

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 87,000	\$ 85,661	\$ (1,339)
Expenditures:				
Current:				
Community development	-	86,500	85,582	918
Excess of revenues over (under) expenditures	-	500	79	(421)
Other financing sources (uses):				
Advance – out	-	-	(162)	(162)
Total other financing sources (uses)	-	-	(162)	(162)
Net change in fund balance	-	500	(83)	(583)
Cash fund balance at end of year	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>23</u>	\$ <u>523</u>	\$ <u>(60)</u>	\$ <u>(583)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Street Lighting

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ <u>742,200</u>	\$ <u>899,200</u>	\$ <u>697,054</u>	\$ <u>(202,146)</u>
Expenditures:				
Current:				
Public safety	<u>795,000</u>	<u>951,500</u>	<u>950,723</u>	<u>777</u>
Excess of revenues over (under) expenditures	(52,800)	(52,300)	(253,669)	(201,369)
Other financing sources (uses):				
Transfers – in	<u>14,500</u>	<u>14,500</u>	<u>19,030</u>	<u>4,530</u>
Net change in fund balance	(38,300)	(37,800)	(234,639)	(196,839)
Cash fund balance at beginning of year	<u>38,399</u>	<u>38,399</u>	<u>38,399</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>99</u></u>	\$ <u><u>599</u></u>	\$ <u><u>(196,240)</u></u>	\$ <u><u>(196,839)</u></u> 4

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Tree

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fees, licenses, and permits	\$ 9,093	\$ 9,093	\$ 9,314	\$ 221
Special assessments	590,516	590,516	604,875	14,359
Other revenue	<u>391</u>	<u>391</u>	<u>400</u>	<u>9</u>
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>614,589</u>	<u>14,589</u>
Expenditures:				
Current:				
Community development	<u>603,840</u>	<u>750,799</u>	<u>703,906</u>	<u>46,893</u>
Excess of revenues over (under) expenditures	(3,840)	(150,799)	(89,317)	61,482
Other financing sources (uses):				
Transfers – in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	<u>11,160</u>	<u>(135,799)</u>	<u>(74,317)</u>	<u>61,482</u>
Cash fund balance at beginning of year	198,799	198,799	198,799	-
Current year charges against prior years:				
Cash fund balance:				
Reserved for encumbrances	<u>(21)</u>	<u>(21)</u>	<u>(21)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>209,938</u></u>	\$ <u><u>62,979</u></u>	\$ <u><u>124,461</u></u>	\$ <u><u>61,482</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Pension Trust

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 256,529	\$ 256,529	\$ 241,265	\$ (15,264)
Other revenue	4,955	6,992	3,500	(3,492)
Intergovernmental grants and contracts	<u>48,545</u>	<u>68,508</u>	<u>34,291</u>	<u>(34,217)</u>
Total revenues	<u>310,029</u>	<u>332,029</u>	<u>279,056</u>	<u>(52,973)</u>
Expenditures:				
Current:				
Public safety	<u>995,000</u>	<u>1,016,500</u>	<u>1,016,207</u>	<u>293</u>
Excess of revenues over (under) expenditures	(684,971)	(684,471)	(737,151)	(52,680)
Other financing sources (uses):				
Transfers – in	<u>685,000</u>	<u>685,000</u>	<u>737,151</u>	<u>52,151</u>
Net change in fund balance	29	529	-	(529)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 29</u>	<u>\$ 529</u>	<u>\$ -</u>	<u>\$ (529)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Fire Pension Trust

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 256,529	\$ 256,529	\$ 241,265	\$ (15,264)
Other revenue	16,643	16,643	21,250	4,607
Intergovernmental grants and contracts	<u>26,857</u>	<u>26,857</u>	<u>34,291</u>	<u>7,434</u>
Total revenues	<u>300,029</u>	<u>300,029</u>	<u>296,806</u>	<u>(3,223)</u>
Expenditures:				
Current:				
Public safety	<u>1,323,000</u>	<u>1,323,000</u>	<u>1,322,239</u>	<u>761</u>
Excess of revenues over (under) expenditures	(1,022,971)	(1,022,971)	(1,025,433)	(2,462)
Other financing sources (uses):				
Proceeds from refunding bonds				
Transfers – in	<u>1,023,000</u>	<u>1,023,000</u>	<u>1,025,433</u>	<u>2,433</u>
Net change in fund balance	29	29	-	(29)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>29</u></u>	\$ <u><u>29</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(29)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Earned Benefits

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other revenue	\$ -	\$ 450,000	\$ 2,173	\$ (447,827)
Expenditures:				
Current:				
Public safety	-	325,000	304,869	20,131
Culture and recreation	-	8,324	7,808	516
Community development	-	31,605	29,646	1,959
Sanitation	-	18,871	17,702	1,169
Transportation	-	16,131	15,132	999
General government	-	50,069	46,969	3,100
Total expenditures	-	450,000	422,126	27,874
Excess of revenues over (under) expenditures	-	-	(419,953)	(419,953)
Other financing sources (uses):				
Transfers – in	-	866,632	850,854	(15,778)
Net change in fund balance	-	866,632	430,901	(435,731)
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ 866,632	\$ 430,901	\$ (435,731)

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Section 108 Loan Guarantee

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 30,000	\$ 30,000	\$ 27,232	\$ (2,768)
Expenditures:				
Current:				
Community development	30,000	30,000	27,232	2,768
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Department of Energy Grant

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 173,000	\$ 162,936	\$ (10,064)
Expenditures:				
Current:				
Community development	-	173,000	162,936	10,064
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Office on Aging Donation

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fees, licenses, and permits	\$ 12	\$ 12	\$ 15	\$ 3
Interest earnings	318	318	381	63
Other revenues	<u>4,670</u>	<u>4,670</u>	<u>5,604</u>	<u>934</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>6,000</u>	<u>1,000</u>
Expenditures:				
Current:				
Public health	<u>18,700</u>	<u>7,135</u>	<u>1,857</u>	<u>5,278</u>
Net change in fund balance	(13,700)	(2,135)	4,143	6,278
Cash fund balance at beginning of year	<u>96,484</u>	<u>96,484</u>	<u>96,484</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>82,784</u></u>	\$ <u><u>94,349</u></u>	\$ <u><u>100,627</u></u>	\$ <u><u>6,278</u></u>

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – Police Memorial**

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
General government	\$ 1,400	\$ 1,400	\$ 792	\$ 608
Net change in fund balance	(1,400)	(1,400)	(792)	608
Cash fund balance at beginning of year	1,400	1,400	1,400	-
Total cash fund balance at end of year	\$ -	\$ -	\$ 608	\$ 608

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – Youth Recreation Donation**

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>2,500</u>	\$ <u>4,100</u>	\$ <u>6,119</u>	\$ <u>2,019</u>
Expenditures:				
Current:				
General government	<u>1,000</u>	<u>4,166</u>	<u>4,166</u>	<u>-</u>
Net change in fund balance	1,500	(66)	1,953	2,019
Cash fund balance at beginning of year	<u>85</u>	<u>85</u>	<u>85</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,585</u></u>	\$ <u><u>19</u></u>	\$ <u><u>2,038</u></u>	\$ <u><u>2,019</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Facility Improvement

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>5,000</u>	\$ <u>17,000</u>	\$ <u>23,385</u>	\$ <u>6,385</u>
Expenditures:				
Current:				
Public safety	<u>6,000</u>	<u>25,710</u>	<u>14,881</u>	<u>10,829</u>
Net change in fund balance	(1,000)	(8,710)	8,504	17,214
Cash fund balance at beginning of year	<u>9,205</u>	<u>9,205</u>	<u>9,205</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>8,205</u></u>	\$ <u><u>495</u></u>	\$ <u><u>17,709</u></u>	\$ <u><u>17,214</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Recreation Facility Improvement

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 598,568	\$ 598,568	\$ 562,952	\$ (35,616)
Intergovernmental	-	-	80,012	80,012
Other	-	-	10,850	10,850
Total Revenues	<u>598,568</u>	<u>598,568</u>	<u>653,814</u>	<u>55,246</u>
Expenditures:				
Current:				
Culture and recreation	<u>680,000</u>	<u>680,000</u>	<u>345,569</u>	<u>334,431</u>
Net change in fund balance	(81,432)	(81,432)	308,245	389,667
Cash fund balance at beginning of year	<u>975,441</u>	<u>975,441</u>	<u>975,441</u>	<u>-</u>
Current year charges against prior years:				
Cash fund balance:				
Reserved for encumbrances	<u>(98,341)</u>	<u>(98,341)</u>	<u>(98,341)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	795,668	795,668	1,185,345	389,677
Reserved for encumbrances	<u>48,389</u>	<u>48,389</u>	<u>48,389</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 844,057</u>	<u>\$ 844,057</u>	<u>\$ 1,233,734</u>	<u>\$ 389,677</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Capital Improvements

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ -	\$ 1,200,000	\$ 880,000	\$ (320,000)
Total revenues	<u>-</u>	<u>1,200,000</u>	<u>880,000</u>	<u>(320,000)</u>
Expenditures:				
Current:				
General government	-	6,175	8,323	(2,148)
Capital outlay	<u>50,000</u>	<u>1,342,825</u>	<u>1,335,944</u>	<u>6,881</u>
Total expenditures	<u>50,000</u>	<u>1,349,000</u>	<u>1,344,267</u>	<u>4,733</u>
Excess of revenues over (under) expenditures	(50,000)	(149,000)	(464,267)	(315,267)
Other financing sources (uses):				
Other	-	-	26,075	26,075
Advance – in	-	325,000	-	(325,000)
Proceeds from sale of debt	<u>-</u>	<u>-</u>	<u>183,341</u>	<u>183,341</u>
Total other financing sources	<u>-</u>	<u>325,000</u>	<u>209,416</u>	<u>(115,584)</u>
Net change in fund balance	(50,000)	176,000	(254,851)	(430,851)
Cash fund balance at beginning of year	<u>149,901</u>	<u>149,901</u>	<u>149,901</u>	<u>-</u>
Current year charges against prior years:				
Cash fund balance:				
Unreserved	99,901	325,901	(104,950)	(430,851)
Reserved for encumbrances	<u>230,498</u>	<u>230,498</u>	<u>230,498</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>330,399</u></u>	\$ <u><u>556,399</u></u>	\$ <u><u>125,548</u></u>	\$ <u><u>(430,851)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Economic Development

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ -	\$ 65,500	\$ 507,654	\$ 442,154
Expenditures:				
Current:				
Community development	-	65,472	59,598	5,874
Net change in fund balance	-	28	448,056	448,028
Cash fund balance at beginning of year	-	-	-	-
Total cash fund balance at end of year	\$ -	\$ 28	\$ 448,056	\$ 448,028

City of Cleveland Heights, Ohio

**Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance –
Budget and Actual (Non-GAAP Budget) – City Hall Maintenance**

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>14,000</u>	\$ <u>14,000</u>	\$ <u>13,283</u>	\$ <u>(717)</u>
Expenditures:				
Current:				
General government	<u>15,000</u>	<u>5,000</u>	<u>2,107</u>	<u>2,893</u>
Net change in fund balance	(1,000)	9,000	11,176	2,176
Cash fund balance at beginning of year	<u>14,834</u>	<u>14,834</u>	<u>14,834</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>13,834</u></u>	\$ <u><u>23,834</u></u>	\$ <u><u>26,010</u></u>	\$ <u><u>2,176</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Recreation Improvements

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Culture and recreation	\$ <u>7,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Net change in fund balance	(7,000)	-	-	-
Cash fund balance at beginning of year	<u>7,365</u>	<u>7,365</u>	<u>7,365</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>365</u></u>	\$ <u><u>7,365</u></u>	\$ <u><u>7,365</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Zagara TIF

For The Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 135,235	\$ 135,235	\$ 70,283	\$ (64,952)
Expenditures:				
Debt service:				
Principal retirement	226,560	225,000	225,000	-
Interest and fiscal charges	<u>18,635</u>	<u>18,635</u>	<u>18,635</u>	<u>-</u>
Total expenditures	<u>245,195</u>	<u>243,635</u>	<u>243,635</u>	<u>-</u>
Excess of revenues over (under) expenditures	(109,960)	(108,400)	(173,352)	(64,952)
Other financing sources (uses):				
Transfers – in	<u>110,000</u>	<u>174,500</u>	<u>173,352</u>	<u>(1,148)</u>
Net change in fund balance	40	66,100	-	(66,100)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 40</u>	<u>\$ 66,100</u>	<u>\$ -</u>	<u>\$ (66,100)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budget) – Ring Road Construction

For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other revenue	-	-	11,000	11,000
Expenditures:				
Current:				
Transportation	\$ 105,000	\$ 105,000	\$ 58,613	\$ 46,387
Excess of revenues over (under) expenditures	(105,000)	(105,000)	(47,613)	57,387
Other financing sources (uses):				
Advance – in	-	-	266,001	266,001
Advance – out	-	(650,000)	-	650,000
Total other financing sources (uses)	-	(650,000)	266,001	916,001
Net change in fund balance	(105,000)	(755,000)	218,388	973,388
Cash fund balance at beginning of year	456,664	456,664	456,664	-
Cash fund balance at end of year:				
Unreserved	351,664	(298,336)	675,052	973,388
Reserved for encumbrances	4,734	4,734	4,734	-
Total cash fund balance at end of year	\$ 356,398	\$ (293,602)	\$ 679,786	\$ 973,388

City of Cleveland Heights, Ohio

Combining Statements – Agency Funds

For The Year Ended December 31, 2010

Agency Funds

Cleveland Heights Municipal Court Agency – To account for assets received and disbursed by the Cleveland Heights Municipal Court pursuant to the laws of the State.

Construction Deposit Agency – To account for the receipt of refundable construction deposits required for the issuance of certain building permits.

Sales Tax Agency – To account for any sales tax collected by the City and due the State Department of Taxation.

Miscellaneous – To account for miscellaneous receipts received in an agency capacity by the City.

N.E.O.R.S.D. (Northeast Ohio Regional Sewer District) – To account for the financial transactions associated with the City acting as a billing agent for the Northeast Ohio Regional Sewer District.

City of Cleveland Heights, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For The Year Ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2010</u>
Municipal Court:				
Assets:				
Equity in city treasury cash	\$ <u>548,888</u>	\$ <u>3,878,120</u>	\$ <u>4,046,274</u>	\$ <u>380,734</u>
Total assets	\$ <u><u>548,888</u></u>	\$ <u><u>3,878,120</u></u>	\$ <u><u>4,046,274</u></u>	\$ <u><u>380,734</u></u>
Liabilities:				
Due to others	\$ <u>51,763</u>	\$ <u>2,413,036</u>	\$ <u>2,293,342</u>	\$ <u>171,457</u>
Restricted deposits	<u>497,125</u>	<u>1,465,084</u>	<u>1,752,932</u>	<u>209,277</u>
Total liabilities	\$ <u><u>548,888</u></u>	\$ <u><u>3,878,120</u></u>	\$ <u><u>4,046,274</u></u>	\$ <u><u>380,734</u></u>
Construction deposits:				
Assets:				
Equity in city treasury cash	\$ <u>131,159</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>131,159</u>
Total assets	\$ <u><u>131,159</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>131,159</u></u>
Liabilities:				
Restricted deposits	\$ <u>131,159</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>131,159</u>
Total liabilities	\$ <u><u>131,159</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>131,159</u></u>
Sales tax:				
Assets:				
Equity in city treasury cash	\$ <u>494</u>	\$ <u>4,031</u>	\$ <u>4,067</u>	\$ <u>458</u>
Total assets	\$ <u><u>494</u></u>	\$ <u><u>4,031</u></u>	\$ <u><u>4,067</u></u>	\$ <u><u>458</u></u>
Liabilities:				
Due to other governments	\$ <u>494</u>	\$ <u>4,031</u>	\$ <u>4,067</u>	\$ <u>458</u>
Total liabilities	\$ <u><u>494</u></u>	\$ <u><u>4,031</u></u>	\$ <u><u>4,067</u></u>	\$ <u><u>458</u></u>
Miscellaneous:				
Assets:				
Equity in city treasury cash	\$ <u>179,602</u>	\$ <u>121,267</u>	\$ <u>124,071</u>	\$ <u>176,798</u>
Total assets	\$ <u><u>179,602</u></u>	\$ <u><u>121,267</u></u>	\$ <u><u>124,071</u></u>	\$ <u><u>176,798</u></u>
Liabilities:				
Restricted deposits	\$ <u>179,602</u>	\$ <u>121,267</u>	\$ <u>124,071</u>	\$ <u>176,798</u>
Total liabilities	\$ <u><u>179,602</u></u>	\$ <u><u>121,267</u></u>	\$ <u><u>124,071</u></u>	\$ <u><u>176,798</u></u>

(continued)

City of Cleveland Heights, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds (Continued)

For The Year Ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2010</u>
NEORSD:				
Assets:				
Equity in city treasury cash	\$ <u>63,507</u>	\$ <u>6,562,758</u>	\$ <u>6,485,488</u>	\$ <u>140,777</u>
Total assets	\$ <u><u>63,507</u></u>	\$ <u><u>6,562,758</u></u>	\$ <u><u>6,485,488</u></u>	\$ <u><u>140,777</u></u>
Liabilities:				
Due to other governments	\$ <u>63,507</u>	\$ <u>6,562,758</u>	\$ <u>6,485,488</u>	\$ <u>140,777</u>
Total liabilities	\$ <u><u>63,507</u></u>	\$ <u><u>6,562,758</u></u>	\$ <u><u>6,485,488</u></u>	\$ <u><u>140,777</u></u>
Totals – All Agency Funds:				
Assets:				
Equity in city treasury cash	\$ <u>923,650</u>	\$ <u>10,566,176</u>	\$ <u>10,659,900</u>	\$ <u>829,926</u>
Total assets	\$ <u><u>923,650</u></u>	\$ <u><u>10,566,176</u></u>	\$ <u><u>10,659,900</u></u>	\$ <u><u>829,926</u></u>
Liabilities:				
Due to others	\$ 51,763	\$ 2,413,036	\$ 2,293,342	\$ 171,457
Due to other governments	64,001	6,566,789	6,489,555	141,235
Restricted deposits	<u>807,886</u>	<u>1,586,351</u>	<u>1,877,003</u>	<u>517,234</u>
Total liabilities	\$ <u><u>923,650</u></u>	\$ <u><u>10,566,176</u></u>	\$ <u><u>10,659,900</u></u>	\$ <u><u>829,926</u></u>



Statistical Section



CLEVELAND HEIGHTS, OHIO

Statistical Section

This part of the City of Cleveland Heights, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	139 - 146
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	147 - 151
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	152 - 158
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	159 - 160
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	161 - 168
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Cleveland Heights, Ohio

Net Assets By Component - Last Eight Years

Accrual Basis of Accounting

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities								
Invested in Capital Assets	\$ 53,327,332	\$ 52,671,861	\$ 49,880,927	\$ 47,989,231	\$ 46,423,601	\$ 45,120,294	\$ 44,538,645	\$ 45,405,726
Restricted:								
Debt service	3,790,860	3,642,458	3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	5,846,721
Capital projects	1,747,382	1,677,073	1,466,924	1,310,756	1,181,513	531,364	-	-
Community development	1,290,276	1,407,781	1,510,595	1,476,300	1,351,146	1,665,363	-	-
Municipal court special projects	2,368,703	2,340,532	2,190,766	2,106,017	1,992,154	1,825,114	-	-
Public safety	187,555	127,450	267,855	-	-	-	-	-
Streets	-	624,999	512,857	-	-	-	-	-
Other purposes	255,559	218,745	202,228	1,571,300	1,267,905	534,225	4,022,232	4,156,178
Unrestricted	<u>11,571,370</u>	<u>8,480,557</u>	<u>8,228,404</u>	<u>6,636,083</u>	<u>4,855,068</u>	<u>4,434,530</u>	<u>5,602,167</u>	<u>(2,600,022)</u>
Total Governmental Activities								
Net Assets	<u>74,539,037</u>	<u>71,191,456</u>	<u>67,565,159</u>	<u>63,959,232</u>	<u>59,723,720</u>	<u>57,371,052</u>	<u>57,367,546</u>	<u>52,808,603</u>
Business-Type-Activities								
Invested in Capital Assets,								
Net of Related Debt	28,591,181	29,105,885	29,365,271	29,324,738	29,185,731	29,521,445	28,494,702	28,549,980
Unrestricted	<u>4,166,166</u>	<u>3,246,059</u>	<u>3,309,986</u>	<u>4,224,348</u>	<u>3,345,378</u>	<u>2,254,038</u>	<u>5,019,373</u>	<u>5,738,795</u>
Total Business-Type Activities								
Net Assets	<u>32,757,347</u>	<u>32,351,944</u>	<u>32,675,257</u>	<u>33,549,086</u>	<u>32,531,109</u>	<u>31,775,483</u>	<u>33,514,075</u>	<u>34,288,775</u>
Primary Government								
Invested in Capital Assets,								
Net of Related Debt	81,918,513	81,777,746	79,246,198	77,313,969	75,609,332	74,641,739	73,033,347	73,955,706
Restricted	9,640,335	10,039,038	9,455,828	9,333,918	8,445,051	7,816,228	7,226,734	10,002,899
Unrestricted	<u>15,737,536</u>	<u>11,726,616</u>	<u>11,538,390</u>	<u>10,860,431</u>	<u>8,200,446</u>	<u>6,688,568</u>	<u>10,621,540</u>	<u>3,138,773</u>
Total Primary Government								
Net Assets	\$ <u>107,296,384</u>	\$ <u>103,543,400</u>	\$ <u>100,240,416</u>	\$ <u>97,508,318</u>	\$ <u>92,254,829</u>	\$ <u>89,146,535</u>	\$ <u>90,881,621</u>	\$ <u>87,097,378</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Eight Years

Accrual Basis of Accounting

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 4,991,070	\$ 5,426,842	\$ 5,167,813	\$ 4,347,482	\$ 4,426,901	\$ 4,708,959	\$ 3,461,016	\$ 3,757,832
Public safety	2,053,998	641,586	1,117,854	2,913,059	989,133	826,386	822,387	1,023,035
Public health	1,320	1,140	875	1,580	6,671	6,706	5,540	-
Culture and recreation	1,721,728	1,700,627	1,801,819	2,050,639	2,265,814	2,150,561	1,893,288	1,755,186
Community development	1,682,112	824,958	1,232,524	2,365,009	588,919	459,862	2,566,510	1,341,973
Sanitation	1,522,649	1,456,358	640,906	978,584	747,719	722,498	477,887	596,220
Transportation	4,324	40,283	-	-	33,259	268,275	2,240,332	295,005
Operating grants and contributions:								
General government	346,969	194,724	83,558	184,581	100,279	71,731	99,605	203,808
Public safety	31,309	100,000	303,417	904,391	59,471	46,614	42,057	7,212
Public health	27,394	33,171	32,856	30,240	26,200	27,103	30,521	33,479
Culture and recreation	10,922	26,849	42,050	38,452	21,926	5,000	5,000	5,000
Community development	2,494,160	1,958,246	2,004,748	2,306,553	1,750,245	1,462,627	2,491,578	1,580,209
Sanitation	-	8,306	4,816	10,000	10,884	30,719	53,458	48,095
Capital grants and contributions	2,493,496	413,457	506,820	273,750	338,000	-	212,217	815,829
Total governmental activities program revenues	<u>17,381,451</u>	<u>12,826,547</u>	<u>12,940,056</u>	<u>16,404,320</u>	<u>11,365,421</u>	<u>10,787,041</u>	<u>14,401,396</u>	<u>11,462,883</u>
Business-type activities:								
Charges for services:								
Utilities	12,746,117	12,253,910	11,685,812	12,029,659	11,051,246	9,876,078	9,649,779	10,048,930
Off-street parking	908,211	936,125	793,233	748,120	772,037	735,696	776,248	634,306
Ambulance services	733,811	582,745	560,074	612,138	619,271	639,117	616,941	537,065
Operating grants and contributions:								
Utilities	-	-	-	-	-	555,343	94,170	95,330
Ambulance services	3,129	4,990	-	5,975	149,934	64,799	4,125	10,090
Capital grants and contributions:								
Ambulance services	-	-	-	-	-	-	-	153,510
Utilities	547,852	111,469	-	-	-	-	-	-
Total business-type activities program revenues	<u>14,939,120</u>	<u>13,889,239</u>	<u>13,039,119</u>	<u>13,395,892</u>	<u>12,592,488</u>	<u>11,871,033</u>	<u>11,141,263</u>	<u>11,479,231</u>
Total primary government program revenues	\$ <u>32,320,571</u>	\$ <u>26,715,786</u>	\$ <u>25,979,175</u>	\$ <u>29,800,212</u>	\$ <u>23,957,909</u>	\$ <u>22,658,074</u>	\$ <u>25,542,659</u>	\$ <u>22,942,114</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Eight Years (continued)

Accrual Basis of Accounting

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses								
Governmental activities:								
General government	\$ 14,767,972	\$ 14,221,696	\$ 12,147,129	\$ 11,941,290	\$ 15,103,153	\$ 15,619,750	\$ 13,527,660	\$ 13,763,275
Public safety	18,609,133	17,365,410	18,628,409	19,723,818	18,782,355	18,031,294	18,367,866	17,671,151
Public health	360,546	374,224	418,430	426,606	435,206	447,114	454,038	460,421
Culture and recreation	3,562,465	3,721,292	3,947,966	4,259,479	4,106,053	3,899,948	3,774,060	3,812,176
Community development	7,154,037	5,754,860	6,368,068	6,453,726	6,842,251	5,930,750	7,739,951	7,912,186
Sanitation	2,396,825	2,328,083	3,439,963	3,002,530	3,067,667	2,756,181	3,009,859	2,976,704
Transportation	6,409,007	4,608,968	6,881,110	7,052,660	3,054,535	3,345,499	4,917,119	2,064,177
Interest and fiscal charges	591,782	635,984	815,057	969,947	753,647	1,279,516	1,260,115	1,371,232
Total governmental activities expenses	<u>53,851,767</u>	<u>49,010,517</u>	<u>52,646,132</u>	<u>53,830,056</u>	<u>52,144,867</u>	<u>51,310,052</u>	<u>53,050,668</u>	<u>50,031,322</u>
Business-type activities:								
Utilities	12,374,470	12,380,388	12,058,641	11,502,989	11,509,051	12,196,889	10,101,056	10,945,652
Off-street parking	1,609,854	1,227,804	1,146,271	1,115,903	773,699	870,546	845,685	871,360
Ambulance services	665,444	659,336	730,540	603,274	633,987	557,555	998,800	707,532
Cedar-Lee parking deck	431,723	538,742	401,136	278,986	245,069	50,750	-	-
Total business-type activities expenses	<u>15,081,491</u>	<u>14,806,270</u>	<u>14,336,588</u>	<u>13,501,152</u>	<u>13,161,806</u>	<u>13,675,740</u>	<u>11,945,541</u>	<u>12,524,544</u>
Total primary government expenses	<u>68,933,258</u>	<u>63,816,787</u>	<u>66,982,720</u>	<u>67,331,208</u>	<u>65,306,673</u>	<u>64,985,792</u>	<u>64,996,209</u>	<u>62,555,866</u>
Net (expense)/revenue								
Governmental activities	(36,470,316)	(36,183,970)	(39,706,076)	(37,425,736)	(40,779,446)	(40,523,011)	(38,649,272)	(38,568,439)
Business-type activities	<u>(142,371)</u>	<u>(917,031)</u>	<u>(1,297,469)</u>	<u>(105,260)</u>	<u>(569,318)</u>	<u>(1,804,707)</u>	<u>(804,278)</u>	<u>(1,045,313)</u>
Total primary government net expense	<u>(36,612,687)</u>	<u>(37,101,001)</u>	<u>(41,003,545)</u>	<u>(37,530,996)</u>	<u>(41,348,764)</u>	<u>(42,327,718)</u>	<u>(39,453,550)</u>	<u>(39,613,752)</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Eight Years (continued)

Accrual Basis of Accounting

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes levied for:								
General purposes	7,865,388	7,236,862	7,076,452	8,216,507	6,713,918	6,462,966	10,954,701	5,279,179
Debt service	2,332,232	3,570,713	3,610,165	3,806,226	3,496,022	3,913,630	389,310	4,727,127
Police and fire pension	482,529	514,132	515,736	531,102	489,038	472,622	481,968	410,382
Municipal income taxes	20,202,521	19,994,781	21,877,327	21,869,012	23,073,254	21,015,495	21,883,632	20,418,119
Grants and entitlements not restricted to specific programs	7,521,076	7,829,289	8,310,262	6,607,694	8,431,052	7,468,935	6,473,704	7,506,950
Interest earnings	169,445	112,881	416,225	668,428	672,273	372,478	196,901	313,444
Reimbursement received	-	-	-	-	-	-	952,220	891,824
Other revenue	1,244,721	1,054,747	1,789,096	717,745	727,929	1,113,746	147,969	369,107
Gain/(loss) on sale of assets	-	-	-	-	-	-	(67,252)	29,509
Transfers	-	(503,138)	(283,260)	(755,466)	(590,172)	(128,847)	4,888	4,261
Total governmental activities	<u>39,817,912</u>	<u>39,810,267</u>	<u>43,312,003</u>	<u>41,661,248</u>	<u>43,013,314</u>	<u>40,691,025</u>	<u>41,418,041</u>	<u>39,949,902</u>
Business-type activities								
Grants and entitlements not restricted to specific programs	485,169	-	-	-	-	-	-	-
Interest earnings	3,576	21,561	86,224	351,419	415,954	74,039	33,633	68,751
Reimbursement received	-	-	-	-	-	-	2,000	-
Other revenue	59,029	69,019	54,156	16,352	37,837	68,462	1,000	21,020
Loss on sale of assets	-	-	-	-	-	-	(2,167)	13,650
Transfers	-	503,138	283,260	755,466	590,172	128,847	(4,888)	(4,261)
Total business-type activities	<u>547,774</u>	<u>593,718</u>	<u>423,640</u>	<u>1,123,237</u>	<u>1,043,963</u>	<u>271,348</u>	<u>29,578</u>	<u>99,160</u>
Total primary government	\$ <u>40,365,686</u>	\$ <u>40,403,985</u>	\$ <u>43,735,643</u>	\$ <u>42,784,485</u>	\$ <u>44,057,277</u>	\$ <u>40,962,373</u>	\$ <u>41,447,619</u>	\$ <u>40,049,062</u>
Change in net assets:								
Governmental activities	\$ 3,347,596	\$ 3,626,297	\$ 3,098,885	\$ 4,235,512	\$ 2,233,868	\$ 168,014	\$ 2,768,769	\$ 1,381,463
Business-type activities	<u>405,403</u>	<u>(323,313)</u>	<u>(873,829)</u>	<u>1,017,977</u>	<u>474,645</u>	<u>(1,533,359)</u>	<u>(774,700)</u>	<u>(946,153)</u>
Total primary government	\$ <u>3,752,999</u>	\$ <u>3,302,984</u>	\$ <u>2,225,056</u>	\$ <u>5,253,489</u>	\$ <u>2,708,513</u>	\$ <u>(1,365,345)</u>	\$ <u>1,994,069</u>	\$ <u>435,310</u>

City of Cleveland Heights, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General fund					
Reserved	\$ 452,115	\$ 524,144	\$ 566,116	\$ 504,536	\$ 434,892
Unreserved	<u>5,598,140</u>	<u>5,282,107</u>	<u>3,369,353</u>	<u>3,239,649</u>	<u>4,547,592</u>
Total general fund	<u>6,050,255</u>	<u>5,806,251</u>	<u>3,935,469</u>	<u>3,744,185</u>	<u>4,982,484</u>
All other governmental funds					
Reserved	3,057,229	2,135,795	2,315,658	1,830,706	2,063,226
Unreserved, reported in:					
Special revenue funds	1,850,265	3,078,106	2,846,750	2,828,052	1,721,695
Capital projects funds	1,358,404	1,764,568	719,201	586,408	571,406
Debt service funds	<u>3,790,860</u>	<u>3,642,458</u>	<u>3,304,603</u>	<u>2,869,545</u>	<u>2,652,333</u>
Total all other governmental funds	<u>10,056,758</u>	<u>10,620,927</u>	<u>9,186,212</u>	<u>8,114,711</u>	<u>7,008,660</u>
Total all funds	<u>\$ 16,107,013</u>	<u>\$ 16,427,178</u>	<u>\$ 13,121,681</u>	<u>\$ 11,858,896</u>	<u>\$ 11,991,144</u>

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
235,383	\$ 221,631	\$ 261,183	\$ 406,493	\$ 332,784
<u>3,522,250</u>	<u>3,621,791</u>	<u>3,215,530</u>	<u>6,110,977</u>	<u>9,268,819</u>
<u>3,757,633</u>	<u>3,843,422</u>	<u>3,476,713</u>	<u>6,517,470</u>	<u>9,601,603</u>
2,249,303	2,965,651	2,385,227	2,332,517	3,284,437
811,709	1,767,319	1,731,121	2,542,932	2,523,464
171,120	(1,405,019)	(4,389,548)	(1,389,525)	(1,291,739)
<u>3,260,162</u>	<u>3,204,502</u>	<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>
<u>6,492,294</u>	<u>6,532,453</u>	<u>3,003,521</u>	<u>6,904,550</u>	<u>7,652,513</u>
\$ <u>10,249,927</u>	\$ <u>10,375,875</u>	\$ <u>6,480,234</u>	\$ <u>13,422,020</u>	\$ <u>17,254,116</u>

City of Cleveland Heights, Ohio

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:					
Property and other local taxes	\$ 10,576,318	\$ 11,123,154	\$ 11,223,599	\$ 11,634,160	\$ 10,742,779
Municipal income taxes	20,623,037	20,282,703	21,826,496	22,022,446	22,768,921
Intergovernmental	12,879,753	10,780,543	11,248,160	11,351,954	9,808,274
Charges for services	3,571,709	3,535,575	2,895,109	3,520,404	3,453,756
Fees, licenses and permits	1,865,516	1,845,466	1,721,725	1,546,256	1,258,928
Interest earnings	169,445	112,881	416,354	657,279	628,230
Special assessments	1,451,905	1,504,940	1,525,849	1,469,507	1,460,640
Fines and forfeitures	2,956,629	3,062,880	2,994,955	2,377,640	3,215,637
Reimbursements received	1,673,474	1,515,380	1,335,065	1,017,395	608,570
Other revenues	856,726	797,892	1,304,584	961,273	1,129,654
Total revenues	<u>56,624,512</u>	<u>54,561,414</u>	<u>56,491,896</u>	<u>56,558,314</u>	<u>55,075,389</u>
Expenditures:					
Current:					
Public safety	18,400,270	17,132,779	17,469,045	17,607,171	18,343,503
Public health	360,312	386,646	400,213	414,663	423,239
Culture and recreation	2,767,008	2,933,068	3,037,248	3,460,288	4,007,032
Community development	6,302,268	5,255,571	5,785,519	5,909,549	6,456,465
Sanitation	2,134,046	2,119,740	2,598,622	2,618,865	3,081,125
Transportation	3,069,299	2,970,122	3,673,791	3,819,214	4,522,818
General government	15,815,325	13,832,810	15,579,103	14,907,466	13,289,052
Debt service:					
Principal	1,859,529	2,136,867	1,292,366	1,880,646	1,773,221
Interest and fiscal charges	627,819	707,451	913,376	1,045,066	1,144,568
Bond issuance costs	-	-	214,813	-	-
Capital outlay	<u>6,274,534</u>	<u>3,555,156</u>	<u>4,965,356</u>	<u>4,353,749</u>	<u>13,676</u>
Total expenditures	<u>57,610,410</u>	<u>51,030,210</u>	<u>55,929,452</u>	<u>56,016,677</u>	<u>53,054,699</u>
Excess of revenues over (under) expenditures	<u>(985,898)</u>	<u>3,531,204</u>	<u>562,444</u>	<u>541,637</u>	<u>2,020,690</u>
Other financing sources (uses)					
Issuance of debt	191,460	39,852	439,992	67,050	102,359
Proceeds of refunding bonds	-	-	8,695,000	-	-
Proceeds from sale of assets	24,273	17,796	16,056	14,531	139,500
Inception of capital lease	450,000	-	136,000	-	68,840
Premium on bonds	-	-	228,332	-	-
Other financing sources	-	-	-	-	-
Insurance reimbursement	-	219,783	911,862	-	-
Transfers - in	3,351,610	3,966,923	3,923,161	4,584,852	3,959,609
Payment to refunded bond escrow agent	-	-	(9,460,000)	-	-
Transfers - out	<u>(3,351,610)</u>	<u>(4,470,061)</u>	<u>(4,190,062)</u>	<u>(5,340,318)</u>	<u>(4,549,781)</u>
Total other financing sources (uses)	<u>665,733</u>	<u>(225,707)</u>	<u>700,341</u>	<u>(673,885)</u>	<u>(279,473)</u>
Net change in fund balances	\$ <u>(320,165)</u>	\$ <u>3,305,497</u>	\$ <u>1,262,785</u>	\$ <u>(132,248)</u>	\$ <u>1,741,217</u>
Debt service as a percentage of noncapital expenditures	4.80%	5.96%	4.72%	5.66%	5.50%

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	10,930,941	\$ 12,376,008	\$ 10,894,532	\$ 16,359,936	\$ 11,089,243
	20,798,981	20,276,910	19,660,730	19,514,488	19,842,139
	8,785,344	10,139,761	10,417,178	4,204,152	3,983,747
	3,034,867	2,717,941	2,650,325	2,355,048	1,698,829
	1,327,248	1,099,908	1,036,719	913,301	890,925
	342,165	179,557	276,102	681,213	1,630,247
	1,461,639	1,237,577	1,169,775	1,221,592	1,043,594
	3,254,822	2,812,162	2,843,230	2,365,086	2,210,566
	883,355	1,002,220	-	-	-
	<u>1,481,634</u>	<u>1,150,039</u>	<u>2,064,906</u>	<u>1,955,416</u>	<u>1,627,149</u>
	<u>52,300,996</u>	<u>52,992,083</u>	<u>51,013,497</u>	<u>49,570,232</u>	<u>44,016,439</u>
	18,057,194	17,002,404	17,874,797	16,484,752	16,814,398
	432,265	441,036	447,871	422,791	478,573
	3,711,215	3,452,859	3,485,167	4,226,325	12,031,569
	5,645,509	7,305,467	6,700,695	7,168,486	9,088,496
	3,026,639	2,799,102	2,977,592	2,875,271	3,042,946
	7,418,116	6,237,771	9,047,135	6,132,565	4,711,853
	12,385,439	12,966,859	13,218,508	12,859,277	12,563,904
	1,640,000	2,680,000	531,726	1,482,142	2,305,910
	1,279,516	1,265,115	1,384,232	2,450,000	4,513,993
	-	-	-	-	-
	<u>23,215</u>	<u>37,735</u>	<u>747,810</u>	<u>1,478,007</u>	<u>1,584,524</u>
	<u>53,619,108</u>	<u>54,188,348</u>	<u>58,453,807</u>	<u>54,629,200</u>	<u>66,312,398</u>
	<u>(1,318,112)</u>	<u>(1,196,265)</u>	<u>(7,440,310)</u>	<u>(5,058,968)</u>	<u>(22,295,959)</u>
	1,129,752	3,200,000	-	-	8,518,519
	-	-	-	-	-
	191,259	96,844	309,000	166,073	-
	-	-	115,000	-	332,111
	-	-	-	-	-
	-	-	-	1,000,000	-
	-	-	-	-	-
	4,701,322	2,544,116	2,687,283	3,667,678	3,323,391
	-	-	-	-	-
	<u>(4,830,169)</u>	<u>(2,539,228)</u>	<u>(2,683,022)</u>	<u>(3,662,743)</u>	<u>(3,073,861)</u>
	<u>1,192,164</u>	<u>3,301,732</u>	<u>428,261</u>	<u>1,171,008</u>	<u>9,100,160</u>
\$	<u>(125,948)</u>	\$ <u>2,105,467</u>	\$ <u>(7,012,049)</u>	\$ <u>(3,887,960)</u>	\$ <u>(13,195,799)</u>
	5.45%	7.24%	6.85%	7.26%	9.41%

City of Cleveland Heights, Ohio

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

TaxYear/ Collection Year	Real Property		Estimated Actual Value (a)	Personal Property Assessed Value	Public Utilities Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
	Assessed Value						
	Commercial	Residential					
2010/2011	\$146,782,270	\$767,304,310	\$2,611,657,942	\$ -	\$ 10,757,850	\$ 924,844,430	\$ 12.90
2009/2010	145,568,470	768,320,370	2,195,201,057	-	10,441,200	924,330,040	12.90
2008/2009	147,702,300	820,746,690	2,766,997,114	10,222,250	9,840,320	988,511,560	12.90
2007/2008	148,540,150	819,665,980	2,766,303,229	17,850,430	9,479,500	995,536,060	12.90
2006/2007	153,391,080	816,780,760	2,771,919,542	13,941,095	15,185,570	999,298,505	13.00
2005/2006	132,354,280	710,087,650	2,406,976,943	15,873,576	25,325,370	883,640,876	13.00
2004/2005	133,121,050	709,043,670	2,406,184,914	18,345,751	27,401,630	887,912,101	13.10
2003/2004	134,174,420	706,821,340	2,402,845,171	19,034,202	31,031,530	891,061,492	14.00
2002/2003	124,975,940	563,120,040	2,092,855,486	21,123,332	28,711,240	737,930,552	14.10
2001/2002	124,836,080	605,388,740	2,085,499,486	20,182,093	17,405,910	767,812,823	14.00

(a) Estimated Actual Value based on assessment level of 35% from tax year 1976 and later.

Tax rates are per \$1,000 of assessed valuation.

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

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

Last Ten Years

Tax Year/ Collection Year	<u>City of Cleveland Heights Direct Rates</u>				<u>Overlapping Rates</u>		
	<u>General Fund</u>	<u>Pension Trust Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>	<u>Cleveland Heights School District(a)</u>	<u>Cuyahoga County</u>	<u>Total</u>
2010/2011	\$ 8.70	\$ 0.60	\$ 3.60	\$ 12.90	\$ 144.60	\$ 18.40	\$ 175.90
2009/2010	8.70	0.60	3.60	12.90	144.60	18.10	175.60
2008/2009	7.40	0.60	4.90	12.90	144.50	18.10	175.50
2007/2008	7.40	0.60	4.90	12.90	142.60	18.20	173.70
2006/2007	7.40	0.60	5.00	13.00	135.50	18.20	166.70
2005/2006	7.40	0.60	5.00	13.00	135.40	18.30	166.70
2004/2005	7.40	0.60	5.10	13.10	135.50	18.30	166.90
2003/2004	7.40	0.60	6.00	14.00	127.00	18.00	159.00
2002/2003	7.40	0.60	6.10	14.10	127.00	16.20	157.30
2001/2002	7.40	0.60	6.00	14.00	127.00	16.20	157.20

(a) includes Metroparks and Library Millage

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Levy Collected</u>	<u>Total Collection Including Deficiencies</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Accumulated Delinquency</u>
2010/2011	\$ 12,034,172	\$ 11,145,509	92.6%	\$ 11,802,186	98.1%	\$ 1,515,195
2008/2009	12,686,328	11,734,295	92.5%	12,366,069	97.5%	1,304,581
2007/2008	12,784,933	11,873,263	92.9%	12,585,191	98.4%	1,106,080
2006/2007	12,956,143	12,012,023	92.7%	12,735,226	98.3%	1,149,571
2005/2006	11,482,010	10,926,279	95.2%	11,609,888	101.1%	947,381
2004/2005	11,592,970	10,734,065	92.6%	11,529,456	99.5%	961,632
2003/2004	12,294,389	11,656,435	94.8%	12,493,181	101.6%	1,133,710
2002/2003	10,790,451	10,045,171	93.1%	10,662,371	98.8%	1,250,800
2001/2002	10,446,924	9,671,218	92.6%	10,305,299	98.6%	1,008,768
2000/2001	10,625,214	9,943,816	93.6%	10,421,735	98.1%	934,936

(1) Includes homestead/rollback taxes assessed locally but distributed through the Ohio Department of Taxation.

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Principal Property Taxpayers

Current Year and Eight Years Ago

<u>Taxpayer</u>	<u>2010</u>			<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Severance Spe Lease Co., LLC (SCIT ,Inc.)	\$ 18,470,070	1	2.00%	\$ 12,791,600	1	1.64%
Kaiser Foundation Health Plan of Ohio	11,621,820	2	1.26	7,791,840	3	1.00
The Cleveland Electric Illuminating Company	8,214,300	3	0.89	6,274,120	4	0.80
Concord Company	2,591,190	4	0.28	2,290,930	9	0.29
American Retirement Coporation	2,537,510	5	0.27	3,882,380	6	0.50
Kensington Ltd. Partnership	2,520,000	6	0.27	3,674,690	7	0.47
Western Reserve (Severance Housing Corp)	2,229,290	7	0.24	-	-	-
Waldorf Partners Limited Partnership	2,183,590	8	0.24	2,145,370	10	0.27
Lancashire Towers Associates Ltd Partnership	1,924,760	9	0.21	-	-	-
East Ohio Gas	1,893,190	10	0.20	2,173,640		0.28
New Cingular/AT&T	-	-	-	10,295,760	2	1.32
Ohio Bell Telephone Company	-	-	-	6,142,900	5	0.79
Margaret Wagner Apart Inc.	-	-	-	2,400,650	8	0.31
Total	\$ <u>54,185,720</u>		<u>5.86</u>	\$ <u>59,863,880</u>		<u>7.67</u>
Total Assessed Valuation of City	\$ <u>924,844,430</u>		<u>100.00%</u>	\$ <u>782,333,922</u>		<u>100.00%</u>

Property assessed at 35% of Fair Market Value

Source: Cuyahoga County Budget Commission

Note: Information prior to 2002 is not available

City of Cleveland Heights, Ohio

Income Tax Revenue Base and Collections

Cash Basis

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected(a)</u>	<u>Taxes from Withholding</u>	<u>Percentages of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentages of Taxes From Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentages of Taxes From Individuals</u>
2010	2.00%	\$ 18,827,105	\$ 6,694,873	35.55%	\$ 646,012	3.43%	\$ 11,486,220	61.02%
2009	2.00%	20,085,142	6,713,661	33.43%	662,329	3.30%	12,709,152	63.28%
2008	2.00%	18,954,767	6,661,900	35.15%	717,496	3.79%	11,575,371	61.07%
2007	2.00%	19,845,822	6,716,031	33.84%	821,263	4.14%	12,308,528	62.02%
2006	2.00%	19,851,936	6,913,938	34.83%	910,993	4.59%	12,027,005	60.58%
2005	2.00%	19,031,390	6,738,821	35.41%	695,989	3.66%	11,596,580	60.93%
2004	2.00%	18,967,552	6,603,963	34.82%	628,296	3.31%	11,735,293	61.87%
2003	2.00%	18,261,002	6,519,016	35.70%	571,850	3.13%	11,170,136	61.17%
2002	2.00%	17,996,261	6,280,507	34.90%	569,337	3.16%	11,146,417	61.94%

Note: Information prior to 2002 is not available.

(a) Includes homestead/rollback taxes assessed locally but distributed through the Ohio Department of Taxation.

Source: Cuyahoga County Auditor



CLEVELAND HEIGHTS, OHIO

City of Cleveland Heights, Ohio

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

Last Ten Years

<u>Year</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>	<u>Economic Development Revenue Bonds</u>	<u>Capital Leases</u>	<u>OPWC Loans</u>
2010	\$ 12,685,000	\$ 235,000	\$ 521,013	\$ 1,399,070
2009	14,250,000	460,000	122,055	1,226,097
2008	16,040,000	680,000	172,280	1,262,887
2007	17,795,000	890,000	53,000	1,405,583
2006	19,400,000	1,090,000	86,639	1,414,179
2005	20,935,000	1,285,000	61,019	1,481,006
2004	22,385,000	1,475,000	116,548	369,741
2003	21,680,000	1,660,000	510,650	-
2002	24,070,000	1,840,000	642,769	-
2001	26,365,000	1,995,000	320,005	-

<u>Business-Type Activities</u>							
<u>General Obligation Bonds</u>	<u>OPWC Loans</u>	<u>OWDA Loan</u>	<u>Capital Leases</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>	<u>Income Per Capita</u>
\$ 5,980,000	\$ 1,172,917	\$ 495,486	\$ 116,730	\$ 22,605,216	1.68%	\$ 747	\$ 30,260
6,210,000	1,237,667	335,792	267,003	24,108,614	1.84%	934	25,804
6,355,000	1,334,567	327,487	478,366	26,650,587	2.07%	1,052	25,804
-	1,431,465	119,926	695,037	22,390,011	1.71%	866	25,804
-	1,528,364	-	903,602	24,422,784	1.86%	946	25,804
-	1,801,828	-	391,086	25,954,939	1.98%	1,006	25,804
-	939,688	-	205,233	25,491,210	1.95%	988	25,804
-	1,001,891	-	-	24,852,541	1.90%	963	25,804
-	1,067,414	-	-	27,620,183	2.11%	1,070	25,804
-	1,160,717	-	-	29,840,722	2.28%	1,156	25,804

City of Cleveland Heights, Ohio

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

<u>Year</u>	<u>Population(a)</u>	<u>Estimated True Values of Taxable Property (b)</u>	<u>Gross General Bonded Debt</u>	<u>Less Balance In Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio Of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2010	46,121	\$ 924,844,430	\$ 18,665,000	\$ 3,790,860	\$ 14,874,140	1.61%	\$ 322.50
2009	50,769	924,330,040	20,460,000	3,642,458	16,817,542	1.82%	331.26
2008	50,769	988,511,560	22,395,000	3,304,603	19,090,397	1.93%	376.02
2007	50,769	995,536,060	17,795,000	2,869,545	14,925,455	1.52%	293.99
2006	50,769	999,298,505	30,564,333	2,652,333	27,912,000	2.79%	549.78
2005	50,769	883,640,876	30,659,000	3,260,162	27,398,838	3.10%	539.68
2004	50,769	887,912,101	27,884,000	3,204,502	24,679,498	2.78%	486.11
2003	50,769	891,061,492	27,807,000	3,276,721	24,530,279	2.75%	483.17
2002	50,769	737,930,552	24,070,000	3,418,626	20,651,374	2.80%	406.77
2001	50,769	767,812,823	26,365,000	3,136,351	23,228,649	3.03%	457.54

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census
 2010 – 2010 Federal Census
 Years 2001 through 2009 – 2000 Federal Census

(b) Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Computation of Direct and Overlapping Debt

December 31, 2010

	<u>Debt Outstanding</u>	<u>Percentage Applicable To City of Cleveland Heights (c)</u>	<u>Amount Applicable To City of Cleveland Heights</u>
Direct			
City of Cleveland Heights	\$ 18,665,000 (a)	100.00%	\$ 18,665,000
Overlapping			
Cleveland Heights - University Heights School District	9,390,000 (b)	76.04%	7,140,156
Cuyahoga County	319,446,948 (b)	3.11%	9,934,800
Greater Cleveland Regional Transit	<u>152,760,000 (b)</u>	3.10%	<u>4,735,560</u>
Total Overlapping Debt	<u>481,596,948</u>		<u>21,810,516</u>
Total Debt	\$ <u>500,261,948</u>		\$ <u>40,475,516</u>

(a) Net General Obligation Debt Outstanding

(b) Gross General Obligation Debt Outstanding

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

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

(b) Cuyahoga County Budget Commission

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin

Last Ten Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Assessed Property Value	\$ 924,844,430	\$ 924,330,040	\$ 988,511,560	\$ 995,536,060	\$ 999,298,505	\$ 883,640,876	\$ 887,912,101	\$ 891,061,542	\$ 782,333,792	\$ 767,512,823
General Bonded Debt Outstanding:										
General Obligation Notes/Bonds	14,250,000	16,040,000	17,795,000	19,400,000	20,935,000	22,385,000	24,880,000	24,070,000	26,365,000	24,355,000
Cedar Lee Parking Deck	6,210,000	6,355,000	-	-	-	-	-	-	-	-
Economic Development Revenue										
Bonds	460,000	680,000	890,000	1,090,000	1,285,000	1,475,000	1,660,000	1,840,000	1,995,000	-
Bond Anticipation Notes	-	905,000	7,510,000	8,512,000	9,724,000	13,223,000	9,626,000	8,741,000	2,345,000	-
OPWC-Issue II Loans:										
Cedar Road CA22B	85,204	93,725	102,245	110,765	119,285	127,806	136,326	144,846	153,367	161,887
Cedar Road CA09B	470,438	517,482	564,525	611,569	658,613	705,657	752,701	799,745	846,789	893,833
Lee Road	38,856	-	-	-	-	-	-	-	-	-
Taylor Road CA12D	76,349	82,988	89,627	96,266	102,905	109,544	116,183	122,822	132,780	-
Coventry Road CA04F	277,306	295,793	314,280	332,767	351,254	369,741	-	-	-	-
Meadowbrook Blvd CA20H	1,515,611	1,607,466	1,699,321	1,791,176	1,837,104	-	-	-	-	-
OWDA Loan – Sewer	335,792	327,487	-	-	-	-	-	-	-	-
Total Gross Indebtedness	23,719,556	26,904,941	28,964,998	31,944,543	35,013,161	38,395,748	37,171,210	35,718,413	31,837,936	25,410,720
Add:										
OPWC Loan - Monticello Blvd	191,460	-	-	-	-	-	-	-	-	-
OWDA Loan – Water	180,362	-	-	-	-	-	-	-	-	-
Lee Road	-	39,852	439,992	67,050	-	-	-	-	-	-
Refunding Rec. Facilities										
Improvements	-	-	8,695,000	-	-	-	-	-	-	-
Cedar Lee Parking Deck	-	-	6,355,000	-	-	-	-	-	-	-
Less:										
General Obligation Notes/Bonds	(1,565,000)	(1,790,000)	(10,450,000)	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue										
Bonds	(225,000)	(220,000)	(210,000)	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	-	(905,000)	(7,510,000)	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
Cedar Lee Parking Deck	(230,000)	(145,000)	-	-	-	-	-	-	-	-
OPWC-Issue II Loans:										
Cedar Road CA22B	(8,520)	(8,521)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,044)	(47,043)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	-	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(9,186)	(91,855)	(91,855)	(91,855)	(45,928)	-	-	-	-	-
Lee Road CA04K	-	(996)	-	-	-	-	-	-	-	-
OWDA Loan – Sewer	(15,396)	-	-	-	-	-	-	-	-	-
OWDA Loan – Water	(5,272)	-	-	-	-	-	-	-	-	-
General Obligation Bond Retirement										
Fund Balance	3,790,860	3,642,458	3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	3,276,721	3,418,626	3,136,351
Total Net Debt Applicable to Debt										
Limit	\$ 25,758,333	\$ 27,353,709	\$ 29,417,049	\$ 31,901,593	\$ 34,596,876	\$ 36,436,220	\$ 31,506,509	\$ 33,752,250	\$ 32,741,039	\$ 24,479,858
Percentage of Estimated Actual										
Property Value	2.79%	2.96%	2.98%	3.20%	3.46%	4.12%	3.55%	3.79%	4.19%	3.19%
Total Net Debt per Capita*\$	558	539	579	628	681	718	621	665	645	482

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin (continued)

Last Ten Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)\$	97,108,665	\$ 97,054,654	\$ 103,793,714	\$ 104,531,286	\$ 104,926,343	\$ 92,782,292	\$ 93,230,771	\$ 93,561,462	\$ 82,145,048	\$ 80,588,846
Legal Debt Margin Within 10 1/2% Limitations	<u>75,622,503</u>	<u>\$ 69,700,945</u>	<u>\$ 74,376,665</u>	<u>\$ 72,629,693</u>	<u>\$ 70,329,467</u>	<u>\$ 56,346,072</u>	<u>\$ 61,724,262</u>	<u>\$ 59,809,212</u>	<u>\$ 49,404,009</u>	<u>\$ 56,108,988</u>
Legal Debt Margin as a Percentage of the Debt Limit	77.87%	71.82%	71.66%	69.48%	67.03%	60.73%	66.21%	63.93%	60.14%	69.62%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	50,866,444	\$ 50,838,152	\$ 54,368,136	\$ 54,754,483	\$ 54,961,418	\$ 48,600,248	\$ 48,835,166	\$ 49,008,385	\$ 43,028,359	\$ 42,213,205
Total Gross Indebtedness	23,680,700	\$ 26,904,941	\$ 28,964,998	\$ 31,944,544	\$ 35,013,161	\$ 38,395,748	\$ 37,171,210	\$ 35,718,413	\$ 31,837,936	\$ 25,410,720
Add:										
Lee Road	-	39,852	439,992	67,050	-	-	-	-	-	-
Refunding Rec. Facilities Improvements	-	-	8,695,000	-	-	-	-	-	-	-
Cedar Lee Parking Deck	-	-	6,355,000	-	-	-	-	-	-	-
Less:										
General Obligation Notes/Bonds	(1,565,000)	(1,790,000)	(10,450,000)	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue Bonds	(225,000)	(220,000)	(210,000)	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	-	(905,000)	(7,510,000)	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
Cedar Lee Parking Deck	(230,000)	(145,000)	-	-	-	-	-	-	-	-
OPWC-Issue II Loans										
Cedar Road CA22B	(8,520)	(8,521)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,044)	(47,044)	(47,043)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	-	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(9,186)	(91,855)	(91,855)	(91,855)	(45,928)	-	-	-	-	-
Lee Road CA04K	-	(996)	-	-	-	-	-	-	-	-
General Obligation Bond Retirement Fund Balance	-	3,642,458	3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	3,276,721	3,418,626	3,136,351
Net Debt Within 5 1/2% Limitations	<u>21,486,162</u>	<u>27,353,709</u>	<u>29,417,049</u>	<u>31,901,593</u>	<u>34,596,876</u>	<u>36,436,220</u>	<u>31,506,509</u>	<u>33,752,250</u>	<u>32,741,039</u>	<u>24,479,868</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$ 29,380,282</u>	<u>\$ 23,484,443</u>	<u>\$ 24,951,087</u>	<u>\$ 22,852,890</u>	<u>\$ 20,364,542</u>	<u>\$ 12,164,028</u>	<u>\$ 17,328,657</u>	<u>\$ 15,256,135</u>	<u>\$ 10,287,320</u>	<u>\$ 17,733,337</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	57.76%	46.19%	45.89%	41.74%	37.05%	25.03%	35.48%	31.13%	23.91%	42.01%

*These numbers are based on the Net Debt. This reflects only debt that is supported through real estate value.
Note: Information prior to 2001 is not available.

City of Cleveland Heights, Ohio

Pledged Revenue Coverage
Economic Development – Zagara’s TIF

Last Nine Fiscal Years

<u>Year</u>	<u>Property Taxes and Interest</u>	<u>Debt Service</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2010	\$ 70,283	\$ 225,000	\$ 18,635	28.85%
2009	69,297	220,000	27,215	28.03%
2008	136,229	210,000	35,195	55.56%
2007	129,780	200,000	42,395	53.54%
2006	145,539	195,000	49,025	59.64%
2005	125,213	190,000	55,200	51.07%
2004	120,847	185,000	60,843	49.16%
2003	300	180,000	66,063	0.12%
2002	757	155,000	93,540	0.30%

Direct operating expenses are not associated with Tax Increment Financing (TIF) Project.

Note: The Zagara-TIF Economic Development Bond was issued in 2001 for \$1,995,000.

City of Cleveland Heights, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total personal Income</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Educational Attainment: High School or Higher</u>	<u>School Enrollment (c)</u>	<u>Cuyahoga County Un- employment Rate</u>	<u>Sales Price of Residential Property</u>	<u>Total Assessed Value (b)</u>
2010	46,121 (a)	\$ 1,395,621,460	\$ 30,260	\$ 49,056	35.7	92.3%	5,832	9.5%	\$ N/A	\$ 924,844,430
2009	50,769 (a)	1,310,043,276	25,804	47,400	35.2	91.6%	5,899	5.9%	131,300	924,330,040
2008	50,769 (a)	1,310,043,276	25,804	47,400	35.2	91.6%	6,286	5.9%	131,300	988,511,560
2007	50,769 (a)	1,310,043,276	25,804	47,400	35.2	91.6%	6,286	5.9%	131,300	995,536,060
2006	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,473	5.2%	245,290	999,298,505
2005	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,717	5.2%	178,000	883,640,876
2004	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,887	5.8%	160,000	887,912,101
2003	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,044	6.5%	158,710	891,061,492
2002	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,100	6.6%	150,281	737,930,552
2001	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,146	5.2%	141,543	767,812,823

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census.
2010 – 2010 Federal Census
Years 2001 through 2009 - 2000 Federal Census

(b) Source: Cuyahoga County Auditor

(c) Source: Ohio Department of Education Website: “<http://www.ode.state.oh.us>
Cleveland Heights – University Heights Schools, Cuyahoga County

City of Cleveland Heights, Ohio

Principal Employers

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2010</u>		<u>2001</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
School District	1,480	4.84%	n/a	
City of Cleveland Heights	780	2.55		
Kaiser Foundation	310	1.01		
Walmart	350	1.14		
Zagara's	278	.91		
A1 Healthcare	255	.83		
Mosdos Ohr Hatorah	155	.51		
A1 Nursing Care	167	.55		
Ohio Permanente Medical Group	365	1.19		
Just Like Familee III	214	.70		
All Other Employers	<u>26,218</u>	<u>85.77</u>		
Total	<u>30,572</u>	<u>100.00%</u>		

Source: Number of employees obtained from the W2's from the Income Tax Department.

n/a – Information not available

City of Cleveland Heights, Ohio

Full-time Equivalent City Government Employees by Function/Program

Last Nine Fiscal Years

Function/Program	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General government									
Management/Council	7.07	7.07	8.07	8.07	8.00	8.07	8.50	9.07	8.07
Finance	17.65	19.03	19.40	18.08	21.71	21.71	21.00	23.04	22.92
Planning/Community Development	12.00	12.08	13.84	13.65	13.16	13.16	14.50	21.06	20.54
Building/Inspectional	15.13	15.54	18.05	20.22	22.04	22.04	21.50	22.00	27.00
Municipal Court	26.31	23.40	23.25	25.79	23.71	23.71	22.00	24.55	23.89
Other	18.36	18.64	21.21	24.92	27.07	27.07	23.00	26.40	29.70
Public Safety									
Police									
Officers	111.28	111.28	117.99	115.66	108.00	108.00	114.00	117.09	119.34
Civilians/Crossing Guards	4.00	4.00	4.00	4.00	11.95	11.95	4.00	5.00	5.00
Fire									
Firefighters and officers	72.00	75.00	78.00	79.00	79.00	79.00	79.00	78.00	76.00
Civilians/Dispatch	9.70	9.00	9.00	9.00	8.00	8.00	8.00	9.00	10.00
Sanitation	29.00	29.00	31.00	32.00	33.00	32.00	34.00	35.00	36.00
Transportation	21.00	28.00	22.00	26.00	23.00	26.00	23.00	32.00	31.00
Other Public Works Depts	23.00	23.00	23.00	24.00	24.60	24.60	24.00	27.60	31.40
Culture and Recreation	59.61	58.68	64.82	71.94	70.33	70.33	48.00	65.90	82.34
Public Utilities									
Off-Street Parking	3.00	3.00	3.00	3.00	2.00	2.00	1.00	2.00	2.00
Water	18.00	17.00	17.00	19.00	20.00	20.00	19.50	23.00	23.00
Wastewater	10.00	10.00	11.00	10.00	10.00	10.00	13.00	11.00	11.00
	<u>457.11</u>	<u>463.72</u>	<u>484.63</u>	<u>504.33</u>	<u>505.57</u>	<u>507.64</u>	<u>478.00</u>	<u>531.71</u>	<u>559.20</u>

Source: City of Cleveland Heights Payroll/Human Resources Department

Note: Information prior to 2002 is not available

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program

Last Eight Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003
Public Safety								
Fire								
EMS Calls	4,374	4,098	4,113	4,047	3,984	4,168	4,034	4,159
Fire Calls	1,136	1,119	1,247	1,304	1,261	1,143	1,141	1,269
Fires With Loss	60	48	57	51	55	88	51	78
Fire Safety Inspections	1000+	1000+	1,000+	1,000+	1,000+	1,000+	1,000+	1,000+
Number of Times Mutual Aid Given to Fire & EMS	72	45	71	90	103	89	84	26
Number of Times Mutual Aid Received for Fire & EMS	51	66	95	82	42	77	80	56
Civil Service								
Number of Police Entry Tests Administered	-	-	1	-	1	-	1	n/a
Number of Fire Entry Tests Administered	-	-	-	1	-	1	-	n/a
Number of Fire Promotional Tests Administered	-	-	-	-	-	1	-	n/a
Number of Hires of Police Officers From Certified Lists	8	4	-	2	-	-	4	n/a
Number of Hires of Fire/Medics From Certified Lists	-	-	-	-	1	1	-	n/a
Number of Promotions From Fire Certified Lists	-	-	-	-	1	2	-	n/a
Number of Police Promotional Tests Administered	2	3	-	-	-	-	-	-
Number of Promotions From Police Certified Lists	-	15	-	-	-	-	-	-
Municipal Court								
Number of Civil Cases	1,520	1,755	1,864	2,014	2,700	1,270	1,831	1,630
Number of Criminal Cases	2,919	3,123	3,047	3,582	3,408	2,985	2,956	3,218
Public Health (a)								
Vital Statistics								
Certified Certificates Sold								
Number of Births	-	-	-	-	177	224	186	185
Number of Deaths	-	-	-	-	646	586	553	569
Certificates Issued								
Burial Permits Issued	-	-	-	-	650	770	721	615

(a) Public Health handled at the County level in 2007

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Eight Years

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Culture & Recreation								
Senior Activity Center Receipts	\$ 51,818	\$ 56,039	\$ 54,521	\$ 46,198	\$ 47,239	\$ 49,503	\$ 54,307	\$ 59,306
Swimming Pools Receipts	97,618	87,468	95,385	103,788	97,851	108,565	99,862	92,037
Ice Program Receipts	56,607	49,967	50,456	52,876	83,050	76,679	98,986	126,268
General Recreation Program Receipts	97,908	143,470	69,056	71,849	76,648	77,122	63,873	61,098
(a)Child Care/Summer Program Receipts	-	-	157,639	211,603	202,417	206,777	185,493	154,387
Sports Programs Receipts	202,654	194,513	204,718	224,013	222,546	223,602	218,709	167,484
Community Center Programs Receipts	658,871	606,401	706,337	708,994	737,836	678,549	632,413	697,677
Cain Park Programs Receipts	<u>425,099</u>	<u>492,280</u>	<u>419,008</u>	<u>583,553</u>	<u>732,301</u>	<u>666,202</u>	<u>602,292</u>	<u>459,432</u>
Total Recreation Receipts	1,590,575	1,630,138	1,757,120	2,002,874	2,199,888	2,086,999	1,955,935	1,817,689
Community Development								
Annual Entitlement Grant Award Program Income Received	1,909,731	1,757,055	1,723,214	1,778,281	1,773,674	1,968,638	2,072,000	2,102,000
CDBG-Recovery and Reinvestment	-	467,840	-	-	-	-	-	-
Neighborhood Stabilization Program	-	2,351,526	-	-	-	-	-	-
Homelessness Prevention and Rapid Re-Housing Program	-	715,677	-	-	-	-	-	-
Sanitation								
(b) Refuse Disposal Costs per Year January thru December	n/a	n/a	n/a	n/a	n/a	634,747	642,686	693,349

(a) Beginning 2009, child care/summer programs were merged with the general recreation programming.

(b) Beginning 2006, expenses were paid out of Department 6203
Prior to that expenses were paid out of Department 6204
Objects of expenditure were 2045.0 thru 2045.04

Note: Information prior to 2003 is not available.

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Eight Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003
Transportation/Streets								
Crackseal Coating Program (lbs.)	7,155	5,145	12,000	12,000	15,000	15,000	32,000	4,400
Street Repair								
(Curbs, aprons, berms, asphalt) (hours)	5,520	5,972	6,240	8,000	8,320	8,320	8,320	n/a
Line Striping (hours)	1,848	1,704	2,024	700	643	775	800	2,003
Street Sweeping (hours)	2,960	8,255	1,867	2,400	2,712	1,501	1,953	n/a
Cold Patch (hours)	5,440	3,723	3,120	3,916	4,160	4,160	4,160	n/a
Snow & Ice Removal-Regular Hours	7,840	2,688	7,840	5,107	3,456	2,900	2,300	n/a
Snow & Ice Removal-Overtime Hours	4,257	2,856	6,441	4,476	2,356	8,275	3,507	n/a
Landscaping Stump-Chipper Service (hours)	5,200	4,610	4,972	5,198	4,128	3,800	3,975	n/a
Leaf Collection-Fall (hours)	10,828	10,613	12,647	17,875	16,695	8,704	n/a	n/a
Equipment Repair/Body Shop (hours)	16,640	16,640	16,173	19,720	21,500	21,500	21,500	n/a
Number of Trees Planted Per Year	309	145	369	270	278	304	552	353
Tons of Snow Melting Salt Purchased	5,443	3,418	14,128	13,403	6,910	18,780	14,371	n/a
Cost of Salt/Calcium Chloride Purchased \$	238,918	\$ 144,305	\$ 492,377	\$ 438,970	\$ 221,946	\$ 586,406	\$ 455,917	\$ 524,151
Skunk Removals	-	-	-	165	101	134	421	1,770
Water Department								
Water Rates per 1,000 cu ft of Water Used	56.60	56.60	48.77	46.73	41.73	41.23	40.02	38.91
Average Number of Water Accounts Billed								
Monthly (cu ft)	15,439	15,500	15,876	15,920	15,915	15,970	15,980	15,583
Total Water Collections Annually								
(Including P & I)	\$ 10,628,905	\$ 12,676,221	\$ 9,621,815	\$ 9,429,481	\$ 8,802,440	\$ 7,995,432	\$ 7,283,991	\$ 7,973,477
Payments to Cleveland for Bulk Water								
Purchases	\$ 9,332,522	\$ 7,673,574	\$ 7,656,758	\$ 7,355,075	\$ 7,509,876	\$ 8,170,774	\$ 7,139,993	n/a
Wastewater Department								
Wastewater Rates per 1,000 Cu Ft of								
Water Used (Local)	11.05	10.23	10.05	10.05	10.05	10.05	7.05	7.05
Sewer & Sanitary Calls For Service	360	1,400	515	526	549	439	489	612

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Eight Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003
General Government								
Council & Clerk								
Number of Ordinances Passed	51	32	72	42	45	62	65	69
Number of Resolutions Passed	117	95	111	116	98	106	123	115
Number of Planning Commission								
Docket Items	27	17	16	23	25	30	33	38
Number of Board of Zoning Appeals								
Docket Items	30	31	33	26	24	27	39	n/a
Finance Department								
Number of Checks/Accounts Payable								
Vouchers Issued	6,327	6,191	6,842	7,090	7,252	7,404	7,861	n/a
Amount of Checks Written	\$ 34,223,380	\$ 26,202,955	\$ 27,805,150	\$ 32,223,691	\$ 26,767,750	\$ 29,584,579	\$ 30,834,075	n/a
Interest Earnings for Fiscal Year								
(cash basis)	\$ 150,034	\$ 311,695	\$ 458,811	\$ 1,026,304	\$ 987,192	\$ 437,830	\$ 369,534	\$ 556,306
Number of Journal Entries Issued	331	352	335	371	278	302	305	n/a
Agency Ratings-Moody's Finance Services	Aa3	Aa2						
Income Tax Department								
Number of Refund Checks/Vouchers Issued	1,146	1,065	1,100	1,247	1,332	1,229	1,304	n/a
Amount of Checks Written	\$ 361,142	\$ 335,724	\$ 384,020	\$ 362,176	\$ 307,635	\$ 367,483	\$ 392,189	\$ 292,108
Number of Individual Returns	16,197	15,483	15,660	17,797	18,569	19,112	17,161	n/a
Number of Business Returns	1,899	1,931	1,331	1,881	1,912	1,809	1,859	n/a
Number of Business Withholding Returns	10,610	10,654	10,343	1,386	1,760	1,691	1,628	n/a
Amount of Penalties and Interest								
Collected	\$ 124,498	\$ 64,601	\$ 49,630	\$ 91,867	\$ 271,651	\$ 99,467	\$ 181,190	n/a
Annual Number of Corporate Withholding								
Forms Processed	10,670	10,654	10,343	1,760	1,760	1,691	1,628	n/a
Annual Number of Balance Due								
Statements Processed	46,769	47,806	48,909	58,087	58,087	79,710	78,217	n/a
Annual Number of Estimated Payment								
Forms Processed	46,769	47,806	48,909	58,087	58,087	79,710	78,217	n/a
Annual Number of Reconciliations of								
Withholdings Processed	1,731	2,073	1,495	1,348	1,837	1,683	1,617	n/a

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Eight Years

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Building Department Indicators (a)								
Construction Permits Issued-Residential	964	928	1,307	1,741	1,499	1,893	1,932	n/a
Construction Permits Issued-Commercial	108	97	110	171	137	178	175	n/a
Estimated Value of								
Construction-Residential (Millions)	\$ 11,303,649	\$ 7,369,497	\$ 9.392	\$ 12.902	\$ 15.055	\$ 16.065	\$ 13.479	n/a
Estimated Value of								
Construction-Commercial (Millions)	\$ 4,803,446	\$ 4,562,969	\$ 8.490	\$ 27.378	\$ 18.528	\$ 36.806	\$ 16.682	n/a
Number of Permits Issued	3,599	3,406	3,813	4,563	4,103	5,109	5,307	n/a
Amount of Revenue Generated								
From Permits	\$ 383,576	\$ 211,663	\$ 227,462	\$ 309,977	\$ 426,412	\$ 522,638	\$ 331,876	n/a
Amount of Revenue Generated								
From Fees/Licenses	\$ 117,625	\$ 349,193	\$ 348,592	\$ 568,550	\$ 426,650	\$ 547,318	\$ 403,715	n/a
Number of Contractor Registrations Issued	1,407	1,151	1,078	1,269	1,187	1,311	1,222	n/a
Number of Inspections Performed	9,004	8,190	7,385	9,150	9,458	9,018	8,501	n/a

(a) Source: Building Department's Annual Report

Note: Information prior to 2003 is not available

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program

Last Eight Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government								
Square Footage Occupied	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Administrative Vehicles	16	18	22	16	17	18	18	11
Inspection Vehicles	22	17	18	18	17	17	17	19
Municipal Court Vehicles	2	2	2	2	2	2	2	2
Lands and Buildings Vehicles	22	21	16	16	22	23	19	20
Police								
Stations	1	1	1	1	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877	18,877	18,877	18,877	18,877
Vehicles	106	120	153	118	107	119	127	113
Fire								
Stations	2	2	2	2	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068	24,068	24,068	24,068	24,068
Vehicles	18	20	20	19	20	20	23	20
Recreation								
Number of Parks	6	6	6	6	6	6	6	6
Number of Pools	1	1	1	2	2	2	2	2
Number of Ice Rinks	2	2	2	2	2	2	2	2
Number of Tennis Courts	18	18	18	18	18	18	18	18
Number of Skateboarding Areas	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9
Number of Basketball Courts	5	5	5	5	5	5	5	5
Square Footage of Community Center	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Vehicles	27	10	34	13	17	20	21	21

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program (continued)

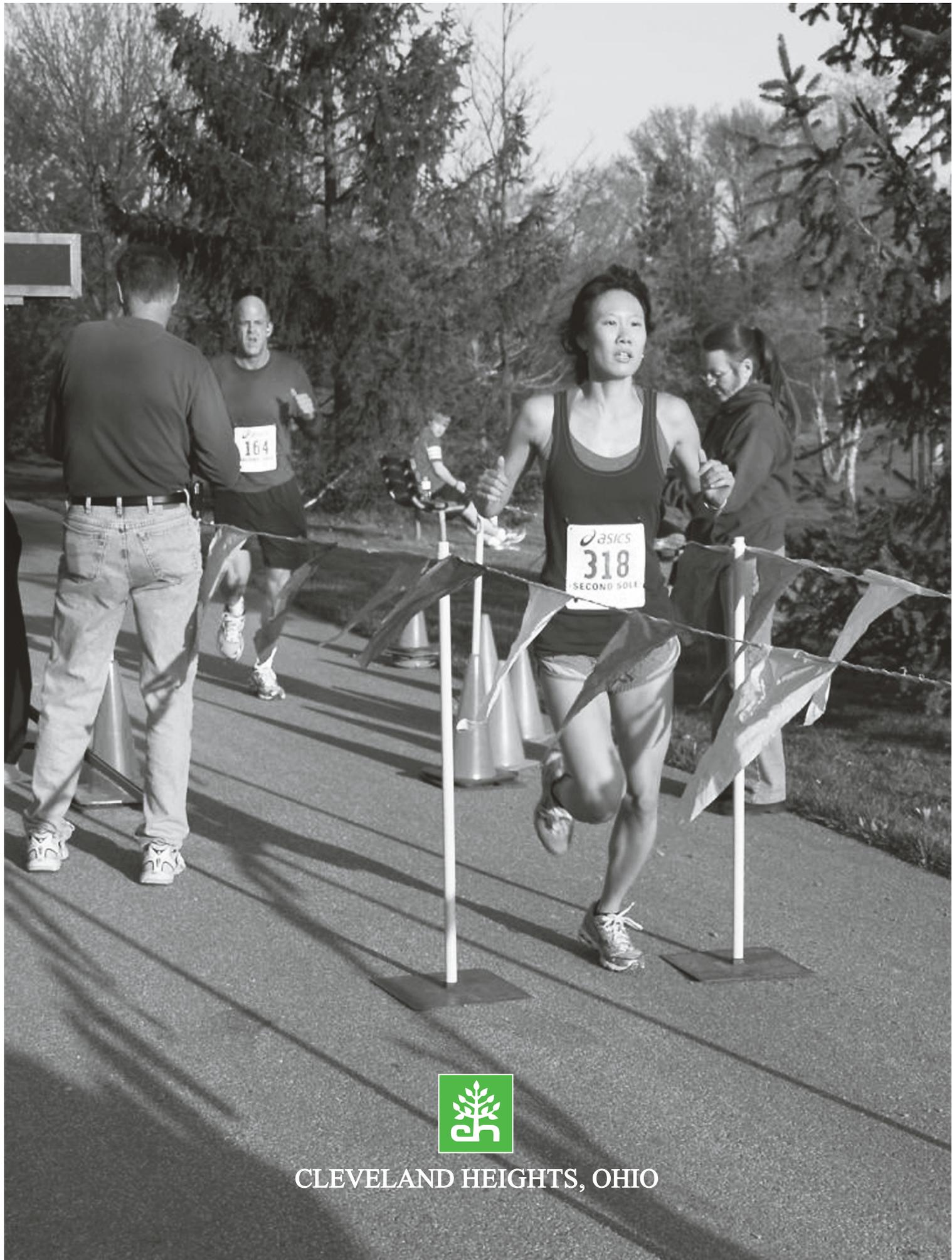
Last Eight Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Other Public Works								
Streets (miles)	137	137	137	137	137	137	137	137
Curbs (miles)	249	249	249	249	249	249	249	249
Square Footage of								
Garage/Transfer Station	42,244	42,244	42,244	42,244	42,244	42,244	42,244	42,244
Service Vehicles	125	132	153	145	117	90	101	92
Wasterwater								
Sanitary Sewers (miles)	150	150	150	150	150	150	150	150
Storm Sewers (miles)	150	150	150	150	150	150	150	150

Source:

- City of Cleveland Heights, Planning Department
- City of Cleveland Heights, Building Department
- City of Cleveland Heights, Parks and Recreation Department
- City of Cleveland Heights, Payroll Department
- City of Cleveland Heights, Water Department
- City of Cleveland Heights, Street Maintenance Department

Note: Information prior to 2003 is not available



CLEVELAND HEIGHTS, OHIO

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Dave Yost • Auditor of State

CITY OF CLEVELAND 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 29, 2011