

City of Westlake, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2011

Prepared by the Department of Finance
Prashant R. Shah, Director
Bonnie L. Freeh, Assistant Director



Dave Yost • Auditor of State

Members of City Council
City of Westlake
27700 Hilliard Blvd
Westlake, Ohio 44145

We have reviewed the *Independent Auditor's Report* of the City of Westlake, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 12, 2012



City of Westlake, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011
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FINANCE DEPARTMENT

27700 Hilliard Blvd. Phone 440.871.3300
Westlake, OH 44145 Fax 440.617.4284

Opinion Date

Members of City Council
Citizens of Westlake, Ohio

We are pleased to submit the comprehensive annual financial report of the City of Westlake for the year ended December 31, 2011.

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

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

Ciuni & Panichi, Inc., has issued an unqualified (“clean”) opinion on the City of Westlake’s financial statements for the year ended December 31, 2011. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

HISTORY OF WESTLAKE

Born in Connecticut, Leverett Johnson was the first settler to clear land in 1811 in what is now Westlake. Three years after arriving, he built a log house at Porter and Center Ridge Roads for his bride Abigail Cahoon. By 1812, enough people resided in the region to make it necessary to elect trustees to oversee the community and the Township of Dover was established. With Lake Erie as the northern boundary, the township grew, reaching a population of over 2,200 by the early 1900s. By 1908, the township split into three communities with Bay Village to the north and North Olmsted to the south. In 1912, the township was incorporated as Dover Village making Frank Bailey the first mayor. Dover Village was renamed the Village of Westlake in 1940 to avoid confusion with Dover, Ohio located in Tuscarawas County. As the Cleveland suburbs grew following World War II, so did Westlake, attaining a population just under 5,000 by 1950. In 1957, the Village of Westlake became the City of Westlake. The City marked its Bicentennial in 2011 with a series of events to commemorate this milestone in Westlake’s history.

FORM OF GOVERNMENT

Westlake operates and is governed by the laws of the State of Ohio and its own charter that was first adopted by the electorate on November 6, 1956. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of a president who is elected at-large and six councilpersons elected by wards for four-year terms. All members of Council serve in a part-time capacity.

The City's chief executive and administrative officer is the Mayor who is elected to a four-year term and serves in a full-time capacity. The Mayor may veto legislation passed by Council. A two-thirds vote of all members of Council will override a veto.

The Rocky River Municipal Court provides judicial services for the City of Westlake. The jurisdiction of the court, as established by the Ohio Revised Code, encompasses the contiguous cities of Westlake, Rocky River, Bay Village, Fairview Park, and North Olmsted.

The municipal government consists of twelve departments in addition to the Mayor's Office. Each department head reports directly to the Mayor. All directors work closely with the Mayor in providing the citizens of Westlake with the highest quality of services while maintaining efficiency and cost effectiveness.

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department takes a community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of three bureaus. The Field Operations Bureau oversees jail operations, animal control, and the auxiliary police as well as the staff of patrol officers. Administrative Services Bureau consists of secretaries, dispatchers, school guards, park patrol officers, building/vehicle maintenance, and community services. The Criminal Investigations Bureau is responsible for the City's investigative services. The Police Department is located in a separate facility next to City Hall.

The **Fire Department** provides fire protection and emergency medical services to citizens, as well as placing strong emphasis on community involvement and education. Currently, the Assistant Chief heads the department. A Fire Prevention unit focuses on the reduction of potential fires and loss of property within the City. Two fire facilities located on the east and west sides of the City provide protection. The Central Dispatch Center, a joint partnership with the cities of Bay Village, Rocky River, Fairview Park, and North Ridgeville, is under the jurisdiction of the Westlake Fire Department.

The **Service Department** is comprised of several divisions administered by a director. The City Service Division is responsible for the maintenance of all City vehicles, buildings and signs, and snow and leaf removal. The Storm/Sanitary Sewers Division maintains proper drainage control. The Parks Division maintains five parks and includes forestry services. The Streets Division is responsible for all non-contractual street repairs. Leaf humus and wood chips are generated from the collection of yard waste. In 2002, the City outsourced rubbish and recycling services. The City also owns and operates two cemeteries. A new Service Center facility was completed in 2006 and includes administrative offices, vehicle storage and maintenance areas.

The **Recreation Department** provides numerous classes and programs throughout the year. During summer months, the department operates a pool at Clague Park where swimming lessons are also offered. The City owns the twenty-seven hole Meadowood Golf Course which operates on a profit/loss basis. The department's main responsibility is the operation of the Recreation Center, an 83,000 square foot facility on 86 acres that offers numerous recreation and fitness options for residents. The fitness and office areas were expanded in 2006.

The **Community Services Department** provides programs and assistance to older adults, and numerous residents participate and volunteer their time. The department also provides assistance and aid to families in need. Renovations to the Westlake Center for Community Services were completed in 2004.

The **Finance Department** is responsible for the accurate recording of all receipts and disbursements and for diligently investing all City funds in order to maximize interest earnings while protecting the principal balance. The department issues bi-weekly payrolls and maintains a fixed asset system. Other responsibilities include compilation of the Annual Budget, preparation of the Comprehensive Annual Financial Report and Popular Annual Financial Report for residents, and assisting the Mayor in all financial decisions.

The **Law Department** advises the Mayor, Council, and all departments on legal matters concerning the City. The department prepares all contracts, legislation, and legal documents. The Director of Law is the only department head elected by the residents of Westlake.

The **Purchasing Department** furnishes the City with the materials, equipment, and supplies needed to maintain operations. At present, the department also handles all personnel matters including health insurance. A separate Human Resource department will be established in the near future.

The **Planning Department** is responsible for implementing plans and programs that promote the comprehensive and orderly development of the City. The department works in conjunction with the Planning Commission, Board of Zoning Appeals, and Board of Building Appeals and Architectural Standards.

The **Inspections Department** is responsible for enforcing all building codes in the City. The department issues permits and citations, conducts site inspections, and licenses all contractors.

The **Engineering Department** must insure that all contractors working in Westlake meet the general engineering requirements of the City. Engineering controls the review and implementation of plans and programs relating to infrastructure.

The **Technology Department** is a newly formed department comprised of the Information Technology and Communications divisions. Currently, the Assistant Director of the Purchasing Department acts as the supervisor or Network Administrator.

The chief executive powers of the City are vested in the Mayor. As administrator, he appoints all department heads except for the Law Director and is ultimately responsible for the operation of all departments and divisions.

ECONOMIC CONDITION AND OUTLOOK

Westlake is home to both world and national headquarters for several corporations including some Fortune 500 companies. Nordson Corporation, Hyland Software, TravelCenters of America, Koyo Corporation of USA, Scott Fetzer, and Bonne Bell are all headquartered in Westlake. Many of these companies are located in the several industrial parks throughout the City. The Sharon Drive Industrial Park features various businesses including the North American headquarters for Radiometer America. Sperry Drive features numerous businesses in addition to the four restaurants and three motels. The Crocker Road Industrial area is the site of such facilities as Bonne Bell and USG/American Metals, and numerous industries are located on First Street. The Clemens/Ranney Corporate Parkway is home to Scott Fetzer, Nordson Corporation, and Electronic Data Systems. The top ten employers have over 5,300 employees working in the City. (A list of the ten largest employers is featured in the Statistical section.)

St. John Medical Center is the City's largest employer with a staff of 1,392. The Center is situated on a seventy-acre campus. A new \$100 million, 35,700 square foot expansion will open in 2012. University Hospital opened an ambulatory surgical center that also features physician and laboratory space and added an urgent care facility in 2007. A Satellite of Lakewood Hospital is also located in Westlake.

The square footage of Westlake's business space is evenly split between retail, office, and industrial space. With the City located ten miles from downtown Cleveland, fifteen minutes from Cleveland Hopkins Airport, and in close proximity to three interstates, Westlake is a great location for area businesses. Several new construction projects commenced or reached completion in 2011. The Westshore Office Building added over 30,000 square foot of space. A trampoline facility called "Skyzone" was constructed on Viking Parkway. Several retail businesses such as Anthropologie, Ann Taylor Loft, and BCBG opened at Crocker Park. The Westlake Board of Education has begun construction on a new 268,500 square foot high school and 105,300 square foot middle school in 2011.

Crocker Park, a mixed-use planned development, is located on seventy-five acres in western Westlake. The development features high-end retailers, restaurants, office space, and residential dwellings within a "pedestrian-friendly" setting. Crocker Park has quickly become the "downtown" of Westlake, hosting art shows, parades, concerts, and a summer farmer's market. In 2006, the Coral Company began construction of Westhampton at Crocker Park, 166 units on twenty-one acres adjacent to Crocker Park. The project is an example of "New Urbanist" design featuring townhomes, loft-style units, and attached homes arranged around small parks and urban gardens. Eleven new units were approved for construction in 2011.

Numerous office facilities are located throughout the City. The King James Office Park, Phases I through V, houses 335,000 square foot of office space, including a fitness center. The Reserve Office Park and the Gemini Office Towers are opposite Crocker Park. The Jamestown Office Building on Detroit Road and the Clemens Road West Office Building also feature office space.

2012 will see the advent and continuation of several major construction projects. The Hospice of the Western Reserve is constructing a new facility in Westlake and a \$100 million expansion is planned for St. John's Medical Center. Improvements to the RTA Park and Ride on Sperry Road are scheduled and Cuyahoga Community College will begin Phase II of construction.

In 2011, American Greetings, Inc. announced that it will move its corporate headquarters to Westlake. This is a huge undertaking that will lead to Phase III of the expansion of Crocker Park. This project will add 190,000 additional square foot of retail to the area and approximately 600,000 square foot of office space for American Greetings. Four hundred additional apartments will be added in addition to three parking garages and two additional park areas totaling three acres. When completed, the projects will double the building area of Crocker Park from 1.2 to 2.5 million square feet.

To encourage industrial and commercial development, the City offers five financial assistance tools. The Industrial Development Revenue Bonds program is offered under state law and allows the Westlake Community Improvement Corporation and City Council to approve the issuance of revenue bonds. The principal of these reduced interest bonds can be used for land acquisition, building construction, and equipment purchases. In 2005, \$24.7 million of Health Facility Revenue Bonds were issued to finance the expansion of the Lutheran Home nursing facility. This is the only issue currently outstanding.

In 1994, Westlake established an Enterprise Zone under state law. This program offers real and personal property tax abatement for the construction and expansion of commercial facilities located within the designated zone. The State of Ohio and the County Commissioners allow abatement over ten years upon approval. Currently, no companies are receiving tax abatement under an Enterprise Zone Agreement.

Westlake received state approval to establish a Community Reinvestment Area in 1996. This program covers enterprises located in most of Westlake's industrial zone north of Detroit Road. New construction and renovation over \$100,000 can receive up to 100 percent real property tax abatement with a ten year maximum for commercial development and fifteen years for industry. This program requires the approval of the City Council and Westlake Tax Incentive Review Council. Currently, nine companies receive tax abatement under Community Reinvestment Agreements.

The Cuyahoga County Department of Development has also established Improved Target Areas (ITA) by which local business owners can apply for small grants and low interest loans to renovate commercial buildings. Three ITA areas currently exist in Westlake. Storefront renovations within the three ITA's are eligible for Cuyahoga County's Storefront Renovation Program at a rate of thirty percent up to a maximum of \$8,000. Two grants totaling \$12,500 resulted in \$35,000 of renovation in 2011.

In 2007, the City established Job Creation grants to encourage economic development within the City. To be eligible for the program, the applicant must create fifty new jobs or \$2 million in new payroll. The rate and term of the grant are determined through negotiations between the applicant and the City. The three companies participating in the program generated 245 new jobs resulting in \$10.7 million in new payroll and \$154,000 in payroll taxes in 2011.

Starting in the mid-1960's, the City has used an outside firm to formulate a guide plan to govern future development. The plan is updated approximately every twenty years and the City finished its third plan in December of 2006. The plan addresses residential and commercial development through usage factors and recommends the placement of roadways and green spaces. The plan forecasts full growth by 2020 and the City refers to the guide when planning future development.

Current Year Activities The mission of the City of Westlake, its mayor, council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. The City upheld that mission by expanding and improving services, upgrading infrastructure, and enhancing public grounds and facilities.

In 2011, the City of Westlake celebrated its Bicentennial. Numerous celebrations and activities took place throughout the year. The year began with New Year's Eve fireworks and a ball drop at Crocker Park that was simulcast to Westlake's sister city of Tralee, Ireland. Tralee also participated in an art exchange that featured works from students of both cities. The Northern Ohio Rose of Tralee competition for young women was held in Westlake. A "Seniors Cruisin' Through Time" luncheon was held as well as a "Farm Days" event at Crocker Park that featured memorabilia from past times. The year concluded with the "Mayor's Culinary Bicentennial Ball", a formal celebration that featured food from twenty-five Westlake restaurants.

Several Bicentennial projects also took place. A nature display was built at the Bradley Road Park in conjunction with a local Girl Scout troop. A commemorative plaque was erected at Evergreen Cemetery in honor of founding resident Leverett Johnson and a Founder's Walk honoring all the founding families of Westlake was constructed at Clague Park. A plaque honoring all City officials for the past two hundred years was unveiled in a special ceremony. In honor of the Bicentennial, local organizations came together to erect a clock tower in front of City Hall. The Service Department also constructed floats that were featured in Cleveland's St. Patrick's Day parade and Westlake's Fourth of July festivities.

The Police Department continued its commitment to public safety and awareness responding to 34,268 calls and making 5,906 arrests. Numerous policing programs were offered such as the Community Police Academy, the Police Teen Academy, and the Ride-Along Program providing residents first-hand training and experiences. Student programs such as Safety Town and Drug Awareness Resistance Education (D.A.R.E.) continued with much success, and classes in firearm safety and Rape Aggression Defense were held. Other community programs included National Bike and National Walk to School Days, "Operation Strike Back" (SWAT members working to target domestic violence suspects), and a "Child is Missing" (a notification program to locate missing children and adults).

The Fire Department responded to 4,364 calls relating to fires, EMS, and hazardous materials in 2011. The department also conducted 2,288 fire inspections, plan reviews and consultations. The department was awarded a \$166,000 Federal Emergency Management Agency (F.E.M.A.) grant for the purchase of four heart monitors/defibrillators and four automatic CPR devices. A central dispatch center is shared by the cities of Westlake, Bay Village, Rocky River, Fairview Park, and North Ridgeville. Located in emergency room space at St. John Medical Center, the dispatch center employs six full-time and eight part-time dispatchers under the direction of a supervisor.

The Service Department is comprised of fifty-seven full-time employees and is involved in numerous activities such as the maintenance of City streets, sewers, parks, buildings, and vehicles. In 2002, the City out-sourced rubbish and recycling collection to an outside contractor in efforts to better utilize the time and skills of City personnel. The department received and completed 7,724 calls in 2011. Over 7,400 tons of recyclables were collected and 11,298 cubic yards of brush and leaves were sold as wood chips and mulch. The department is also responsible for snow and leaf removal, street and sewer maintenance, and assists with such community events as the Easter Egg and Pumpkin Hunts, the July 4th Party in the Park, and summer band concerts. In 2011, the department was instrumental to the Bicentennial activities and projects that were held throughout the year.

The City of Westlake Service Department was selected as the 2011 Fleet Equipment/CITGO Petroleum “Top Green Shop” winner. This award was based on the fleet shop’s initiative to build and maintain an environmentally sound facility. Waste oil from the facility and residents is sold and recycled. A “Clean Burn” waste oil heater is used to heat the shop. All solvents are recycled in addition to metal, aluminum, coolant, and batteries. Ten skylights and numerous window panels virtually eliminate the need for daytime lighting and floor drains go to an underground oil and water separator. The FleetWise maintenance software creates an on-demand system that allows for the reduction in parts inventory and manages 500 active unit numbers along with 170 on-road vehicles.

The Inspections Department issued 1,477 permits during 2011 with an estimated value of \$61.3 million. Fifteen new family dwellings were completed at a cost of \$8.4 million. Over 1,100 remodeling and improvements permits were issued with a construction value of \$13.8 million.

Last year, the Planning Department held 270 business meetings and 129 construction plan reviews. The staff oversees the “Westlake in Bloom” event through which residents and businesses compete for awards in various categories relating to City beautification. It also assists in the publication of the “Westlake Magazine” which is mailed annually to all residents. The department oversaw the Bicentennial festivities that were held throughout 2011.

The Community Services Department placed over 23,000 reservations for trips and activities throughout the year. The department also provided over 6,400 transportation trips to residents in need. The Westlake Assistance Program dispensed 273 holiday baskets and 399 emergency food distributions. Programs offered to patrons on a regular basis totaled 118.

The Westlake Recreation Center opened in November of 1998. Situated in an 86 acre park setting, the facility offers numerous amenities to residents. The Center features five pools, a gymnasium with two full size basketball courts, an overhead track, and exercise and craft rooms. An addition added a one-story fitness center and renovated office space. The department offered 924 programs in 2011 and 4,600 memberships were sold at the Center bringing total members to over 12,000. A new “Silver Sneakers” program for senior residents has been met with great success with over 500 residents participating. \$60,000 in new exercise equipment was purchased in 2011. In addition to the numerous classes and activities held at the Recreation Center, the department organized the Fourth of July Party in the Park, the Fall Pumpkin Festival and Hunt, the Junior Olympics, and the annual Fishing Derby.

Several infrastructure projects began in 2011. The Detroit/Dover Road intersection was widened, adding an additional two lanes to alleviate congestion and improve safety. New water lines were installed along Westwood Road from Columbia to Clague Roads and along Clague Road from Center Ridge Road to North Olmsted. Sanitary sewer rehabilitation was completed within the Allen/Westhill subdivision. Concrete rehabilitation and crack and joint maintenance were conducted throughout the City.

Future Projects The City of Westlake will initiate several capital projects in 2012. Water line replacement will occur in the Melrose subdivision. Clemens Road at Crocker will be relocated with Interstate 90 westbound ramp improvements. Additional concrete rehabilitation and road maintenance will take place. Design work will begin on the Columbia Road/Interstate-90 interchange improvements as well as Citywide traffic signal upgrades. Planning will also commence on the Bradley/Detroit Road intersection improvements. The City will further explore the possibility of using an alternate supply source for water that is supplied to the City.

LONG-TERM FINANCIAL PLANNING

The City has been recognized as a leader in long-term financial planning. A depreciation fund finances the maintenance and eventual replacement of sewer lines within the City. From a budget perspective, these resources are segregated into a separate fund that can only be used for its intended purpose.

In addition to the funding of sewer line replacement, the City also established an equipment replacement funding mechanism in 1976. When vehicles and large equipment are purchased, they are depreciated over their estimated useful life and the respective department is charged annually for the “cash” funding of the depreciation. The resources are segregated and accumulated so that when the equipment or vehicle needs replacement, the resources are available.

The City also utilizes long-term planning for the funding of capital projects through a Five-Year Capital Plan. The plan is a document through which the major capital projects of the City are identified and subsequently matched to funding sources. The plan is updated annually to include new projects, revise projects listed and remove those completed.

The City maintains a General Fund balance that would finance a minimum of three months of operations. The Finance Department reviews all monetary transactions on an on-going basis and works diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

OTHER INFORMATION

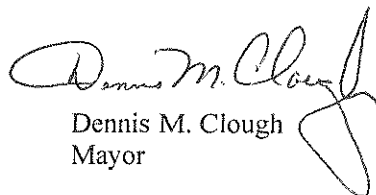
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westlake, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31, 2010. 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 the program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

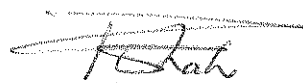
A Certificate of Achievement is valid for a period of one year only. The City of Westlake has received a Certificate of Achievement for the last twenty-eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting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

Acknowledgments. This comprehensive annual financial report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. This report was prepared in accordance with generally accepted accounting principles (GAAP). Appreciation also is expressed to those other City departments that assisted in preparing supporting documentation. In addition, we would like to thank the Members of Council for their continuing support toward the preparation of this report.

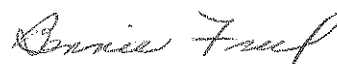
Respectfully submitted,



Dennis M. Clough
Mayor

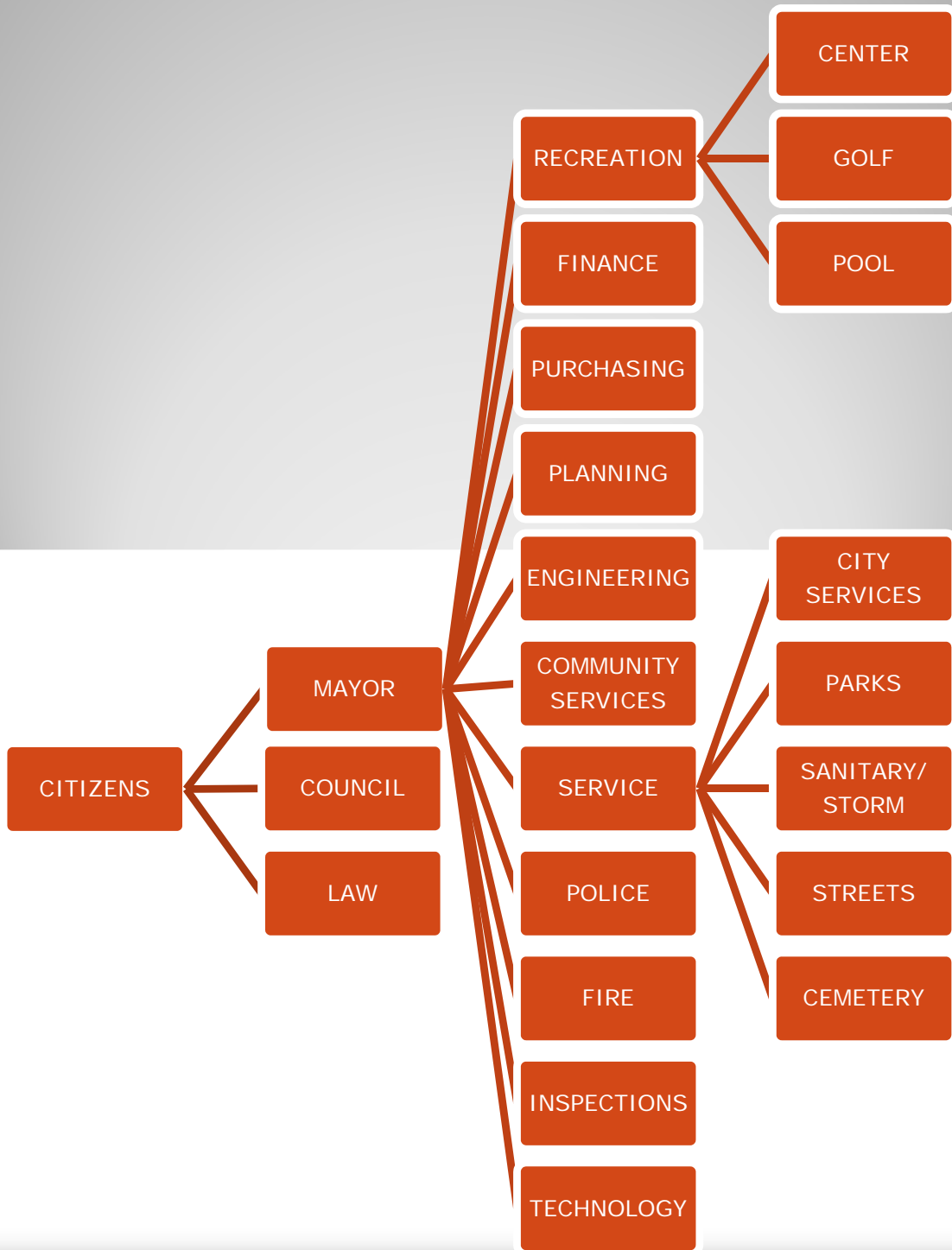


Prashant R. Shah
Director of Finance

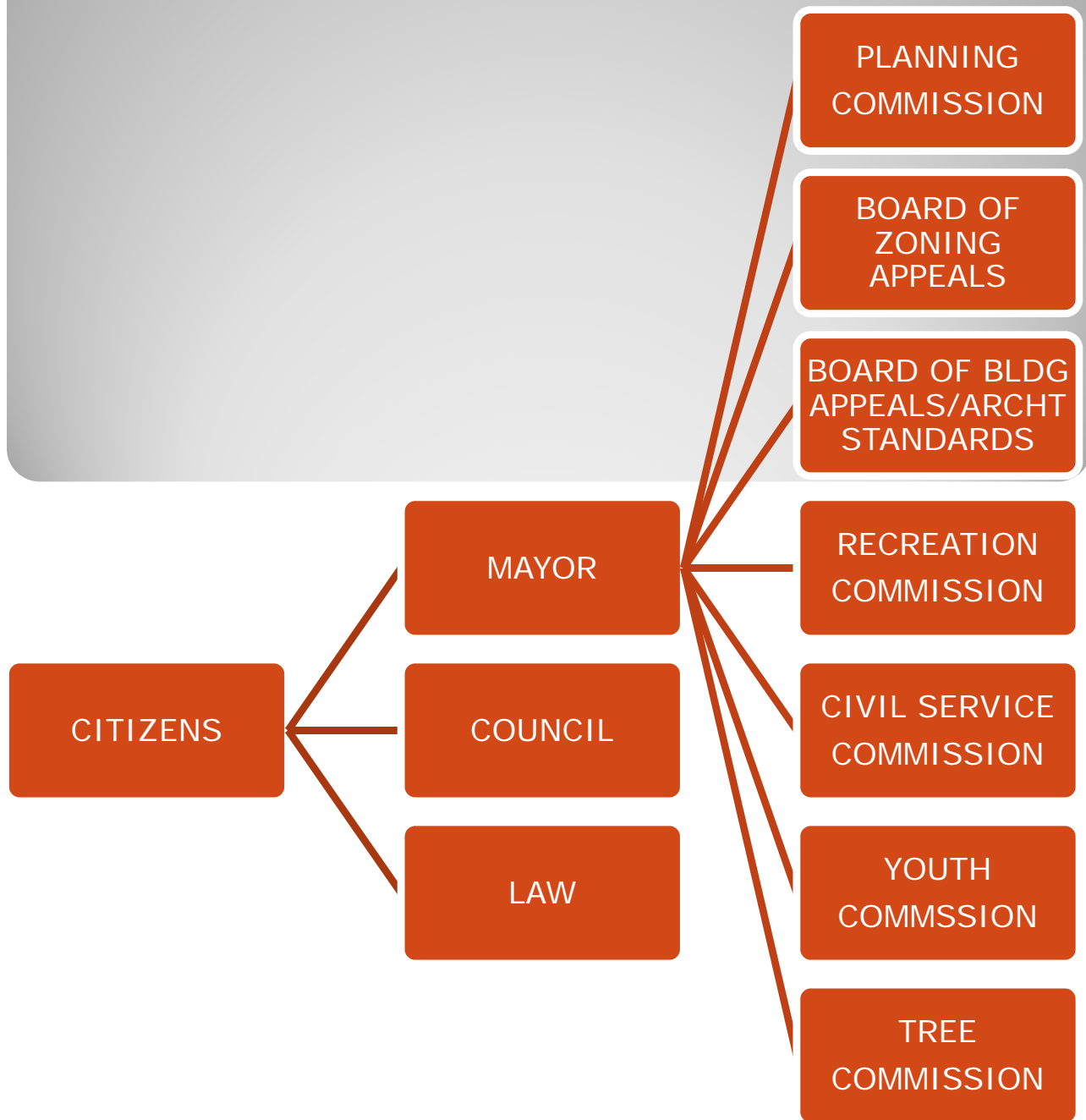


Bonnie L. Freeh
Assistant Director of Finance

CITY OF WESTLAKE ORGANIZATIONAL CHART DEPARTMENTS



CITY OF WESTLAKE COMMISSIONS



CITY OF WESTLAKE, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2011**

ELECTED OFFICIALS

Mayor Dennis M. Clough, CPA
President of Council..... Michael F. Killeen
Council Members
 Ward 1 Edward Hack
 Ward 2 James Connole
 Ward 3 Dennis Sullivan
 Ward 4 Michael O'Donnell
 Ward 5 Kenneth Brady
 Ward 6 Mark Getsay

APPOINTED OFFICIALS

Director of Engineering Robert Kelly
Director of Finance Prashant R. Shah, CPA
Director of Inspections..... Donald Grayem
Director of Law John Wheeler
Director of Planning..... Robert Parry
Director of Purchasing Mary Calabrese
Director of Recreation..... Michael Rump
Director of Community Services Joyce Able Schroth
Director of Service..... Paul Quinn III
Chief of Police Richard Walling
Assistant Chief of Fire James Hughes

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westlake
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



Linda C. Danison

President

Jeffrey R. Enos

Executive Director

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Independent Auditor's Report

Members of the City Council
Westlake, Ohio

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 Westlake, Ohio (the "City"), as of and for the year ended December 31, 2011, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Recreation Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 59, *Financial Instruments Omnibus*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the City Council
Westlake, Ohio

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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 assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Cimini & Panichi, Inc.

Cleveland, Ohio
June 29, 2012

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The discussion and analysis of the City of Westlake's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key Financial highlights for 2011 are as follows:

- Overall, governmental activities revenues of \$51.7 million exceeded the expenses which came in at \$43.9 million consequently increasing the net assets by \$7.8 million for the year 2011. The total net assets were \$193 million compared to \$185 million for the previous year which represents an increase of 4.21 percent.
- During 2011, the City finally bonded out the project cost in the amount of \$7.35 million while paying down the balance of \$1.95 million with available fund balances in the infrastructure tax capital projects fund. The City is committed to maintaining infrastructure as outlined in the City's five-year capital plan.
- The City is committed to providing the citizens of Westlake with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

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

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Westlake's finances, in a manner similar to private-sector businesses. The statement of net assets and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also looks at the City's most significant funds with all other funds presented in total in one column.

The *statement of net assets* presents information on all of the City of Westlake's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Westlake is improving or deteriorating.

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

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Westlake, 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 Westlake can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Westlake maintains 36 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, recreation special revenue fund, special assessment bond retirement fund, infrastructure tax capital projects fund and grants capital projects fund, all of which are considered to be major funds. Data from the other 31 governmental funds are combined into a single, aggregate 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 Westlake adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

City of Westlake, Ohio
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Proprietary Funds The City of Westlake 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 sewer operations and golf course activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such funds for its self-insurance of health related employee benefits and the City department costs of the information technology department. Because these funds predominately benefit governmental rather than business functions, they have been included within governmental activities in the government-wide financial statements.

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 sewer operations as it is considered a major fund, while the golf course enterprise fund is a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 26 through 29 of this report.

Notes to the Basic 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 basic financial statements can be found on pages 31 through 61 of this report.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic 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 on pages 65 through 132 of this report.

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The City of Westlake as a Whole

Recall that 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 2011 compared to 2010.

NET ASSETS
TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$93,052,648	\$88,264,158	\$15,276,424	\$16,607,971	\$108,329,072	\$104,872,129
Capital Assets, Net	141,884,245	141,744,602	30,643,725	31,334,659	172,527,970	173,079,261
<i>Total Assets</i>	<u>234,936,893</u>	<u>230,008,760</u>	<u>45,920,149</u>	<u>47,942,630</u>	<u>280,857,042</u>	<u>277,951,390</u>
Current and Other Liabilities	14,623,612	16,158,089	203,668	330,880	14,827,280	16,488,969
Long-Term Liabilities:						
Due within One Year	2,743,451	1,765,761	0	0	2,743,451	1,765,761
Due in More than One Year	24,723,674	27,033,120	0	0	24,723,674	27,033,120
<i>Total Liabilities</i>	<u>42,090,737</u>	<u>44,956,970</u>	<u>203,668</u>	<u>330,880</u>	<u>42,294,405</u>	<u>45,287,850</u>
Invested in Capital Assets, Net of Related Debt	120,651,597	118,410,063	30,643,725	31,334,659	151,295,322	149,744,722
Restricted for:						
Capital Projects	24,952,555	27,653,487	0	0	24,952,555	27,653,487
Debt Service	5,127,841	5,493,599	0	0	5,127,841	5,493,599
Other Purposes	9,168,076	9,530,317	0	0	9,168,076	9,530,317
Unrestricted	32,946,087	23,964,324	15,072,756	16,277,091	48,018,843	40,241,415
<i>Total Net Assets</i>	<u>\$192,846,156</u>	<u>\$185,051,790</u>	<u>\$45,716,481</u>	<u>\$47,611,750</u>	<u>\$238,562,637</u>	<u>\$232,663,540</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net assets reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets in governmental activities increased by \$4,928,133 from 2010 to 2011 primarily due to an increase in cash and cash equivalents and income tax receivables of \$4.1 million and \$1.1 million, respectively. The City's total liabilities in governmental activities decreased by \$2,866,233 as long-term debt was repaid.

At the end of the current year, the City of Westlake is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Our total net assets of the City's governmental activities increased \$7,794,366 (4.21 percent) during the current year due to revenues exceeding expenses. Restricted net assets for capital projects decreased by \$2,700,932 which was due to completion of various construction projects from 2010 such as the Clague Road widening project and the start of the Dover/Detroit intersection improvement project. In order to further understand what makes up the changes in net assets for the current year, the following table 2 gives readers further details regarding the results of activities for the current year.

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

CHANGES IN NET ASSETS

TABLE 2

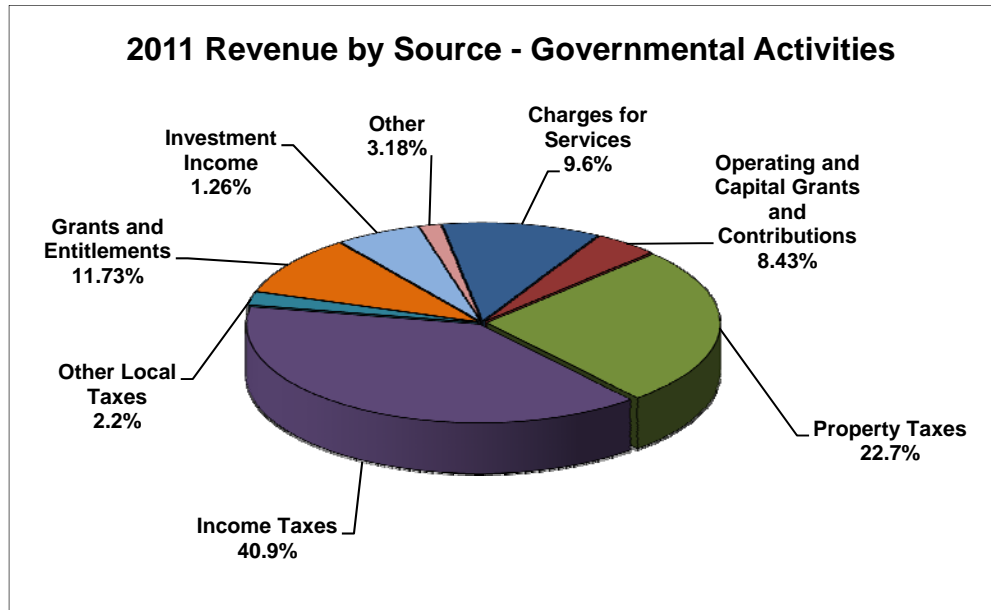
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services	\$4,941,176	\$4,775,322	\$2,033,109	\$2,144,579	\$6,974,285	\$6,919,901
Operating Grants and Contributions	2,815,006	1,813,317	0	0	2,815,006	1,813,317
Capital Grants and Contributions	1,546,514	2,572,627	0	0	1,546,514	2,572,627
Total Program Revenues	9,302,696	9,161,266	2,033,109	2,144,579	11,335,805	11,305,845
General Revenues:						
Property Taxes	11,719,997	11,847,895	0	0	11,719,997	11,847,895
Income Taxes	21,204,224	19,012,981	0	0	21,204,224	19,012,981
Admission Taxes	187,280	178,209	0	0	187,280	178,209
Hotel Taxes	431,774	406,204	0	0	431,774	406,204
Grants and Entitlements	6,057,901	4,460,061	0	0	6,057,901	4,460,061
Franchise Taxes	523,339	479,845	0	0	523,339	479,845
Investment Income	615,400	264,472	32,957	46,940	648,357	311,412
Gain on Sale of Capital Assets	5,296	57,300	0	0	5,296	57,300
Other	1,637,665	499,937	145,714	64	1,783,379	500,001
Total General Revenues	42,382,876	37,206,904	178,671	47,004	42,561,547	37,253,908
Total Revenues	51,685,572	46,368,170	2,211,780	2,191,583	53,897,352	48,559,753
Program Expenses						
General Government	7,902,687	6,968,302	0	0	(7,902,687)	(6,968,302)
Security of Persons and Property	14,747,275	14,584,694	0	0	(14,747,275)	(14,584,694)
Public Health Services	1,190,286	1,185,741	0	0	(1,190,286)	(1,185,741)
Transportation	11,927,202	9,085,307	0	0	(11,927,202)	(9,085,307)
Community Environment	1,721,879	1,685,287	0	0	(1,721,879)	(1,685,287)
Basic Utility Services	1,801,486	1,917,453	0	0	(1,801,486)	(1,917,453)
Leisure Time Activities	3,788,078	3,979,282	0	0	(3,788,078)	(3,979,282)
Interest and Fiscal Charges	806,303	762,104	0	0	(806,303)	(762,104)
Sewer	0	0	3,684,221	3,574,031	(3,684,221)	(3,574,031)
Golf Course	0	0	428,838	462,322	(428,838)	(462,322)
Total Program Expenses	43,885,196	40,168,170	4,113,059	4,036,353	(47,998,255)	(44,204,523)
<i>Increase (Decrease) in Net Assets</i>						
<i>Before Transfers</i>	7,800,376	6,200,000	(1,901,279)	(1,844,770)	5,899,097	4,355,230
Transfers	(6,010)	9,926	6,010	(9,926)	0	0
Change in Net Assets	7,794,366	6,209,926	(1,895,269)	(1,854,696)	5,899,097	4,355,230
<i>Net Assets Beginning of Year</i>	185,051,790	178,841,864	47,611,750	49,466,446	232,663,540	228,308,310
Net Assets End of Year	\$192,846,156	\$185,051,790	\$45,716,481	\$47,611,750	\$238,562,637	\$232,663,540

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Governmental Activities

Governmental activities increased the City's net assets by \$7,794,366 during 2011, as compared to \$6,209,926 during 2010. Total revenues increased by \$5,317,402 due to an increase in income taxes, grants and entitlements and miscellaneous revenues. Program expenses increased by \$3,501,456 primarily due to an increase of \$2.6 million in transportation which was offset by a reduction in expenses in basic utility services and leisure time activities.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2011, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.



The income tax revenue for 2011 was \$21,204,224, an increase of \$2,191,243 or 11.5 percent from 2010. The increase was due to a slight turnaround in the overall economy but mostly due to the local economy which sustained and even increased employment levels due to the demanding nature of their business. Of the \$51,685,572 in total revenues, income tax accounted for 41.02 percent, as compared to 41.0 percent of the total during 2010. Property taxes for 2011 were \$11,719,997, a \$127,898 decrease from 2010. The decrease was due to the general devaluation of properties within the entire northeast Ohio region but also in Cuyahoga County.

Operating grants and contributions and charges for services increased by \$1,001,689 and \$165,854, respectively, during 2011 as compared to 2010.

Capital grants and contributions decreased \$1,026,113 during 2011. The City received \$2.1 million in OPWC grant funds for the Clague Road widening project in 2010. In 2011, \$0.7 million in federal funds were received for the Detroit/Dover intersection improvement project.

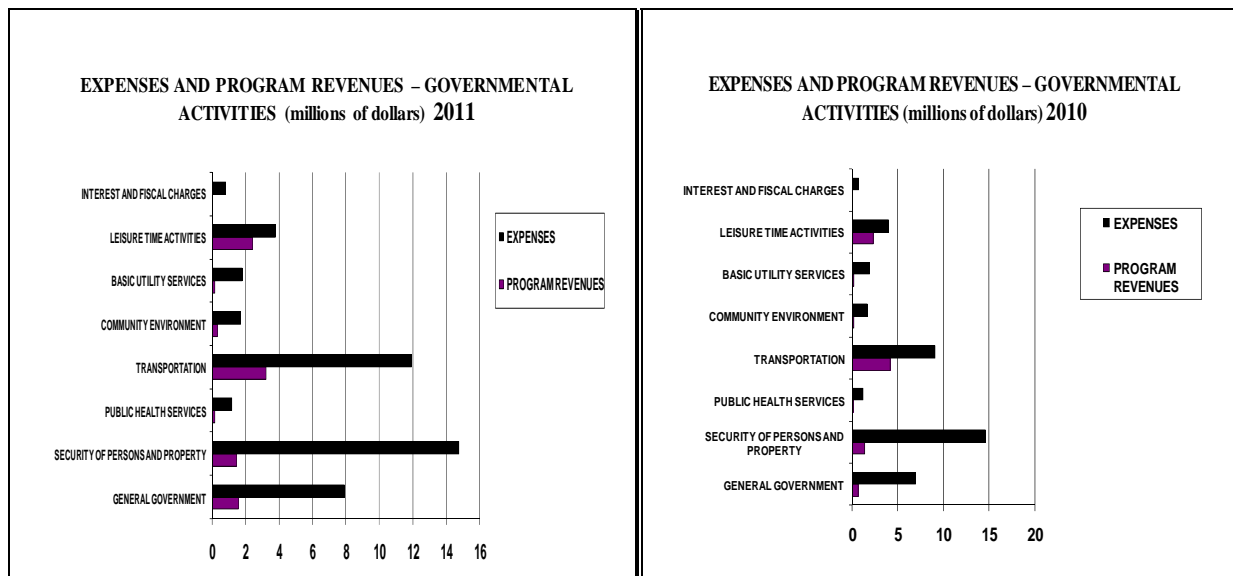
City of Westlake, Ohio
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General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. During 2011, the City received \$4.36 million in grant monies, compared to \$4.39 million in 2010. Investment earnings increased by \$350,928 from 2010 due to a slight increase in the interest rates combined with a shift in the City's investment strategy during 2011. More investments were made in callable securities which resulted in an increase in the short-term yields and adding to the cash flow. Also, the city started to purchase bond anticipation notes of the State of Ohio and its various political subdivisions with an investment grade of Aa or higher.

The largest program function for the City for 2011 is security of persons and property, with program expenses of \$14,747,275 as compared to \$14,584,694 in 2010, an increase of 1.11 percent. The increase was due to the City filling some of the vacant positions primarily in the Police Department during 2011 which occurred mostly due to retirements. Transportation is the next largest program for 2011, with program expenses of \$11,927,202 as compared to \$9,085,307 in 2010, an increase of 31.28 percent. Contributing factors to this increase included additional costs for road maintenance projects due to having a more extensive program compared to the preceding year and also increases in contractual amounts paid for rubbish collection and snow removal including the cost of salt purchases.

The next largest program is general government which accounts for the basic operations of the City including council, mayor, finance, law, purchasing, civil service, engineering, building maintenance, among other services. General government expenses for 2011 were \$7,902,687 as compared to \$6,968,302 for 2010.

Leisure time activities expense decreased by \$191,204, or 4.8 percent during 2011, community environment increased \$36,592 or 2.17 percent due to the processing of several large refunds from unclaimed monies in 2010. Expenses for basic utility services decreased from 2010 to 2011 by \$115,967 or 6.05 percent due to a decline in forester and leaf pick-up expenditures.



The charts above reflect how the City funds its programs, either through program or general revenues. As can be seen above, all programs have a heavy reliance on general revenues, with 81.94 percent of total 2011 revenues coming from general revenues. Leisure time activities received the most charges for services program revenue, primarily from the City's recreation center which is a membership-only facility.

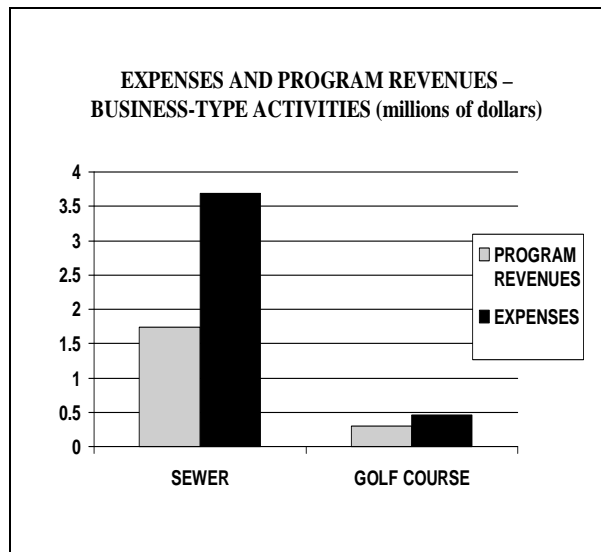
City of Westlake, Ohio
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While security of persons and property is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police fines and forfeitures. The fire and emergency rescue department is now partially funded with the EMS fee reimbursement which was initiated during mid-2008 and generates approximately \$800,000 per year.

Transportation program expense is only partially funded through operating grants and contributions, which are the State-collected gasoline and motor vehicle license taxes. The remaining program expense must be funded through City general revenues. With the City's aggressive infrastructure program in place, transportation program expense will continue to make up a large portion of the City's overall expenses as the roadways are capitalized and depreciated over time.

Business-Type Activities and Enterprise Funds

The Business-Type activities of the City, which include the City's sewer operations and golf activities, decreased the City's net assets by \$1,895,269 during 2011, as compared to a decrease of net assets of \$1,854,696 during 2010.



Program expenses exceeded program revenues in the amount of \$1,950,592 for the sewer operations in 2011. This is due to increased contributions required for the City's share of operating expenses of the Rocky River Wastewater Treatment Plant, improved maintenance program for sewers through the public service department, as well as additional sewer depreciation for recently-replaced sewer lines.

Program expenses exceeded program revenues in the Golf Course activity in the amount of \$129,358 for the current year due to the charges for services not being sufficient to cover the cost of operations of the golf course due to poor weather conditions. This is comparable to the previous year and resulted in a decrease in net assets at year-end.

Financial Analysis of the Government's Funds

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Resources that are not restricted, committed, or assigned are accounted for in the general fund.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of the current year, the City of Westlake's governmental funds reported combined ending fund balances of \$66,607,037. Nonspendable fund balance of \$1,594,575 includes interfund loans, prepaids, inventory and cemetery investments. Fund balance in the amount of \$30,497,461 is restricted for road improvements, police and fire department operations, unclaimed monies and capital improvements. Fund balance in the amount of \$1,349,585 is committed to recreation and donations. Assigned fund balance includes \$12,606,454 for future severance payments, safety town, equipment replacement, franchise taxes, swimming pool operations and community services. Unassigned fund balances of \$20,558,962 represents all balances not previously classified.

All governmental funds had total revenues of \$50,474,093 and expenditures of \$53,081,621, with expenditures exceeding revenues by \$2,607,528. While revenues increased from the previous year, expenditures decreased significantly from the previous year mainly due to paying off less debt.

General Fund

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$36,109,113, of which \$1,025,510 was nonspendable because of advances, prepaids, inventory and cemetery investments, \$518,802 was restricted for unclaimed monies, \$12,590,847 was assigned to future severance payments, safety town, capital acquisition, franchise taxes, swimming pool operations, community services, cemetery operations and encumbrances, and \$21,973,954 was unassigned for financial reporting purposes. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to annual fund expenditures. Unassigned general fund balance represents 86.96 percent of total general fund expenditures, while total fund balance represents 142.90 percent of that same amount. Total fund balance of the City's general fund increased by \$7,102,829. General fund revenues increased due significant gains in income and estate taxes. Expenditures decreased with changes in hospitalization funding, lower costs for rubbish collection and snow removal, lower staffing levels due to retirements, and lower technology costs.

Recreation Fund

The recreation special revenue fund accounts for membership and program fees which are used to operate and maintain the recreation center. At the end of the current year, total fund balance for the recreation fund was \$1,162,278, which was an increase from the prior year. Operations were once again funded with income tax revenues and user fees, while salary and benefit costs declined due to a change in staffing levels.

City of Westlake, Ohio
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Special Assessment Bond Retirement Fund

The special assessment bond retirement debt service fund accounts for resources used for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied. At the end of the current year, total fund balance was \$421,826, which was a small increase from the prior year mainly due to revenues exceeding principal and interest payments.

Infrastructure Tax Fund

The infrastructure tax capital projects fund accounts for the infrastructure-related capital improvements which are funded through a 3/8 of one percent of dedicated income tax. During the current year, the fund balance of the City's infrastructure tax fund decreased by \$1,534,340 resulting from projects such as water line rehabilitation and preliminary road construction. The dedicated 3/8 of one percent income tax for infrastructure used by this fund was renewed in November 2006, and was effective for another 15 years beginning January 1, 2008.

Grants Fund

This fund accounts for various state and federal monies which are used for historical site preservation and the construction of recreation facilities. Total fund balance decreased by \$1,070,996 due to increased capital outlay expenditures. Also, in 2010 there was a major grant received from OPWC for improvements to Clague Road.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2011, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of our major activities, such as our police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues and final budgeted revenues were \$26,383,034. Original general fund budgeted expenditures were \$32,035,601, and the final amended budget was \$32,223,101. Actual general fund expenditures were \$25,190,441 or \$7,032,660 less than budgeted due to other operating expenditures less than originally estimated.

The differences between the general fund's amended or final budget and the actual expenditures were as follows:

- \$675,000 was budgeted for the purchase of new financial software which will be considered at a later date.
- \$2.0 million was budgeted for civic improvements from cable television funds that was postponed.
- \$0.9 million less was spent in salaries and benefits for safety personnel. Staffing levels are at a temporary low due to retirements and separations.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

- Four service workers positions were budgeted but were not hired resulting in lower salary costs. Several other general fund positions were not filled.
- \$1,436,000 was budgeted for personnel expenses for certain vacant positions in the Police, Fire and Service Departments which were not filled during the year.
- Costs of rubbish collection and annual road maintenance program were \$1,431,000 lower than budgeted.
- Purchase of certain service vehicles were \$46,000 under budget.
- An amount of \$1.3 million was budgeted for the construction of a Civic Center at Crocker Park; the project was delayed to a future date.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2011 balances of capital assets as compared to 2010.

**CAPITAL ASSETS
(NET OF DEPRECIATION)**

TABLE 3

	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
Land	\$14,162,808	\$14,161,808	\$1,499,176	\$1,499,176
Construction in Progress	7,157,351	14,623,711	458,271	1,851,767
Buildings	32,611,603	33,457,528	1,327,161	1,362,073
Improvements	2,036,202	2,194,535	57,902	65,194
Machinery & Equipment	1,377,203	1,260,946	45,456	51,758
Furniture and Fixtures	575,322	584,158	10,495	3,751
Vehicles	2,025,006	2,244,139	3,900	8,164
Infrastructure:				
Roads	41,311,054	35,473,331	0	0
Water Mains	21,835,955	20,176,005	0	0
Storm Sewers	14,558,372	13,185,879	0	0
Sewers	0	0	27,241,364	26,492,776
Culverts	654,907	683,371	0	0
Traffic Signals	2,488,305	2,574,101	0	0
Bridges	1,090,157	1,125,090	0	0
Total	\$141,884,245	\$141,744,602	\$30,643,725	\$31,334,659

The most significant increases in governmental capital assets came in infrastructure, which increased \$8,720,973 during 2011, primarily due to the capitalization of the Clague Road and Hilliard Boulevard widening projects. Total capital assets for business-type activities decreased \$690,934 to \$30,643,725 in 2011, due to current year depreciation and deletions outpacing current year acquisitions.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. We have a five-year capital plan in place that provides for street improvements and adding additional facilities to complement our current structures. For additional information see Note 10 to the basic financial statements.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Debt

As of December 31, 2011, the City of Westlake had \$21,260,907 in bonds and loans outstanding.

OUTSTANDING DEBT

TABLE 4

	Governmental Activities	
	2011	2010
General Obligation Bonds	\$16,253,598	\$10,001,023
Special Assessment Bonds	4,442,359	4,744,001
Notes Payable	0	9,326,970
OPWC Loans	564,950	625,711
Total	\$21,260,907	\$24,697,705

The general obligation bonds are composed of (1) Sewer Improvement – a 2004 voted debt issue repaid from charges for services; (2) 1997 Safety Facility Refunding Bonds repaid from property taxes, (3) 1997 Recreation Center voted issue for the construction of the City recreation center to be repaid from a dedicated 1/8 percent of the City's municipal income tax; and (4) Various purpose other bonds including advance refunding bonds issued in 1997 for the safety facilities debt and 2004 for street improvements.

The special assessment bonds consist of the Crocker/Detroit intersection improvement assessment, various sewer construction projects, Ranney Parkway, various sidewalk improvements, and various other improvements. The principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer from the specific property owners who primarily benefited from the projects.

The notes payable are notes issued in the anticipation of the issuance of bonds to pay costs related to the improvement of streets.

The OPWC loans are being paid semi-annually from the issue 2 improvement capital project fund, funded by property taxes for various infrastructure projects being financed through the Ohio Public Works program.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$127,844,357 at December 31, 2011.

Additional information concerning the City's debt can be found in Notes 17 and 18 to the basic financial statements.

Current Financial Related Activities

The City of Westlake maintained throughout 2011 a Moody's Investors Service and Fitch's Aaa rating, and Standard and Poor's AAA rating, and all ratings were affirmed in 2008. The City of Westlake remains the first suburb in Ohio to have been awarded all of the Aaa/AAA ratings.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The Administration and City Council developed a master plan for the acquisition of equipment and the building or upgrading of City facilities. As a result, we have seen a remarkable increase in our capital assets over that period of time and the expansion of all City services. The 2011 year is no different as the City completed the street, water line, sewer line, and other infrastructure improvements.

On behalf of the City of Westlake, we personally thank our State Auditor, Dave Yost, and Local Government Services section of the State Auditor's office for their involvement and support in putting together the GASB 34 statements. Auditor Yost and his staff certainly exemplify the fact that they seek the State of Ohio to be one of the more respected financial reporting governments and have committed themselves toward leading the way and providing the necessary guidance to enable all communities the opportunity to reach a level of excellence.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information contact Director of Finance Prashant Shah, CPA, City of Westlake, 27700 Hilliard Blvd., Westlake, Ohio 44145, telephone 440-617-4252, or web site at www.cityofwestlake.org.

BASIC FINANCIAL STATEMENTS

City of Westlake, Ohio

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$65,092,386	\$6,076,488	\$71,168,874
Cash and Cash Equivalents with Escrow Agents	764,535	28,312	792,847
Materials and Supplies Inventory	325,003	11,173	336,176
Accrued Interest Receivable	128,742	0	128,742
Accounts Receivable	581,785	398,105	979,890
Internal Balances	305,000	(305,000)	0
Intergovernmental Receivable	3,307,695	0	3,307,695
Prepaid Items	209,979	228	210,207
Municipal Income Taxes Receivable	5,494,131	0	5,494,131
Admission Taxes Receivable	20,283	0	20,283
Hotel Taxes Receivable	28,703	0	28,703
Permissive Motor Vehicle Taxes Receivable	37,913	0	37,913
Property Taxes Receivable	12,014,254	0	12,014,254
Special Assessments Receivable	4,200,000	0	4,200,000
Deferred Charges	542,239	0	542,239
Investment in Joint Venture	0	9,067,118	9,067,118
Nondepreciable Capital Assets	21,320,159	1,957,447	23,277,606
Depreciable Capital Assets, Net	120,564,086	28,686,278	149,250,364
<i>Total Assets</i>	<u>234,936,893</u>	<u>45,920,149</u>	<u>280,857,042</u>
Liabilities			
Accounts Payable	727,273	1,952	729,225
Contracts Payable	695,626	0	695,626
Accrued Wages	299,150	7,607	306,757
Retainage Payable	764,535	28,312	792,847
Accrued Interest Payable	59,462	0	59,462
Intergovernmental Payable	463,646	1,512	465,158
Deferred Revenue	11,368,499	0	11,368,499
Unearned Revenue	3,460	164,285	167,745
Claims Payable	241,961	0	241,961
Long-Term Liabilities:			
Due Within One Year	2,743,451	0	2,743,451
Due In More Than One Year	24,723,674	0	24,723,674
<i>Total Liabilities</i>	<u>42,090,737</u>	<u>203,668</u>	<u>42,294,405</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	120,651,597	30,643,725	151,295,322
Restricted for:			
Capital Projects	24,952,555	0	24,952,555
Debt Service	5,127,841	0	5,127,841
Street Maintenance	1,668,894	0	1,668,894
Emergency Medical Service	1,153,818	0	1,153,818
Unclaimed Monies	518,802	0	518,802
Permissive Motor Vehicle	1,093,806	0	1,093,806
Police and Fire Operating	281,008	0	281,008
Other Purposes	4,451,748	0	4,451,748
Unrestricted	32,946,087	15,072,756	48,018,843
<i>Total Net Assets</i>	<u>\$192,846,156</u>	<u>\$45,716,481</u>	<u>\$238,562,637</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Activities
For the Year Ended December 31, 2011

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$7,902,687	\$544,628	\$1,033,336	\$0
Security of Persons and Property	14,747,275	1,084,774	371,138	0
Public Health Services	1,190,286	166,906	0	0
Transportation	11,927,202	358,448	1,311,972	1,546,514
Community Environment	1,721,879	200,992	98,560	0
Basic Utility Services	1,801,486	177,435	0	0
Leisure Time Activities	3,788,078	2,407,993	0	0
Interest and Fiscal Charges	806,303	0	0	0
<i>Total Governmental Activities</i>	<u>43,885,196</u>	<u>4,941,176</u>	<u>2,815,006</u>	<u>1,546,514</u>
Business-Type Activities				
Sewer	3,684,221	1,733,629	0	0
Golf Course	428,838	299,480	0	0
<i>Total Business-Type Activities</i>	<u>4,113,059</u>	<u>2,033,109</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$47,998,255</u>	<u>\$6,974,285</u>	<u>\$2,815,006</u>	<u>\$1,546,514</u>

General Revenues

Property Taxes Levied for:

- General Purposes
- Police Pension
- Fire Pension
- Police and Fire Operating
- Debt Service

Municipal Income Taxes Levied for:

- General Purposes
- Recreation
- Debt Service
- Capital Outlay

Admission Taxes

Hotel Taxes

Grants and Entitlements not Restricted to Specific Programs

- Franchise Taxes
- Investment Earnings
- Gain on Sale of Capital Assets
- Miscellaneous

Total General Revenues Before Transfers

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$6,324,723)	\$0	(\$6,324,723)
(13,291,363)	0	(13,291,363)
(1,023,380)	0	(1,023,380)
(8,710,268)	0	(8,710,268)
(1,422,327)	0	(1,422,327)
(1,624,051)	0	(1,624,051)
(1,380,085)	0	(1,380,085)
(806,303)	0	(806,303)
(34,582,500)	0	(34,582,500)
0	(1,950,592)	(1,950,592)
0	(129,358)	(129,358)
0	(2,079,950)	(2,079,950)
(34,582,500)	(2,079,950)	(36,662,450)
9,766,663	0	9,766,663
366,250	0	366,250
366,250	0	366,250
1,098,750	0	1,098,750
122,084	0	122,084
14,091,446	0	14,091,446
259,448	0	259,448
1,857,968	0	1,857,968
4,995,362	0	4,995,362
187,280	0	187,280
431,774	0	431,774
6,057,901	0	6,057,901
523,339	0	523,339
615,400	32,957	648,357
5,296	0	5,296
1,637,665	145,714	1,783,379
42,382,876	178,671	42,561,547
(6,010)	6,010	0
42,376,866	184,681	42,561,547
7,794,366	(1,895,269)	5,899,097
185,051,790	47,611,750	232,663,540
<u>\$192,846,156</u>	<u>\$45,716,481</u>	<u>\$238,562,637</u>

City of Westlake, Ohio

Balance Sheet

Governmental Funds

December 31, 2011

	General	Recreation	Special Assessment Bond Retirement	Infrastructure Tax	Grants	Other Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$32,935,716	\$1,177,406	\$421,826	\$10,540,942	\$2,327,090	\$15,036,213
Cash and Cash Equivalents:						
with Escrow Agents	0	0	0	591,100	151,435	22,000
Materials and Supplies Inventory	322,843	2,160	0	0	0	0
Accrued Interest Receivable	88,428	0	0	12,059	0	28,255
Accounts Receivable	165,068	1,504	0	0	0	415,213
Interfund Receivable	372,500	0	0	3,550,000	0	0
Intergovernmental Receivable	1,790,368	0	0	0	286,514	1,230,813
Prepaid Items	180,267	316	0	0	0	2,940
Municipal Income Taxes Receivable	3,642,748	63,289	0	1,166,379	0	621,715
Admission Taxes Receivable	20,283	0	0	0	0	0
Hotel Taxes Receivable	28,703	0	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	0	37,913
Property Taxes Receivable	10,011,876	0	0	0	0	2,002,378
Special Assessments Receivable	0	0	4,200,000	0	0	0
Advances to Other Funds	149,900	0	0	0	0	0
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	518,802	0	0	0	0	0
Total Assets	\$50,227,502	\$1,244,675	\$4,621,826	\$15,860,480	\$2,765,039	\$19,397,440
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$605,230	\$34,209	\$0	\$821	\$0	\$82,497
Contracts Payable	0	0	0	180,997	462,612	52,017
Accrued Wages	236,750	19,437	0	343	381	42,239
Retainage Payable	0	0	0	591,100	151,435	22,000
Interfund Payable	0	0	0	0	3,512,500	170,000
Intergovernmental Payable	456,360	6,689	0	0	0	597
Deferred Revenue	12,816,589	22,062	4,200,000	406,587	3,600	3,344,513
Advances From Other Funds	0	0	0	0	0	84,900
Unearned Revenue	3,460	0	0	0	0	0
Total Liabilities	14,118,389	82,397	4,200,000	1,179,848	4,130,528	3,798,763
Fund Balances						
Nonspendable	1,025,510	2,476	0	0	0	566,589
Restricted	518,802	0	421,826	14,680,632	0	14,876,201
Committed	0	1,159,802	0	0	0	189,783
Assigned	12,590,847	0	0	0	0	15,607
Unassigned (Deficit)	21,973,954	0	0	0	(1,365,489)	(49,503)
Total Fund Balances (Deficit)	36,109,113	1,162,278	421,826	14,680,632	(1,365,489)	15,598,677
Total Liabilities and Fund Balances	\$50,227,502	\$1,244,675	\$4,621,826	\$15,860,480	\$2,765,039	\$19,397,440

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2011*

	Total Governmental Fund Balances	\$66,607,037
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$62,439,193	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	141,884,245
764,535	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
325,003	Charges for Services	392,672
128,742	Property Taxes	645,755
581,785	Municipal Income Taxes	1,915,195
3,922,500	Intergovernmental	2,254,940
3,307,695	Special Assessments	4,200,000
183,523	Miscellaneous	16,290
5,494,131	Total	9,424,852
20,283		
28,703	An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	1,914,370
37,913		
12,014,254		
4,200,000		
149,900		
518,802	Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	542,239
<u>\$94,116,962</u>	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(59,462)
	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
\$722,757	General Obligation Bonds	(16,253,598)
695,626	Special Assessment Bonds	(4,442,359)
299,150	OPWC Loans	(564,950)
764,535	Capital Lease Obligation Payable	(10,918)
3,682,500	Landfill Postclosure Costs	(560,162)
463,646	Compensated Absences Payable	(5,635,138)
20,793,351	Total	(27,467,125)
84,900		
3,460		
<u>27,509,925</u>	<i>Net Assets of Governmental Activities</i>	<u>\$192,846,156</u>
1,594,575		
30,497,461		
1,349,585		
12,606,454		
<u>20,558,962</u>		
66,607,037		
<u>\$94,116,962</u>		

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Recreation	Special Assessment Bond Retirement	Infrastructure Tax	Grants	Other Governmental Funds
Revenues						
Property Taxes	\$9,724,481	\$0	\$0	\$0	\$0	\$1,944,896
Municipal Income Taxes	13,504,485	250,102	0	4,414,420	0	2,145,841
Admission Taxes	187,280	0	0	0	0	0
Hotel Taxes	431,774	0	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	0	0	0	223,842
Charges for Services	493,863	2,105,517	0	855	825	877,691
Licenses, Permits and Fees	484,906	0	0	0	0	85,007
Fines and Forfeitures	263,917	0	0	0	0	97,251
Intergovernmental	5,659,501	0	0	36,050	1,014,542	3,147,823
Special Assessments	0	0	290,000	0	0	0
Interest	356,655	0	227,287	0	0	31,458
Rentals	153,209	76,341	0	0	0	0
Contributions and Donations	1,000	0	0	0	0	98,560
Franchise Taxes	523,339	0	0	0	0	0
Miscellaneous	1,358,672	11,733	0	0	0	250,970
<i>Total Revenues</i>	<u>33,143,082</u>	<u>2,443,693</u>	<u>517,287</u>	<u>4,451,325</u>	<u>1,015,367</u>	<u>8,903,339</u>
Expenditures						
Current:						
General Government	6,514,730	0	0	0	0	989,842
Security of Persons and Property	9,770,127	0	0	0	0	4,129,170
Public Health Services	1,014,303	0	0	0	0	3,425
Transportation	4,962,084	0	0	0	0	1,645,622
Community Environment	1,581,495	0	0	0	0	118,621
Basic Utility Services	625,175	0	0	0	0	79,035
Leisure Time Activities	782,521	2,260,341	0	0	0	0
Capital Outlay	18,182	0	0	5,633,577	2,086,363	847,352
Debt Service:						
Principal Retirement	0	1,408	290,000	7,350,000	0	1,435,761
Interest and Fiscal Charges	0	935	209,530	86,865	0	515,047
Bond Issuance Costs	0	0	0	130,110	0	0
<i>Total Expenditures</i>	<u>25,268,617</u>	<u>2,262,684</u>	<u>499,530</u>	<u>13,200,552</u>	<u>2,086,363</u>	<u>9,763,875</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,874,465</u>	<u>181,009</u>	<u>17,757</u>	<u>(8,749,227)</u>	<u>(1,070,996)</u>	<u>(860,536)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	72,597	830	0	0	0	0
General Obligation Bonds Issued	0	0	0	7,350,000	0	0
General Obligation Bonds Premium	0	0	0	263,453	0	0
Inception of Capital Lease	0	12,326	0	0	0	0
Transfers In	0	0	0	0	0	1,242,799
Transfers Out	(844,233)	0	0	(398,566)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(771,636)</u>	<u>13,156</u>	<u>0</u>	<u>7,214,887</u>	<u>0</u>	<u>1,242,799</u>
<i>Net Change in Fund Balances</i>	<u>7,102,829</u>	<u>194,165</u>	<u>17,757</u>	<u>(1,534,340)</u>	<u>(1,070,996)</u>	<u>382,263</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>29,006,284</u>	<u>968,113</u>	<u>404,069</u>	<u>16,214,972</u>	<u>(294,493)</u>	<u>15,216,414</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$36,109,113</u>	<u>\$1,162,278</u>	<u>\$421,826</u>	<u>\$14,680,632</u>	<u>(\$1,365,489)</u>	<u>\$15,598,677</u>

See accompanying notes to the basic financial statements

City of Westlake, 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, 2011*

	Net Change in Fund Balances - Total Governmental Funds	\$5,091,678
Total Governmental Funds	Amounts reported for governmental activities in the statement of activities are different because	
\$11,669,377	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
20,314,848	This is the amount by which capital outlay exceeded depreciation in the current period.	
187,280	Capital Asset Additions	7,227,965
431,774	Current Year Depreciation	<u>(6,744,912)</u>
223,842	Total	483,053
3,478,751	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(343,410)
569,913	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues within the governmental funds.	
361,168	Delinquent Property Taxes	50,620
9,857,916	Municipal Income Taxes	889,376
290,000	Intergovernmental	461,945
615,400	Special Assessments	(290,000)
229,550	Charges for Services	85,330
99,560	Rentals	(7,378)
523,339	Miscellaneous	<u>16,290</u>
1,621,375	Total	1,206,183
50,474,093	Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
7,504,572	Bond Anticipation Notes	7,350,000
13,899,297	General Obligation Bonds	1,375,000
1,017,728	Special Assessment Bonds	290,000
6,607,706	OPWC Loans Payable	60,761
1,700,116	Capital Lease	<u>1,408</u>
704,210	Total	9,077,169
3,042,862	Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.	
8,585,474	General Obligation Bonds Issued	(7,350,000)
9,077,169	Premium on General Obligation Bonds Issued	(263,453)
812,377	Inception of Capital Lease	<u>(12,326)</u>
130,110	Total	(7,625,779)
53,081,621	In the statement of activities, bond issuance costs are amortized over the term of the notes, whereas in governmental funds a note issuance expenditure is reported when notes are issued.	130,110
(2,607,528)	In the statement of activities, interest accrued on outstanding bonds, bond premium, bond issuance costs and loss on refunding are amortized over the terms of the bonds whereas in the governmental funds the expenditure is reported when bonds are issued.	
73,427	Accrued Interest	38,543
7,350,000	Amortization of Bond Premium	55,286
263,453	Amortization of Bond Issuance Costs	(56,959)
12,326	Amortization of Loss on Refunding	<u>(30,796)</u>
1,242,799	Total	6,074
(1,242,799)	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.	
7,699,206	Compensated Absences	(184,601)
5,091,678	Landfill	<u>40,477</u>
61,515,359	Total	(144,124)
\$66,607,037	The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	<u>(86,588)</u>
	<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$7,794,366</u></u>

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$9,494,669	\$9,494,669	\$9,724,481	\$229,812
Municipal Income Taxes	12,050,000	12,050,000	13,340,019	1,290,019
Admission Taxes	220,000	220,000	184,461	(35,539)
Hotel Taxes	375,000	375,000	427,854	52,854
Charges for Services	218,000	218,000	156,213	(61,787)
Licenses, Permits and Fees	381,600	381,600	484,906	103,306
Fines and Forfeitures	200,300	200,300	264,417	64,117
Intergovernmental	2,576,685	2,576,685	6,318,791	3,742,106
Interest	260,000	260,000	399,396	139,396
Rentals	95,730	95,730	147,939	52,209
Contributions and Donations	0	0	1,000	1,000
Franchise Taxes	475,000	475,000	507,883	32,883
Miscellaneous	36,050	36,050	1,313,183	1,277,133
<i>Total Revenues</i>	<u>26,383,034</u>	<u>26,383,034</u>	<u>33,270,543</u>	<u>6,887,509</u>
Expenditures				
Current:				
General Government	10,307,773	10,432,273	6,251,613	4,180,660
Security of Persons and Property	11,080,875	11,080,875	9,948,901	1,131,974
Public Health Services	1,002,075	1,010,075	827,911	182,164
Transportation	6,573,538	6,573,538	5,456,900	1,116,638
Community Environment	1,492,251	1,547,251	1,443,504	103,747
Basic Utility Services	739,437	739,437	628,439	110,998
Leisure Time Activities	813,752	813,752	614,991	198,761
Capital Outlay	25,900	25,900	18,182	7,718
<i>Total Expenditures</i>	<u>32,035,601</u>	<u>32,223,101</u>	<u>25,190,441</u>	<u>7,032,660</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,652,567)</u>	<u>(5,840,067)</u>	<u>8,080,102</u>	<u>13,920,169</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	5,000	72,597	67,597
Advances In	1,345,000	1,345,000	1,077,500	(267,500)
Advances Out	(200,000)	(297,400)	(199,900)	97,500
Transfers Out	(923,300)	(910,800)	(844,233)	66,567
<i>Total Other Financing Sources (Uses)</i>	<u>226,700</u>	<u>141,800</u>	<u>105,964</u>	<u>(35,836)</u>
<i>Net Change in Fund Balance</i>	<u>(5,425,867)</u>	<u>(5,698,267)</u>	<u>8,186,066</u>	<u>13,884,333</u>
<i>Fund Balance Beginning of Year</i>	<u>22,574,765</u>	<u>22,574,765</u>	<u>22,574,765</u>	<u>0</u>
Unexpended Prior Year Encumbrances	<u>262,578</u>	<u>262,578</u>	<u>262,578</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17,411,476</u></u>	<u><u>\$17,139,076</u></u>	<u><u>\$31,023,409</u></u>	<u><u>\$13,884,333</u></u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$250,000	\$250,000	\$250,000	\$0
Charges for Services	2,088,000	2,088,000	2,105,330	17,330
Rentals	74,500	74,500	76,341	1,841
Miscellaneous	10,100	10,100	13,901	3,801
<i>Total Revenues</i>	<u>2,422,600</u>	<u>2,422,600</u>	<u>2,445,572</u>	<u>22,972</u>
Expenditures				
Current:				
Leisure Time Activities	2,730,496	2,730,637	2,256,102	474,535
Debt Service:				
Principal Retirement	1,408	1,408	1,408	0
Interest and Fiscal Charges	935	935	935	0
Total Debt Service	<u>2,343</u>	<u>2,343</u>	<u>2,343</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,732,839</u>	<u>2,732,980</u>	<u>2,258,445</u>	<u>474,535</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(310,239)	(310,380)	187,127	497,507
Other Financing Sources				
Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>830</u>	<u>830</u>
<i>Net Change in Fund Balance</i>	(310,239)	(310,380)	187,957	498,337
<i>Fund Balance Beginning of Year</i>	927,034	927,034	927,034	0
Unexpended Prior Year Encumbrances	<u>22,584</u>	<u>22,584</u>	<u>22,584</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$639,379</u></u>	<u><u>\$639,238</u></u>	<u><u>\$1,137,575</u></u>	<u><u>\$498,337</u></u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Nonmajor - Golf Course	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$6,065,541	\$10,947	\$6,076,488	\$2,134,391
Cash and Cash Equivalents with Escrow Agents	28,312	0	28,312	0
Materials and Supplies Inventory	0	11,173	11,173	0
Accounts Receivable	398,105	0	398,105	0
Prepaid Items	18	210	228	26,456
<i>Total Current Assets</i>	<u>6,491,976</u>	<u>22,330</u>	<u>6,514,306</u>	<u>2,160,847</u>
<i>Noncurrent Assets</i>				
Investment in Joint Venture	9,067,118	0	9,067,118	0
Nondepreciable Capital Assets	458,271	1,499,176	1,957,447	0
Depreciable Capital Assets, Net	27,990,716	695,562	28,686,278	0
<i>Total Noncurrent Assets</i>	<u>37,516,105</u>	<u>2,194,738</u>	<u>39,710,843</u>	<u>0</u>
<i>Total Assets</i>	<u>44,008,081</u>	<u>2,217,068</u>	<u>46,225,149</u>	<u>2,160,847</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	1,952	0	1,952	4,516
Claims Payable	0	0	0	241,961
Accrued Wages	4,917	2,690	7,607	0
Retainage Payable	28,312	0	28,312	0
Interfund Payable	0	240,000	240,000	0
Intergovernmental Payable	1,474	38	1,512	0
Unearned Revenue	164,285	0	164,285	0
<i>Total Current Liabilities</i>	<u>200,940</u>	<u>242,728</u>	<u>443,668</u>	<u>246,477</u>
<i>Long-Term Liabilities</i>				
Advances From Other Funds	0	65,000	65,000	0
<i>Total Liabilities</i>	<u>200,940</u>	<u>307,728</u>	<u>508,668</u>	<u>246,477</u>
Net Assets				
Invested in Capital Assets	28,448,987	2,194,738	30,643,725	0
Unrestricted (Deficit)	15,358,154	(285,398)	15,072,756	1,914,370
<i>Total Net Assets</i>	<u>\$43,807,141</u>	<u>\$1,909,340</u>	<u>\$45,716,481</u>	<u>\$1,914,370</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011*

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Nonmajor - Golf Course	Total	
Operating Revenues				
Charges for Services	\$1,693,047	\$250,542	\$1,943,589	\$3,336,950
Tap-In-Fees	40,582	0	40,582	0
Rentals	0	48,938	48,938	0
Miscellaneous	140,829	4,885	145,714	0
<i>Total Operating Revenues</i>	<u>1,874,458</u>	<u>304,365</u>	<u>2,178,823</u>	<u>3,336,950</u>
Operating Expenses				
Personal Services	356,815	217,600	574,415	145,361
Fringe Benefits	152,061	63,570	215,631	33,585
Contractual Services	1,689,016	45,545	1,734,561	613,934
Materials and Supplies	12,593	46,675	59,268	157
Depreciation	1,052,131	42,798	1,094,929	0
Other	61,532	12,650	74,182	622
Claims	0	0	0	2,629,879
<i>Total Operating Expenses</i>	<u>3,324,148</u>	<u>428,838</u>	<u>3,752,986</u>	<u>3,423,538</u>
<i>Operating Loss</i>	<u>(1,449,690)</u>	<u>(124,473)</u>	<u>(1,574,163)</u>	<u>(86,588)</u>
Nonoperating Revenues (Expenses)				
Interest	32,957	0	32,957	0
Loss in Joint Venture	(360,073)	0	(360,073)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(327,116)</u>	<u>0</u>	<u>(327,116)</u>	<u>0</u>
<i>Loss Before Transfers</i>	<u>(1,776,806)</u>	<u>(124,473)</u>	<u>(1,901,279)</u>	<u>(86,588)</u>
Transfers In	<u>0</u>	<u>6,010</u>	<u>6,010</u>	<u>0</u>
<i>Change in Net Assets</i>	<u>(1,776,806)</u>	<u>(118,463)</u>	<u>(1,895,269)</u>	<u>(86,588)</u>
<i>Net Assets Beginning of Year</i>	<u>45,583,947</u>	<u>2,027,803</u>	<u>47,611,750</u>	<u>2,000,958</u>
<i>Net Assets End of Year</i>	<u>\$43,807,141</u>	<u>\$1,909,340</u>	<u>\$45,716,481</u>	<u>\$1,914,370</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Nonmajor - Golf Course	Total	
Increase (Decrease) In Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,678,428	\$299,480	\$1,977,908	\$0
Cash Received from Interfund Services	0	0	0	3,337,187
Cash Received from Other Operating Sources	140,829	4,885	145,714	0
Cash Received from Tap-In Fees	40,582	0	40,582	0
Cash Payments to Suppliers for Goods and Services	(1,821,346)	(93,597)	(1,914,943)	(613,733)
Cash Payments for Claims	0	0	0	(2,610,883)
Cash Payments for Employee Services and Benefits	(511,626)	(281,321)	(792,947)	(181,474)
Cash Payments for Other Operating Expenses	(59,719)	(12,650)	(72,369)	(622)
<i>Net Cash Used for Operating Activities</i>	<u>(532,852)</u>	<u>(83,203)</u>	<u>(616,055)</u>	<u>(69,525)</u>
Cash Flows from Noncapital Financing Activities				
Advance In	0	65,000	65,000	0
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(396,503)	(1,482)	(397,985)	0
Cash Flows from Investing Activities				
Interest	<u>50,463</u>	<u>0</u>	<u>50,463</u>	<u>0</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	(878,892)	(19,685)	(898,577)	(69,525)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>6,972,745</u>	<u>30,632</u>	<u>7,003,377</u>	<u>2,203,916</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$6,093,853</u></u>	<u><u>\$10,947</u></u>	<u><u>\$6,104,800</u></u>	<u><u>\$2,134,391</u></u>

(continued)

City of Westlake, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Nonmajor - Golf Course	Total	
Reconciliation of Operating Loss to Net Cash Used for Operating Activities				
<i>Operating Loss</i>	(\$1,449,690)	(\$124,473)	(\$1,574,163)	(\$86,588)
Adjustments:				
Depreciation	1,052,131	42,798	1,094,929	0
(Increase)/Decrease in Assets:				
Accounts Receivable	(8,601)	0	(8,601)	237
Materials and Supplies Inventory	0	(957)	(957)	0
Prepaid Items	159	(210)	(51)	(2,401)
Increase/(Decrease) in Liabilities:				
Accounts Payable	(19,373)	(210)	(19,583)	2,759
Accrued Wages	(2,716)	(148)	(2,864)	(2,510)
Retainage Payable	(98,993)	0	(98,993)	0
Intergovernmental Payable	249	(3)	246	(18)
Unearned Revenue	(6,018)	0	(6,018)	0
Claims Payable	0	0	0	18,996
<i>Net Cash Used for Operating Activities</i>	<u>(\$532,852)</u>	<u>(\$83,203)</u>	<u>(\$616,055)</u>	<u>(\$69,525)</u>

Noncash Capital Transaction

In 2011, governmental funds transferred capital assets to the Golf Course enterprise fund, in the amount of \$6,010.

City of Westlake, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2011

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,259,849</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$1,259,849</u></u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Reporting Entity

The City of Westlake is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted in 1956.

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

The City of Westlake’s primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a fire fighting force, and a street maintenance and sanitation force, planning and zoning departments, parks and a recreation system, a sewer system, one golf course, and a staff to provide essential support to these service providers.

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

The Rocky River Wastewater Treatment Plant is a joint venture, owned and operated by the cities of Westlake, Rocky River, Bay Village and Fairview Park. The mayors of each city serve during their term in office as members of the Management Committee of the Rocky River Wastewater Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 22).

The City is associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, Safe Air For Environment (S.A.F.E) Council of Governments, and West Shore Area Rescue Association. These organizations are presented in Note 23 to the basic financial statements.

The City is also associated with the Westlake Community Improvement Corporation (WCIC). The WCIC is a not-for-profit corporation which was founded in 1976. The seven-member Board, which consists of three elected officials of the City and four members appointed by the trustees, promotes industrial, commercial, distribution and research activities within the City. The City does not have a majority control in the Board and therefore, WCIC has been excluded from the reporting entity.

The City’s management believes these financial statements present all activities for which the City is financially accountable.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City of Westlake have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless those pronouncements conflict with or contradict GASB pronouncements.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City has elected not to apply FASB statements after November 30, 1989 to its business-type activities and its enterprise funds. The more significant of the City's accounting policies are described below.

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 activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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 or interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business 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. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions 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:

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

General Fund The general fund accounts and reports for all financial resources not accounted for and reported 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 Westlake and/or the general laws of Ohio.

Recreation Fund The recreation fund accounts for membership and program fees and 1/8 of one percent voted income tax committed for the operation and maintenance of recreation programs and the recreation center.

Special Assessment Bond Retirement Fund The special assessment bond retirement fund accounts for resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Infrastructure Tax Fund This fund is restricted for the costs of all capital projects funded by a 3/8 of one percent voted increase in the municipal income tax.

Grants Fund The grants fund accounts for various state and federal monies which are restricted for historical site preservation and the construction of recreation facilities.

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

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

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

Sewer Fund The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Golf Course Fund The golf course fund accounts for the operations of the City owned golf course.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on a self-insurance program for employee hospital/medical, prescription, dental and vision insurance benefits and City department costs of the information technology department.

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 has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for central dispatching services for the West Shore Council of Governments, deposits held for contractors and developers and assessments due to other governments.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net 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 generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the 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 fund net assets. The statement of revenues, expenses and 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.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary 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 Nonexchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlement 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 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Unearned Revenues On enterprise fund financial statements, revenue received as of December 31, 2011, for 2012 services, has been recorded as unearned revenue.

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

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

Budgetary Data

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

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Pooled Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2011, investments were limited to non-negotiable certificates of deposit, federal agency securities, U.S. treasury bills, and STAROhio. Non-negotiable certificates of deposit are reported at cost. Investments are reported at fair value, which is based on quoted market price or current share.

The City of Westlake has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during 2011. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share which is the price for which the investment could be sold at December 31, 2011.

Interest earnings are allocated to City funds according to state statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2011 was \$356,655, which includes \$73,476 assigned from other City funds.

Cash and cash equivalents that are held separately by the City for payment of retainage to contractors upon project completion are recorded as "cash and cash equivalents with escrow agents".

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

Materials and Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net 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 was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). The City maintains a capitalization threshold of \$1,000 dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	50 years	50 years
Land Improvements	N/A	20 years
Machinery and Equipment	5 years	5 years
Furniture and Fixtures	10 years	10 years
Vehicles	2 - 15 years	2 - 15 years
Infrastructure	20 - 50 years	50 years

The City's infrastructure consists of roads, water mains, storm sewers, culverts, traffic signals and bridges and includes infrastructure acquired prior to December 31, 1980.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

On fund financial statements, long-term interfund loans, reported as "advances to/from other funds", are classified as nonspendable fund balance which indicate that they are not in spendable form even though it is a component of net current assets. Repayment is expected to be made within a reasonable period of time.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments in the next 20 years). The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the City's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions 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, capital lease and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute.

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

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

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 enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted for other purposes include state highway maintenance and repair, community development and recreational activities. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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 services for sewer services, golf, self-insurance programs and information technology. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for a 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 presented on the financial statements.

Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective-interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

As permitted by state statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued.

Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective-interest method.

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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

Note 3 – Change in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 59 “Financial Instruments Omnibus”. GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change to the City’s financial statements.

Note 4 – Accountability

The deficit fund balances in the FEMA and federal grants special revenue funds, in the amount of \$863 and \$48,640, respectively, and in the grants capital projects fund, in the amount of \$1,365,489, are the result of interfund loans which are used to finance activities until resources are available to repay the general fund.

Note 5 – Fund Balances

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

Fund Balances	General Fund	Recreation	Special Assessments Bond Retirement	Infrastructure Tax	Grants	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>							
Interfund loans	\$522,400	\$0	\$0	\$0	\$0	\$0	\$522,400
Prepays	180,267	316	0	0	0	2,940	183,523
Inventory	322,843	2,160	0	0	0	0	325,003
Cemetery	0	0	0	0	0	563,649	563,649
<i>Total Nonspendable</i>	<i>\$1,025,510</i>	<i>\$2,476</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$566,589</i>	<i>\$1,594,575</i>

(continued)

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Fund Balances	General Fund	Recreation	Special Assessments Bond Retirement	Infrastructure Tax	Grants	Nonmajor Governmental Funds	Total
Restricted for:							
Road improvements	\$0	\$0	\$0	\$0	\$0	\$2,903,168	\$2,903,168
Police and fire departments	0	0	0	0	0	830,437	830,437
Law enforcement	0	0	0	0	0	510,699	510,699
Drug and alcohol enforcement	0	0	0	0	0	117,529	117,529
Juvenile diversion	0	0	0	0	0	1,499	1,499
Unclaimed monies	518,802	0	0	0	0	0	518,802
West/Bay ecological	0	0	0	0	0	147,436	147,436
Emergency medical services	0	0	0	0	0	768,915	768,915
Sanitary sewer improvements	0	0	0	0	0	3,223,814	3,223,814
Sidewalks	0	0	0	0	0	92,982	92,982
Construction and improvement of City facilities	0	0	0	0	0	5,362,120	5,362,120
Debt service payments	0	0	421,826	0	0	872,053	1,293,879
Issue II improvements	0	0	0	0	0	42,549	42,549
Issue 11 Improvements	0	0	0	14,680,632	0	0	14,680,632
Total Restricted	518,802	0	421,826	14,680,632	0	14,873,201	30,494,461
Committed to:							
Recreation	0	1,159,802	0	0	0	0	1,159,802
Other purposes	0	0	0	0	0	189,783	189,783
Total Committed	0	1,159,802	0	0	0	189,783	1,349,585
Assigned to:							
Compensated absences	1,007,065	0	0	0	0	0	1,007,065
Safety town	10,229	0	0	0	0	0	10,229
Equipment replacement	8,074,020	0	0	0	0	0	8,074,020
Cable television	3,099,619	0	0	0	0	0	3,099,619
Swimming pool operations	67,974	0	0	0	0	0	67,974
Community services	47,027	0	0	0	0	0	47,027
Cemetery operations	83,851	0	0	0	0	0	83,851
Service center construction	0	0	0	0	0	15,607	15,607
Other purposes	201,062	0	0	0	0	0	201,062
Total Assigned	12,590,847	0	0	0	0	15,607	12,606,454
Unassigned (Deficit):	21,973,954	0	0	0	(1,365,489)	(49,503)	20,558,962
Total Fund Balances (Deficit)	\$36,109,113	\$1,162,278	\$421,826	\$14,680,632	(\$1,365,489)	\$15,595,677	\$66,604,037

Note 6 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statements of revenues, expenditures and changes in fund balance – budget (Non-GAAP Basis) and actual presented for the general fund and the recreation major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP).
- (d) Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP).
- (e) Investments are reported at fair value (GAAP) rather than cost (budget basis).
- (f) Budgetary revenues and expenditures of the swimming pool operations fund, senior/community services fund, cemetery operations fund and reserve for compensated absences fund are reclassified to the general fund for GAAP Reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund and the recreation special revenue fund.

	General	Recreation
GAAP Basis	\$7,102,829	\$194,165
Net Adjustment for Revenue Accruals	436,629	(10,447)
Beginning Fair Value Adjustment for Investments	12,615	0
Ending Fair Value Adjustment for Investments	(38,969)	0
Net Adjustment for Expenditure Accruals	450,181	44,070
Excess of revenues and other financing sources and over (under) expenditures and other sources uses:		0
Swimming Pool Operations	6,796	0
Senior/Community Services	10,090	0
Cemetery Operations	79,314	0
Reserve for Compensated Absences	435,247	0
Advances In	1,077,500	0
Advances Out	(199,900)	0
Encumbrances	(1,186,266)	(39,831)
Budget Basis	\$8,186,066	\$187,957

Note 7 – Deposits and Investments

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of state statute. State statutes classify monies held by the City into three categories.

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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 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, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (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;
7. The State Treasurer's investment pool (STAROhio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short-selling are also prohibited. 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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of December 31, 2011, the City had the following investments:

	Fair Value	Maturity
Federal Home Loan Bank Bonds	\$7,358,807	Less than one year
Federal Home Loan Bank Bonds	8,013,965	Less than three years
Federal Home Loan Bank Bonds	999,557	Less than four years
Federal Farm Credit Bank Bonds	7,016,160	Less than one year
Federal Farm Credit Bank Bonds	1,502,747	Less than three years
Federal Farm Credit Bank Bonds	500,056	Less than four years
Municipal Bonds	2,889,386	Less than one year
Municipal Bonds	97,166	Less than two years
Municipal Bonds	102,822	Less than three years
STAROhio	14,679	Average 57 Days
Total Portfolio	<u>\$28,495,345</u>	

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

Credit Risk The Federal Home Loan Bank Bonds and Federal Farm Credit Bank Bonds carry a rating of AA+ by Standard and Poor's. STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The Federal Home Loan Bank Bonds, Federal Farm Credit Bank Bonds and Municipal Bonds represent 57.46 percent, 31.65 percent and 10.84 percent, respectively, of the City's investments.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 8 – Interfund Transfers and Balances

Interfund Transfers

At December 31, 2011 interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>		Total
	General	Infrastructure Tax	
Nonmajor Funds:			
Police Pension	\$350,000	\$0	\$350,000
Fire Pension	350,000	0	350,000
City Donations	50,000	0	50,000
Issue 2 Improvements	60,800	398,566	459,366
Sidewalks	33,433	0	33,433
Total Governmental Funds	\$844,233	\$398,566	\$1,242,799

The general fund transfers to the nonmajor governmental funds were made to provide additional resources for capital improvements and current operations. The transfer from the infrastructure tax capital projects fund to the Issue 2 improvement nonmajor capital projects fund was to provide additional resources for capital improvements.

Interfund Balances

As of December 31, 2011, interfund balances were as follows:

	<u>Receivable</u>		<u>Payable</u>	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Major Funds				
General Fund	\$372,500	\$149,900	\$0	\$0
Infrastructure Tax	3,550,000	0	0	0
Grants	0	0	3,512,500	0
Nonmajor Funds				
Juvenile Diversion	0	0	0	3,000
FEMA	0	0	70,000	0
Federal Grants	0	0	0	56,900
City Donations	0	0	0	25,000
Issue 2 Improvements	0	0	100,000	0
<i>Total Governmental Activities</i>	<u>3,922,500</u>	<u>149,900</u>	<u>3,682,500</u>	<u>84,900</u>
Business-Type Activity				
Golf Course	0	0	240,000	65,000
Total	<u>\$3,922,500</u>	<u>\$149,900</u>	<u>\$3,922,500</u>	<u>\$149,900</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Interfund balances at December 31, 2011, consisted of a general fund advance of \$65,000 to the golf enterprise fund due to the timing of the operating revenues, and \$84,900 advanced to nonmajor special revenue funds due to the timing of the receipt of grant monies. All advances are expected to be repaid within one year. Interfund balances are not expected to be repaid within one year.

Note 9 – Receivables

Receivables at December 31, 2011, consisted primarily of municipal income taxes, property and hotel taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except for delinquent property taxes and special assessments, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$3,910,000 in the special assessment bond retirement fund. At December 31, 2011, the amount of delinquent special assessments was \$63,995.

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 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes are levied after October 1, 2011 on the assessed value as of January 1, 2011, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, state statute permits 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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011 was \$9.60 per \$1,000 of assessed value. The assessed values of real property, and public utility tangible property upon which 2011 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$968,121,950
Other Real Estate	383,265,660
Public Utility Tangible Property	<u>18,395,760</u>
Total Assessed Valuation	<u><u>\$1,369,783,370</u></u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Westlake. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2011 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is deferred.

Income Taxes

The City levies an income tax of 1.5 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of 3 percent. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. Income tax revenue is credited to the general fund, general obligation bond retirement fund, and the infrastructure tax and recreation center construction capital projects funds.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Estate Tax	\$666,004
Homestead and Rollback	664,421
Local Government	464,655
Gas Excise Tax	392,022
Detroit/Dover Road Widening Grant	277,874
Highway Distribution	188,600
Emergency Medical Services	155,795
Auto Registration	141,089
OPWC Clague Road Widening Grant	135,492
Fuel Service Contract	62,476
Tangible Personal Property Loss Reimbursements	55,009
Energy Audit Grant	48,640
FEMA Grant	30,278
Other Revenue	16,700
NOACA Grant	8,640
	8,640
<i>Total Intergovernmental Receivables</i>	\$3,307,695

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 10 – Capital Assets

A summary of changes in capital assets during 2011 follows:

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$14,161,808	\$1,000	\$0	\$14,162,808
Construction in Progress	14,623,711	5,991,377	(13,457,737)	7,157,351
<i>Total Nondepreciable Capital Assets</i>	<u>28,785,519</u>	<u>5,992,377</u>	<u>(13,457,737)</u>	<u>21,320,159</u>
<i>Depreciable Capital Assets</i>				
Buildings	42,603,835	4,411	0	42,608,246
Improvements	5,579,247	74,748	0	5,653,995
Machinery and Equipment	5,844,986	572,263	(137,127)	6,280,122
Furniture and Fixtures	1,455,661	125,671	0	1,581,332
Vehicles	7,901,628	508,293	(382,289)	8,027,632
Infrastructure				
Roads	107,250,112	9,335,073	(688,984)	115,896,201
Water Mains	34,765,536	2,151,261	(176,173)	36,740,624
Storm Sewers	25,641,023	1,875,476	(22,809)	27,493,690
Culverts	3,278,631	46,129	(3,844)	3,320,916
Traffic Signals	3,337,271	0	0	3,337,271
Bridges	1,980,831	0	0	1,980,831
<i>Total Depreciable Capital Assets</i>	<u>239,638,761</u>	<u>14,693,325</u>	<u>(1,411,226)</u>	<u>252,920,860</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(9,146,307)	(850,336)	0	(9,996,643)
Improvements	(3,384,712)	(233,081)	0	(3,617,793)
Machinery and Equipment	(4,584,040)	(452,950)	134,071	(4,902,919)
Furniture and Fixtures	(871,503)	(134,507)	0	(1,006,010)
Vehicles	(5,657,489)	(706,603)	361,466	(6,002,626)
Infrastructure				
Roads	(71,776,781)	(3,075,273)	266,907	(74,585,147)
Water Mains	(14,589,531)	(593,857)	278,719	(14,904,669)
Storm Sewers	(12,455,144)	(502,983)	22,809	(12,935,318)
Culverts	(2,595,260)	(74,593)	3,844	(2,666,009)
Traffic Signals	(763,170)	(85,796)	0	(848,966)
Bridges	(855,741)	(34,933)	0	(890,674)
<i>Total Accumulated Depreciation</i>	<u>(126,679,678)</u>	<u>(6,744,912) *</u>	<u>1,067,816</u>	<u>(132,356,774)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>112,959,083</u>	<u>7,948,413</u>	<u>(343,410)</u>	<u>120,564,086</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$141,744,602</u>	<u>\$13,940,790</u>	<u>(\$13,801,147)</u>	<u>\$141,884,245</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Business-Type Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,499,176	\$0	\$0	\$1,499,176
Construction in Progress	1,851,767	377,214	(1,770,710)	458,271
<i>Total Nondepreciable Capital Assets</i>	<u>3,350,943</u>	<u>377,214</u>	<u>(1,770,710)</u>	<u>1,957,447</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	243,495	0	0	243,495
Buildings	1,758,202	0	0	1,758,202
Machinery and Equipment	367,995	16,994	0	384,989
Furniture and Fixtures	26,508	9,787	0	36,295
Vehicles	693,265	0	0	693,265
Infrastructure				
Sewer Lines	51,185,211	1,770,710	0	52,955,921
<i>Total Depreciable Capital Assets</i>	<u>54,274,676</u>	<u>1,797,491</u>	<u>0</u>	<u>56,072,167</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(178,301)	(7,292)	0	(185,593)
Buildings	(396,129)	(34,912)	0	(431,041)
Machinery and Equipment	(316,237)	(23,296)	0	(339,533)
Furniture and Fixtures	(22,757)	(3,043)	0	(25,800)
Vehicles	(685,101)	(4,264)	0	(689,365)
Infrastructure				
Sewer Lines	(24,692,435)	(1,022,122)	0	(25,714,557)
<i>Total Accumulated Depreciation</i>	<u>(26,290,960)</u>	<u>(1,094,929)</u>	<u>0</u>	<u>(27,385,889)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>27,983,716</u>	<u>702,562</u>	<u>0</u>	<u>28,686,278</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$31,334,659</u>	<u>\$1,079,776</u>	<u>(\$1,770,710)</u>	<u>\$30,643,725</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$382,949
Security of Persons and Property	692,817
Public Health Services	102,061
Transportation	3,710,597
Community Environment	11,169
Basic Utility Services	1,171,433
Leisure Time Activities	673,886
Total	<u>\$6,744,912</u>

Note 11 – Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with various companies for all its commercial insurance.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Argonaut Insurance Company		
Blanket Property and Contents, Replacement	\$69,506,190	\$1,000
Inland Marine	6,850,000	500
General Liability	1,000,000/2,000,000	0
Automobile Liability	1,000,000	500/1,000
Public Officials Liability	1,000,000/2,000,000	25,000
Police Professional Liability	1,000,000/2,000,000	10,000
Employment Practice Liability	1,000,000/2,000,000	25,000
Computer - Hardware	2,272,749	1,000
Computer - Software	1,000,000	1,000
Public Employee Dishonesty	100,000	500
Money and Securities	25,000	500
American Alternative Insurance		
Umbrella Excess Liability	10,000,000	0

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

The City has elected to provide employee hospital/medical, prescription, dental and vision insurance benefits through a partially self-insured program. The City established a hospitalization internal service fund to account for and finance the cost of this program.

A third-party administrator reviews and processes the claims which the City then pays. The City purchased stop-loss coverage for claims in excess of \$80,000 per individual and \$2,857,593 aggregate per year. For each employee, the City paid monthly into the hospitalization internal service fund \$575 for single, \$965 for single-plus-one and \$1,400 for family coverage. These rates are paid by the fund from which the employees' salary is paid.

The claims liability of \$241,961 as estimated by the third-party administrator and reported in the hospitalization internal service fund at December 31, 2011, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund claims liability amount in 2010 and 2011 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$93,397	\$2,783,009	\$2,653,441	\$222,965
2011	222,965	2,629,879	2,610,883	241,961

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 12 – Construction and Other Significant Commitments

At December 31, 2011, the City’s significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Westwood/Clague Water	\$3,591,068	\$3,115,014	\$476,054
2011 Street Maintenance	2,778,780	2,179,560	599,220
Detroit/Dover Intersection	2,296,039	1,741,499	554,540
Allen/Westhill Sanitary	606,409	305,032	301,377
Total	\$9,272,296	\$7,341,105	\$1,931,191

The amounts of \$672,902 and \$792,847 in contracts and retainage payable have been capitalized.

Note 13 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and 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. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in state and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 11 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

City of Westlake, Ohio
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For the Year Ended December 31, 2011

The City's 2011 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent for the year ended December 31, 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for the year ended December 31, 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$1,002,821, \$909,450, and \$699,461, respectively. For 2011, 99.97 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$18,056 made by the City and \$12,898 made by the plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$511,011 and \$543,428 for the year ended December 31, 2011, \$489,767 and \$519,179 for the year ended December 31, 2010, and \$505,406 and \$543,774 for the year ended December 31, 2009, respectively. These amounts have been contributed in full for 2011, 2010 and 2009.

Note 14 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for 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. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers fund post-employment health care through their contributions to OPERS. A portion of each employer’s contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local government employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for the year ended December 31, 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for the year ended December 31, 2011.

The OPERS Retirement Board 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. Active members do not make contributions to the post-employment health care plan.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$408,351, \$528,669, and \$602,212, respectively. For 2011, 99.97 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board 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. Rates for law and public safety employers increased over a six-year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

City of Westlake, Ohio
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For the Year Ended December 31, 2011

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 No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code 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. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$270,535 and \$212,646 for the year ended December 31, 2011, \$259,289 and \$203,157 for the year ended December 31, 2010, and \$267,568 and \$212,781 for the year ended December 31, 2009, respectively. The full amounts have been contributed for 2011, 2010 and 2009.

Note 15 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to two years. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and sixth-tenths hours for every 80 hours worked. A maximum of 2,500 hours may be accumulated by each employee. Those employees whose accumulation exceeds 2,500 hours are paid, in December of each year, one-fourth of those hours at their current rate. Each employee with 10 or more years of service with the City is paid for one-half of the employee's earned unused sick leave upon termination with the City, transfer to another governmental agency, or retirement, 60 percent after 17 years of service, 68 percent after 20 years of service and 75 percent after 25 years of service.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 16 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2011.

Note 17 – Long-term Obligations

The original issue date, maturity date, interest rate and original issuance amount for each of the City's bonds and notes follows:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bond Anticipation Notes				
Various Purpose Bonds Series 2011	2011	2021	1.50-4.00 %	\$7,350,000
General Obligation Bonds				
Issue 11 Sewers Refunding Bonds	2004	2013	1.25-2.00	1,390,000
Street Improvements Refunding Bonds	2004	2014	1.25-3.40	1,020,000
Recreational Facilities Refunding Bonds	2008	2020	3.00-3.88	9,990,000
Infrastructure Various Purpose Bonds	2011	2021	1.50-4.00	7,350,000
Special Assessment Bonds				
Issue 11 Sewers Refunding Bonds	2004	2013	1.25-3.30	345,000
Sewer System Phase III Refunding Bonds	2004	2014	1.25-3.40	225,000
Street Improvement Bonds	2005	2025	3.00-5.25	4,620,000
Various Purpose Improvements	2001	2021	2.65-5.00	765,000
OPWC Loans				
Issue 11	1994	2014	0	411,308
Issue 2	2003	2025	0	806,235

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Changes in long-term obligations during the year ended December 31, 2011, consisted of the following:

	Balance 12/31/2010	Increase	Decrease	Balance 12/31/2011	Amounts Due in One Year
Governmental Activities					
General Obligation Bond Anticipation Notes					
Various Purpose Bond Anticipation Notes	\$7,350,000	\$0	\$7,350,000	\$0	\$0
Unamortized Premium	26,970	0	26,970	0	0
Total Various Purpose Bond Anticipation Notes	<u>7,376,970</u>	<u>0</u>	<u>7,376,970</u>	<u>0</u>	<u>0</u>
General Obligation Bonds					
Issue 11 Sewers Refunding Bonds	465,000	0	150,000	315,000	155,000
Unamortized Premium	1,092	0	352	740	0
Deferred Amount on Refunding	(12,059)	0	(3,890)	(8,169)	0
Total Issue 11 Sewers Refunding Bonds	<u>454,033</u>	<u>0</u>	<u>146,462</u>	<u>307,571</u>	<u>155,000</u>
Street Improvements Refunding Bonds	340,000	0	90,000	250,000	90,000
Unamortized Premium	799	0	211	588	0
Deferred Amount on Refunding	(8,818)	0	(2,334)	(6,484)	0
Total Street Improvements Refunding Bonds	<u>331,981</u>	<u>0</u>	<u>87,877</u>	<u>244,104</u>	<u>90,000</u>
Recreational Facilities Refunding Bonds	9,510,000	0	735,000	8,775,000	785,000
Unamortized Premium	4,547	0	351	4,196	0
Deferred Amount on Refunding	(299,538)	0	(23,150)	(276,388)	0
Total Recreational Facilities Refunding Bonds	<u>9,215,009</u>	<u>0</u>	<u>712,201</u>	<u>8,502,808</u>	<u>785,000</u>
Infrastructure Various Purpose Bonds	0	7,350,000	400,000	6,950,000	625,000
Unamortized Premium	0	263,453	14,338	249,115	0
Total Infrastructure Various Purpose Bonds	<u>0</u>	<u>7,613,453</u>	<u>414,338</u>	<u>7,199,115</u>	<u>625,000</u>
<i>Total General Obligation Bonds</i>	<u>10,001,023</u>	<u>7,613,453</u>	<u>1,360,878</u>	<u>16,253,598</u>	<u>1,655,000</u>
Special Assessment Bonds					
(with governmental commitment)					
Issue 11 Sewers Refunding Bonds	110,000	0	35,000	75,000	35,000
Unamortized Premium	259	0	82	177	0
Deferred Amount on Refunding	(2,845)	0	(905)	(1,940)	0
Total Issue 11 Sewers Refunding Bonds	<u>107,414</u>	<u>0</u>	<u>34,177</u>	<u>73,237</u>	<u>35,000</u>
Sewer System Phase III Refunding Bonds	90,000	0	20,000	70,000	20,000
Unamortized Premium	211	0	47	164	0
Deferred Amount on Refunding	(2,328)	0	(517)	(1,811)	0
Total Sewer System Phase III Refunding Bonds	<u>87,883</u>	<u>0</u>	<u>19,530</u>	<u>68,353</u>	<u>20,000</u>
Street Improvement Bonds	3,800,000	0	190,000	3,610,000	195,000
Unamortized Premium	258,704	0	12,935	245,769	0
Total Street Improvement Bonds	<u>4,058,704</u>	<u>0</u>	<u>202,935</u>	<u>3,855,769</u>	<u>195,000</u>
Various Purpose Improvements	490,000	0	45,000	445,000	40,000
<i>Total Special Assessment Bonds</i>	<u>4,744,001</u>	<u>0</u>	<u>301,642</u>	<u>4,442,359</u>	<u>290,000</u>
OPWC Loans					
Issue 11	61,347	0	20,449	40,898	20,449
Issue 2	564,364	0	40,312	524,052	40,312
<i>Total OPWC Loans</i>	<u>625,711</u>	<u>0</u>	<u>60,761</u>	<u>564,950</u>	<u>60,761</u>
Other Long-Term Obligations					
Compensated Absences Payable	5,450,537	2,107,493	1,922,892	5,635,138	600,000
Capital Lease	0	12,326	1,408	10,918	2,690
Landfill Postclosure Costs	600,639	2,612	43,089	560,162	135,000
<i>Total Other Long-Term Obligations</i>	<u>6,051,176</u>	<u>2,122,431</u>	<u>1,967,389</u>	<u>6,206,218</u>	<u>737,690</u>
Total Governmental Long-Term Liabilities	<u>\$28,798,881</u>	<u>\$9,735,884</u>	<u>\$11,067,640</u>	<u>\$27,467,125</u>	<u>\$2,743,451</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

General obligation bond anticipation notes General obligation bond anticipation notes are direct obligations of the City for which its full faith and credit are pledged for repayment. On July 22, 2010, the City issued \$9,300,000 in general obligation bond anticipation notes to refinance previous notes in which the City used to pay costs of improving streets. In 2011, the notes were paid off from the infrastructure tax capital projects fund.

General obligation bonds General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City as well as municipal income taxes. Tax monies will be received in and the debt will be retired from the general obligation bond retirement and Issue 11 bond retirement debt service funds.

On April 13, 2011, the City issued infrastructure various purpose bonds in the amount of \$7,350,000, at the interest rates varying from 1.50 percent to 4.00 percent. The bonds were issued for an eleven-year period with final maturity during fiscal year 2021. The bonds will be retired through the infrastructure tax improvement capital projects fund.

Special assessment bonds Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the special assessment debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

Refunded bonds On March 22, 2004, the City issued \$6,155,000 in general obligation refunding bonds and \$685,000 in special assessment refunding bonds at interest rates varying from 1.25 percent to 3.40 percent. Proceeds were used to refund \$6,540,000 of the outstanding 1993, 1994 and 1997 Issue 11 and street and water line improvements general obligation and special assessment bonds.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1993 and 1994 water and sewer construction bonds. As a result, \$6,540,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. The amount still outstanding at December 31, 2011 is \$840,000.

On September 3, 2008, the City issued general obligation bonds, in the amount of \$9,990,000, to partially refund bonds previously issued in fiscal year 1997 for the Recreation Center and Marview Waterline. The bonds were issued with interest rates varying from 3 percent to 3.88 percent. The bonds were issued for a twelve-year period with final maturity during fiscal year 2020. The bonds will be retired through the general obligation bond retirement debt service fund.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1997 Recreation Center bonds. As a result, \$9,500,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. The amount still outstanding at December 31, 2011 is \$7,415,000.

Other long-term obligations Capital lease will be paid from the recreation special revenue fund. Compensated absences will be paid from the general fund. The Issue 2 and Issue 11 loan liabilities are payable semiannually from the general obligation bond retirement debt service fund and the Issue 2 improvements capital projects fund. The loans are interest-free.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City's overall legal debt margin was \$127,844,357 and the unvoted legal debt margin was \$68,695,138 at December 31, 2011. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2011, are as follows:

Year	General Obligation Bonds		Special Assessment Bonds		OPWC
	Principal	Interest	Principal	Interest	Loans
2012	\$1,655,000	\$518,886	\$290,000	\$194,655	\$60,761
2013	1,735,000	478,366	305,000	184,420	60,761
2014	1,630,000	435,331	275,000	173,375	40,312
2015	1,640,000	391,182	255,000	162,750	40,312
2016	1,660,000	377,734	265,000	152,250	40,312
2017-2021	7,970,000	847,081	1,530,000	569,400	201,560
2022-2025	0	0	1,280,000	172,462	120,932
Total	\$16,290,000	\$3,048,580	\$4,200,000	\$1,609,312	\$564,950

Note 18 – Short-Term Obligation

Note transactions for the year ended December 31, 2011 were as follows:

	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011
Street Improvement Notes	\$1,950,000	\$0	\$1,950,000	\$0

On April 13, 2011, the City retired the entire note liability of \$9,300,000 of street improvement bond anticipation notes and issued general obligation bonds in the amount of \$7,350,000. The notes were paid out of the infrastructure tax capital projects fund.

Note 19 - Capital Lease

During 2011, the City entered into a lease agreement for a copier for the recreation center. The City's lease obligation meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital asset acquired by lease currently being paid have been capitalized and depreciated as follows as of December 31, 2011:

Governmental Activities

Capital Lease, being depreciated:

Equipment	\$12,326
Less Accumulated Depreciation:	
Equipment	(1,643)
<i>Carrying Value</i>	\$10,683

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2011.

Year Ending December 30,	Governmental Activities
2012	\$4,017
2013	4,017
2014	4,017
2015	1,674
Total	13,725
Less: Amount Representing Interest	(2,807)
Present Value of Net Minimum Lease Payments	\$10,918

Note 20 – Industrial Development Revenue Bonds

At December 31, 2011, the City has one remaining series of industrial development revenue bonds in the aggregate outstanding principal amount of \$22,780,000 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt-related charges on the bonds from any of its funds, and therefore, they have been excluded entirely from the City’s debt presentation. There has not been, and there is not currently, any condition of default under the bonds or the related financing documents.

Note 21 – Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City’s landfill placed its final cover in 1989. The \$560,162 reported as landfill postclosure costs in the long-term liabilities due in more than one year line of the governmental activities column of the statement of net assets at December 31, 2011, represents the estimated cost of maintenance and monitoring through 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. Financial assurance may take the form of a financial test and corporate guarantee. The financial test was performed on the 2011 audited financial statements and the City was in compliance.

Note 22 – Joint Venture – Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a Management Committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The Management Committee has authority over all aspects of the Plant’s operation, however, all employees are employees of the City of Rocky River. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage.

Continued existence of the Plant is dependent on the City’s continued participation, and the City has an equity interest in the Plant. The City’s equity interest is \$9,067,118 which represents 40.35 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

Note 23 – Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments (Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2011, the City contributed \$57,555 which represented 18.81 percent of total contributions. Complete financial information statements can be obtained from the City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140.

The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee ("HAZMAT") which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a SWAT Team.

Tri-City Park

The Tri-City Park provides a recreational park to the cities of Westlake, Rocky River, and Fairview Park. The Park is governed by a board consisting of the elected mayors of the three cities. The Board exercises total control over the operation of the park including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Westlake did not make any contributions to Tri-City Park in 2011.

S.A.F.E Council of Governments

The S.A.F.E. Council of Governments (S.A.F.E.) was formed between municipalities to oppose changes to Cleveland Hopkins International Airport air traffic pattern. The Cities of Rocky River, Bay Village, Fairview Park and Westlake govern by a board consisting of the elected mayors. The board exercises total control over the operation of the S.A.F.E. including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. The City of Westlake did not make any contributions to the S.A.F.E. in 2011.

West Shore Area Rescue Association

The West Shore Area Rescue Association (Weshare) helps foster cooperation between municipalities and hospitals to provide optimum emergency medical services. The Board is comprised of one member from each of the ten participating entities. The Board exercises total control over the operation of Weshare including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2011, the City contributed \$500 which represented 10 percent of total contributions.

Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Street Maintenance Fund - To account for that portion of the State gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

State Highway Fund - To account for that portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance of State highways within the City.

Permissive Motor Vehicle License Fund - To account for the additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

Police Pension Fund - To account for accumulated levied property taxes restricted for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

Fire Pension Fund - To account for accumulated levied property taxes restricted for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

Police and Fire Operating Fund - To account for accumulated levied property taxes restricted for the payment of salaries and related expenditures for the safety forces. This is in addition to expenditures made from the general fund.

Law Enforcement Fund - To account for monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

Mandatory Drug Fines Fund - To account for the resources obtained from confiscated monies from criminal offenses and restricted, by State statute, for expenditures that would enhance the police department.

Alcohol Education Fund - To account for court fees obtained from D.W.I. cases and restricted by State statute for expenditures that would promote education about driving while intoxicated.

Juvenile Diversion Fund - To account for monies received from Cuyahoga County restricted for establishing or expanding community policing programs.

Federal Equitable Fund - To account for Federal forfeiture monies returned to the City and restricted for certain law enforcement purposes.

FEMA Fund - To account for Federal and State monies restricted for restoration of areas hit by natural disasters.

Federal Grants Fund - This fund is restricted for revenues and expenditures of grant funds received from the various Federal Sources in accordance with the covenants and restrictions of the grant agreements.

Emergency Medical Service Fund - To account for monies received from emergency medical services billing restricted for equipment and training within the fire department.

(continued)

Combining and Individual Fund Statements and Schedules (continued)

Fund Descriptions - Nonmajor Funds (continued)

Cemetery Investment Fund - To account for proceeds from the sale of cemetery lots used for maintaining the columbarium.

Westlake/Bay Ecological Fund - To account for proceeds from the sale of humus that is restricted to expenditures that promote recycling of yard waste materials and maintain and improve the appearance of the landfill.

City Donations Fund - To account for contributions and donations from private sources to various City departments. The City has passed legislation committing the resources to the needs of the departments that received them.

Swimming Pool Operation Fund - To account for membership fee monies used for the operation of the public swimming pool. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Senior/Community Service Fund - To account for money paid from participants in the City Office on Aging Programs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Cemetery Operating Fund - To account for the operation and maintenance of two public cemeteries. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Reserve for Compensated Absences Fund - To account for the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund - To account for resources restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Issue 11 Bond Retirement Fund - To account for resources from a 3/8 percent voted increase in the income tax levy restricted for the retirement of debt issued to finance capital projects within the City.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust.

Sanitary Sewer Improvement Fund - To account for State monies and interest revenues restricted for the cost of construction of new sewer lines within the City that will be donated to the sewer enterprise fund.

(continued)

Combining and Individual Fund Statements and Schedules (continued)

Fund Descriptions - Nonmajor Funds (continued)

Storm Drainage Fund - To account for charges to developers which are restricted by enabling legislation to finance the City's cost of installing or cleaning ditches.

Crocker Road Improvements Fund - To account for note proceeds restricted for the Crocker Road improvement project.

Issue 2 Improvements Fund - To account for the receipt of State grants restricted to pay contractor's costs on the Issue 2 infrastructure project.

Impact Fees Fund - To account for impact fees charged to developers restricted for new park facilities.

Sidewalks Fund - To account for special assessments restricted for the construction of sidewalks throughout the City.

Service Center Construction Fund - To account for transfers made from the general fund assigned for the construction a new service center.

Recreation Center Construction Fund - To account for voted income tax proceeds restricted for improvements to the recreation center.

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,544,576	\$551,018	\$8,940,619	\$15,036,213
Cash and Cash Equivalents:				
with Escrow Agents	0	0	22,000	22,000
Accrued Interest Receivable	8,758	0	19,497	28,255
Accounts Receivable	406,099	0	9,114	415,213
Intergovernmental Receivable	1,085,535	9,786	135,492	1,230,813
Prepaid Items	2,940	0	0	2,940
Municipal Income Taxes Receivable	0	492,830	128,885	621,715
Permissive Motor Vehicle Taxes Receivable	37,913	0	0	37,913
Property Taxes Receivable	1,877,229	125,149	0	2,002,378
<i>Total Assets</i>	<u>\$8,963,050</u>	<u>\$1,178,783</u>	<u>\$9,255,607</u>	<u>\$19,397,440</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$22,564	\$0	\$59,933	\$82,497
Contracts Payable	22,724	0	29,293	52,017
Accrued Wages	39,837	0	2,402	42,239
Retainage Payable	0	0	22,000	22,000
Interfund Payable	70,000	0	100,000	170,000
Intergovernmental Payable	564	0	33	597
Deferred Revenue	2,983,841	306,730	53,942	3,344,513
Advances From Other Funds	84,900	0	0	84,900
<i>Total Liabilities</i>	<u>3,224,430</u>	<u>306,730</u>	<u>267,603</u>	<u>3,798,763</u>
Fund Balances				
Nonspendable	566,589	0	0	566,589
Restricted	5,031,751	872,053	8,972,397	14,876,201
Committed	189,783	0	0	189,783
Assigned	0	0	15,607	15,607
Unassigned (Deficit)	(49,503)	0	0	(49,503)
<i>Total Fund Balances</i>	<u>5,738,620</u>	<u>872,053</u>	<u>8,988,004</u>	<u>15,598,677</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,963,050</u>	<u>\$1,178,783</u>	<u>\$9,255,607</u>	<u>\$19,397,440</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$1,823,340	\$121,556	\$0	\$1,944,896
Municipal Income Taxes	0	1,736,489	409,352	2,145,841
Permissive Motor Vehicle Taxes	223,842	0	0	223,842
Charges for Services	838,786	0	38,905	877,691
Licenses, Permits and Fees	0	0	85,007	85,007
Fines and Forfeitures	97,251	0	0	97,251
Intergovernmental	2,604,512	14,939	528,372	3,147,823
Interest	31,458	0	0	31,458
Contributions and Donations	98,560	0	0	98,560
Miscellaneous	32,655	0	218,315	250,970
<i>Total Revenues</i>	<u>5,750,404</u>	<u>1,872,984</u>	<u>1,279,951</u>	<u>8,903,339</u>
Expenditures				
Current:				
General Government	989,842	0	0	989,842
Security of Persons and Property	4,129,170	0	0	4,129,170
Public Health Services	3,425	0	0	3,425
Transportation	1,645,622	0	0	1,645,622
Community Environment	118,621	0	0	118,621
Basic Utility Services	79,035	0	0	79,035
Capital Outlay	0	0	847,352	847,352
Debt Service:				
Principal Retirement	0	1,375,000	60,761	1,435,761
Interest and Fiscal Charges	0	515,047	0	515,047
<i>Total Expenditures</i>	<u>6,965,715</u>	<u>1,890,047</u>	<u>908,113</u>	<u>9,763,875</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,215,311)	(17,063)	371,838	(860,536)
Other Financing Sources				
Transfers In	750,000	0	492,799	1,242,799
<i>Net Change in Fund Balances</i>	(465,311)	(17,063)	864,637	382,263
<i>Fund Balances Beginning of Year</i>	<u>6,203,931</u>	<u>889,116</u>	<u>8,123,367</u>	<u>15,216,414</u>
<i>Fund Balances End of Year</i>	<u>\$5,738,620</u>	<u>\$872,053</u>	<u>\$8,988,004</u>	<u>\$15,598,677</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,024,009	\$362,258	\$1,053,265	\$186,515	\$155,700
Accrued Interest Receivable	2,552	904	2,628	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	669,061	52,650	0	22,482	22,482
Prepaid Items	177	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	37,913	0	0
Property Taxes Receivable	0	0	0	375,446	375,446
<i>Total Assets</i>	<u>\$1,695,799</u>	<u>\$415,812</u>	<u>\$1,093,806</u>	<u>\$584,443</u>	<u>\$553,628</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$1,965	\$0	\$0	\$0	\$0
Contracts Payable	20,224	2,500	0	0	0
Accrued Wages	4,653	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	63	0	0	0	0
Deferred Revenue	483,033	37,566	0	397,928	397,928
Advances From Other Funds	0	0	0	0	0
<i>Total Liabilities</i>	<u>509,938</u>	<u>40,066</u>	<u>0</u>	<u>397,928</u>	<u>397,928</u>
Fund Balances					
Nonspendable	177	0	0	0	0
Restricted	1,185,684	375,746	1,093,806	186,515	155,700
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances</i>	<u>1,185,861</u>	<u>375,746</u>	<u>1,093,806</u>	<u>186,515</u>	<u>155,700</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,695,799</u>	<u>\$415,812</u>	<u>\$1,093,806</u>	<u>\$584,443</u>	<u>\$553,628</u>

(continued)

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 13, 2011

	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion	Federal Equitable
Assets						
Equity in Pooled Cash and Cash Equivalents	\$177,928	\$335,980	\$43,581	\$74,478	\$4,249	\$509,429
Accrued Interest Receivable	0	0	0	0	0	1,270
Accounts Receivable	0	0	0	1,430	250	0
Intergovernmental Receivable	67,447	0	0	0	0	0
Prepaid Items	0	581	0	0	0	809
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	0	0
Property Taxes Receivable	1,126,337	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,371,712</u>	<u>\$336,561</u>	<u>\$43,581</u>	<u>\$75,908</u>	<u>\$4,499</u>	<u>\$511,508</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$0	\$779	\$0	\$1,960	\$0	\$0
Contracts Payable	0	0	0	0	0	0
Accrued Wages	24,556	0	0	0	0	0
Interfund Payable	0	0	0	0	0	0
Intergovernmental Payable	351	0	0	0	0	0
Deferred Revenue	1,193,784	0	0	0	0	0
Advances From Other Funds	0	0	0	0	3,000	0
<i>Total Liabilities</i>	<u>1,218,691</u>	<u>779</u>	<u>0</u>	<u>1,960</u>	<u>3,000</u>	<u>0</u>
Fund Balances						
Nonspendable	0	581	0	0	0	809
Restricted	153,021	335,201	43,581	73,948	1,499	510,699
Committed	0	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0	0
<i>Total Fund Balances</i>	<u>153,021</u>	<u>335,782</u>	<u>43,581</u>	<u>73,948</u>	<u>1,499</u>	<u>511,508</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,371,712</u>	<u>\$336,561</u>	<u>\$43,581</u>	<u>\$75,908</u>	<u>\$4,499</u>	<u>\$511,508</u>

FEMA	Federal Grants	Emergency Medical Service	Cemetery Investment	Westlake/Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
\$69,137	\$8,260	\$609,686	\$562,245	\$143,232	\$224,624	\$5,544,576
0	0	0	1,404	0	0	8,758
0	0	404,419	0	0	0	406,099
30,278	48,640	155,795	0	16,700	0	1,085,535
0	0	1,373	0	0	0	2,940
0	0	0	0	0	0	37,913
0	0	0	0	0	0	1,877,229
<u>\$99,415</u>	<u>\$56,900</u>	<u>\$1,171,273</u>	<u>\$563,649</u>	<u>\$159,932</u>	<u>\$224,624</u>	<u>\$8,963,050</u>
\$0	\$0	\$7,559	\$0	\$460	\$9,841	\$22,564
0	0	0	0	0	0	22,724
0	0	9,758	0	870	0	39,837
70,000	0	0	0	0	0	70,000
0	0	138	0	12	0	564
30,278	48,640	383,530	0	11,154	0	2,983,841
0	56,900	0	0	0	25,000	84,900
<u>100,278</u>	<u>105,540</u>	<u>400,985</u>	<u>0</u>	<u>12,496</u>	<u>34,841</u>	<u>3,224,430</u>
0	0	1,373	563,649	0	0	566,589
0	0	768,915	0	147,436	0	5,031,751
0	0	0	0	0	189,783	189,783
(863)	(48,640)	0	0	0	0	(49,503)
<u>(863)</u>	<u>(48,640)</u>	<u>770,288</u>	<u>563,649</u>	<u>147,436</u>	<u>189,783</u>	<u>5,738,620</u>
<u>\$99,415</u>	<u>\$56,900</u>	<u>\$1,171,273</u>	<u>\$563,649</u>	<u>\$159,932</u>	<u>\$224,624</u>	<u>\$8,963,050</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension
Revenues				
Property Taxes	\$0	\$0	\$0	\$364,668
Permissive Motor Vehicle Taxes	0	0	223,842	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	1,215,655	98,615	0	44,816
Interest	10,782	3,533	10,024	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	1,819
<i>Total Revenues</i>	<u>1,226,437</u>	<u>102,148</u>	<u>233,866</u>	<u>411,303</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	781,546
Public Health Services	0	0	0	0
Transportation	1,617,390	28,116	116	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
<i>Total Expenditures</i>	<u>1,617,390</u>	<u>28,116</u>	<u>116</u>	<u>781,546</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(390,953)	74,032	233,750	(370,243)
Other Financing Sources				
Transfers In	0	0	0	350,000
<i>Net Change in Fund Balances</i>	(390,953)	74,032	233,750	(20,243)
<i>Fund Balances Beginning of Year</i>	<u>1,576,814</u>	<u>301,714</u>	<u>860,056</u>	<u>206,758</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,185,861</u></u>	<u><u>\$375,746</u></u>	<u><u>\$1,093,806</u></u>	<u><u>\$186,515</u></u>

Fire Pension	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion
\$364,668	\$1,094,004	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	87,877	6,453	171	2,750
44,816	134,449	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	14,615	0	0	0
409,484	1,228,453	102,492	6,453	171	2,750
0	0	0	0	0	0
756,074	1,349,815	67,527	17,861	3,526	2,964
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
756,074	1,349,815	67,527	17,861	3,526	2,964
(346,590)	(121,362)	34,965	(11,408)	(3,355)	(214)
350,000	0	0	0	0	0
3,410	(121,362)	34,965	(11,408)	(3,355)	(214)
152,290	274,383	300,817	54,989	77,303	1,713
\$155,700	\$153,021	\$335,782	\$43,581	\$73,948	\$1,499

(continued)

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2011

	Federal Equitable	FEMA	Federal Grants	Emergency Medical Service
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Permissive Motor Vehicle Taxes	0	0	0	0
Charges for Services	0	0	0	734,709
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	940,301	0	125,860
Interest	5,281	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	56	0	0	0
<i>Total Revenues</i>	<u>5,337</u>	<u>940,301</u>	<u>0</u>	<u>860,569</u>
Expenditures				
Current:				
General Government	0	941,202	48,640	0
Security of Persons and Property	58,131	0	0	1,091,726
Public Health Services	0	0	0	0
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
<i>Total Expenditures</i>	<u>58,131</u>	<u>941,202</u>	<u>48,640</u>	<u>1,091,726</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(52,794)	(901)	(48,640)	(231,157)
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(52,794)	(901)	(48,640)	(231,157)
<i>Fund Balances Beginning of Year</i>	<u>564,302</u>	<u>38</u>	<u>0</u>	<u>1,001,445</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$511,508</u></u>	<u><u>(\$863)</u></u>	<u><u>(\$48,640)</u></u>	<u><u>\$770,288</u></u>

Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$1,823,340
0	0	0	223,842
25,450	78,627	0	838,786
0	0	0	97,251
0	0	0	2,604,512
1,838	0	0	31,458
0	0	98,560	98,560
0	16,165	0	32,655
<u>27,288</u>	<u>94,792</u>	<u>98,560</u>	<u>5,750,404</u>
0	0	0	989,842
0	0	0	4,129,170
3,425	0	0	3,425
0	0	0	1,645,622
0	0	118,621	118,621
0	79,035	0	79,035
<u>3,425</u>	<u>79,035</u>	<u>118,621</u>	<u>6,965,715</u>
23,863	15,757	(20,061)	(1,215,311)
<u>0</u>	<u>0</u>	<u>50,000</u>	<u>750,000</u>
23,863	15,757	29,939	(465,311)
<u>539,786</u>	<u>131,679</u>	<u>159,844</u>	<u>6,203,931</u>
<u>\$563,649</u>	<u>\$147,436</u>	<u>\$189,783</u>	<u>\$5,738,620</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

	General Obligation Bond Retirement	Issue 11 Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$550,392	\$626	\$551,018
Intergovernmental Receivable	9,786	0	9,786
Municipal Income Taxes Receivable	265,817	227,013	492,830
Property Taxes Receivable	125,149	0	125,149
<i>Total Assets</i>	<u>\$951,144</u>	<u>\$227,639</u>	<u>\$1,178,783</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$227,596	\$79,134	\$306,730
Fund Balances			
Restricted	723,548	148,505	872,053
<i>Total Liabilities and Fund Balances</i>	<u>\$951,144</u>	<u>\$227,639</u>	<u>\$1,178,783</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2011

	General Obligation Bond Retirement	Issue 11 Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$121,556	\$0	\$121,556
Municipal Income Taxes	1,060,427	676,062	1,736,489
Intergovernmental	14,939	0	14,939
<i>Total Revenues</i>	<u>1,196,922</u>	<u>676,062</u>	<u>1,872,984</u>
Expenditures			
Debt Service:			
Principal Retirement	975,000	400,000	1,375,000
Interest and Fiscal Charges	352,490	162,557	515,047
<i>Total Expenditures</i>	<u>1,327,490</u>	<u>562,557</u>	<u>1,890,047</u>
<i>Net Change in Fund Balances</i>	(130,568)	113,505	(17,063)
<i>Fund Balances Beginning of Year</i>	<u>854,116</u>	<u>35,000</u>	<u>889,116</u>
<i>Fund Balances End of Year</i>	<u><u>\$723,548</u></u>	<u><u>\$148,505</u></u>	<u><u>\$872,053</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	Sanitary Sewer Improvement	Storm Drainage	Crocker Road Improvements	Issue 2 Improvements
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,000	\$3,236,246	\$247,932	\$7,057
Cash and Cash Equivalents with Escrow Agents	0	0	0	0
Accrued Interest Receivable	0	19,497	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	135,492
Municipal Income Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$3,000</u>	<u>\$3,255,743</u>	<u>\$247,932</u>	<u>\$142,549</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$201	\$0	\$0
Contracts Payable	0	29,293	0	0
Accrued Wages	0	2,402	0	0
Retainage Payable	0	0	0	0
Interfund Payable	0	0	0	100,000
Intergovernmental Payable	0	33	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>31,929</u>	<u>0</u>	<u>100,000</u>
Fund Balances				
Restricted	3,000	3,223,814	247,932	42,549
Assigned	0	0	0	0
<i>Total Fund Balances</i>	<u>3,000</u>	<u>3,223,814</u>	<u>247,932</u>	<u>42,549</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,000</u>	<u>\$3,255,743</u>	<u>\$247,932</u>	<u>\$142,549</u>

<u>Impact Fees</u>	<u>Sidewalks</u>	<u>Service Center Construction</u>	<u>Recreation Center Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$1,262,064	\$92,882	\$15,607	\$4,075,831	\$8,940,619
0	0	22,000	0	22,000
0	0	0	0	19,497
0	9,114	0	0	9,114
0	0	0	0	135,492
0	0	0	128,885	128,885
<u>\$1,262,064</u>	<u>\$101,996</u>	<u>\$37,607</u>	<u>\$4,204,716</u>	<u>\$9,255,607</u>
\$345	\$0	\$0	\$59,387	\$59,933
0	0	0	0	29,293
0	0	0	0	2,402
0	0	22,000	0	22,000
0	0	0	0	100,000
0	0	0	0	33
0	9,014	0	44,928	53,942
<u>345</u>	<u>9,014</u>	<u>22,000</u>	<u>104,315</u>	<u>267,603</u>
1,261,719	92,982	0	4,100,401	8,972,397
0	0	15,607	0	15,607
<u>1,261,719</u>	<u>92,982</u>	<u>15,607</u>	<u>4,100,401</u>	<u>8,988,004</u>
<u>\$1,262,064</u>	<u>\$101,996</u>	<u>\$37,607</u>	<u>\$4,204,716</u>	<u>\$9,255,607</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011

	Sanitary Sewer Improvement	Storm Drainage	Crocker Road Improvements	Issue 2 Improvements
Revenues				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	60,730	0	0
Intergovernmental	0	0	0	513,597
Miscellaneous	0	2,745	0	215,570
<i>Total Revenues</i>	<u>0</u>	<u>63,475</u>	<u>0</u>	<u>729,167</u>
Expenditures				
Capital Outlay	0	571,745	0	0
Debt Service:				
Principal Retirement	0	0	0	60,761
<i>Total Expenditures</i>	<u>0</u>	<u>571,745</u>	<u>0</u>	<u>60,761</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(508,270)	0	668,406
Other Financing Sources				
Transfers In	0	0	0	459,366
<i>Net Change in Fund Balances</i>	0	(508,270)	0	1,127,772
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>3,000</u>	<u>3,732,084</u>	<u>247,932</u>	<u>(1,085,223)</u>
<i>Fund Balances End of Year</i>	<u><u>\$3,000</u></u>	<u><u>\$3,223,814</u></u>	<u><u>\$247,932</u></u>	<u><u>\$42,549</u></u>

Impact Fees	Sidewalks	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$409,352	\$409,352
0	38,905	0	0	38,905
24,277	0	0	0	85,007
0	0	0	14,775	528,372
0	0	0	0	218,315
24,277	38,905	0	424,127	1,279,951
17,590	60,128	0	197,889	847,352
0	0	0	0	60,761
17,590	60,128	0	197,889	908,113
6,687	(21,223)	0	226,238	371,838
0	33,433	0	0	492,799
6,687	12,210	0	226,238	864,637
1,255,032	80,772	15,607	3,874,163	8,123,367
\$1,261,719	\$92,982	\$15,607	\$4,100,401	\$8,988,004

Fund Descriptions - Internal Service Funds

Internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Hospitalization Fund- This fund accounts for a self-insurance program for employee hospital/medical, prescription, dental and vision insurance benefits.

Information Technology Fund - This fund accounts for the allocation of information technology costs back to the user departments.

City of Westlake, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2011

	<u>Hospitalization</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$2,060,671	\$73,720	\$2,134,391
Prepaid Items	0	26,456	26,456
	<u>2,060,671</u>	<u>100,176</u>	<u>2,160,847</u>
<i>Total Assets</i>			
	<u>2,060,671</u>	<u>100,176</u>	<u>2,160,847</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	0	4,516	4,516
Claims Payable	241,961	0	241,961
	<u>241,961</u>	<u>4,516</u>	<u>246,477</u>
<i>Total Liabilities</i>			
	<u>241,961</u>	<u>4,516</u>	<u>246,477</u>
Net Assets			
Unrestricted	<u>\$1,818,710</u>	<u>\$95,660</u>	<u>\$1,914,370</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011

	<u>Hospitalization</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for Services	<u>\$3,336,950</u>	<u>\$0</u>	<u>\$3,336,950</u>
Operating Expenses			
Personal Services	0	145,361	145,361
Fringe Benefits	0	33,585	33,585
Contractual Services	425,933	188,001	613,934
Materials and Supplies	0	157	157
Other	0	622	622
Claims	<u>2,629,879</u>	<u>0</u>	<u>2,629,879</u>
<i>Total Operating Expenses</i>	<u>3,055,812</u>	<u>367,726</u>	<u>3,423,538</u>
<i>Change in Net Assets</i>	281,138	(367,726)	(86,588)
<i>Net Assets Beginning of Year</i>	<u>1,537,572</u>	<u>463,386</u>	<u>2,000,958</u>
<i>Net Assets End of Year</i>	<u><u>\$1,818,710</u></u>	<u><u>\$95,660</u></u>	<u><u>\$1,914,370</u></u>

City of Westlake, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2011

	<u>Hospitalization</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Interfund Services	\$3,337,187	\$0	\$3,337,187
Cash Payments to Suppliers for Goods and Services	(425,933)	(187,800)	(613,733)
Cash Payments for Claims	(2,610,883)	0	(2,610,883)
Cash Payments for Employee Services and Benefits	0	(181,474)	(181,474)
Cash Payments for Other Operating Expenses	0	(622)	(622)
<i>Net Cash Provided by (Used for) Operating Activities</i>	300,371	(369,896)	(69,525)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,760,300	443,616	2,203,916
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,060,671</u>	<u>\$73,720</u>	<u>\$2,134,391</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	\$281,138	(\$367,726)	(\$86,588)
Decrease in Assets:			
Accounts Receivable	237	0	237
Prepaid Items	0	(2,401)	(2,401)
Increase/(Decrease) in Liabilities:			
Accounts Payable	0	2,759	2,759
Accrued Wages	0	(2,510)	(2,510)
Intergovernmental Payable	0	(18)	(18)
Claims Payable	18,996	0	18,996
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$300,371</u>	<u>(\$369,896)</u>	<u>(\$69,525)</u>

Fund Descriptions - Fiduciary Fund

Fiduciary Fund

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. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Central Dispatch Fund - To account for monies received for the West Shore Council of Governments dispatching services.

Deposits Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

Toledo/Lucas County Port Authority Fund - To account for the pass-through of the annual payment of the special assessment from Crocker Park LLC to the Toledo/Lucas County Port Authority for bond payments for the public parking and other improvements made per a cooperative agreement among the City of Westlake, Crocker Park, LLC, and the Toledo/Lucas County Port Authority.

City of Westlake, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
Central Dispatch				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$89,074	\$929,315	\$858,813	\$159,576
Liabilities				
Deposits Held and Due to Others	\$89,074	\$929,315	\$858,813	\$159,576
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$950,153	\$526,993	\$376,873	\$1,100,273
Liabilities				
Deposits Held and Due to Others	\$950,153	\$526,993	\$376,873	\$1,100,273
Toledo/Lucas County Port Authority				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$4,857,353	\$4,857,353	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$4,857,353	\$4,857,353	\$0
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,039,227	\$6,313,661	\$6,093,039	\$1,259,849
Liabilities				
Deposits Held and Due to Others	\$1,039,227	\$6,313,661	\$6,093,039	\$1,259,849

**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in
Fund Balances/Fund Equity**

Budget (Non-GAAP Basis) and Actual

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$9,494,669	\$9,494,669	\$9,724,481	\$229,812
Municipal Income Taxes	12,050,000	12,050,000	13,340,019	1,290,019
Admission Taxes	220,000	220,000	184,461	(35,539)
Hotel Taxes	375,000	375,000	427,854	52,854
Charges for Services	218,000	218,000	156,213	(61,787)
Licenses, Permits and Fees	381,600	381,600	484,906	103,306
Fines and Forfeitures	200,300	200,300	264,417	64,117
Intergovernmental	2,576,685	2,576,685	6,318,791	3,742,106
Interest	260,000	260,000	399,396	139,396
Rentals	95,730	95,730	147,939	52,209
Contributions and Donations	0	0	1,000	1,000
Franchise Taxes	475,000	475,000	507,883	32,883
Miscellaneous	36,050	36,050	1,313,183	1,277,133
<i>Total Revenues</i>	<u>26,383,034</u>	<u>26,383,034</u>	<u>33,270,543</u>	<u>6,887,509</u>
Expenditures				
Current:				
General Government				
Council				
Salaries	160,900	160,900	160,710	190
Fringe Benefits	31,600	31,600	31,285	315
Contractual Services	15,150	15,150	9,194	5,956
Materials and Supplies	2,000	2,000	1,203	797
Other	5,240	5,240	2,266	2,974
Total Council	<u>214,890</u>	<u>214,890</u>	<u>204,658</u>	<u>10,232</u>
Mayor				
Salaries	203,400	203,400	155,877	47,523
Fringe Benefits	62,900	62,900	34,556	28,344
Contractual Services	18,000	18,000	13,795	4,205
Materials and Supplies	5,236	5,236	4,562	674
Other	16,067	16,067	5,138	10,929
Total Mayor	<u>305,603</u>	<u>305,603</u>	<u>213,928</u>	<u>91,675</u>
Finance Department				
Salaries	395,800	395,800	384,159	11,641
Fringe Benefits	155,100	155,100	139,479	15,621
Contractual Services	493,200	493,200	482,879	10,321
Materials and Supplies	11,700	11,700	7,960	3,740
Other	24,781	24,781	1,696	23,085
Total Finance Department	<u>\$1,080,581</u>	<u>\$1,080,581</u>	<u>\$1,016,173</u>	<u>\$64,408</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Communications				
Salaries	\$91,300	\$91,300	\$87,144	\$4,156
Fringe Benefits	37,900	37,900	30,290	7,610
Contractual Services	43,150	43,150	24,132	19,018
Materials and Supplies	20,300	20,300	10,452	9,848
Capital Outlay	49,900	49,900	17,239	32,661
Other	44,852	44,852	31,946	12,906
Total Communications	287,402	287,402	201,203	86,199
Law Department				
Salaries	354,750	354,750	354,001	749
Fringe Benefits	123,500	123,500	110,756	12,744
Contractual Services	67,639	67,639	18,028	49,611
Materials and Supplies	3,000	3,000	1,307	1,693
Other	9,842	9,842	1,929	7,913
Total Law Department	558,731	558,731	486,021	72,710
Purchasing				
Salaries	242,600	242,600	229,977	12,623
Fringe Benefits	85,500	85,500	78,475	7,025
Contractual Services	6,750	6,750	4,497	2,253
Materials and Supplies	4,500	4,500	3,792	708
Other	9,042	9,042	743	8,299
Total Purchasing	348,392	348,392	317,484	30,908
Civil Service				
Salaries	66,200	67,700	828	66,872
Fringe Benefits	27,100	27,350	128	27,222
Contractual Services	29,000	58,000	29,720	28,280
Material and Supplies	3,300	3,300	1,529	1,771
Other	1,200	1,950	721	1,229
Total Civil Service	126,800	158,300	32,926	125,374
Engineering				
Salaries	539,700	539,700	478,622	61,078
Fringe Benefits	243,000	243,000	211,876	31,124
Contractual Services	49,415	49,415	25,167	24,248
Material and Supplies	21,077	21,077	19,184	1,893
Capital Outlay	10,000	10,000	21,986	(11,986)
Other	29,258	29,258	2,500	26,758
Total Engineering	\$892,450	\$892,450	\$759,335	\$133,115

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Building Maintenance				
Salaries	\$41,700	\$41,700	\$11,811	\$29,889
Fringe Benefits	13,100	13,100	8,690	4,410
Contractual Services	373,452	373,452	260,083	113,369
Material and Supplies	14,500	14,500	3,821	10,679
Capital Outlay	30,000	30,000	24,997	5,003
Other	1,900	1,900	1,003	897
Total Building Maintenance	474,652	474,652	310,405	164,247
Miscellaneous				
Salaries	34,600	34,600	34,475	125
Fringe Benefits	497,450	496,354	487,659	8,695
Contractual Services	1,113,000	1,195,946	1,103,878	92,068
Material and Supplies	77,500	97,500	55,726	41,774
Capital Outlay	686,713	679,572	37,145	642,427
Other	144,391	142,682	53,881	88,801
Total Miscellaneous	2,553,654	2,646,654	1,772,764	873,890
Cable TV				
Salaries	23,000	23,000	0	23,000
Fringe Benefits	3,600	3,600	0	3,600
Capital Outlay	2,403,050	2,403,050	263,057	2,139,993
Other	60,000	60,000	6,429	53,571
Total Cable TV	2,489,650	2,489,650	269,486	2,220,164
Contracts				
Contractual Services	928,668	928,668	624,051	304,617
Capital Outlay	46,300	46,300	43,179	3,121
Total Contracts	974,968	974,968	667,230	307,738
Total General Government	10,307,773	10,432,273	6,251,613	4,180,660
Security of Persons and Property				
Police Department				
Salaries	5,088,400	5,083,400	4,751,170	332,230
Fringe Benefits	1,364,800	1,364,800	1,136,033	228,767
Contractual Services	496,959	496,959	377,844	119,115
Materials and Supplies	198,543	198,543	248,581	(50,038)
Capital Outlay	228,800	228,800	215,335	13,465
Other	32,353	37,353	36,962	391
Total Police Department	\$7,409,855	\$7,409,855	\$6,765,925	\$643,930

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire Department				
Salaries	\$2,512,500	\$2,512,500	\$2,238,776	\$273,724
Fringe Benefits	660,900	660,900	561,958	98,942
Contractual Services	267,766	267,766	219,281	48,485
Materials and Supplies	83,242	83,242	82,738	504
Capital Outlay	71,700	71,700	57,181	14,519
Other	56,962	56,962	9,389	47,573
Total Fire Department	3,653,070	3,653,070	3,169,323	483,747
Safety Town				
Salaries	9,000	9,000	7,206	1,794
Fringe Benefits	1,450	1,450	1,113	337
Other	7,500	7,500	5,334	2,166
Total Safety Town	17,950	17,950	13,653	4,297
<i>Total Security of Persons and Property</i>	<i>11,080,875</i>	<i>11,080,875</i>	<i>9,948,901</i>	<i>1,131,974</i>
Public Health Services				
Community Services				
Salaries	554,500	554,500	498,837	55,663
Fringe Benefits	166,000	166,000	133,501	32,499
Contractual Services	112,299	112,299	75,126	37,173
Materials and Supplies	20,300	20,300	18,476	1,824
Capital Outlay	101,600	109,600	85,634	23,966
Other	27,576	27,576	6,304	21,272
Total Community Services	982,275	990,275	817,878	172,397
Cemetery Operations				
Capital Outlay	19,800	19,800	10,033	9,767
Total Public Health Services	1,002,075	1,010,075	827,911	182,164
Transportation				
Service Director				
Salaries	165,500	165,500	159,741	5,759
Fringe Benefits	49,300	49,300	46,263	3,037
Contractual Services	6,800	6,800	5,975	825
Materials and Supplies	3,500	3,500	3,227	273
Other	5,115	5,115	1,134	3,981
Total Service Director	\$230,215	\$230,215	\$216,340	\$13,875

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
City Service				
Salaries	\$1,707,100	\$1,707,100	\$1,344,673	\$362,427
Fringe Benefits	818,400	818,400	521,995	296,405
Contractual Services	2,445,749	2,445,749	2,363,427	82,322
Materials and Supplies	247,143	247,143	349,721	(102,578)
Capital Outlay	771,000	771,000	422,502	348,498
Other	46,131	46,131	13,991	32,140
Total City Service	6,035,523	6,035,523	5,016,309	1,019,214
Snow Removal				
Salaries	240,000	240,000	168,627	71,373
Fringe Benefits	37,100	37,100	25,665	11,435
Contractual Services	30,000	30,000	29,789	211
Other	700	700	170	530
Total Snow Removal	307,800	307,800	224,251	83,549
Total Transportation	6,573,538	6,573,538	5,456,900	1,116,638
Community Environment Planning				
Salaries	360,900	360,900	350,361	10,539
Fringe Benefits	123,100	123,100	110,310	12,790
Contractual Services	33,075	33,075	21,332	11,743
Materials and Supplies	4,600	4,600	2,901	1,699
Other	16,962	16,962	1,240	15,722
Total Planning	538,637	538,637	486,144	52,493
Zoning				
Contractual Services	2,400	2,400	2,001	399
Materials and Supplies	900	900	521	379
Total Zoning	3,300	3,300	2,522	778
Board of Building Standards				
Contractual Services	100	100	0	100
Materials and Supplies	200	200	2	198
Other	100	100	0	100
Total Board of Building Standards	400	400	2	398
Inspection				
Salaries	586,800	586,800	582,695	4,105
Fringe Benefits	211,200	211,200	198,254	12,946
Contractual Services	24,400	24,400	20,601	3,799
Materials and Supplies	17,000	17,000	17,741	(741)
Capital Outlay	21,200	21,200	18,182	3,018
Other	13,564	13,564	741	12,823
Total Inspection	\$874,164	\$874,164	\$838,214	\$35,950

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Architect				
Contractual Services	\$65,000	\$120,000	\$111,286	\$8,714
Unclaimed Monies				
Salaries	5,000	5,000	29	4,971
Fringe Benefits	750	750	12	738
Other	5,000	5,000	5,295	(295)
Total Unclaimed Monies	10,750	10,750	5,336	5,414
<i>Total Community Environment</i>	<u>1,492,251</u>	<u>1,547,251</u>	<u>1,443,504</u>	<u>103,747</u>
Basic Utility Services				
Forester				
Salaries	230,900	230,900	192,867	38,033
Fringe Benefits	103,100	103,100	96,329	6,771
Contractual Services	25,000	25,000	24,342	658
Other	6,809	6,809	5,478	1,331
Total Forester	365,809	365,809	319,016	46,793
Storm Drainage				
Salaries	27,000	27,000	12,303	14,697
Fringe Benefits	4,200	4,200	1,855	2,345
Contractual Services	38,500	38,500	37,193	1,307
Materials and Supplies	41,128	41,128	30,076	11,052
Other	7,000	7,000	7,503	(503)
Total Storm Drainage	117,828	117,828	88,930	28,898
Leaf Pick-Up				
Salaries	175,000	175,000	147,572	27,428
Fringe Benefits	27,100	27,100	22,505	4,595
Contractual Services	53,000	53,000	50,016	2,984
Other	700	700	400	300
Total Leaf Pick-Up	255,800	255,800	220,493	35,307
<i>Total Basic Utility Services</i>	<u>739,437</u>	<u>739,437</u>	<u>628,439</u>	<u>110,998</u>
Leisure Time Activities				
Recreation				
Salaries	166,600	166,600	163,700	2,900
Fringe Benefits	58,700	58,700	55,822	2,878
Contractual Services	80,406	80,406	67,125	13,281
Materials and Supplies	18,750	18,750	18,283	467
Capital Outlay	120,400	120,400	0	120,400
Other	500	500	0	500
Total Recreation	\$445,356	\$445,356	\$304,930	\$140,426

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Park				
Salaries	\$146,100	\$146,100	\$123,628	\$22,472
Fringe Benefits	63,200	63,200	52,169	11,031
Contractual Services	133,096	133,096	106,282	26,814
Materials and Supplies	10,500	10,500	12,497	(1,997)
Capital Outlay	5,000	5,000	3,373	1,627
Other	10,500	10,500	12,112	(1,612)
Total Park	368,396	368,396	310,061	58,335
<i>Total Leisure Time Activities</i>	<i>813,752</i>	<i>813,752</i>	<i>614,991</i>	<i>198,761</i>
Capital Outlay				
Equipment Replacement				
Capital Outlay	25,900	25,900	18,182	7,718
Total Expenditures	32,035,601	32,223,101	25,190,441	7,032,660
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(5,652,567)</i>	<i>(5,840,067)</i>	<i>8,080,102</i>	<i>13,920,169</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	5,000	72,597	67,597
Advances In	1,345,000	1,345,000	1,077,500	(267,500)
Advances Out	(200,000)	(297,400)	(199,900)	97,500
Transfers Out	(923,300)	(910,800)	(844,233)	66,567
Total Other Financing Sources (Uses)	226,700	141,800	105,964	(35,836)
Net Change in Fund Balance	(5,425,867)	(5,698,267)	8,186,066	13,884,333
Fund Balance Beginning of Year	22,574,765	22,574,765	22,574,765	0
Unexpended Prior Year Encumbrances	262,578	262,578	262,578	0
Fund Balance End of Year	\$17,411,476	\$17,139,076	\$31,023,409	\$13,884,333

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$250,000	\$250,000	\$250,000	\$0
Charges for Services	2,088,000	2,088,000	2,105,330	17,330
Rentals	74,500	74,500	76,341	1,841
Miscellaneous	10,100	10,100	13,901	3,801
<i>Total Revenues</i>	2,422,600	2,422,600	2,445,572	22,972
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	1,220,400	1,220,400	1,084,535	135,865
Fringe Benefits	391,500	391,500	324,939	66,561
Contractual Services	774,264	774,405	599,202	175,203
Materials and Supplies	157,636	157,636	108,954	48,682
Capital Outlay	10,000	10,000	0	10,000
Other	176,696	176,696	138,472	38,224
<i>Total Leisure Time Activities</i>	2,730,496	2,730,637	2,256,102	474,535
Debt Service:				
Principal Retirement	1,408	1,408	1,408	0
Interest and Fiscal Charges	935	935	935	0
<i>Total Debt Service</i>	2,343	2,343	2,343	0
<i>Total Expenditures</i>	2,732,839	2,732,980	2,258,445	474,535
<i>Excess of Revenues Over (Under) Expenditures</i>	(310,239)	(310,380)	187,127	497,507
Other Financing Sources				
Sale of Capital Assets	0	0	830	830
<i>Net Change in Fund Balance</i>	(310,239)	(310,380)	187,957	498,337
<i>Fund Balance Beginning of Year</i>	927,034	927,034	927,034	0
Unexpended Prior Year Encumbrances	22,584	22,584	22,584	0
<i>Fund Balance End of Year</i>	\$639,379	\$639,238	\$1,137,575	\$498,337

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$290,000	\$290,000	\$290,000	\$0
Interest	177,000	177,000	227,287	50,287
<i>Total Revenues</i>	<u>467,000</u>	<u>467,000</u>	<u>517,287</u>	<u>50,287</u>
Expenditures				
Debt Service:				
Principal Retirement	290,000	290,000	290,000	0
Interest and Fiscal Charges	214,500	214,500	209,530	4,970
<i>Total Expenditures</i>	<u>504,500</u>	<u>504,500</u>	<u>499,530</u>	<u>4,970</u>
<i>Net Change in Fund Balance</i>	(37,500)	(37,500)	17,757	55,257
<i>Fund Balance Beginning of Year</i>	<u>404,069</u>	<u>404,069</u>	<u>404,069</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$366,569</u></u>	<u><u>\$366,569</u></u>	<u><u>\$421,826</u></u>	<u><u>\$55,257</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Infrastructure Tax Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$3,500,000	\$3,500,000	\$4,567,099	\$1,067,099
Charges for Services	0	0	855	855
Intergovernmental	50,000	50,000	44,325	(5,675)
Interest	62,000	62,000	71,695	9,695
<i>Total Revenues</i>	3,612,000	3,612,000	4,683,974	1,071,974
Expenditures				
Capital Outlay:				
Issue 11 Improvements:				
Salaries	180,000	180,000	75,230	104,770
Fringe Benefits	27,850	27,850	11,318	16,532
Contractual Services	150,000	150,000	153,863	(3,863)
Capital Outlay	5,150,000	5,950,000	5,461,550	488,450
Other	785,619	785,619	79,958	705,661
<i>Total Capital Outlay</i>	6,293,469	7,093,469	5,781,919	1,311,550
Debt Service:				
Principal Retirement	9,300,000	9,300,000	9,300,000	0
Interest and Fiscal Charges	88,500	88,500	86,865	1,635
Bond Issuance Costs	0	135,000	130,110	4,890
<i>Total Debt Service</i>	9,388,500	9,523,500	9,516,975	6,525
<i>Total Expenditures</i>	15,681,969	16,616,969	15,298,894	1,318,075
<i>Excess of Revenues Under Expenditures</i>	(12,069,969)	(13,004,969)	(10,614,920)	2,390,049
Other Financing Sources (Uses)				
General Obligation Bonds Issued	9,300,000	9,300,000	7,350,000	(1,950,000)
General Obligation Bonds Premium	0	0	263,453	263,453
Advances In	4,720,000	4,720,000	4,620,000	(100,000)
Transfers Out	(362,443)	(398,566)	(398,566)	0
<i>Total Other Financing Sources (Uses)</i>	13,657,557	13,621,434	11,834,887	(1,786,547)
<i>Net Change in Fund Balance</i>	1,587,588	616,465	1,219,967	603,502
<i>Fund Balance Beginning of Year</i>	7,450,623	7,450,623	7,450,623	0
Unexpended Prior Year Encumbrances	5,912	5,912	5,912	0
<i>Fund Balance End of Year</i>	\$9,044,123	\$8,073,000	\$8,676,502	\$603,502

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$0	\$0	\$825	\$825
Intergovernmental	700,000	700,000	739,212	39,212
<i>Total Revenues</i>	<u>700,000</u>	<u>700,000</u>	<u>740,037</u>	<u>40,037</u>
Expenditures				
Capital Outlay:				
Grants:				
Salaries	80,000	80,000	48,955	31,045
Fringe Benefits	12,400	12,400	7,554	4,846
Capital Outlay	3,350,000	3,350,000	2,403,793	946,207
Other	67,600	67,600	9,019	58,581
<i>Total Expenditures</i>	<u>3,510,000</u>	<u>3,510,000</u>	<u>2,469,321</u>	<u>1,040,679</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,810,000)</u>	<u>(2,810,000)</u>	<u>(1,729,284)</u>	<u>1,080,716</u>
Other Financing Sources (Uses)				
Advances Out	(62,500)	(62,500)	0	62,500
Transfers In	12,500	12,500	0	(12,500)
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>	<u>50,000</u>
<i>Net Change in Fund Balance</i>	(2,860,000)	(2,860,000)	(1,729,284)	1,130,716
<i>Fund Balance Beginning of Year</i>	<u>3,172,317</u>	<u>3,172,317</u>	<u>3,172,317</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$312,317</u>	<u>\$312,317</u>	<u>\$1,443,033</u>	<u>\$1,130,716</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,695,000	\$1,695,000	\$1,678,428	(\$16,572)
Tap-In Fees	30,000	30,000	40,582	10,582
Interest	22,000	22,000	39,731	17,731
Miscellaneous	0	0	140,829	140,829
<i>Total Revenues</i>	<u>1,747,000</u>	<u>1,747,000</u>	<u>1,899,570</u>	<u>152,570</u>
Expenses				
Personal Services	505,600	505,600	381,062	124,538
Fringe Benefits	201,300	201,300	152,061	49,239
Contractual Services	1,786,004	1,786,004	1,717,675	68,329
Materials and Supplies	15,500	15,500	13,618	1,882
Capital Outlay	1,000,000	1,020,000	514,058	505,942
Other	86,095	86,095	65,860	20,235
<i>Total Expenses</i>	<u>3,594,499</u>	<u>3,614,499</u>	<u>2,844,334</u>	<u>770,165</u>
<i>Net Change in Fund Equity</i>	(1,847,499)	(1,867,499)	(944,764)	922,735
<i>Fund Equity Beginning of Year</i>	6,696,586	6,696,586	6,696,586	0
Unexpended Prior Year Encumbrances	<u>10,799</u>	<u>10,799</u>	<u>10,799</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,859,886</u></u>	<u><u>\$4,839,886</u></u>	<u><u>\$5,762,621</u></u>	<u><u>\$922,735</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,260,000	\$1,260,000	\$1,235,834	(\$24,166)
Interest	6,000	6,000	9,471	3,471
<i>Total Revenues</i>	<u>1,266,000</u>	<u>1,266,000</u>	<u>1,245,305</u>	<u>(20,695)</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Salaries	281,800	281,800	233,954	47,846
Fringe Benefits	91,000	91,000	77,243	13,757
Contractual Services	78,777	78,777	57,571	21,206
Materials and Supplies	552,388	552,388	448,409	103,979
Capital Outlay	800,000	800,000	794,959	5,041
Other	70,871	70,871	36,666	34,205
<i>Total Expenditures</i>	<u>1,874,836</u>	<u>1,874,836</u>	<u>1,648,802</u>	<u>226,034</u>
<i>Net Change in Fund Balance</i>	(608,836)	(608,836)	(403,497)	205,339
<i>Fund Balance Beginning of Year</i>	1,304,068	1,304,068	1,304,068	0
Unexpended Prior Year Encumbrances	62,336	62,336	62,336	0
<i>Fund Balance End of Year</i>	<u>\$757,568</u>	<u>\$757,568</u>	<u>\$962,907</u>	<u>\$205,339</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$103,000	\$103,000	\$100,203	(\$2,797)
Interest	1,000	1,000	2,379	1,379
<i>Total Revenues</i>	<u>104,000</u>	<u>104,000</u>	<u>102,582</u>	<u>(1,418)</u>
Expenditures				
Current:				
Transportation:				
State Highway				
Materials and Supplies	35,000	35,000	22,861	12,139
Other	5,000	5,000	4,019	981
<i>Total Expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>26,880</u>	<u>13,120</u>
<i>Net Change in Fund Balance</i>	64,000	64,000	75,702	11,702
<i>Fund Balance Beginning of Year</i>	<u>281,991</u>	<u>281,991</u>	<u>281,991</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$345,991</u></u>	<u><u>\$345,991</u></u>	<u><u>\$357,693</u></u>	<u><u>\$11,702</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permissive Motor Vehicle Taxes	\$259,000	\$259,000	\$224,023	(\$34,977)
Interest	4,500	4,500	7,104	2,604
<i>Total Revenues</i>	<u>263,500</u>	<u>263,500</u>	<u>231,127</u>	<u>(32,373)</u>
Expenditures				
Current:				
Transportation:				
Permissive Motor Vehicle License:				
Other	3,500	3,500	116	3,384
<i>Net Change in Fund Balance</i>	260,000	260,000	231,011	(28,989)
<i>Fund Balance Beginning of Year</i>	820,941	820,941	820,941	0
Unexpended Prior Year Encumbrances	500	500	500	0
<i>Fund Balance End of Year</i>	<u>\$1,081,441</u>	<u>\$1,081,441</u>	<u>\$1,052,452</u>	<u>(\$28,989)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$356,006	\$356,006	\$364,668	\$8,662
Intergovernmental	56,560	56,560	44,816	(11,744)
Miscellaneous	0	0	1,819	1,819
<i>Total Revenues</i>	412,566	412,566	411,303	(1,263)
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Fringe Benefits	880,000	880,000	781,546	98,454
<i>Excess of Revenues Under Expenditures</i>	(467,434)	(467,434)	(370,243)	97,191
Other Financing Sources				
Transfers In	350,000	350,000	350,000	0
<i>Net Change in Fund Balance</i>	(117,434)	(117,434)	(20,243)	97,191
<i>Fund Balance Beginning of Year</i>	206,758	206,758	206,758	0
<i>Fund Balance End of Year</i>	<u>\$89,324</u>	<u>\$89,324</u>	<u>\$186,515</u>	<u>\$97,191</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$356,006	\$356,006	\$364,668	\$8,662
Intergovernmental	56,560	56,560	44,816	(11,744)
<i>Total Revenues</i>	412,566	412,566	409,484	(3,082)
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Fringe Benefits	850,000	850,000	756,074	93,926
<i>Excess of Revenues Under Expenditures</i>	(437,434)	(437,434)	(346,590)	90,844
Other Financing Sources				
Transfers In	350,000	350,000	350,000	0
<i>Net Change in Fund Balance</i>	(87,434)	(87,434)	3,410	90,844
<i>Fund Balance Beginning of Year</i>	152,290	152,290	152,290	0
<i>Fund Balance End of Year</i>	<u>\$64,856</u>	<u>\$64,856</u>	<u>\$155,700</u>	<u>\$90,844</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Operating Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,068,116	\$1,068,116	\$1,094,004	\$25,888
Intergovernmental	169,530	169,530	134,449	(35,081)
<i>Total Revenues</i>	<u>1,237,646</u>	<u>1,237,646</u>	<u>1,228,453</u>	<u>(9,193)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police and Fire Operating:				
Salaries	1,337,800	1,337,800	1,308,744	29,056
Fringe Benefits	41,000	41,000	38,377	2,623
<i>Total Expenditures</i>	<u>1,378,800</u>	<u>1,378,800</u>	<u>1,347,121</u>	<u>31,679</u>
<i>Net Change in Fund Balance</i>	(141,154)	(141,154)	(118,668)	22,486
<i>Fund Balance Beginning of Year</i>	<u>296,596</u>	<u>296,596</u>	<u>296,596</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$155,442</u></u>	<u><u>\$155,442</u></u>	<u><u>\$177,928</u></u>	<u><u>\$22,486</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$30,000	\$30,000	\$87,877	\$57,877
Miscellaneous	0	0	14,615	14,615
<i>Total Revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>102,492</u>	<u>72,492</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	70,000	70,000	0	70,000
Other	40,000	60,000	58,184	1,816
<i>Total Expenditures</i>	<u>110,000</u>	<u>130,000</u>	<u>58,184</u>	<u>71,816</u>
<i>Net Change in Fund Balance</i>	(80,000)	(100,000)	44,308	144,308
<i>Fund Balance Beginning of Year</i>	<u>290,893</u>	<u>290,893</u>	<u>290,893</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$210,893</u></u>	<u><u>\$190,893</u></u>	<u><u>\$335,201</u></u>	<u><u>\$144,308</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Fines Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$6,453	(\$8,547)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	20,000	20,000	17,861	2,139
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	(11,408)	(6,408)
<i>Fund Balance Beginning of Year</i>	54,989	54,989	54,989	0
<i>Fund Balance End of Year</i>	\$49,989	\$49,989	\$43,581	(\$6,408)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alcohol Education Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$15,925	\$925
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	15,000	15,000	0	15,000
Other	5,000	5,000	2,316	2,684
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>2,316</u>	<u>17,684</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	13,609	18,609
<i>Fund Balance Beginning of Year</i>	<u>60,119</u>	<u>60,119</u>	<u>60,119</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$55,119</u></u>	<u><u>\$55,119</u></u>	<u><u>\$73,728</u></u>	<u><u>\$18,609</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$2,400	\$2,400	\$2,500	\$100
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries	2,700	3,200	2,789	411
Fringe Benefits	400	400	175	225
<i>Total Expenditures</i>	<u>3,100</u>	<u>3,600</u>	<u>2,964</u>	<u>636</u>
<i>Excess of Revenues Under Expenditures</i>	(700)	(1,200)	(464)	736
Other Financing Sources				
Advances In	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>3,000</u>
<i>Net Change in Fund Balance</i>	(700)	(1,200)	2,536	3,736
<i>Fund Balance Beginning of Year</i>	<u>1,713</u>	<u>1,713</u>	<u>1,713</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,013</u></u>	<u><u>\$513</u></u>	<u><u>\$4,249</u></u>	<u><u>\$3,736</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$1,400	\$1,400	\$4,042	\$2,642
Miscellaneous	0	0	56	56
<i>Total Revenues</i>	<u>1,400</u>	<u>1,400</u>	<u>4,098</u>	<u>2,698</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	200,000	200,000	30,924	169,076
Other	50,000	50,000	29,796	20,204
<i>Total Expenditures</i>	<u>250,000</u>	<u>250,000</u>	<u>60,720</u>	<u>189,280</u>
<i>Net Change in Fund Balance</i>	(248,600)	(248,600)	(56,622)	191,978
<i>Fund Balance Beginning of Year</i>	<u>554,865</u>	<u>554,865</u>	<u>554,865</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$306,265</u></u>	<u><u>\$306,265</u></u>	<u><u>\$498,243</u></u>	<u><u>\$191,978</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$995,600	\$1,007,982	\$965,339	(\$42,643)
Expenditures				
Current:				
General Government:				
FEMA:				
Capital Outlay	969,662	982,082	969,680	12,402
Other	900	900	900	0
<i>Total Expenditures</i>	<u>970,562</u>	<u>982,982</u>	<u>970,580</u>	<u>12,402</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	25,038	25,000	(5,241)	(30,241)
Other Financing Uses				
Advances Out	(1,000,000)	(1,000,000)	(930,000)	70,000
<i>Net Change in Fund Balance</i>	(974,962)	(975,000)	(935,241)	39,759
<i>Fund Balance Beginning of Year</i>	60,628	60,628	60,628	0
Unexpended Prior Year Encumbrances	914,372	914,372	914,372	0
<i>Fund Balance End of Year</i>	<u>\$38</u>	<u>\$0</u>	<u>\$39,759</u>	<u>\$39,759</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Grants Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$56,900	\$56,900	\$0	(\$56,900)
Expenditures				
Current:				
General Government:				
Federal Grants				
Other	56,900	56,900	56,900	0
<i>Excess of Revenues Under Expenditures</i>	0	0	(56,900)	(56,900)
Other Financing Sources				
Advances In	56,900	56,900	56,900	0
<i>Net Change in Fund Balance</i>	56,900	56,900	0	(56,900)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$56,900</u>	<u>\$56,900</u>	<u>\$0</u>	<u>(\$56,900)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$800,000	\$800,000	\$834,080	\$34,080
Intergovernmental	0	0	3,950	3,950
<i>Total Revenues</i>	<u>800,000</u>	<u>800,000</u>	<u>838,030</u>	<u>38,030</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Salaries	533,400	533,400	507,594	25,806
Fringe Benefits	131,400	131,400	124,757	6,643
Contractual Services	117,200	117,200	90,722	26,478
Materials and Supplies	15,000	15,000	11,114	3,886
Capital Outlay	10,000	10,000	11,012	(1,012)
Other	371,900	371,900	364,846	7,054
<i>Total Expenditures</i>	<u>1,178,900</u>	<u>1,178,900</u>	<u>1,110,045</u>	<u>68,855</u>
<i>Net Change in Fund Balance</i>	(378,900)	(378,900)	(272,015)	106,885
<i>Fund Balance Beginning of Year</i>	851,045	851,045	851,045	0
Unexpended Prior Year Encumbrances	6,000	6,000	6,000	0
<i>Fund Balance End of Year</i>	<u>\$478,145</u>	<u>\$478,145</u>	<u>\$585,030</u>	<u>\$106,885</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Investment Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$20,000	\$20,000	\$25,450	\$5,450
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Other	5,000	5,000	3,425	1,575
<i>Net Change in Fund Balance</i>	15,000	15,000	22,025	7,025
<i>Fund Balance Beginning of Year</i>	539,786	539,786	539,786	0
<i>Fund Balance End of Year</i>	\$554,786	\$554,786	\$561,811	\$7,025

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Westlake/Bay Ecological Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$80,000	\$80,000	\$78,627	(\$1,373)
Miscellaneous	0	0	14,289	14,289
<i>Total Revenues</i>	<u>80,000</u>	<u>80,000</u>	<u>92,916</u>	<u>12,916</u>
Expenditures				
Current:				
Basic Utility Services:				
Litter Prevention:				
Salaries	25,200	45,200	41,392	3,808
Fringe Benefits	4,000	7,100	6,650	450
Contractual Services	33,977	33,977	30,690	3,287
Capital Outlay	50,000	50,000	0	50,000
Other	8,711	8,711	9,715	(1,004)
<i>Total Expenditures</i>	<u>121,888</u>	<u>144,988</u>	<u>88,447</u>	<u>56,541</u>
<i>Net Change in Fund Balance</i>	(41,888)	(64,988)	4,469	69,457
<i>Fund Balance Beginning of Year</i>	126,766	126,766	126,766	0
Unexpended Prior Year Encumbrances	<u>8,188</u>	<u>8,188</u>	<u>8,188</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$93,066</u></u>	<u><u>\$69,966</u></u>	<u><u>\$139,423</u></u>	<u><u>\$69,457</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Donations Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$0	\$59,500	\$98,560	\$39,060
Expenditures				
Current:				
Community Environment:				
Donations:				
Materials and Supplies	61,882	137,332	110,763	26,569
Capital Outlay	118	118	118	0
Other	50,566	50,566	12,720	37,846
<i>Total Expenditures</i>	<u>112,566</u>	<u>188,016</u>	<u>123,601</u>	<u>64,415</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(112,566)</u>	<u>(128,516)</u>	<u>(25,041)</u>	<u>103,475</u>
Other Financing Sources				
Advances In	12,500	25,000	25,000	0
Transfers In	50,000	50,000	50,000	0
<i>Total Other Financing Sources</i>	<u>62,500</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(50,066)	(53,516)	49,959	103,475
<i>Fund Balance Beginning of Year</i>	159,589	159,589	159,589	0
Unexpended Prior Year Encumbrances	3,516	3,516	3,516	0
<i>Fund Balance End of Year</i>	<u>\$113,039</u>	<u>\$109,589</u>	<u>\$213,064</u>	<u>\$103,475</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pool Operation Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$209,500	\$209,500	\$208,905	(\$595)
Miscellaneous	500	500	1,983	1,483
<i>Total Revenues</i>	210,000	210,000	210,888	888
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	113,100	113,100	108,565	4,535
Fringe Benefits	17,600	17,600	16,721	879
Contractual Services	54,720	54,720	28,445	26,275
Materials and Supplies	33,000	33,000	28,072	4,928
Capital Outlay	1,000	1,000	2,600	(1,600)
Other	6,300	6,300	3,281	3,019
<i>Total Expenditures</i>	225,720	225,720	187,684	38,036
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,720)	(15,720)	23,204	38,924
Other Financing Sources (Uses)				
Advances In	30,000	30,000	0	(30,000)
Advances Out	(30,000)	(30,000)	(30,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	(30,000)	(30,000)
<i>Net Change in Fund Balance</i>	(15,720)	(15,720)	(6,796)	8,924
<i>Fund Balance Beginning of Year</i>	63,677	63,677	63,677	0
Unexpended Prior Year Encumbrances	9,620	9,620	9,620	0
<i>Fund Balance End of Year</i>	\$57,577	\$57,577	\$66,501	\$8,924

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior/Community Service Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$150,000	\$150,000	\$109,151	(\$40,849)
Miscellaneous	0	0	4,621	4,621
<i>Total Revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>113,772</u>	<u>(36,228)</u>
Expenditures				
Current:				
Public Health Services:				
Senior/Community Services:				
Contractual Services	6,500	6,500	6,180	320
Capital Outlay	4,800	4,800	3,638	1,162
Other	141,165	141,165	112,590	28,575
<i>Total Expenditures</i>	<u>152,465</u>	<u>152,465</u>	<u>122,408</u>	<u>30,057</u>
<i>Net Change in Fund Balance</i>	(2,465)	(2,465)	(8,636)	(6,171)
<i>Fund Balance Beginning of Year</i>	39,921	39,921	39,921	0
Unexpended Prior Year Encumbrances	<u>12,485</u>	<u>12,485</u>	<u>12,485</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$49,941</u></u>	<u><u>\$49,941</u></u>	<u><u>\$43,770</u></u>	<u><u>(\$6,171)</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Operating Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$24,000	\$24,000	\$26,600	\$2,600
Interest	0	0	4,151	4,151
<i>Total Revenues</i>	<u>24,000</u>	<u>24,000</u>	<u>30,751</u>	<u>6,751</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Salaries	56,200	56,200	46,488	9,712
Fringe Benefits	25,600	25,600	22,143	3,457
Contractual Services	21,948	21,948	15,255	6,693
Materials and Supplies	8,800	8,800	9,198	(398)
Capital Outlay	54,000	54,000	5,976	48,024
Other	20,084	20,084	9,715	10,369
<i>Total Expenditures</i>	<u>186,632</u>	<u>186,632</u>	<u>108,775</u>	<u>77,857</u>
<i>Excess of Revenues Under Expenditures</i>	(162,632)	(162,632)	(78,024)	84,608
Other Financing Sources				
Transfers In	100,000	100,000	0	(100,000)
<i>Net Change in Fund Balance</i>	(62,632)	(62,632)	(78,024)	(15,392)
<i>Fund Balance Beginning of Year</i>	151,904	151,904	151,904	0
Unexpended Prior Year Encumbrances	6,144	6,144	6,144	0
<i>Fund Balance End of Year</i>	<u>\$95,416</u>	<u>\$95,416</u>	<u>\$80,024</u>	<u>(\$15,392)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Reserve for Compensated Absences Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
General Government:				
Compensated Absences:				
Personal Services	300,000	550,000	434,273	115,727
Fringe Benefits	4,500	4,500	974	3,526
<i>Total Expenditures</i>	<u>304,500</u>	<u>554,500</u>	<u>435,247</u>	<u>119,253</u>
<i>Net Change in Fund Balance</i>	(304,500)	(554,500)	(435,247)	119,253
<i>Fund Balance Beginning of Year</i>	<u>1,442,312</u>	<u>1,442,312</u>	<u>1,442,312</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,137,812</u>	<u>\$887,812</u>	<u>\$1,007,065</u>	<u>\$119,253</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$118,668	\$118,668	\$121,556	\$2,888
Municipal Income Taxes	1,050,000	1,050,000	1,050,000	0
Intergovernmental	18,904	18,904	14,939	(3,965)
<i>Total Revenues</i>	<u>1,187,572</u>	<u>1,187,572</u>	<u>1,186,495</u>	<u>(1,077)</u>
Expenditures				
Debt Service:				
Principal Retirement	975,000	975,000	975,000	0
Interest and Fiscal Charges	352,500	352,500	352,490	10
<i>Total Expenditures</i>	<u>1,327,500</u>	<u>1,327,500</u>	<u>1,327,490</u>	<u>10</u>
<i>Net Change in Fund Balance</i>	(139,928)	(139,928)	(140,995)	(1,067)
<i>Fund Balance Beginning of Year</i>	<u>691,387</u>	<u>691,387</u>	<u>691,387</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$551,459</u>	<u>\$551,459</u>	<u>\$550,392</u>	<u>(\$1,067)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue 11 Bond Retirement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$1,100,000	\$1,100,000	\$528,183	(\$571,817)
Expenditures				
Debt Service:				
Principal Retirement	870,000	870,000	400,000	470,000
Interest and Fiscal Charges	230,000	230,000	127,557	102,443
<i>Total Expenditures</i>	<u>1,100,000</u>	<u>1,100,000</u>	<u>527,557</u>	<u>572,443</u>
<i>Net Change in Fund Balance</i>	0	0	626	626
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$626</u>	<u>\$626</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Improvement Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	3,000	3,000	3,000	0
<i>Fund Balance End of Year</i>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$0</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Drainage Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$25,000	\$25,000	\$60,730	\$35,730
Interest	9,500	9,500	27,329	17,829
Miscellaneous	0	0	2,745	2,745
<i>Total Revenues</i>	<u>34,500</u>	<u>34,500</u>	<u>90,804</u>	<u>56,304</u>
Expenditures				
Capital Outlay:				
Storm Drainage:				
Salaries	25,000	175,000	157,746	17,254
Fringe Benefits	3,900	27,400	24,220	3,180
Capital Outlay	738,299	738,299	632,550	105,749
Other	46,100	46,100	65,691	(19,591)
<i>Total Expenditures</i>	<u>813,299</u>	<u>986,799</u>	<u>880,207</u>	<u>106,592</u>
<i>Net Change in Fund Balance</i>	(778,799)	(952,299)	(789,403)	162,896
<i>Fund Balance Beginning of Year</i>	3,880,522	3,880,522	3,880,522	0
Unexpended Prior Year Encumbrances	<u>128,299</u>	<u>128,299</u>	<u>128,299</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,230,022</u></u>	<u><u>\$3,056,522</u></u>	<u><u>\$3,219,418</u></u>	<u><u>\$162,896</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Crocker Road Improvements Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>247,932</u>	<u>247,932</u>	<u>247,932</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$247,932</u></u>	<u><u>\$247,932</u></u>	<u><u>\$247,932</u></u>	<u><u>\$0</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue 2 Improvements Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,072,500	\$1,072,500	\$602,151	(\$470,349)
Expenditures				
Capital Outlay:				
Issue 2 Improvements:				
Capital Outlay	593,935	593,935	7,966	585,969
Other	2,771	2,771	0	2,771
Total Capital Outlay	596,706	596,706	7,966	588,740
Debt Service:				
Principal Retirement	60,800	60,800	60,761	39
<i>Total Expenditures</i>	<u>657,506</u>	<u>657,506</u>	<u>68,727</u>	<u>588,779</u>
<i>Excess of Revenues Over Expenditures</i>	<u>414,994</u>	<u>414,994</u>	<u>533,424</u>	<u>118,430</u>
Other Financing Sources (Uses)				
Advances Out	(4,720,000)	(4,720,000)	(4,620,000)	100,000
Transfers In	1,050,800	1,050,800	459,366	(591,434)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,669,200)</u>	<u>(3,669,200)</u>	<u>(4,160,634)</u>	<u>(491,434)</u>
<i>Net Change in Fund Balance</i>	(3,254,206)	(3,254,206)	(3,627,210)	(373,004)
<i>Fund Balance Beginning of Year</i>	3,037,561	3,037,561	3,037,561	0
Unexpended Prior Year Encumbrances	596,706	596,706	596,706	0
<i>Fund Balance End of Year</i>	<u>\$380,061</u>	<u>\$380,061</u>	<u>\$7,057</u>	<u>(\$373,004)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Impact Fees Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses, Permits and Fees	\$10,000	\$10,000	\$24,277	\$14,277
Expenditures				
Capital Outlay:				
Impact Fee:				
Capital Outlay	150,050	150,050	13,647	136,403
Other	60,100	60,100	4,093	56,007
<i>Total Expenditures</i>	<u>210,150</u>	<u>210,150</u>	<u>17,740</u>	<u>192,410</u>
<i>Net Change in Fund Balance</i>	(200,150)	(200,150)	6,537	206,687
<i>Fund Balance Beginning of Year</i>	1,252,402	1,252,402	1,252,402	0
Unexpended Prior Year Encumbrances	<u>150</u>	<u>150</u>	<u>150</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,052,402</u></u>	<u><u>\$1,052,402</u></u>	<u><u>\$1,259,089</u></u>	<u><u>\$206,687</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalks Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$35,000	\$35,000	\$38,805	\$3,805
Expenditures				
Capital Outlay:				
Sidewalk Improvement:				
Salaries	90,500	90,500	40,122	50,378
Fringe Benefits	14,000	14,000	6,122	7,878
Capital Outlay	16,275	16,275	1,748	14,527
Other	37,081	37,781	13,884	23,897
<i>Total Expenditures</i>	<u>157,856</u>	<u>158,556</u>	<u>61,876</u>	<u>96,680</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(122,856)</u>	<u>(123,556)</u>	<u>(23,071)</u>	<u>100,485</u>
Other Financing Sources (Uses)				
Advances Out	(67,500)	(67,500)	(67,500)	0
Transfers In	66,535	66,535	33,433	(33,102)
<i>Total Other Financing Sources (Uses)</i>	<u>(965)</u>	<u>(965)</u>	<u>(34,067)</u>	<u>(33,102)</u>
<i>Net Change in Fund Balance</i>	(123,821)	(124,521)	(57,138)	67,383
<i>Fund Balance Beginning of Year</i>	132,164	132,164	132,164	0
Unexpended Prior Year Encumbrances	17,856	17,856	17,856	0
<i>Fund Balance End of Year</i>	<u>\$26,199</u>	<u>\$25,499</u>	<u>\$92,882</u>	<u>\$67,383</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Service Center Construction Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	0	0	36,828	(36,828)
<i>Net Change in Fund Balance</i>	0	0	(36,828)	(36,828)
<i>Fund Balance Beginning of Year</i>	779	779	779	0
Unexpended Prior Year Encumbrances	36,828	36,828	36,828	0
<i>Fund Balance End of Year</i>	\$37,607	\$37,607	\$779	(\$36,828)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Center Construction Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$185,000	\$185,000	\$398,122	\$213,122
Intergovernmental	15,000	15,000	14,775	(225)
<i>Total Revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>412,897</u>	<u>212,897</u>
Expenditures				
Capital Outlay:				
Recreation Center Construction:				
Contractual Services	100,000	100,000	51,278	48,722
Capital Outlay	185,000	185,000	125,174	59,826
Other	74,000	74,000	21,437	52,563
<i>Total Expenditures</i>	<u>359,000</u>	<u>359,000</u>	<u>197,889</u>	<u>161,111</u>
<i>Net Change in Fund Balance</i>	(159,000)	(159,000)	215,008	374,008
<i>Fund Balance Beginning of Year</i>	<u>3,801,436</u>	<u>3,801,436</u>	<u>3,801,436</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,642,436</u></u>	<u><u>\$3,642,436</u></u>	<u><u>\$4,016,444</u></u>	<u><u>\$374,008</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$430,000	\$430,000	\$250,542	(\$179,458)
Rentals	27,600	27,600	48,938	21,338
Miscellaneous	8,000	8,000	4,885	(3,115)
<i>Total Revenues</i>	<u>465,600</u>	<u>465,600</u>	<u>304,365</u>	<u>(161,235)</u>
Expenses				
Current:				
Personal Services	220,200	220,200	217,751	2,449
Fringe Benefits	67,500	67,500	63,570	3,930
Contractual Services	82,262	82,262	47,650	34,612
Materials and Supplies	57,578	57,578	47,723	9,855
Capital Outlay	5,500	5,500	0	5,500
Other	35,781	35,781	13,001	22,780
<i>Total Expenses</i>	<u>468,821</u>	<u>468,821</u>	<u>389,695</u>	<u>79,126</u>
<i>Excess of Revenues Under Expenses</i>				
<i>Before Advances</i>	(3,221)	(3,221)	(85,330)	(82,109)
Advances In	100,000	100,000	65,000	(35,000)
Advances Out	<u>(115,000)</u>	<u>(115,000)</u>	<u>0</u>	<u>115,000</u>
<i>Net Change in Fund Equity</i>	(18,221)	(18,221)	(20,330)	(2,109)
<i>Fund Equity Beginning of Year</i>	21,307	21,307	21,307	0
Unexpended Prior Year Encumbrances	<u>9,037</u>	<u>9,037</u>	<u>9,037</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$12,123</u></u>	<u><u>\$12,123</u></u>	<u><u>\$10,014</u></u>	<u><u>(\$2,109)</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$3,536,200	\$3,536,200	\$3,337,187	(\$199,013)
Expenses				
Contractual Services	410,000	410,000	425,933	(15,933)
Claims	3,315,200	3,315,200	2,960,883	354,317
<i>Total Expenses</i>	<u>3,725,200</u>	<u>3,725,200</u>	<u>3,386,816</u>	<u>338,384</u>
<i>Net Change in Fund Equity</i>	(189,000)	(189,000)	(49,629)	139,371
<i>Fund Equity Beginning of Year</i>	1,760,100	1,760,100	1,760,100	0
Unexpended Prior Year Encumbrances	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,571,300</u></u>	<u><u>\$1,571,300</u></u>	<u><u>\$1,710,671</u></u>	<u><u>\$139,371</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Information Technology Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$293,000	\$293,000	\$0	(\$293,000)
Expenses				
Personal Services	156,300	156,300	147,889	8,411
Fringe Benefits	31,300	31,300	33,585	(2,285)
Contractual Services	184,566	184,566	163,269	21,297
Materials and Supplies	1,700	1,700	156	1,544
Capital Outlay	149,232	149,232	40,552	108,680
Other	0	0	622	(622)
<i>Total Expenses</i>	523,098	523,098	386,073	137,025
<i>Net Change in Fund Equity</i>	(230,098)	(230,098)	(386,073)	(155,975)
<i>Fund Equity Beginning of Year</i>	419,172	419,172	419,172	0
Unexpended Prior Year Encumbrances	4,298	4,298	4,298	0
<i>Fund Equity End of Year</i>	\$193,372	\$193,372	\$37,397	(\$155,975)



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Statistical Section

This Part of the City of Westlake, 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>	S2 – S13
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>	S14 – S21
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S22 - S27
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>	S28 – S31
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>	S32 - S37
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 2001; schedules presenting government-wide information include information beginning in that year.

City of Westlake, Ohio
Net Assets by Component
Last Ten Years
(accrual basis of accounting)

	2011	2010	2009	2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$120,651,597	\$118,410,063	\$115,906,207	\$116,235,290
Restricted	39,248,472	42,677,403	39,002,639	38,496,737
Unrestricted	32,946,087	23,964,324	23,933,018	16,455,779
<i>Total Governmental Activities Net Assets</i>	<u>192,846,156</u>	<u>185,051,790</u>	<u>178,841,864</u>	<u>171,187,806</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	30,643,725	31,334,659	31,092,605	31,760,772
Unrestricted	15,072,756	16,277,091	18,373,841	19,410,303
<i>Total Business-Type Activities Net Assets</i>	<u>45,716,481</u>	<u>47,611,750</u>	<u>49,466,446</u>	<u>51,171,075</u>
Primary government				
Invested in Capital Assets, Net of Related Debt	151,295,322	149,744,722	146,998,812	147,996,062
Restricted	39,248,472	42,677,403	39,002,639	38,496,737
Unrestricted	48,018,843	40,241,415	42,306,859	35,866,082
<i>Total Primary Government Net Assets</i>	<u>\$238,562,637</u>	<u>\$232,663,540</u>	<u>\$228,308,310</u>	<u>\$222,358,881</u>

2007	2006	2005	2004	2003	2002
\$113,923,769	\$111,215,683	\$107,532,355	\$95,408,072	\$90,918,473	\$87,726,914
36,851,590	29,743,519	31,289,085	37,559,907	35,710,547	34,748,143
30,181,068	30,016,958	24,115,948	23,388,288	24,879,263	23,396,704
<u>180,956,427</u>	<u>170,976,160</u>	<u>162,937,388</u>	<u>156,356,267</u>	<u>151,508,283</u>	<u>145,871,761</u>
32,213,389	32,600,713	33,192,749	32,689,796	32,564,585	32,600,462
19,250,408	20,501,409	20,526,997	20,898,424	21,257,934	22,046,837
<u>51,463,797</u>	<u>53,102,122</u>	<u>53,719,746</u>	<u>53,588,220</u>	<u>53,822,519</u>	<u>54,647,299</u>
146,137,158	143,816,396	140,725,104	128,097,868	123,483,058	120,327,376
36,851,590	29,743,519	31,289,085	37,559,907	35,710,547	34,748,143
49,431,476	50,518,367	44,642,945	44,286,712	46,137,197	45,443,541
<u>\$232,420,224</u>	<u>\$224,078,282</u>	<u>\$216,657,134</u>	<u>\$209,944,487</u>	<u>\$205,330,802</u>	<u>\$200,519,060</u>

City of Westlake, Ohio
Changes in Net Assets
Last Ten Years
(accrual basis of accounting)

	2011	2010	2009	2008
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$544,628	\$618,409	\$403,368	\$62,982
Security of Persons and Property	1,084,774	1,055,314	1,658,886	1,792,383
Public Health Services	166,906	163,675	179,602	219,131
Transportation	358,448	257,883	224,745	170,479
Community Environment	200,992	158,287	179,680	473,546
Basic Utility Services	177,435	182,493	226,160	117,076
Leisure Time Activities	2,407,993	2,339,261	2,318,991	2,422,194
Operating Grants and Contributions	2,815,006	1,813,317	1,908,400	1,999,419
Capital Grants and Contributions	1,546,514	2,572,627	198,262	861,837
<i>Total Governmental Activities Program Revenues</i>	<u>9,302,696</u>	<u>9,161,266</u>	<u>7,298,094</u>	<u>8,119,047</u>
Business-Type Activities:				
Charges for Services:				
Sewer	1,733,629	1,745,665	1,704,877	2,038,961
Golf Course	299,480	398,914	429,063	438,473
<i>Total Business-Type Activities Program Revenues</i>	<u>2,033,109</u>	<u>2,144,579</u>	<u>2,133,940</u>	<u>2,477,434</u>
<i>Total Primary Government Program Revenues</i>	<u>11,335,805</u>	<u>11,305,845</u>	<u>9,432,034</u>	<u>10,596,481</u>
Expenses				
Governmental Activities:				
General Government	7,902,687	6,968,302	7,911,956	22,355,014
Security of Persons and Property	14,747,275	14,584,694	14,833,854	15,023,844
Public Health Services	1,190,286	1,185,741	990,935	1,040,137
Transportation	11,927,202	9,085,307	7,754,905	11,143,476
Community Environment	1,721,879	1,685,287	1,461,332	1,436,256
Basic Utility Services	1,801,486	1,917,453	1,843,251	1,925,985
Leisure Time Activities	3,788,078	3,979,282	3,963,481	3,990,032
Interest and Fiscal Charges	806,303	762,104	775,746	832,754
<i>Total Governmental Activities Expenses</i>	<u>43,885,196</u>	<u>40,168,170</u>	<u>39,535,460</u>	<u>57,747,498</u>
Business-Type Activities:				
Sewer	3,684,221	3,574,031	3,407,143	3,206,285
Golf	428,838	462,322	499,842	509,423
<i>Total Business-Type Activities Expenses</i>	<u>4,113,059</u>	<u>4,036,353</u>	<u>3,906,985</u>	<u>3,715,708</u>
<i>Total Primary Government Expenses</i>	<u>\$47,998,255</u>	<u>\$44,204,523</u>	<u>\$43,442,445</u>	<u>\$61,463,206</u>

2007	2006	2005	2004	2003	2002
\$204,883	\$173,083	\$127,184	\$479,604	\$439,045	\$557,528
1,137,311	1,035,418	982,712	697,379	358,014	301,778
179,762	164,790	245,703	217,676	109,774	112,691
2,050	18,095	800	0	0	23,335
258,685	330,801	2,464	395,233	422,031	367,209
580,438	699,054	591,125	375,328	271,828	283,095
2,392,074	2,457,714	2,153,198	2,159,425	1,954,280	2,009,919
2,247,881	2,326,833	1,991,525	1,494,552	1,561,028	1,607,321
86,159	779,936	6,508,012	615,617	416,865	866,330
<u>7,089,243</u>	<u>7,985,724</u>	<u>12,602,723</u>	<u>6,434,814</u>	<u>5,532,865</u>	<u>6,129,206</u>
1,782,896	1,849,077	1,817,584	1,847,391	1,578,261	1,648,297
497,736	460,439	504,641	475,011	456,882	479,338
<u>2,280,632</u>	<u>2,309,516</u>	<u>2,322,225</u>	<u>2,322,402</u>	<u>2,035,143</u>	<u>2,127,635</u>
<u>9,369,875</u>	<u>10,295,240</u>	<u>14,924,948</u>	<u>8,757,216</u>	<u>7,568,008</u>	<u>8,256,841</u>
7,364,070	7,343,276	7,374,119	6,143,020	5,579,719	8,288,139
13,159,961	12,689,539	12,050,809	11,750,100	10,545,048	10,701,215
962,658	904,177	874,171	789,438	681,078	755,224
10,093,953	8,837,612	12,801,841	9,106,958	6,468,674	7,435,759
1,305,482	1,403,325	1,635,242	1,628,983	1,004,252	1,253,995
2,184,182	1,770,100	1,688,932	1,714,687	2,274,064	2,682,560
4,312,925	3,679,917	3,436,612	3,308,446	3,187,993	3,321,751
633,706	1,372,783	1,176,075	1,439,879	1,524,599	1,746,348
<u>40,016,937</u>	<u>38,000,729</u>	<u>41,037,801</u>	<u>35,881,511</u>	<u>31,265,427</u>	<u>36,184,991</u>
3,396,803	2,619,020	3,076,178	3,021,810	3,011,609	3,255,674
475,205	498,429	510,441	483,123	520,339	510,649
<u>3,872,008</u>	<u>3,117,449</u>	<u>3,586,619</u>	<u>3,504,933</u>	<u>3,531,948</u>	<u>3,766,323</u>
<u>\$43,888,945</u>	<u>\$41,118,178</u>	<u>\$44,624,420</u>	<u>\$39,386,444</u>	<u>\$34,797,375</u>	<u>\$39,951,314</u>

(continued)

City of Westlake, Ohio
Changes in Net Assets (continued)
Last Ten Years
(accrual basis of accounting)

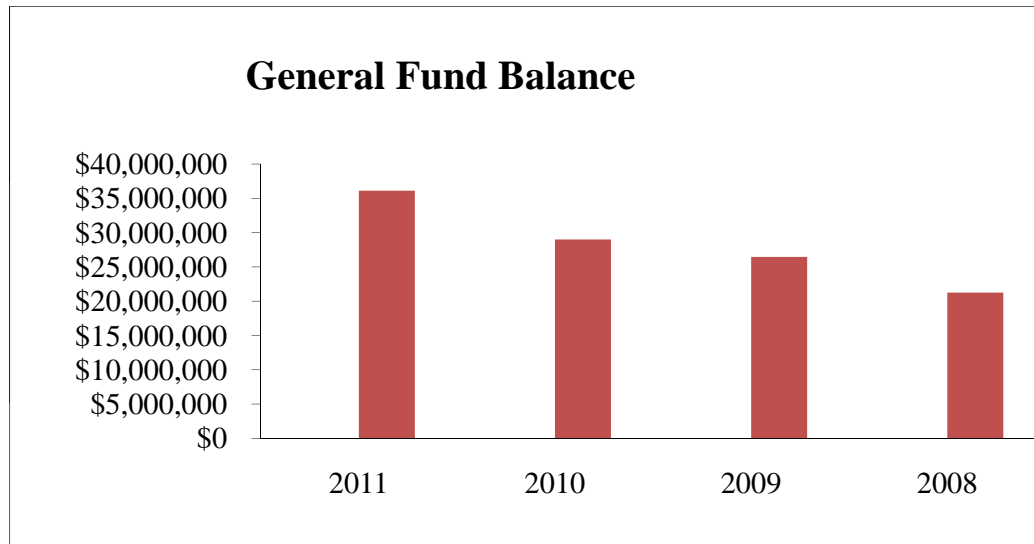
	2011	2010	2009	2008
Net (Expense)/Revenue				
Governmental Activities	(\$34,582,500)	(\$31,006,904)	(\$32,237,366)	(\$49,628,451)
Business-Type Activities	(2,079,950)	(1,891,774)	(1,773,045)	(1,238,274)
<i>Total Primary Government Net Expense</i>	<u>(36,662,450)</u>	<u>(32,898,678)</u>	<u>(34,010,411)</u>	<u>(50,866,725)</u>
 General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	9,766,663	9,875,483	10,340,850	9,389,659
Other Purposes	1,831,250	1,851,654	1,935,405	1,853,221
Debt Service	122,084	120,758	100,983	857,615
Municipal Income Taxes Levied For:				
General Purposes	14,091,446	12,617,962	12,306,589	12,462,547
Other Purposes	259,448	53,841	0	250,588
Debt Service	1,857,968	835,022	975,491	1,002,399
Capital Outlay	4,995,362	5,506,156	5,176,375	5,110,393
Admission Taxes	187,280	178,209	188,867	197,798
Hotel Taxes	431,774	406,204	374,953	457,987
Grants and Entitlements not Restricted to Specific Programs	6,057,901	4,460,061	4,653,290	4,282,803
Franchise Taxes	523,339	479,845	450,860	438,367
Investment Earnings	615,400	264,472	2,788,286	2,877,142
Gain (Loss) on Sale of Capital Assets	5,296	57,300	5,000	0
Miscellaneous	1,637,665	499,937	702,847	687,619
Transfers	(6,010)	9,926	0	(8,308)
<i>Total Governmental Activities</i>	<u>42,376,866</u>	<u>37,216,830</u>	<u>39,999,796</u>	<u>39,859,830</u>
 Business-Type Activities:				
Investment Earnings	32,957	46,940	59,969	927,845
Miscellaneous	145,714	64	8,447	9,399
Transfers	6,010	(9,926)	0	8,308
<i>Total Business-Type Activities</i>	<u>184,681</u>	<u>37,078</u>	<u>68,416</u>	<u>945,552</u>
<i>Total Primary Government</i>	<u>42,561,547</u>	<u>37,253,908</u>	<u>40,068,212</u>	<u>40,805,382</u>
 Change in Net Assets				
Governmental Activities	7,794,366	6,209,926	7,762,430	(9,768,621)
Business-Type Activities	(1,895,269)	(1,854,696)	(1,704,629)	(292,722)
<i>Total Primary Government Change in Net Assets</i>	<u>\$5,899,097</u>	<u>\$4,355,230</u>	<u>\$6,057,801</u>	<u>(\$10,061,343)</u>

2007	2006	2005	2004	2003	2002
(\$32,927,694)	(\$30,015,005)	(\$28,435,078)	(\$29,446,697)	(\$25,732,562)	(\$30,055,785)
(1,591,376)	(807,933)	(1,264,394)	(1,182,531)	(1,496,805)	(1,638,688)
(34,519,070)	(30,822,938)	(29,699,472)	(30,629,228)	(27,229,367)	(31,694,473)
9,943,421	8,505,234	9,003,584	9,010,253	8,577,934	8,188,115
1,963,131	1,809,629	1,769,604	1,700,673	1,628,652	1,541,622
1,043,024	1,082,470	1,173,742	1,236,724	1,408,516	1,333,378
13,895,909	11,550,068	11,995,713	10,255,307	9,560,032	10,009,473
252,860	239,682	252,404	255,214	241,261	244,093
2,178,908	2,396,061	2,477,782	2,760,486	2,541,856	2,543,848
4,539,069	3,298,704	3,093,288	2,311,569	2,102,777	2,317,580
211,079	173,992	0	0	0	0
492,516	405,983	0	0	0	0
3,569,675	5,127,705	3,805,291	4,380,362	4,316,817	2,956,228
0	0	0	0	0	0
4,362,251	2,958,506	2,203,618	1,503,231	1,286,215	2,725,652
0	0	0	117,337	763,927	0
322,680	365,149	256,046	1,361,340	239,166	353,604
133,438	140,594	(1,054,873)	(597,815)	(824,450)	(883,884)
42,907,961	38,053,777	34,976,199	34,294,681	31,842,703	31,329,709
77,528	320,903	329,882	331,106	85,088	197,583
8,961	10,000	11,165	19,311	91,348	115,857
(133,438)	(140,594)	1,054,873	597,815	824,450	883,884
(46,949)	190,309	1,395,920	948,232	1,000,886	1,197,324
42,861,012	38,244,086	36,372,119	35,242,913	32,843,589	32,527,033
9,980,267	8,038,772	6,541,121	4,847,984	6,110,141	1,273,924
(1,638,325)	(617,624)	131,526	(234,299)	(495,919)	(441,364)
\$8,341,942	\$7,421,148	\$6,672,647	\$4,613,685	\$5,614,222	\$832,560

City of Westlake, Ohio
Fund Balances, Governmental Funds
Last Four Years
(modified accrual basis of accounting)

	2011	2010	2009	2008
General Fund				
Nonspendable	\$1,025,510	\$1,818,892	\$741,207	\$2,163,307
Restricted	518,802	653,893	724,849	266,845
Assigned	12,590,847	12,135,035	12,627,238	11,950,684
Unassigned	21,973,954	14,398,464	12,369,237	6,874,603
Total General Fund	36,109,113	29,006,284	26,462,531	21,255,439
All Other Governmental Funds				
Nonspendable	569,065	546,832	533,795	511,532
Restricted	29,978,659	32,201,348	35,848,263	29,715,408
Committed	1,349,585	1,125,004	1,491,683	1,822,084
Assigned	15,607	15,607	15,607	114,828
Unassigned (Deficit)	(1,414,992)	(1,379,716)	(3,587)	(458,806)
Total All Other Governmental Funds	30,497,924	32,509,075	37,885,761	31,705,046
Total Governmental Funds	\$66,607,037	\$61,515,359	\$64,348,292	\$52,960,485

Note: The City implemented GASB 54 in 2009.

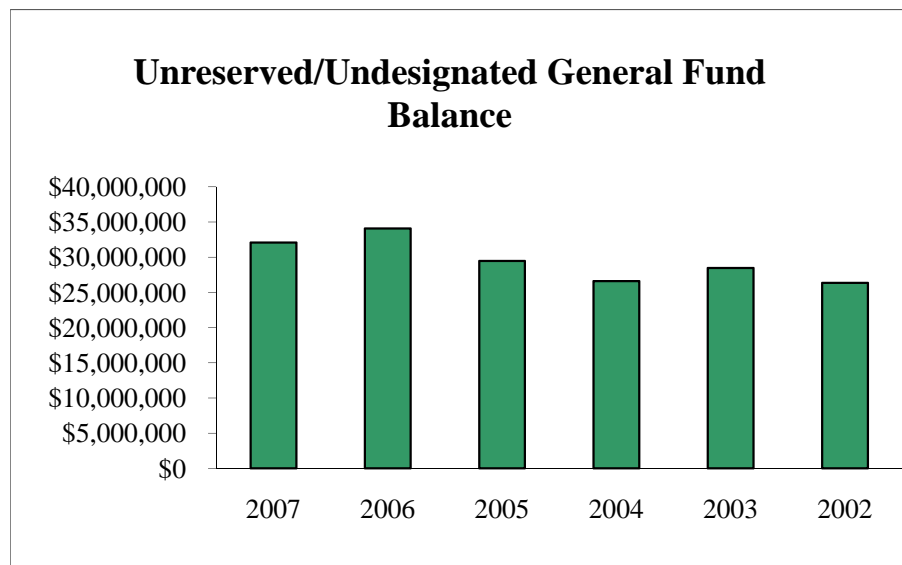


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City of Westlake, Ohio
Fund Balances, Governmental Funds
Last Six Years
(modified accrual basis of accounting)

	2007	2006	2005
General Fund			
Reserved	\$7,796,807	\$9,697,876	\$7,806,445
Unreserved:			
Designated for Capital Acquisitions	8,730,585	7,975,965	7,591,251
Unreserved, Undesignated	<u>15,559,357</u>	<u>16,408,054</u>	<u>14,071,956</u>
<i>Total General Fund</i>	<u>32,086,749</u>	<u>34,081,895</u>	<u>29,469,652</u>
All Other Governmental Funds			
Reserved	2,797,164	3,034,449	7,606,938
Unreserved:			
Undesignated, Reported in:			
Special Revenue funds	9,530,790	8,632,231	7,702,689
Debt Service funds	2,032,234	2,337,907	2,279,073
Capital Projects funds	<u>17,986,851</u>	<u>10,707,187</u>	<u>6,336,540</u>
<i>Total All Other Governmental Funds</i>	<u>32,347,039</u>	<u>24,711,774</u>	<u>23,925,240</u>
<i>Total Governmental Funds</i>	<u>\$64,433,788</u>	<u>\$58,793,669</u>	<u>\$53,394,892</u>

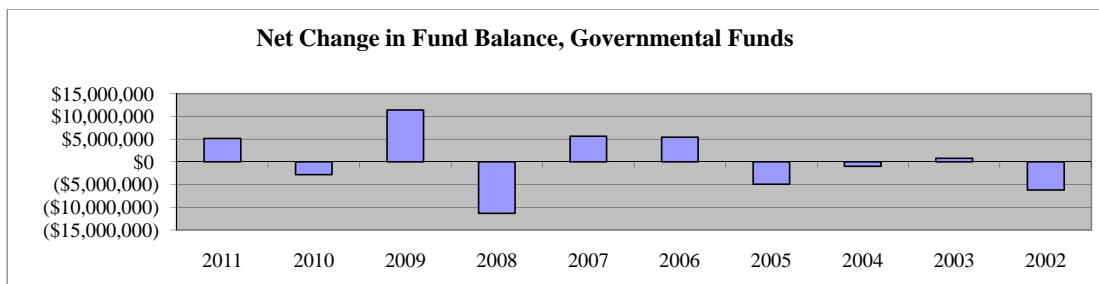
Note: During 2009, the City implemented GASB 54.



2004	2003	2002
\$6,815,484	\$10,021,597	\$7,935,585
7,969,632	7,796,347	0
11,812,699	10,653,195	18,420,711
26,597,815	28,471,139	26,356,296
3,305,126	12,157,135	2,429,131
7,193,443	6,876,787	6,549,206
2,029,627	1,918,125	1,668,871
19,218,232	9,725,106	21,400,641
31,746,428	30,677,153	32,047,849
\$58,344,243	\$59,148,292	\$58,404,145

City of Westlake, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2011	2010	2009	2008	2007
Revenues					
Property Taxes	\$11,669,377	\$11,871,691	\$12,216,342	\$12,325,252	\$12,665,021
Municipal Income Taxes	20,314,848	19,136,172	18,253,703	19,119,560	20,164,744
Admission Taxes	187,280	178,209	188,867	197,798	211,079
Hotel Taxes	431,774	406,204	374,953	457,987	492,516
Permissive Motor Vehicle Taxes	223,842	257,883	224,745	242,258	0
Charges for Services	3,478,751	3,454,644	3,327,200	3,987,708	3,608,149
Licenses, Permits and Fees	569,913	472,444	540,779	584,486	761,571
Fines and Forfeitures	361,168	359,933	790,128	280,141	227,919
Intergovernmental	9,857,916	8,702,713	6,651,892	6,822,869	5,876,873
Special Assessments	290,000	285,000	300,000	340,000	320,000
Interest	615,400	264,472	2,761,850	2,850,216	4,330,669
Rentals	229,550	164,498	152,158	159,180	157,564
Contributions and Donations	99,560	36,205	39,373	62,864	39,963
Franchise Taxes	523,339	479,845	450,860	438,367	0
Miscellaneous	1,621,375	499,937	702,847	640,351	322,680
<i>Total Revenues</i>	<u>50,474,093</u>	<u>46,569,850</u>	<u>46,975,697</u>	<u>48,509,037</u>	<u>49,178,748</u>
Expenditures					
Current:					
General Government	7,504,572	6,835,591	7,603,847	21,996,767	5,983,975
Security of Persons and Property	13,899,297	14,184,779	13,916,347	13,994,489	12,507,272
Public Health Services	1,017,728	1,078,920	934,217	932,305	832,274
Transportation	6,607,706	6,987,274	6,503,112	6,694,353	6,112,980
Community Environment	1,700,116	1,680,434	1,482,743	1,399,183	1,282,164
Basic Utility Services	704,210	763,839	741,720	771,254	753,497
Leisure Time Activities	3,042,862	3,316,452	3,249,516	3,275,678	3,488,479
Capital Outlay	8,585,474	10,406,778	8,400,702	8,267,256	8,264,879
Landfill Postclosure Costs			0	0	0
Debt service:					
Principal Retirement	9,077,169	10,625,029	1,286,743	1,463,142	3,101,326
Interest and Fiscal Charges	812,377	785,863	648,827	705,748	1,355,219
Capital Appreciation Bonds Interest	0	140,730	134,018	387,618	0
Bond Issuance Costs	130,110	35,416	22,878	178,495	0
<i>Total Expenditures</i>	<u>53,081,621</u>	<u>56,841,105</u>	<u>44,924,670</u>	<u>60,066,288</u>	<u>43,682,065</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,607,528)</u>	<u>(10,271,255)</u>	<u>2,051,027</u>	<u>(11,557,251)</u>	<u>5,496,683</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	73,427	34,382	13,902	12,201	9,998
General Obligations Notes and Bonds Issued	0	7,350,000	9,300,000	9,990,000	0
General Obligation Notes and Bonds Premium	0	53,940	22,878	4,776	0
Loan Issued	0	0	0	0	0
General Obligation Bonds Issued	7,350,000	0	0	0	0
General Obligation Bonds Premium	263,453	0	0	0	0
Inception of Capital Lease	12,326	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(9,814,657)	0
Transfers In	1,242,799	729,550	889,476	1,966,471	11,961,714
Transfers Out	(1,242,799)	(729,550)	(889,476)	(1,966,471)	(11,828,276)
<i>Total Other Financing Sources (Uses)</i>	<u>7,699,206</u>	<u>7,438,322</u>	<u>9,336,780</u>	<u>192,320</u>	<u>143,436</u>
<i>Net Change in Fund Balances</i>	<u>\$5,091,678</u>	<u>(\$2,832,933)</u>	<u>\$11,387,807</u>	<u>(\$11,364,931)</u>	<u>\$5,640,119</u>
Debt Service as a Percentage of Noncapital Expenditures	21.6%	25.6%	6.1%	4.9%	12.0%



2006	2005	2004	2003	2002
\$11,396,836	\$12,155,219	\$11,879,372	\$11,228,925	\$11,043,798
18,293,898	17,578,476	15,470,140	14,784,860	15,188,139
173,992	0	0	0	0
405,983	0	0	0	0
0	0	0	0	0
3,480,554	2,825,684	2,483,146	2,105,237	2,186,143
929,730	924,303	1,318,527	1,053,268	1,000,703
243,059	295,531	367,721	290,852	244,578
8,009,743	7,562,035	6,495,291	6,296,343	5,033,425
357,592	221,910	236,764	218,000	254,419
2,958,506	2,188,708	1,503,231	1,243,422	2,725,652
145,020	57,668	101,387	0	0
61,882	56,852	48,095	0	0
0	0	0	0	0
365,149	256,046	1,396,359	353,887	940,834
46,821,944	44,122,432	41,300,033	37,574,794	38,617,691
5,910,695	5,849,475	5,734,643	5,466,351	8,797,996
11,991,168	11,079,604	10,848,006	10,225,414	9,591,265
782,869	734,291	705,667	611,694	679,044
4,742,667	4,484,762	5,274,082	3,591,594	3,866,492
1,373,099	1,366,438	1,559,187	970,432	1,292,093
707,566	603,055	673,328	1,349,688	1,969,874
3,022,567	2,802,362	2,722,184	2,705,819	2,759,712
8,567,823	22,774,913	11,202,721	8,584,014	11,509,834
0	0	0	0	0
3,297,761	3,117,762	3,142,450	2,968,450	2,814,449
1,186,462	1,048,657	1,348,307	1,537,386	1,728,950
0	0	0	0	0
0	317,417	138,718	0	0
41,582,677	54,178,736	43,349,293	38,010,842	45,009,709
5,239,267	(10,056,304)	(2,049,260)	(436,048)	(6,392,018)
17,635	38,985	162,092	810,651	0
0	4,620,000	6,840,000	0	0
0	314,530	16,067	0	0
0	0	603,879	202,356	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	(6,717,348)	0	0
3,846,676	4,217,078	10,766,761	2,369,281	4,225,625
(3,704,801)	(4,083,640)	(10,608,011)	(2,202,093)	(4,050,000)
159,510	5,106,953	1,063,440	1,180,195	175,625
\$5,398,777	(\$4,949,351)	(\$985,820)	\$744,147	(\$6,216,393)
13.2%	9.5%	13.0%	16.9%	13.2%

City of Westlake, Ohio

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Collection Years

	2011	2010	2009	2008
Unvoted Millage				
Operating	\$1.40000	\$1.40000	\$1.40000	\$1.00000
Debt	0.10000	0.10000	0.10000	0.50000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>
Voted Millage by Levy				
1976 Charter/Current Expense	6.60000	6.60000	6.60000	6.60000
1982 Bond (\$3,200,000)	0.00000	0.00000	0.00000	0.00000
1987 Charter Police and Fire Operating	0.00000	0.00000	0.00000	0.00000
1988 Bond (\$6,000,000)	0.00000	0.00000	0.00000	0.20000
2001 Charter Police and Fire Operating	0.90000	0.90000	0.90000	0.90000
<i>Total Voted Millage by Type of Property</i>	<u>7.50000</u>	<u>7.50000</u>	<u>7.50000</u>	<u>7.70000</u>
<i>Total Millage</i>	<u><u>\$9.60000</u></u>	<u><u>\$9.60000</u></u>	<u><u>\$9.60000</u></u>	<u><u>\$9.80000</u></u>
Overlapping Rates by Taxing District				
<i>Westlake City School District</i>				
General Business and Public Utility Personal	\$70.10000	\$70.10000	\$66.50000	\$66.50000
Residential/Agricultural Real	36.76906	36.66812	31.74549	31.72675
Commercial/Industrial and Public Utility Real	39.11334	38.60543	35.26262	35.20358
<i>Westlake Porter Library</i>				
Operating - continuing				
General Business and Public Utility Personal	2.80000	2.80000	2.80000	2.50000
Residential/Agricultural Real	2.80000	2.79970	2.80000	2.12764
Commercial/Industrial and Public Utility Real	2.80000	2.77368	2.80000	2.23154
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	13.22000	13.32000	13.32000	13.42000
Residential/Agricultural Real	13.11822	13.18662	12.66073	11.86887
Commercial/Industrial and Public Utility Real	12.78454	12.84125	12.81530	12.45356
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	5.08000	5.08000	4.78000	4.78000
Residential/Agricultural Real	5.00415	4.98989	4.15975	4.15898
Commercial/Industrial and Public Utility Real	4.86484	4.84497	4.39124	4.37987

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Real property tax rates for voted levies are reduced so that inflationary increases in values do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks, Port Authority, Community College

Source: Cuyahoga County, Ohio; County Auditor

Note: Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2007	2006	2005	2004	2003	2002
\$1.00000	\$1.00000	\$1.60000	\$1.50000	\$1.50000	\$1.50000
0.50000	0.50000	0.50000	0.60000	0.60000	0.60000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.10000	2.10000	2.70000	2.70000	2.70000	2.70000
6.60000	6.60000	6.00000	6.00000	6.00000	6.00000
0.00000	0.00000	0.00000	0.00000	0.20000	0.20000
0.00000	0.00000	0.00000	0.00000	0.00000	0.90000
0.30000	0.40000	0.50000	0.50000	0.50000	0.50000
0.90000	0.90000	0.90000	0.90000	0.90000	0.00000
7.80000	7.90000	7.40000	7.40000	7.60000	7.60000
\$9.90000	\$10.00000	\$10.10000	\$10.10000	\$10.30000	\$10.30000

\$66.50000	\$60.80000	\$60.70000	\$61.00000	\$61.20000	\$60.60000
31.72802	27.95490	27.86250	28.14620	29.99600	29.50250
34.98604	31.29490	30.80390	31.52690	32.83400	32.06810

2.50000	2.50000	2.50000	2.50000	2.00000	2.00000
2.12775	2.29980	2.30070	2.29880	1.79720	1.80650
2.21376	2.37790	2.33610	2.38140	1.66750	1.65560

13.42000	13.52000	13.52000	13.52000	11.72000	11.72000
11.86549	11.72270	10.97540	10.98990	9.76420	9.77190
12.49410	12.57620	11.98460	12.04330	10.12350	10.05050

4.78000	4.78000	4.78000	4.48000	4.48000	4.48000
4.15762	4.29650	4.29490	3.61900	3.97250	2.88670
4.39621	4.55520	4.51750	4.00960	4.09760	3.28530

City of Westlake, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Real Property Assessed Values			Estimated Actual Value	Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial	Public Utility		Public Utility	
					Assessed Values	Estimated Actual Value
2011	\$968,121,950	\$383,265,660	\$0	\$3,861,107,457	\$18,395,760	\$20,904,273
2010	964,775,720	381,758,880	0	3,847,241,714	17,904,860	20,346,432
2009	1,013,775,970	368,240,130	0	3,948,617,429	16,859,840	19,158,909
2008	1,006,382,880	364,490,790	0	3,916,781,914	15,913,580	18,083,614
2007	991,271,440	375,405,920	0	3,904,792,457	20,385,360	23,165,182
2006	902,278,520	328,319,530	21,120	3,516,054,771	20,367,010	23,144,330
2005	886,479,740	323,008,610	21,120	3,455,741,343	22,225,550	25,256,307
2004	872,094,890	309,650,930	21,100	3,376,476,914	22,652,240	25,741,182
2003	790,183,380	302,350,550	21,100	3,121,585,800	22,213,040	25,242,091
2002	782,899,333	289,565,507	21,100	3,064,245,543	23,522,370	26,729,966

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). During 2011, the City did not include an assessed value for general business tangible personal property.

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

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property					
General Business		Total			Direct Tax Rate
Assessed Values	Estimated Actual Value	Assessed Values	Estimated Actual Value	Ratio	
\$0	\$0	\$1,369,783,370	\$3,882,011,730	35.29 %	\$9.60
0	0	1,364,439,460	3,867,588,146	35.28	9.60
12,193,793	195,100,688	1,411,069,733	4,162,877,026	33.90	9.60
21,832,430	349,318,880	1,408,619,680	4,284,184,408	32.88	9.80
57,142,606	457,140,848	1,444,205,326	4,385,098,487	32.93	9.90
58,827,680	313,747,627	1,309,813,860	3,852,946,728	34.00	10.00
64,928,167	346,283,557	1,296,663,187	3,827,281,207	33.88	10.10
67,303,512	292,623,965	1,271,722,672	3,694,842,061	34.42	10.10
74,078,302	322,079,574	1,188,846,372	3,468,907,465	34.27	10.30
77,021,986	334,878,200	1,173,030,296	3,425,853,709	34.24	10.30

City of Westlake, Ohio
Property Tax Levies And Collections
Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
2011	\$13,201,854	\$12,628,894	95.66 %	\$333,829	\$12,962,723	98.19 %
2010	13,117,717	12,686,109	96.71	367,689	13,053,798	99.51
2009	13,464,587	12,989,111	96.47	259,512	13,248,623	98.40
2008	13,598,676	13,035,174	95.86	402,478	13,437,652	98.82
2007	13,661,441	13,187,116	96.53	254,017	13,441,133	98.39
2006	12,722,123	12,555,099	98.69	397,741	12,952,840	101.81
2005	13,949,573	14,317,638	102.64	822,863	15,140,501	108.54
2004	13,961,856	12,644,208	90.56	458,047	13,102,255	93.84
2003	11,434,306	10,960,238	95.85	270,303	11,230,541	98.22
2002	11,225,940	10,695,012	95.27	307,667	11,002,679	98.01

Source: Cuyahoga County, Ohio; County Auditor

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

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

City of Westlake, Ohio

Principal Taxpayers

2011 and 2002

Taxpayer	2011	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Toledo-Lucas County Port Authority (Crocker Park)	\$39,149,560	2.86%
St John Medical Center	18,548,490	1.35
Cleveland Electric Illuminating Company	15,922,670	1.16
Promenade Delaware LLC	11,229,580	0.82
Crocker Park LLC	9,022,000	0.66
Energizer Battery Manufacturing, Incorporated	7,417,280	0.55
ARC Westlake Village, Inc	7,371,040	0.54
Sturbridge Square Apartments	7,035,010	0.51
Remington-OP & F, Incorporated	6,755,010	0.49
BCM Westlake, LLC	5,659,650	0.41
Total	\$128,110,290	9.35%
Total Assessed Valuation	\$1,369,783,370	
Taxpayer	2002	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$11,605,230	0.99%
Westlake Center Associates	8,853,880	0.75
University Hospital Health Systems	8,246,840	0.70
Eveready Battery Company	7,381,185	0.63
Ohio Bell Telephone Company	6,108,655	0.52
Cleveland Retirement Properties, LLC	6,037,500	0.51
King James Park Ltd	5,962,390	0.51
J G Westlake Hotel	5,887,385	0.50
Remington - CP & F, Incorporated	5,713,120	0.49
Kopf-Newton Venture I	5,505,500	0.47
Total	\$71,301,685	6.07%
Total Assessed Valuation	\$1,173,030,296	

Source: Cuyahoga County Auditor

City of Westlake, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2011	1.50 %	\$21,204,224	\$16,327,252	77 %	\$2,332,465	11 %	\$2,544,507	12 %
2010	1.50	19,012,981	14,639,995	77	2,091,428	11	2,281,558	12
2009	1.50	18,458,455	14,397,595	78	1,661,261	9	2,399,599	13
2008	1.50	18,825,927	14,684,223	78	1,506,074	8	2,635,630	14
2007	1.50	20,866,746	16,719,401	80	1,693,789	8	2,453,556	12
2006	1.50	17,484,515	13,400,903	77	1,818,991	10	2,264,621	13
2005	1.50	17,819,187	12,981,410	73	1,316,119	7	2,213,605	12
2004	1.50	15,582,576	12,012,167	77	1,108,912	7	1,971,426	13
2003	1.50	14,445,926	11,696,293	81	1,190,241	8	1,992,143	14
2002	1.50	15,114,994	11,719,909	78	1,270,182	8	2,111,946	14

Sources: Regional Income Tax Agency data - certain amounts may be estimates. Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only, without filing requirement.

(1) Based on Accrual Basis

City of Westlake, Ohio
Income Tax Statistics
Current Year and Nine Years Ago

2010 (1)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,667	31.75 %	\$34,616,459	3.16 %
25,000-49,999	2,038	17.64	75,894,121	6.93
50,000-74,999	1,630	14.11	100,618,010	9.19
75,000-99,999	1,080	9.35	93,752,442	8.56
Over 100,000	<u>3,136</u>	27.16	<u>790,006,142</u>	72.15
Total	<u><u>11,551</u></u>		<u><u>\$1,094,887,174</u></u>	

2001				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-19,999	3,468	27.87 %	\$26,425,879	3.02 %
20,000-49,999	3,318	26.66	115,759,132	13.21
50,000-74,999	1,840	14.79	113,602,441	12.97
75,000-99,999	1,241	9.97	107,507,315	12.27
Over 100,000	<u>2,577</u>	20.71	<u>512,830,405</u>	58.53
Total	<u><u>12,444</u></u>		<u><u>\$876,125,172</u></u>	

Sources: Regional Income Tax data - certain amounts may be estimates

(1) As of December 31, 2011, 2011 information has not been compiled.

City of Westlake, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Governmental Activities						
Year	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	OPWC Loans	Capital Lease	Total Debt
2011	\$16,253,598	\$4,442,359	\$0	\$564,950	\$10,918	\$21,271,825
2010	10,001,023	4,744,001	7,376,970	625,711	0	22,747,705
2009	11,090,129	5,040,303	9,301,906	686,472	0	26,118,810
2008	12,113,417	5,350,923	0	747,233	0	18,211,573
2007	13,272,455	5,699,350	0	807,993	0	19,779,798
2006	16,737,726	6,017,943	0	868,754	0	23,624,423
2005	19,564,505	6,309,179	0	929,515	0	26,803,199
2004	19,808,197	1,584,090	4,367,000	990,277	0	26,749,564
2003	24,399,174	1,781,000	7,200,000	406,848	0	33,787,022
2002	27,129,174	1,999,000	229,000	224,942	0	29,582,116

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S30 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S30 for population data.

<u>Percentage of Personal Income (1)</u>	<u>Per Capita (2)</u>
1.80%	\$665
1.92	711
2.21	817
1.54	570
1.67	619
1.99	739
2.26	838
2.26	837
2.85	1,057
2.50	925

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2011	32,729	\$3,882,011,730	\$16,253,598	0.42%	\$497
2010	32,729	3,867,588,146	10,001,023	0.26	306
2009	31,972	4,162,877,026	11,090,129	0.27	347
2008	31,972	4,284,184,408	12,113,417	0.28	379
2007	31,972	4,385,098,487	13,272,455	0.30	415
2006	31,972	3,852,946,728	16,737,726	0.43	524
2005	31,972	3,827,281,207	19,564,505	0.47	561
2004	31,972	3,694,842,061	19,808,197	0.50	575
2003	31,972	3,468,907,465	24,399,174	0.67	727
2002	31,972	3,425,853,709	27,129,174	0.76	818

Source:

- (1) See S30 for population data.
- (2) See S16-17 for taxable property value data.

Note:

The debt service fund pays principal and interest on general obligation bonds, as well as special assessment bonds, and accretion on capital appreciation bonds.

City of Westlake, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2011

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Westlake
Direct Debt			
City of Westlake			
General Obligation Bonds	\$16,253,598	100.00%	\$16,253,598
Special Assessment Bonds	4,442,359	100.00	4,442,359
OPWC Loans	564,950	100.00	564,950
Total Direct Debt	21,260,907		21,260,907
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County Bonds	298,113,842	4.59	13,683,425
Regional Transit Authority Bonds	146,681,371	4.59	6,732,675
Westlake City School District Bonds	104,969,676	100.00	104,969,676
Payable from Other Sources:			
Revenue Bonds	166,580,000	4.59	7,646,022
Cuyahoga County Capital Leases	20,851,000	4.59	957,061
Cuyahoga County Loans	8,310,000	4.59	381,429
Regional Transit Authority Capital Lease	19,365,767	4.59	888,889
Westlake City School District Capital Leases	225,189	100.00	225,189
Total Overlapping Debt	765,096,845		135,484,366
Total	\$786,357,752		\$156,745,273

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2011 collection year.

City of Westlake, Ohio

Legal Debt Margin

Last Ten Years

	2011	2010	2009	2008
General Bonded Debt Outstanding:				
General Obligation Bonds	\$16,290,000	\$10,315,000	\$11,294,268	\$12,220,250
Special Assessment Bonds	4,200,000	4,490,000	4,775,000	5,075,000
Bond Anticipation Notes	0	9,300,000	9,300,000	0
OPWC Loans	564,950	625,711	686,472	747,233
Total	<u>21,054,950</u>	<u>24,730,711</u>	<u>26,055,740</u>	<u>18,042,483</u>
Assessed Property Value	<u>1,369,783,370</u>	<u>1,364,439,460</u>	<u>1,411,069,733</u>	<u>1,408,619,680</u>
Less:				
Special Assessment Bonds	(4,200,000)	(4,490,000)	(4,775,000)	(5,075,000)
General Obligation Bond Retirement Fund Balance	(723,548)	(854,116)	(1,352,542)	(1,710,602)
Issue 11 Bond Retirement Fund Balance	<u>(148,505)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>
Total Net Debt Applicable to Debt Limit	<u>15,982,897</u>	<u>19,351,595</u>	<u>19,893,198</u>	<u>11,221,881</u>
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	<u>143,827,254</u>	<u>143,266,143</u>	<u>148,162,322</u>	<u>147,905,066</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$127,844,357</u>	<u>\$123,914,548</u>	<u>\$128,269,124</u>	<u>\$136,683,185</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.89%	86.49%	86.57%	92.41%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	<u>\$75,338,085</u>	<u>\$75,044,170</u>	<u>\$77,608,835</u>	<u>\$77,474,082</u>
Net Unvoted Indebtedness Authorized by Council	11,715,000	5,815,000	6,550,250	7,983,151
Less:				
Special Assessment Bonds	(4,200,000)	(4,490,000)	(4,775,000)	(5,075,000)
General Obligation Bond Retirement Fund Balance	(723,548)	(854,116)	(1,352,542)	(1,710,602)
Issue 11 Bond Retirement Fund Balance	<u>(148,505)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>
Net Debt Within 5 1/2% Limitations	<u>6,642,947</u>	<u>435,884</u>	<u>387,708</u>	<u>1,162,549</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$68,695,138</u>	<u>\$74,608,286</u>	<u>\$77,221,127</u>	<u>\$76,311,533</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	91.18%	99.42%	99.50%	98.50%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

2007	2006	2005	2004	2003	2002
\$12,425,000	\$14,965,000	\$17,925,000	\$19,808,197	\$24,399,174	\$27,129,174
5,415,000	5,735,000	6,012,000	1,584,090	1,781,000	1,999,000
0	0	0	4,367,000	7,200,000	229,000
807,993	868,754	929,515	990,277	406,848	224,942
18,647,993	21,568,754	24,866,515	26,749,564	33,787,022	29,582,116
1,444,205,326	1,309,813,860	1,296,663,187	1,271,722,672	1,188,846,372	1,173,030,296
(5,415,000)	(5,735,000)	(6,012,000)	(1,584,090)	(1,781,000)	(1,999,000)
(1,628,522)	(1,647,158)	(1,619,632)	(1,434,979)	(1,164,701)	(979,231)
(35,000)	(333,073)	(320,851)	(264,921)	(424,437)	(431,065)
11,569,471	13,853,523	16,914,032	23,465,574	30,416,884	26,172,820
151,641,559	137,530,455	136,149,635	133,530,881	124,828,869	123,168,181
\$140,072,088	\$123,676,932	\$119,235,603	\$110,065,307	\$94,411,985	\$96,995,361
92.37%	89.93%	87.58%	82.43%	75.63%	78.75%
\$79,431,293	\$72,039,762	\$71,316,475	\$69,944,747	\$65,386,550	\$64,516,666
9,043,912	10,041,673	13,461,515	15,049,564	21,852,022	17,287,116
(5,415,000)	(5,735,000)	(6,012,000)	(1,584,090)	(1,781,000)	(1,999,000)
(1,628,522)	(1,647,158)	(1,619,632)	(1,434,979)	(1,164,701)	(979,231)
(35,000)	(333,073)	(320,851)	(264,921)	(424,437)	(431,065)
1,965,390	2,326,442	5,509,032	11,765,574	18,481,884	13,877,820
\$77,465,903	\$69,713,320	\$65,807,443	\$58,179,173	\$46,904,666	\$50,638,846
97.53%	96.77%	92.28%	83.18%	71.73%	78.49%

City of Westlake, Ohio

Principal Employers

2011 and 2003

2011		
Employer	Employees	Percentage of Total City Employment
St. John Medical Center	1,392	5.37 %
Hyland Software	1,038	4.01
Westlake City Schools	556	2.15
City of Westlake	443	1.71
Energizer	349	1.35
Lutheran Home @ Concord Reserve	349	1.35
Cleveland Clinic	343	1.32
Travel Centers of America	341	1.32
Rae Ann Skilled Nursing & Rehabilitation	299	1.15
University Hospitals	244	0.94
Total	5,354	20.67 %
Total City Employment	25,901	

2003 (1)		
Employer	Employees	Percentage of Total City Employment
St. John Medical Center	1,232	3.81 %
Eveready Battery	530	1.64
Westlake City Schools	506	1.57
Bonne Bell	498	1.54
City of Westlake	409	1.27
USG Interiors, Incorporated	310	0.96
Travel Centers of America	300	0.93
Lutheran Home	290	0.90
Hyland Software	267	0.83
Antares Management Solutions	250	0.77
Total	4,592	14.22 %
Total City Employment	32,288	

Source: City of Westlake, Ohio, Department of Planning of Economic Development - amounts are estimates. Total City employment based upon estimate from the Regional Regional Income Tax Authority 2011 withholding information.

n/a: Information not available

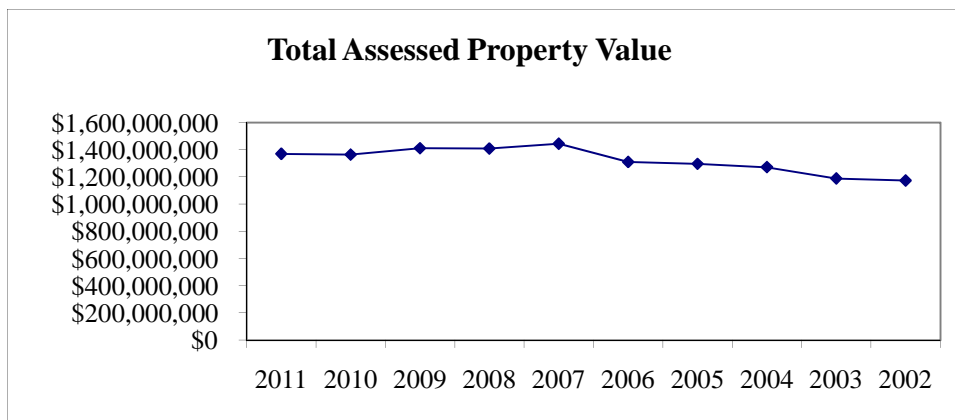
(1) Information prior to 2003 is not available.

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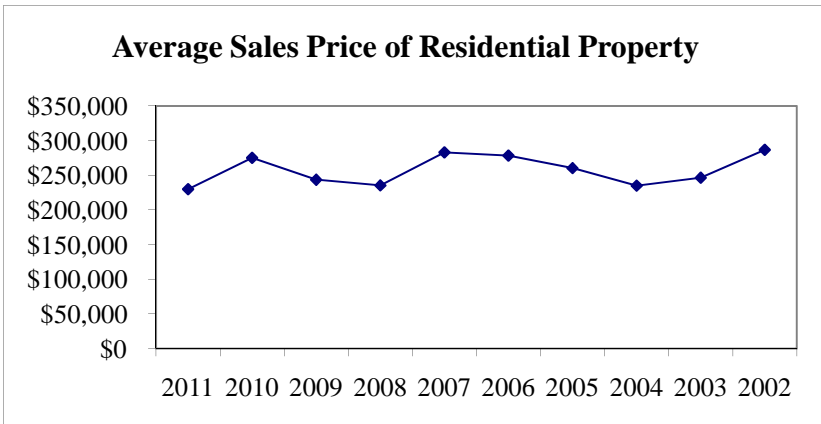
City of Westlake, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1a)	Total Personal Income	Per Capita Personal Income (6) (1a)	Median Household Income (1a)	Median Age (1a)	Educational Attainment: Bachelor's Degree or higher (1a)
2011	32,729	\$1,336,259,612	\$40,828	\$68,282	45.0	46.2 %
2010	32,729	1,212,413,076	37,044	65,106	46.0	45.2
2009	31,972	1,184,370,768	37,044	65,106	42.0	45.2
2008	31,972	1,184,370,768	37,044	65,106	42.0	45.2
2007	31,972	1,184,370,768	37,044	65,106	42.0	45.2
2006	31,972	1,184,370,768	37,044	65,106	42.0	45.2
2005	31,972	1,184,370,768	37,044	65,106	42.0	45.2
2004	31,972	1,184,370,768	37,044	65,106	42.0	45.2
2003	31,972	1,184,370,768	37,044	65,106	42.0	45.2
2002	31,972	1,184,370,768	37,044	65,106	42.0	45.2

- (1) Source: U. S. Census, Census of population
 - (a) 2010: 2010 Federal Census
 - (a) 2001-2009: 2000 Federal Census
- (2) Source: Westlake Board of Education
- (3) Source: City of Westlake Official Statement
 - (b) March 9, 2004
- (4) Source: Ohio Dept. of Jobs and Family Services Civilian Labor Force Estimate
 - (c) Press Release dated Jan. 20, 2006
 - (d) Ohio Labor Market Information
- (5) Source: Cuyahoga County Fiscal Officer
- (6) Computation of per capita personal income divided by population



School Enrollment (2)	City Unemployment Rate (3) (4)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
4,043	7.1 % d	\$229,714	\$1,369,783,370
4,051	8.6 d	275,057	1,364,439,460
4,019	7.4 d	243,455	1,411,069,733
4,019	5.2 d	235,186	1,408,619,680
4,079	5.7 c	282,950	1,444,205,326
4,110	5.7 c	278,319	1,309,813,860
4,020	5.7 c	260,137	1,296,663,187
3,921	6.2 c	234,884	1,271,722,672
3,885	6.4 c	246,325	1,188,846,372
3,743	6.7 b	286,759	1,173,030,296



City of Westlake, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

<u>Function/program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government:						
Council	4.5	4.5	4.5	4.5	5.0	5.0
Mayor	2.0	1.0	2.0	2.0	2.0	2.0
Finance	5.8	5.8	6.0	6.5	6.5	8.0
Information Technology	3.0	2.0	2.0	3.0	2.5	0.0
Law	6.5	6.5	6.5	6.5	6.5	6.5
Purchasing/Adm. Services	3.5	4.0	3.0	3.0	3.0	3.5
Communication	1.0	2.0	2.0	2.0	1.0	0.0
Human Resources	0.0	0.0	0.0	1.0	0.0	0.0
Planning	5.0	4.5	5.5	6.0	4.5	4.5
Safety Town	1.5	1.5	1.5	1.5	1.5	1.5
Central Dispatch	11.5	12.5	12.5	12.5	12.5	12.5
Police/Fire Operating Levy	18.0	20.0	20.0	20.0	20.0	28.0
Engineering	12.5	13.0	11.5	12.5	12.5	11.5
Inspection	9.5	9.5	9.5	9.5	9.5	10.5
Security of Persons and Property:						
Police	76.0	80.5	85.0	87.0	85.5	75.5
Fire	35.0	37.5	38.0	40.0	39.0	36.0
Recreation:						
Administration	4.5	5.0	4.5	4.5	4.0	4.0
Swimming Pool	46.0	44.0	46.5	50.0	51.5	51.5
Recreation Center	100.0	70.0	67.0	62.5	62.5	65.0
Golf Course	14.0	10.5	12.0	12.0	13.0	12.5
Senior/Community Services	15.5	14.5	14.0	13.5	11.5	11.5
Service:						
Administration	2.0	2.0	2.0	2.0	2.5	2.5
Building Maintenance	1.5	1.5	1.0	1.0	1.0	1.0
City Services	41.5	40.0	37.5	40.5	36.5	34.5
Sanitary/Storm Drainage	8.8	8.8	9.0	8.0	7.0	7.5
Rubbish/Recycling	0.0	0.0	0.0	0.0	0.0	0.0
Parks	4.5	4.5	5.0	6.0	6.0	6.0
Forester	4.0	4.0	5.0	5.0	5.0	5.0
Street Maintenance	3.0	4.0	4.0	5.5	7.5	7.5
Cemetery	1.0	1.0	2.0	2.5	2.5	2.5
Miscellaneous	1.0	1.0	1.0	1.0	3.0	2.5
Totals:	<u>442.6</u>	<u>415.6</u>	<u>420.0</u>	<u>431.5</u>	<u>425.0</u>	<u>418.5</u>

Source: City of Westlake, Ohio 2002-2011 Annual Budgets

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.

Count taken at December 31.

2005	2004	2003	2002
5.0	5.0	5.0	5.0
2.0	2.0	2.0	3.0
7.0	7.0	6.5	6.5
0.0	0.0	0.0	0.0
7.0	7.0	7.5	7.0
3.0	3.5	3.0	3.0
0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0
4.5	4.5	4.5	4.5
1.5	1.5	1.5	1.0
14.0	0.0	0.0	0.0
16.0	16.0	16.0	16.0
12.5	12.5	13.0	15.5
11.5	11.5	10.5	11.0
87.0	82.0	83.5	81.0
40.5	40.0	40.5	40.5
5.0	4.0	5.0	4.5
44.5	58.0	45.0	45.0
64.0	56.0	70.5	101.5
16.5	15.5	17.0	17.5
12.0	11.5	11.0	9.0
2.5	2.5	2.5	3.0
1.0	1.0	1.5	1.5
37.5	36.5	33.5	26.0
6.5	7.5	7.0	9.0
0.0	0.0	0.0	22.0
6.5	7.0	4.0	4.0
5.0	5.0	5.0	2.0
6.0	7.0	7.5	6.0
1.0	1.5	2.5	1.5
4.0	3.5	3.5	3.0
<u>423.5</u>	<u>409.0</u>	<u>409.0</u>	<u>449.5</u>

City of Westlake, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/program	2011	2010	2009	2008
General Government				
Construction Permits Issued (2)	1,247	1,247	1,172	1,262
Estimated Value of Construction (2)	\$61,334,146	\$29,719,620	\$37,905,420	\$51,180,020
Economic Development Projects approved (square feet) (3)	451,454	20,096	160,308	108,103
Number of Planning Commission docket items (3)	87	82	82	117
Sewer Bills mailed (1)	36,196	35,752	35,477	38,687
Purchase Orders Issued (4)	2,776	2,777	2,879	3,391
Number of new litigations filed (5)	5	8	8	7
Number of pending litigations (5)	9	16	11	11
Police (6)				
Total Arrests	5,906	6,424	6,227	6,253
Part 1 Offenses (major offenses such as murder and theft)	594	598	585	486
DUI Arrests	185	215	232	246
Prisoners	1,203	1,294	1,471	1,259
Motor Vehicle Accidents	733	750	687	761
Calls for Service	34,268	33,914	34,626	33,040
Fire (7)				
Emergency responses	4,364	4,318	4,134	4,320
Fire Safety Inspections/Re-Inspections	916	1,066	2,351	1,627
Fire Protection Systems Inspected	928	805	638	521
Building/Fire Protection Plan Review	289	240	278	412
Number of Community Programs	64	41	45	84
Public Service (8)				
Road Maintenance (man hours)*	3,324	3,416	3,429	8,947
Asphalt (hot/cold) used in road maintenance (tons)	660	396	313	770
Concrete used in road maintenance (yards)	301	280	330	344
Number of Trees Removed	262	274	360	305
Number of Trees Planted	224	162	217	245
Truckloads of leaves picked-up	1,200	1,450	1,538	1,229
Cubic Yards of leaf humus delivered/sold	7,744	5,443	6,622	7,180
Cubic Yards of wood chips delivered/sold	3,554	2,827	4,432	4,404
Tons of snow melting salt purchased	4,877	6,342	4,262	6,842
Cemetery Internments	44	35	49	46
Grave purchases/Internment payments	\$52,050	\$28,110	\$46,440	\$51,330
Recreation (9)				
Recreation Center attendance**	524,081	504,222	512,754	517,171
No. of Peterson Pool Memberships	611	548	537	828
Learn to Swim enrollment (Peterson Pool only)	826	784	832	943
Average daily golf revenue (June, July, & August)	\$2,031	\$2,363	\$2,689	\$2,968
Senior/Community Services (10)				
Number of Activities/Programs	122	122	138	102
Activity Trips	49	51	36	47
Number of Volunteers	108	175	200	145
Newsletters	9,600	10,400	9,600	10,400
Transports	6,419	6,434	6,431	6,194
Miles Transported	54,612	50,162	46,648	54,319
Donations, Center/Assistance/Prescriptions	\$29,125	\$27,385	\$27,172	\$51,298

Sources: (1) City of Westlake Finance Department
(2) City of Westlake Building Department
(3) City of Westlake Department of Planning and Economic Development
(4) City of Westlake Purchasing Department
(5) City of Westlake Law Department

(6) City of Westlake Police Department
(7) City of Westlake Fire Department
(8) City of Westlake Department of Public Service
(9) City of Westlake Recreation Department
(10) City of Westlake Department of Senior and Community Services

*Amounts are estimated

**Attendance based upon calendar year

n/a: Information not available

2007	2006	2005	2004	2003	2002
1,452	1,369	1,449	1,481	1,272	1,189
\$70,874,423	\$105,706,757	\$91,821,553	\$153,837,378	\$88,110,510	\$86,785,759
118,321	347,398	413,432	538,835	626,268	452,304
113	127	115	140	105	111
43,236	42,880	44,100	43,508	42,257	42,959
3,327	4,129	3,903	3,960	4,228	4,255
4	0	11	4	17	4
2	9	7	15	21	5
6,163	5,580	6,206	6,219	7,220	6,305
614	605	679	592	495	491
301	231	353	266	264	254
1,296	1,220	1,363	1,340	1,188	1,041
810	741	815	810	780	859
32,042	30,706	32,233	33,342	33,349	33,284
4,250	4,155	4,258	3,987	3,980	3,874
1,304	1,485	994	291	132	200
963	891	534	330	437	541
375	466	500	457	353	360
79	100	100	80	75	53
9,679	9,296	8,432	10,760	8,480	n/a
380	413	1,341	755	808	552
386	564	486	866	421	579
209	260	262	193	291	253
273	151	170	260	208	110
1,303	1,664	1,643	1,621	1,726	1,846
8,472	7,188	7,546	5,817	5,977	813
4,152	3,725	4,400	6,605	1,106	1,604
7,665	2,418	9,377	7,972	7,686	4,478
55	46	41	54	49	49
\$56,505	\$38,885	\$33,445	\$42,365	\$27,875	\$25,325
378,003	402,253	395,495	386,937	388,020	399,671
831	275	346	873	1,000	1,300
1,061	1,001	1,112	1,015	1,300	1,350
\$3,108	\$3,100	\$3,429	\$3,209	\$3,127	\$3,400
96	80	77	68	n/a	n/a
47	59	66	52	47	53
177	174	152	134	194	92
9,600	13,000	n/a	13,995	13,995	13,685
7,884	8,573	8,386	8,807	8,595	8,405
58,860	60,972	62,892	53,979	56,376	55,332
\$33,282	\$54,984	\$50,083	\$39,431	\$17,932	\$30,573

City of Westlake, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/program	2011	2010	2009	2008
General Government				
Square Footage Occupied (1)	40,000	40,000	40,000	40,000
Engineering Vehicles (2)	10	12	12	12
Inspection Vehicles (2)	8	8	8	8
Other Departmental Vehicles (2)	7	7	4	4
Police				
Stations	1	1	1	1
Square Footage of Building (3)	25,000	25,000	25,000	25,000
Vehicles (2)	47	39	41	43
Fire				
Stations	2	2	2	2
Vehicles (2)	18	18	18	19
Other public works				
Streets (miles)	136	136	136	136
Number of Streetlights (per light bill)	3,297	3,297	15,074	15,068
Public Service Vehicles (5)	67	70	65	65
Recreation				
Number of Parks	5	5	5	5
Recreation Centers	1	1	1	1
Recreation Center Square Footage	102,000	102,000	102,000	102,000
Vehicles (2)	7	7	7	6
Senior/Community Services				
Vehicles (4)	6	6	6	6
Wastewater				
Sanitary sewers (miles)	122	122	122	122

Sources:

- (1) City of Westlake Department of Engineering
- (2) City of Westlake Finance Department
- (3) City of Westlake Police Department
- (4) City of Westlake Department of Senior and Community Services
- (5) City of Westlake Department of Public Service
- n/a: Information not available

2007	2006	2005	2004	2003	2002
40,000	40,000	40,000	40,000	40,000	20,000
14	10	9	9	12	10
8	8	9	9	8	8
4	4	4	4	4	4
1	1	1	1	1	1
25,000	25,000	25,000	25,000	25,000	25,000
39	39	35	35	38	35
2	2	2	2	2	2
18	18	18	20	20	19
136	136	135	135	135	135
15,057	14,918	14,888	14,622	14,407	14,407
64	60	57	57	67	68
5	5	5	5	5	5
1	1	1	1	1	1
102,000	102,000	84,000	84,000	84,000	84,000
7	7	7	7	7	6
6	6	6	5	5	5
122	122	121	121	121	121

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City of Westlake, Ohio

**Single Audit Reports
For the Year Ended December 31, 2011**

City of Westlake, Ohio

For the Year Ended December 31, 2011

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Members of the City Council
City of Westlake, Ohio

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 Westlake, Ohio (the “City”), as of and for the year ended December 31, 2011, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 29, 2012, wherein we noted the City adopted *GASB Statement No. 59* as disclosed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *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 City’s financial statements will not be prevented, or detected and corrected on a timely basis.

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

Members of the City Council
City of Westlake, Ohio

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 29, 2012.

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

Cini & Parichi, Inc.

Cleveland, Ohio
June 29, 2012

**Independent Auditor's Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control
over Compliance in Accordance with OMB Circular A-133**

Members of the City Council
City of Westlake, Ohio

Compliance

We have audited the City of Westlake, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. 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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control over Compliance

Management of the City 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Members of the City Council
City of Westlake, Ohio

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to 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.

Schedule of Expenditures of Federal Awards

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, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 29, 2012, which contained unqualified opinions on those financial statements, wherein we noted the City adopted GASB No. 59 as disclosed in Note 3. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

Cini & Paricki, Inc.

Cleveland, Ohio
June 29, 2012

City of Westlake, Ohio

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Federal Cash Receipts</u>	<u>Federal Cash Disbursements</u>
U.S Department of Transportation:			
Passed through the Ohio Department of Transportation:			
Highway Planning and Construction	20.205	\$ 709,808	\$ 987,682
Passed through the Northeast Ohio Areawide Coordinating Agency:			
Transportation for Livable Communities Initiative	20.205	<u>29,404</u>	<u>18,040</u>
Total U.S. Department of Transportation		739,212	1,005,722
U.S. Department of Energy:			
Energy Efficiency and Conservation Block Grant - ARRA	81.128	-	48,641
U.S. Department of Homeland Security:			
Assistance to Firefighters Grant	97.044	<u>796,494</u>	<u>796,494</u>
Total Federal Assistance		\$ <u>1,535,706</u>	\$ <u>1,850,857</u>

The accompanying notes are an integral part of this schedule

City of Westlake, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2011

Note 1: Basis of Presentation

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

Note 2: Matching Requirements

Certain federal programs require that the City contribute non-federal (matching) funds to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the accompanying Schedule.

City of Westlake, Ohio

Schedule of Findings

OMB Circular A-133, Section .505

For The Year Ended December 31, 2011

1. Summary of Auditor's Results

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .510(a)?	No
(d)(I)(vii)	Major Programs	<ul style="list-style-type: none">• CFDA # 20.205, Highway Planning and Construction• CFDA # 20.205 Transportation for Livable Communities Initiative• CFDA # 97.044 Assistance to Firefighters Grant
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS

None.

3. Findings for Federal Awards

None.

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Dave Yost • Auditor of State

CITY OF WESTLAKE

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 25, 2012