

City of Westlake, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2012

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, 2012 through December 31, 2012. 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

August 16, 2013

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City of Westlake, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012
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FINANCE DEPARTMENT

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

June 26, 2013

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, 2012.

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 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 and Panichi, Inc., has issued an unmodified (“clean”) opinion on the City of Westlake’s financial statements for the year ended December 31, 2012. The independent auditor’s report is located at the front of the financial section of this report.

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

HISTORY OF WESTLAKE

In 1811, Leverett Johnson, formerly from Connecticut, was the first settler to clear land 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.

GENERAL INFORMATION

Situated in the western reach of Cuyahoga County, Westlake is a suburb of Cleveland, Ohio, thirteen miles from downtown. Per the 2010 census, the current population is estimated at 32,729. The total land area is 15.9 square miles. Proximity to Interstate highways I-80, I-90, and I-480 and to Cleveland Hopkins International Airport makes Westlake a desirable locality for residents and commercial enterprises.

A new City Hall opened in January of 2003 on land owned by the City that was adjacent to the existing structure. The old City Hall, which was constructed in the 1950's, was purchased by the Westlake Board of Education. A new building for the Police Department located behind the current City Hall and two new fire stations at the east and west sides of the City were completed in 1991. The City acquired Meadowood Golf Course in 1988 and the adjacent Hedgewood course in 1991. Both courses are now referred to as Meadowood. In 2002, a new clubhouse was completed at the course. Construction of a Recreation Center was completed in 1998. The facility, situated in an 85-acre park setting, is approximately 82,700 square feet in an architectural style similar to the City's library, police and fire stations. The Recreation Center includes five indoor swimming pools, a gymnasium, community and craft rooms, an indoor track, a fitness area, and a sun deck. The outside grounds feature tennis courts, baseball and soccer fields, nature trails, a sand volleyball court, and a picnic area with a lake. In 2004, the Westlake Center for Community Services completed an expansion and renovation project and a new Service Center facility was completed in 2006.

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. All members of Council serve in a part-time capacity for four-year terms.

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 been 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. 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. The City outsources rubbish and recycling services in addition to grass maintenance. The City also owns and operates two cemeteries. The Service Center facility includes administrative offices, vehicle storage and maintenance areas and was recognized in 2012 as a “Top Green Shop” for eco-friendly environmental construction and practices.

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, offering numerous recreation and fitness options for residents.

The **Community Services Department** offers programs and activities to enrich the lives of the “Fifty Plus” population at the Westlake Center and provides a system of social services for residents of all ages. A variety of social, educational and recreational activities are offered as well as health screenings, support groups, and annual immunizations. The social service staff of the department serves as a resource for referrals, information, emergency food and assistance, discount program applications, and for older and disabled adults, a daily safety phone check and transportation.

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 cash assets of the City. The department issues bi-weekly payrolls and maintains a capital 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. Starting in 2013, the department will oversee health care administration and insurance coverage.

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** prepares the specifications for and obtains proposals to furnish the City with the materials, equipment, and supplies needed to maintain operations. The inspection, distribution, and storage of all inventories are the responsibility of the department. All purchase orders are generated, recorded, and approved by the department.

The **Planning and Economic Development Department** is responsible for the administration of plans and programs for the comprehensive and orderly development of the City. The department oversees the planning, zoning, economic development and promotion of the City. The department meets with prospective developers, land owners, residents, architects and applicants to discuss application procedures, proposed plans and development regulations. It reviews all development plans to determine compliance to code and measures. 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 the interpretation and enforcement of the building code, electrical code, plumbing code, and the property maintenance code for the City. This also includes the issuance of permits, field and site inspections, citations, issuance of occupancy permits, and rental and apartment licenses. The Inspections Department is also responsible for the enforcement of the zoning code.

The **Engineering Department** is responsible for the general engineering requirements of the City. The implementation of all plans and programs relating to City infrastructure are the department's responsibility. Traffic engineering and grant applications are also coordinated by the department as well as managing plat books, easements, and deeds.

The **Technology Department** is comprised of the Information Technology and Communications divisions. The technology staff is responsible for the operation and maintenance of the City's computer hardware and software. The communications personnel keep residents and employees informed through the City's website, emergency communication networks, and television access station.

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 Aspire Brands 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 also 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 5,400 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 1,383. The Center is situated on a seventy-acre campus. A new \$100 million, 35,700 square foot expansion began in 2012. University Hospital opened an ambulatory surgical center that also features physician and laboratory space and recently added an urgent care facility.

The square footage of Westlake's business space is evenly split between retail, office, and industrial space. With the City proximity to downtown Cleveland, Cleveland Hopkins Airport, and major thoroughfares, it is a great location for area businesses. Several new construction projects commenced or reached completion in 2012. A 30,000 square foot trampoline facility called "Skyzone" began construction on Viking Parkway. The Westlake Board of Education began construction in 2012 on a new 268,500 square foot high school and 105,300 square foot middle school that are due to open in the fall of 2013. Equity Trust purchased the 72,000 square foot former Cleveland Clinic facility on Clemens Road and is expected to be operational in the fall of 2013.

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 and Crocker Park has quickly become the "downtown" of Westlake, hosting art shows, parades, concerts, and a summer farmer's market. The Coral Company is currently expanding Westhampton 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. New businesses are always opening at Crocker Park and recent additions include Bar Louie, Anthropologie, Ann Taylor Loft, BCBG, and Hot Mama. Nordstrom Rack will open a new store in the Promenade area adjacent to Crocker Park in 2013.

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.

2013 will see the advent and continuation of several major construction projects. As mentioned, a \$100 million expansion is planned for St. John Medical Center. An expansion of 112,000 square feet will commence for Hyland Software and 25,000 in additional square footage will be added to the Westlake Village care facility.

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 foot. At the end of 2012, American Greetings decided to take the company private and has temporarily put this project on hold.

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 Council 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 maximum of ten year for commercial development and fifteen years for industrial. 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 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 50 percent up to a maximum of \$20,000. Two grants totaling \$12,500 resulted in \$30,000 of renovation in 2012. The Cuyahoga County Department of Development also offers loan interest loans for larger projects that retain and attract new jobs to the county. Under this loan program, one new project commenced in 2012 resulting in \$1.4 million of capital asset improvements.

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 50 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. In 2012, three companies participated in the program generating 431 new jobs that resulted in \$29.9 million in new payroll and \$230,600 in payroll taxes.

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.

The Police Department continued its commitment to public safety and awareness responding to 33,606 calls and making 5,806 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 also held. Other community programs included National Bike and Walk to School Days, “Operation Medicine Cabinet” (disposal of unused prescriptions and over-the-counter drugs), and a “Shop with a Cop” (activities for children in need at Christmas time).

The Fire Department responded to 4,267 calls relating to fires, EMS, and hazardous materials in 2012. The department also conducted 1,774 fire inspections, plan reviews and consultations. Seventy A central dispatch center is shared by the cities of Westlake, Bay Village, Rocky River, Fairview Park, and North Ridgeville and is located in emergency room space at St. John’s Medical Center.

The Service Department is involved in numerous programs such as the maintenance of City streets, sewers, parks, buildings, and vehicles. Rubbish and recycling collection and lawn maintenance has been outsourced to outside contractors in efforts to better utilize the time and skills of City personnel. The department received and completed 6,934 calls in 2012. Almost 7,900 tons of recyclables were collected and 11,800 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.

The City of Westlake Service Department was selected as the 2012 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 1,471 permits during 2012 with an estimated value of \$144.3 million. Fourteen residential units were completed at a value of \$5.6 million. Over 1,100 remodeling and improvements permits were issued with a construction value of \$12.4 million. Commercial permits totaled 344 with a value of over \$126 million. This included the construction of two new schools.

Last year, the Planning Department held 100 business meetings and 99 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 also oversaw the Bicentennial festivities that were held throughout 2011.

The Community Services Department placed over 20,000 reservations for trips and activities throughout the year. The department also provided over 5,200 transportation trips to residents in need. The Westlake Assistance Program dispensed 275 holiday baskets and 411 emergency food distributions. 143 programs were offered to patrons on a regular basis.

The Westlake Recreation Center is the hub for all recreation activities in the City. The department offered 973 programs in 2012 and 4,200 memberships were sold at the Center bringing total members to over 12,300. A new “Silver Sneakers” program for senior residents has been met with great success with over 1,000 residents participating and generating an additional \$75,000 in revenues for the Recreation Center.

In addition to the numerous classes and activities held at the Center, the department organized the Fourth of July Party in the Park, the Fall Pumpkin Festival, the Junior Olympics, the Corporate Challenge and the annual Fishing Derby.

Several infrastructure projects took place in 2012. Waterlines were replaced in the Melrose subdivision and sanitary sewer rehabilitation was completed within the Allen/Westhill subdivision. Asphalt overlay, pavement crack and joint sealing and catch basin maintenance were conducted throughout the City.

Future Projects The City of Westlake will initiate several capital projects in 2013. Clemens Road at Crocker will be relocated with Interstate 90 westbound ramp improvements. Water line rehabilitation will take place on the streets of Cornwall, Bonny Bank, Arthur, and Fresno. Design work will begin for the Columbia Road/Interstate-90 interchange and Bradley Road storm improvements. Planning will also commence for improvements to the Bradley/Detroit Road intersection. 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

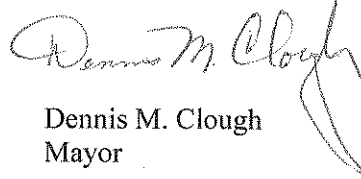
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westlake, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31, 2011. 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.

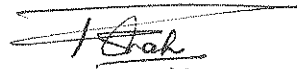
A Certificate of Achievement is valid for a period of one year only. The City of Westlake has received a Certificate of Achievement for the last twenty-nine consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting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

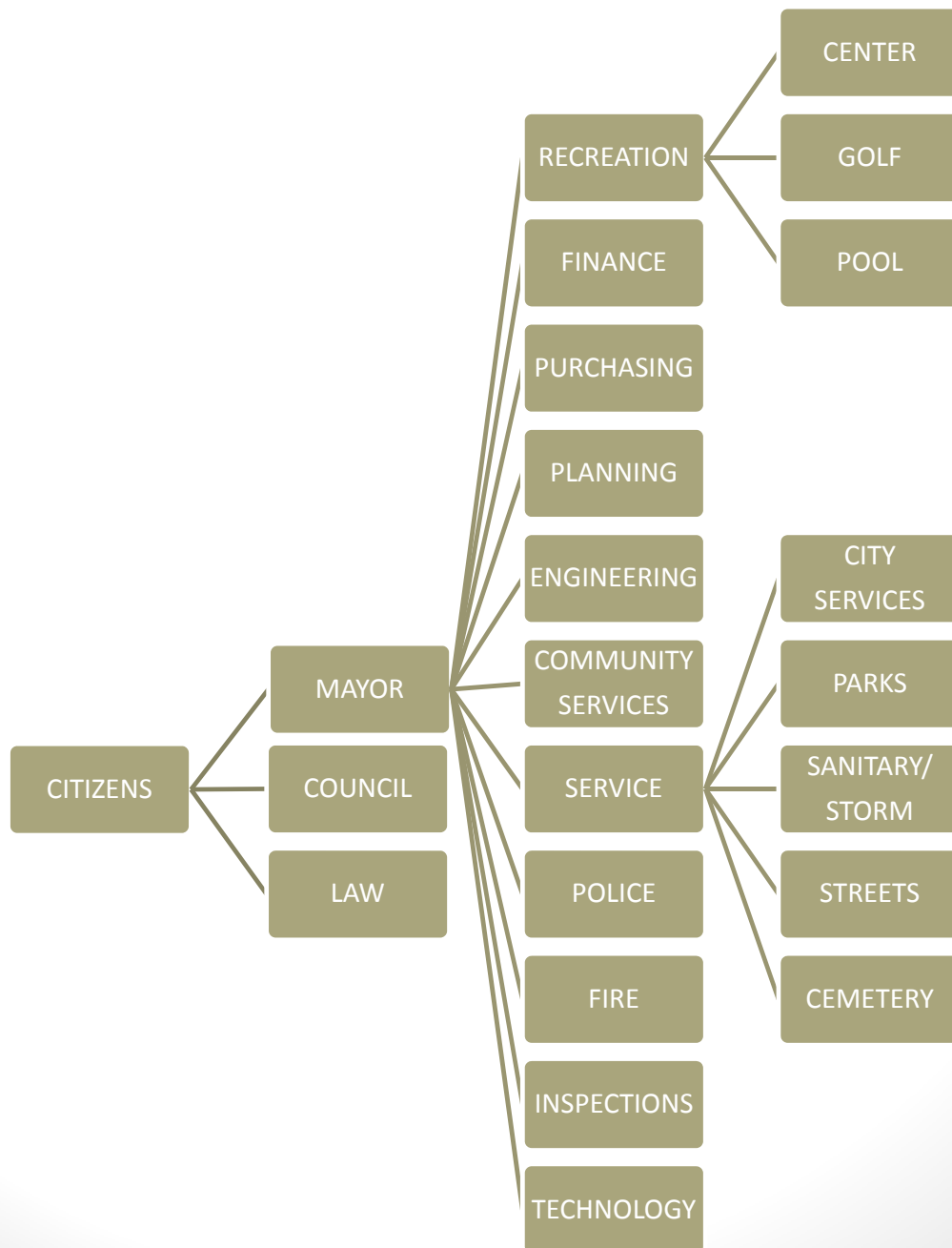


Prashant R. Shah
Director of Finance

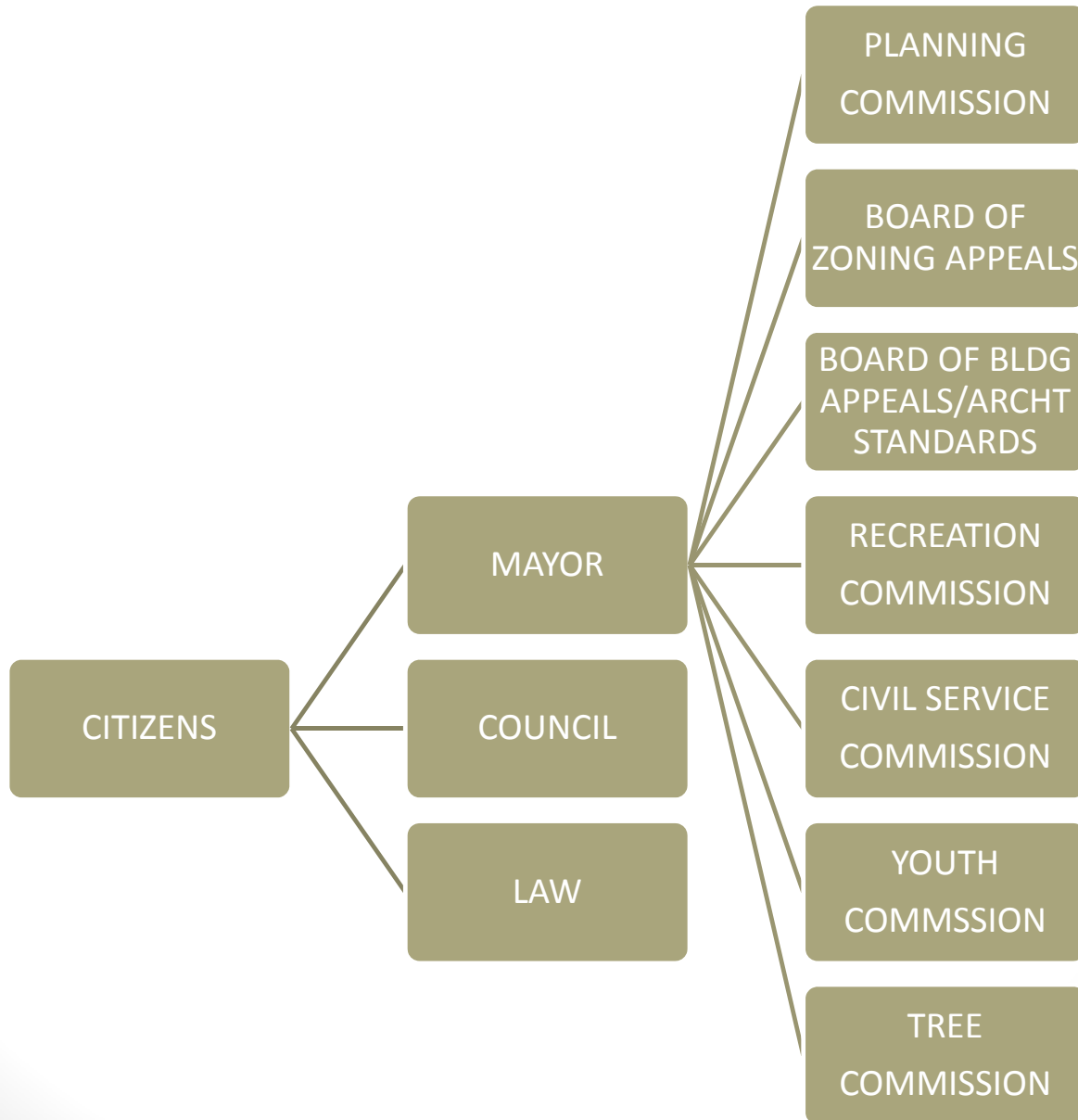


Bonnie L. Freeh
Assistant Director of Finance

***CITY OF WESTLAKE
ORGANIZATIONAL CHART
DEPARTMENTS***



CITY OF WESTLAKE COMMISSIONS



CITY OF WESTLAKE, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2012**

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

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Independent Auditor's Report

Members of the City Council
Westlake, Ohio

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members of the City Council
Westlake, Ohio

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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the basic financial statements, in 2012, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Members of the City Council
Westlake, Ohio

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013, 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* in considering the City's internal control over financial reporting and compliance.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 26, 2013

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City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
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, 2012. 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 2012 are as follows:

- Overall, governmental activities revenues of \$47.9 million exceeded the expenses which came in at \$43.1 million consequently increasing the net position by \$4.8 million for the year 2012. The increase is due to an increase in income tax collections, as well as reduced costs for road maintenance in 2012.
- During 2012 the City's revenues and expenditures continued to trend positively and on a cash basis the general fund ended with a cash balance of \$22.3 million which exceeded the City's policy of maintaining a reserve equal to 3 or 4 months of expenditures. 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 position 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 look at the City's most significant funds with all other funds presented in total in one column.

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
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The *statement of activities* presents information showing how the City's net position changed during the recent fiscal year. All changes in net position 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 37 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, and infrastructure tax capital projects fund, all of which are considered to be major funds. Data from the other 33 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
Management's Discussion and Analysis
For the Year Ended December 31, 2012
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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. Because this fund predominately benefits governmental rather than business functions, it has 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 125 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 2012?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and all liabilities and deferred inflows of resources 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 position and the changes in net position. The change in net position 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 position and the statement of activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

The City of Westlake as a Whole

Recall that the statement of net position looks at the City as a whole. The following table 1 provides a summary of the City's net position for 2012 compared to 2011.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$96,585,776	\$93,052,648	\$13,907,936	\$15,276,424	\$110,493,712	\$108,329,072
Capital Assets, Net	140,480,307	141,884,245	30,295,832	30,643,725	170,776,139	172,527,970
<i>Total Assets</i>	<u>237,066,083</u>	<u>234,936,893</u>	<u>44,203,768</u>	<u>45,920,149</u>	<u>281,269,851</u>	<u>280,857,042</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	262,291	294,792	0	0	262,291	294,792
Current and Other Liabilities	2,915,921	3,255,113	223,012	203,668	3,138,933	3,458,781
Long-Term Liabilities:						
Due within One Year	2,879,342	2,743,451	0	0	2,879,342	2,743,451
Due in More than One Year	22,776,358	25,018,466	0	0	22,776,358	25,018,466
<i>Total Liabilities</i>	<u>28,571,621</u>	<u>31,017,030</u>	<u>223,012</u>	<u>203,668</u>	<u>28,794,633</u>	<u>31,220,698</u>
Deferred Inflows of Resources						
Property Taxes	11,086,081	11,368,499	0	0	11,086,081	11,368,499
Net Investment in Capital Assets	121,260,561	120,651,597	30,295,832	30,643,725	151,556,393	151,295,322
Restricted for:						
Capital Projects	24,746,071	24,952,555	0	0	24,746,071	24,952,555
Debt Service	4,720,879	5,127,841	0	0	4,720,879	5,127,841
Unclaimed Funds	510,143	518,802	0	0	510,143	518,802
Other Purposes	6,168,692	8,649,274	0	0	6,168,692	8,649,274
Unrestricted	40,264,326	32,946,087	13,684,924	15,072,756	53,949,250	48,018,843
<i>Total Net Position</i>	<u>\$197,670,672</u>	<u>\$192,846,156</u>	<u>\$43,980,756</u>	<u>\$45,716,481</u>	<u>\$241,651,428</u>	<u>\$238,562,637</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net position 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 \$2,129,190 from 2011 to 2012 primarily due to an increase in cash and cash equivalents and income tax receivables of \$3.8 million and \$1 million, respectively. The City's total liabilities in governmental activities decreased by \$2,445,409 as long-term debt was repaid. Due to the diversity of businesses in the City the revenues from withholding taxes and net profits increased due to increase in profitability and employment in certain sectors of the economy.

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

City of Westlake, Ohio
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Our total net position of the City's governmental activities increased \$4,824,516 or 2.5 percent during the current year due to revenues exceeding expenses. Restricted net position for capital projects decreased by \$206,484 which was due to completion of various construction projects from 2012 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 position for the current year, the following table 2 gives readers further details regarding the results of activities for the current year.

CHANGES IN NET POSITION
TABLE 2

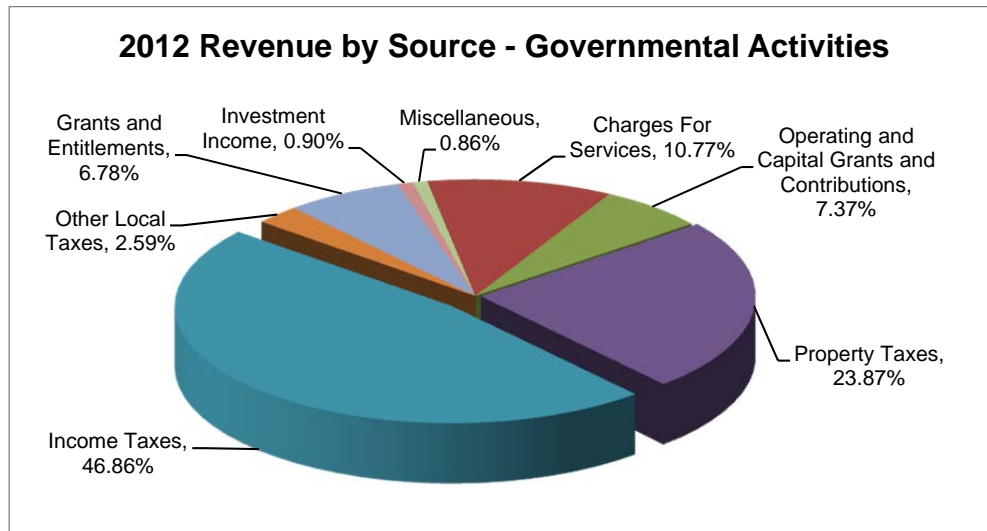
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services	\$5,159,806	\$4,941,176	\$2,195,415	\$2,033,109	\$7,355,221	\$6,974,285
Operating Grants and Contributions	2,104,715	2,815,006	0	0	2,104,715	2,815,006
Capital Grants and Contributions	1,422,539	1,546,514	47,087	0	1,469,626	1,546,514
Total Program Revenues	8,687,060	9,302,696	2,242,502	2,033,109	10,929,562	11,335,805
General Revenues:						
Property Taxes	11,432,553	11,719,997	0	0	11,432,553	11,719,997
Income Taxes	22,443,194	21,204,224	0	0	22,443,194	21,204,224
Admission Taxes	184,553	187,280	0	0	184,553	187,280
Hotel Taxes	483,446	431,774	0	0	483,446	431,774
Grants and Entitlements	3,248,049	6,057,901	0	0	3,248,049	6,057,901
Franchise Taxes	573,198	523,339	0	0	573,198	523,339
Investment Income	428,975	615,400	6,464	32,957	435,439	648,357
Gain on Sale of Capital Assets	50,214	5,296	27,000	0	77,214	5,296
Miscellaneous	360,487	1,637,665	5,718	145,714	366,205	1,783,379
Total General Revenues	39,204,669	42,382,876	39,182	178,671	39,243,851	42,561,547
Total Revenues	47,891,729	51,685,572	2,281,684	2,211,780	50,173,413	53,897,352
Program Expenses						
General Government	7,404,615	7,902,687	0	0	(7,404,615)	(7,902,687)
Security of Persons and Property	15,042,478	14,747,275	0	0	(15,042,478)	(14,747,275)
Public Health Services	1,073,921	1,190,286	0	0	(1,073,921)	(1,190,286)
Transportation	10,977,479	11,927,202	0	0	(10,977,479)	(11,927,202)
Community Environment	1,475,762	1,721,879	0	0	(1,475,762)	(1,721,879)
Basic Utility Services	2,058,732	1,801,486	0	0	(2,058,732)	(1,801,486)
Leisure Time Activities	3,762,378	3,788,078	0	0	(3,762,378)	(3,788,078)
Interest and Fiscal Charges	1,253,224	806,303	0	0	(1,253,224)	(806,303)
Sewer	0	0	3,557,778	3,684,221	(3,557,778)	(3,684,221)
Golf Course	0	0	478,255	428,838	(478,255)	(428,838)
Total Program Expenses	43,048,589	43,885,196	4,036,033	4,113,059	(47,084,622)	(47,998,255)
Increase (Decrease) in Net Position Before Transfers	4,843,140	7,800,376	(1,754,349)	(1,901,279)	3,088,791	5,899,097
Transfers	(18,624)	(6,010)	18,624	6,010	0	0
Change in Net Position	4,824,516	7,794,366	(1,735,725)	(1,895,269)	3,088,791	5,899,097
Net Position Beginning of Year	192,846,156	185,051,790	45,716,481	47,611,750	238,562,637	232,663,540
Net Position End of Year	\$197,670,672	\$192,846,156	\$43,980,756	\$45,716,481	\$241,651,428	\$238,562,637

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Governmental Activities

Governmental activities increased the City's net position by \$4,824,516 during 2012, as compared to \$7,794,366 during 2011. Total revenues decreased by \$3,793,843 mainly due to decreases in grants and entitlements and miscellaneous revenues. The decrease in grants and entitlements was due to less local governmental funding received in 2012. The decrease in other revenue is due to a grant reimbursement of almost a million dollars for Fire Department Radio Equipment which was received in 2011 and was not received in 2012. Program expenses decreased compared to 2011 due to continuing cost cutting measures by the City. The decrease in general government, public health services, transportation, leisure time activities and community environment was offset by an increase in expenses in security of persons and property, basic utility services and interest and fiscal charges.

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 2012, 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 \$22,443,194, an increase of \$1,238,970 or 5.8 percent from 2011. 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 \$47,891,729 in total revenues, income tax accounted for 46.86 percent, as compared to 41.03 percent of the total during 2011. Property taxes for 2012 were \$11,432,553, a \$287,444 decrease from 2011. 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 decreased by \$710,291 compared to 2011. Furthermore, charges for services increased by \$218,630 during 2012 as compared to 2011.

City of Westlake, Ohio
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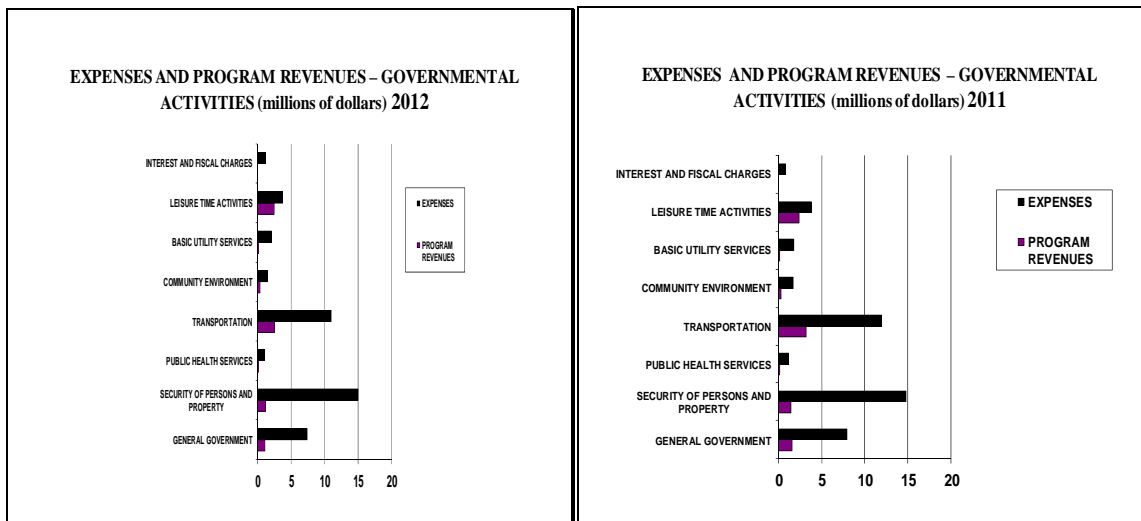
Capital grants and contributions decreased \$123,975 during 2012. In 2011, \$0.7 million in federal funds were received for the Detroit/Dover intersection improvement project. Additionally, a FEMA grant in the amount of \$0.96 million was received in 2011 for an intra-city fire communication system.

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 2012, the City received \$3.25 million in grant monies, compared to \$6.058 million in 2011. Investment earnings decreased from 2011 due to the purchase of longer term investments that will mature in 2013 and 2014. However, there was a slight increase in short-term yields on certain callable securities which were called earlier than their maturity date. 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 2012 is security of persons and property, with program expenses of \$15,042,478 as compared to \$14,747,275 in 2011, an increase of 2.0 percent. The increase was due to a few of the vacant positions being filled within certain departments. Transportation is the next largest program for 2012, with program expenses of \$10,977,479 as compared to \$11,927,202 in 2011, a decrease of 7.96 percent. Contributing factors to this decrease included less costs for road maintenance projects due to having a less extensive program compared to the preceding year and also decreases 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 2012 were \$7,404,615 as compared to \$7,902,687 for 2011, a decrease of 6.3 percent due to reduced expenses for communications, purchasing and the law department.

Leisure time activities expense decreased by one percent during 2012, community environment decreased 14.29 percent due to the processing of refunds for construction deposits and unfilled salaried positions. Expenses for basic utility services increased from 2011 to 2012 by 14.28 percent due to an increase 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 81.86 percent of total 2012 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. This was due to an increase in memberships and other recreation revenues such as the Silver Sneakers program.

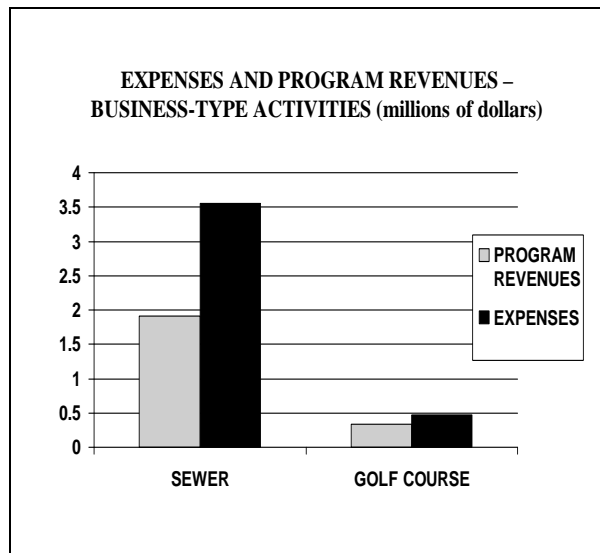
City of Westlake, Ohio
Management's Discussion and Analysis
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While security of persons and property is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police 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 position by \$1,735,725 during 2012, as compared to a decrease of net position of \$1,895,269 during 2011.



Program expenses exceeded program revenues in the amount of \$1,646,648 for the sewer operations in 2012. 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 \$146,883 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 position at year-end.

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

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.

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 \$70,445,460. Nonspendable fund balance of \$1,971,531 includes interfund loans, prepaids, inventory, unclaimed funds and cemetery investments. Fund balance in the amount of \$29,028,573 is restricted for road improvements, police and fire department operations and capital improvements. Fund balance in the amount of \$1,785,426 is committed to recreation, donations and purchases on order. Assigned fund balance includes \$17,166,722 for future severance payments, safety town, equipment replacement, cable television, swimming pool operations, community services and purchases on order. Unassigned fund balances of \$20,493,208 represents all balances not previously classified.

All governmental funds had total revenues of \$46,405,705 and expenditures of \$42,697,133, with revenues exceeding expenditures by \$3,742,763. Expenditures decreased at a greater rate than revenues 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 \$39,535,402, of which \$1,388,341 was nonspendable because of advances, prepaids, inventory, unclaimed funds and cemetery investments, \$78,494 was committed to administration and training, City improvements and landfill management, \$17,151,115 was assigned to future severance payments, safety town, capital acquisition, franchise taxes, swimming pool operations, community services, cemetery operations and purchases on order and \$20,917,452 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 78.83 percent of total general fund expenditures, while total fund balance represents 149 percent of that same amount. Total fund balance of the City's general fund increased by \$3,330,629. General fund revenues increased due to significant gains in income and estate taxes. Expenditures increased primarily due to increase in salaries and benefits of both union and non-union employees.

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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 \$1,527,548, 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.

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 \$397,846, which was a small decrease from the prior year mainly due to principal and interest payments exceeding revenues.

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 increased by \$258,223 resulting from projects costs including water line rehabilitation and 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.

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 2012, 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 \$27,880,887 and \$27,875,887, respectively. Original general fund budgeted expenditures were \$31,617,842, and the final amended budget was \$31,980,467. Actual general fund expenditures were \$27,170,785 or \$4,809,682 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:

- \$100,000 in planned computer hardware purchases were postponed.
- The hiring of a Human Resource Officer did not occur until 2013.
- Rubbish collection costs were less due to a new contractor being retained following a public bid.
- Some service projects were postponed such as Transfer Tipping Station rebuild and Service Site Stone Storage.
- Postponement of the purchase of a Crane Carrier Rubbish Truck budgeted at \$145,000.

City of Westlake, Ohio
Management's Discussion and Analysis
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- Postponement of the purchase of a new phone system budgeted at \$300,000.
- Other factors such as lower snow removal costs due to a milder winter and not filling vacant positions in the Police, Fire and Engineering departments.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2012 balances of capital assets as compared to 2011.

**CAPITAL ASSETS
(NET OF DEPRECIATION)**
TABLE 3

	Governmental Activities		Business-Type Activities	
	2012	2011	2012	2011
Land	\$14,162,808	\$14,162,808	\$1,499,176	\$1,499,176
Construction in Progress	4,290,724	7,157,351	891,515	458,271
Buildings and Improvements	31,787,849	32,611,603	1,292,249	1,327,161
Improvements	1,874,964	2,036,202	52,998	57,902
Machinery and Equipment	1,316,664	1,377,203	51,622	45,456
Furniture and Fixtures	506,596	575,322	8,315	10,495
Vehicles	2,189,311	2,025,006	266,723	3,900
Infrastructure:				
Roads	42,496,818	41,311,054	0	0
Water Mains	23,054,263	21,835,955	0	0
Storm Sewers	14,527,138	14,558,372	0	0
Sewers	0	0	26,233,234	27,241,364
Culverts	579,437	654,907	0	0
Traffic Signals	2,638,511	2,488,305	0	0
Bridges	1,055,224	1,090,157	0	0
Total	\$140,480,307	\$141,884,245	\$30,295,832	\$30,643,725

Total capital assets for both governmental and business-type activities decreased 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.

Debt

As of December 31, 2012, the City of Westlake had \$19,513,179 in bonds and loans outstanding.

OUTSTANDING DEBT
TABLE 4

	Governmental Activities	
	2012	2011
General Obligation Bonds	\$14,866,286	\$16,544,639
Special Assessment Bonds	4,142,704	4,446,110
OPWC Loans	504,189	564,950
Total	\$19,513,179	\$21,555,699

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The general obligation bonds are composed of (1) Sewer Improvement – a 2004 voted debt issue repaid from property taxes; (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 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 \$128,877,537 at December 31, 2012.

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

Current Financial Related Activities

The City of Westlake maintained throughout 2012 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.

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 2012 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.

City of Westlake, Ohio
Statement of Net Position
December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$68,927,185	\$5,112,409	\$74,039,594
Cash and Cash Equivalents with Escrow Agents	375,042	44,378	419,420
Materials and Supplies Inventory	361,764	9,274	371,038
Accrued Interest Receivable	158,660	0	158,660
Accounts Receivable	1,147,988	459,004	1,606,992
Internal Balances	455,000	(455,000)	0
Intergovernmental Receivable	2,684,950	0	2,684,950
Prepaid Items	214,975	168	215,143
Municipal Income Taxes Receivable	6,506,717	0	6,506,717
Admission Taxes Receivable	18,267	0	18,267
Hotel Taxes Receivable	32,772	0	32,772
Permissive Motor Vehicle Taxes Receivable	37,838	0	37,838
Property Taxes Receivable	11,754,618	0	11,754,618
Special Assessments Receivable	3,910,000	0	3,910,000
Investment in Joint Venture	0	8,737,703	8,737,703
Nondepreciable Capital Assets	18,453,532	2,390,691	20,844,223
Depreciable Capital Assets, Net	122,026,775	27,905,141	149,931,916
<i>Total Assets</i>	<u>237,066,083</u>	<u>44,203,768</u>	<u>281,269,851</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	262,291	0	262,291
Liabilities			
Accounts Payable	918,733	9,199	927,932
Contracts Payable	288,903	0	288,903
Accrued Wages	404,086	10,220	414,306
Matured Compensated Absences	145,506	0	145,506
Retainage Payable	375,042	44,378	419,420
Accrued Interest Payable	55,233	0	55,233
Intergovernmental Payable	486,377	3,092	489,469
Unearned Revenue	350	156,123	156,473
Claims Payable	241,691	0	241,691
Long-Term Liabilities:			
Due Within One Year	2,879,342	0	2,879,342
Due In More Than One Year	22,776,358	0	22,776,358
<i>Total Liabilities</i>	<u>28,571,621</u>	<u>223,012</u>	<u>28,794,633</u>
Deferred Inflows of Resources			
Property Taxes	11,086,081	0	11,086,081
Net Position			
Net Investment in Capital Assets	121,260,561	30,295,832	151,556,393
Restricted for:			
Capital Projects	24,746,071	0	24,746,071
Debt Service	4,720,879	0	4,720,879
Street Maintenance	2,088,969	0	2,088,969
Emergency Medical Service	947,519	0	947,519
Unclaimed Funds	510,143	0	510,143
Permissive Motor Vehicle	471,691	0	471,691
Police and Fire Operating	221,640	0	221,640
Other Purposes	2,438,873	0	2,438,873
Unrestricted	40,264,326	13,684,924	53,949,250
<i>Total Net Position</i>	<u>\$197,670,672</u>	<u>\$43,980,756</u>	<u>\$241,651,428</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$7,404,615	\$496,295	\$611,854	\$0
Security of Persons and Property	15,042,478	1,030,741	202,624	0
Public Health Services	1,073,921	144,383	0	0
Transportation	10,977,479	415,183	1,260,337	1,422,539
Community Environment	1,475,762	378,779	29,900	0
Basic Utility Services	2,058,732	182,005	0	0
Leisure Time Activities	3,762,378	2,512,420	0	0
Interest and Fiscal Charges	1,253,224	0	0	0
<i>Total Governmental Activities</i>	<u>43,048,589</u>	<u>5,159,806</u>	<u>2,104,715</u>	<u>1,422,539</u>
Business-Type Activities				
Sewer	3,557,778	1,864,043	0	47,087
Golf Course	478,255	331,372	0	0
<i>Total Business-Type Activities</i>	<u>4,036,033</u>	<u>2,195,415</u>	<u>0</u>	<u>47,087</u>
<i>Total</i>	<u>\$47,084,622</u>	<u>\$7,355,221</u>	<u>\$2,104,715</u>	<u>\$1,469,626</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

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$6,296,466)	\$0	(\$6,296,466)
(13,809,113)	0	(13,809,113)
(929,538)	0	(929,538)
(7,879,420)	0	(7,879,420)
(1,067,083)	0	(1,067,083)
(1,876,727)	0	(1,876,727)
(1,249,958)	0	(1,249,958)
(1,253,224)	0	(1,253,224)
<u>(34,361,529)</u>	<u>0</u>	<u>(34,361,529)</u>
0	(1,646,648)	(1,646,648)
<u>0</u>	<u>(146,883)</u>	<u>(146,883)</u>
0	(1,793,531)	(1,793,531)
<u>(34,361,529)</u>	<u>(1,793,531)</u>	<u>(36,155,060)</u>
9,529,928	0	9,529,928
358,059	0	358,059
358,059	0	358,059
1,074,177	0	1,074,177
112,330	0	112,330
14,861,413	0	14,861,413
255,530	0	255,530
1,924,449	0	1,924,449
5,401,802	0	5,401,802
184,553	0	184,553
483,446	0	483,446
3,248,049	0	3,248,049
573,198	0	573,198
428,975	6,464	435,439
50,214	27,000	77,214
<u>360,487</u>	<u>5,718</u>	<u>366,205</u>
39,204,669	39,182	39,243,851
<u>(18,624)</u>	<u>18,624</u>	<u>0</u>
4,824,516	(1,735,725)	3,088,791
<u>192,846,156</u>	<u>45,716,481</u>	<u>238,562,637</u>
<u>\$197,670,672</u>	<u>\$43,980,756</u>	<u>\$241,651,428</u>

City of Westlake, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	General	Recreation	Special Assessment Bond Retirement	Infrastructure Tax	Other Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$36,738,906	\$1,544,721	\$397,846	\$12,706,623	\$14,916,509
Cash and Cash Equivalents:					
with Escrow Agents	0	0	0	250,741	124,301
Materials and Supplies Inventory	360,292	1,472	0	0	0
Accrued Interest Receivable	116,653	0	0	28,593	13,414
Accounts Receivable	186,535	1,337	0	0	960,116
Interfund Receivable	305,000	0	0	250,000	0
Intergovernmental Receivable	1,796,521	0	0	0	888,429
Prepaid Items	213,159	373	0	0	1,443
Municipal Income Taxes Receivable	4,339,630	68,819	0	1,373,681	724,587
Admission Taxes Receivable	18,267	0	0	0	0
Hotel Taxes Receivable	32,772	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	37,838
Property Taxes Receivable	9,902,524	0	0	0	1,852,094
Special Assessments Receivable	0	0	3,910,000	0	0
Advances to Other Funds	320,000	0	0	1,231,900	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	510,143	0	0	0	0
Total Assets	\$54,840,402	\$1,616,722	\$4,307,846	\$15,841,538	\$19,518,731
Liabilities					
Accounts Payable	\$854,643	\$32,909	\$0	\$2,093	\$29,088
Contracts Payable	135,951	0	0	80,251	72,701
Accrued Wages	332,650	24,793	0	560	46,083
Matured Compensated Absences Payable	145,506	0	0	0	0
Retainage Payable	0	0	0	250,741	124,301
Interfund Payable	0	0	0	0	250,000
Intergovernmental Payable	455,084	3,826	0	17,204	10,263
Advances From Other Funds	0	0	0	0	1,401,900
Unearned Revenue	350	0	0	0	0
Total Liabilities	1,924,184	61,528	0	350,849	1,934,336
Deferred Inflows of Resources					
Property Taxes	9,339,323	0	0	0	1,746,758
Unavailable Revenue	4,041,493	27,646	3,910,000	551,834	1,791,828
Total Deferred Inflows of Resources	13,380,816	27,646	3,910,000	551,834	3,538,586
Fund Balances					
Nonspendable	1,708,594	1,845	0	1,231,900	581,345
Restricted	0	0	397,846	13,706,955	13,691,872
Committed	78,494	1,525,703	0	0	181,229
Assigned	17,151,115	0	0	0	15,607
Unassigned (Deficit)	20,597,199	0	0	0	(424,244)
Total Fund Balances	39,535,402	1,527,548	397,846	14,938,855	14,045,809
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$54,840,402	\$1,616,722	\$4,307,846	\$15,841,538	\$19,518,731

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2012*

	Total Governmental Fund Balances	\$70,445,460
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$66,304,605	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	140,480,307
375,042	Other long-term assets are not available to pay for current- period expenditures and therefore are reported as unavailable revenue in the funds.	
361,764	Charges for Services	754,812
158,660	Delinquent Property Taxes	668,537
1,147,988	Municipal Income Taxes	2,613,872
555,000	Intergovernmental	2,358,446
2,684,950	Special Assessments	3,910,000
214,975	Miscellaneous	17,134
6,506,717	Total	10,322,801
18,267	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 position.	1,870,746
32,772		
37,838		
11,754,618	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(55,233)
3,910,000		
1,551,900		
510,143		
\$96,125,239	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
\$918,733	General Obligation Bonds	(14,866,286)
288,903	Special Assessment Bonds	(4,142,704)
404,086	OPWC Loans	(504,189)
145,506	Compensated Absences Payable	(5,611,959)
375,042	Capital Lease Obligation Payable	(8,228)
250,000	Landfill Postclosure Costs	(522,334)
486,377	Deferred Charge on Refunding	262,291
1,401,900	Total	(25,393,409)
350		
4,270,897	<i>Net Position of Governmental Activities</i>	<u>\$197,670,672</u>
11,086,081		
10,322,801		
21,408,882		
3,523,684		
27,796,673		
1,785,426		
17,166,722		
20,172,955		
70,445,460		
\$96,125,239		

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General	Recreation	Special Assessment Bond Retirement	Infrastructure Tax	Other Governmental Funds
Revenues					
Property Taxes	\$9,504,855	\$0	\$0	\$0	\$1,904,916
Municipal Income Taxes	14,387,924	249,946	0	4,691,204	2,415,443
Admission Taxes	184,553	0	0	0	0
Hotel Taxes	483,446	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	0	0	226,807
Charges for Services	450,557	2,189,354	0	2,800	708,237
Licenses, Permits and Fees	579,329	0	0	0	75,724
Fines and Forfeitures	261,048	0	0	0	71,825
Intergovernmental	3,510,817	0	0	64,585	2,528,634
Special Assessments	0	0	290,000	0	0
Interest	188,414	0	175,279	57,643	7,639
Rentals	142,518	89,467	0	0	0
Contributions and Donations	0	0	0	0	29,900
Franchise Taxes	573,198	0	0	0	0
Miscellaneous	310,147	18,179	0	0	31,317
<i>Total Revenues</i>	<u>30,576,806</u>	<u>2,546,946</u>	<u>465,279</u>	<u>4,816,232</u>	<u>8,000,442</u>
Expenditures					
Current:					
General Government	6,766,304	0	0	0	203,890
Security of Persons and Property	10,225,989	0	0	0	4,088,732
Public Health Services	1,058,241	0	0	0	2,513
Transportation	5,400,384	0	0	0	1,628,145
Community Environment	1,433,611	0	0	0	35,269
Basic Utility Services	731,157	0	0	0	86,823
Leisure Time Activities	919,862	2,177,887	0	0	0
Capital Outlay	0	0	0	3,564,839	1,645,564
Debt Service:					
Principal Retirement	0	2,690	290,000	0	1,715,761
Interest and Fiscal Charges	0	1,327	199,259	0	518,886
<i>Total Expenditures</i>	<u>26,535,548</u>	<u>2,181,904</u>	<u>489,259</u>	<u>3,564,839</u>	<u>9,925,583</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,041,258</u>	<u>365,042</u>	<u>(23,980)</u>	<u>1,251,393</u>	<u>(1,925,141)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	33,963	228	0	0	0
Transfers In	2,334	0	0	0	1,740,096
Transfers Out	(746,926)	0	0	(993,170)	(2,334)
<i>Total Other Financing Sources (Uses)</i>	<u>(710,629)</u>	<u>228</u>	<u>0</u>	<u>(993,170)</u>	<u>1,737,762</u>
<i>Net Change in Fund Balances</i>	3,330,629	365,270	(23,980)	258,223	(187,379)
<i>Fund Balances Beginning of Year - - Restated (See Note 3)</i>	<u>36,204,773</u>	<u>1,162,278</u>	<u>421,826</u>	<u>14,680,632</u>	<u>14,233,188</u>
<i>Fund Balances End of Year</i>	<u>\$39,535,402</u>	<u>\$1,527,548</u>	<u>\$397,846</u>	<u>\$14,938,855</u>	<u>\$14,045,809</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, 2012*

	Net Change in Fund Balances - Total Governmental Funds		\$3,742,763
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
\$11,409,771	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.		
21,744,517	This is the amount by which depreciation exceeded capital outlay in the current period.		
184,553	Capital Asset Additions:		
483,446	Capital Outlays	5,182,887	
226,807	Capital Contributions	541,746	
3,350,948	Current Year Depreciation	(7,104,294)	
655,053	Total		(1,379,661)
332,873			
6,104,036	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.		(24,277)
290,000			
428,975	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues within the governmental funds.		
231,985	Delinquent Property Taxes	22,782	
29,900	Municipal Income Taxes	698,677	
573,198	Intergovernmental	103,506	
359,643	Special Assessments	(290,000)	
	Charges for Services	362,268	
	Fines and Forfeitures	(128)	
	Miscellaneous	844	
	Total		897,949
46,405,705	Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
6,970,194	General Obligation Bonds	1,655,000	
14,314,721	Special Assessment Bonds	290,000	
1,060,754	OPWC Loans Payable	60,761	
7,028,529	Capital Lease	2,690	
1,468,880	Total		2,008,451
817,980			
3,097,749	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.		
5,210,403	Accrued Interest	(538,010)	
2,008,451	Amortization of Bond Premium	36,759	
719,472	Amortization of Loss on Refunding	(32,501)	
	Total		(533,752)
42,697,133			
3,708,572	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.		
34,191	Compensated Absences	23,179	
1,742,430	Landfill	37,828	
(1,742,430)	Total		61,007
34,191			
3,742,763	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.		52,036
66,702,697			
\$70,445,460	<i>Change in Net Position of Governmental Activities</i>		\$4,824,516

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$9,350,114	\$9,350,114	\$9,504,855	\$154,741
Municipal Income Taxes	13,438,500	13,438,500	14,164,531	726,031
Admission Taxes	200,000	200,000	186,569	(13,431)
Hotel Taxes	400,000	400,000	479,377	79,377
Charges for Services	160,000	160,000	117,363	(42,637)
Licenses, Permits and Fees	419,600	419,600	579,227	159,627
Fines and Forfeitures	275,300	275,300	241,927	(33,373)
Intergovernmental	2,581,843	2,581,843	3,692,675	1,110,832
Interest	300,000	300,000	89,875	(210,125)
Rentals	133,030	133,030	139,178	6,148
Franchise Taxes	500,000	500,000	566,190	66,190
Miscellaneous	122,500	117,500	318,518	201,018
<i>Total Revenues</i>	27,880,887	27,875,887	30,080,285	2,204,398
Expenditures				
Current:				
General Government	8,767,946	8,946,571	7,079,761	1,866,810
Security of Persons and Property	11,370,530	11,370,530	10,185,060	1,185,470
Public Health Services	880,192	880,192	783,336	96,856
Transportation	7,399,092	7,399,092	6,131,391	1,267,701
Community Environment	1,552,380	1,597,380	1,425,084	172,296
Basic Utility Services	763,325	887,325	747,897	139,428
Leisure Time Activities	884,377	899,377	818,256	81,121
<i>Total Expenditures</i>	31,617,842	31,980,467	27,170,785	4,809,682
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,736,955)	(4,104,580)	2,909,500	7,014,080
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	5,000	33,963	28,963
Advances In	289,400	123,148	267,400	144,252
Advances Out	(100,000)	(370,000)	(370,000)	0
Transfers In	10,000	10,000	2,334	(7,666)
Transfers Out	(2,487,425)	(2,487,425)	(2,321,926)	165,499
<i>Total Other Financing Sources (Uses)</i>	(2,283,025)	(2,719,277)	(2,388,229)	331,048
<i>Net Change in Fund Balance</i>	(6,019,980)	(6,823,857)	521,271	7,345,128
<i>Fund Balance Beginning of Year</i>	31,060,806	31,060,806	31,060,806	0
Unexpended Prior Year Encumbrances	1,067,796	1,067,796	1,067,796	0
<i>Fund Balance End of Year</i>	\$26,108,622	\$25,304,745	\$32,649,873	\$7,345,128

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, 2012

	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	2,075,100	2,075,100	2,189,521	114,421
Interest	10,000	10,000	0	(10,000)
Rentals	77,500	77,500	89,467	11,967
Miscellaneous	10,000	10,000	18,179	8,179
<i>Total Revenues</i>	<u>2,422,600</u>	<u>2,422,600</u>	<u>2,547,167</u>	<u>124,567</u>
Expenditures				
Current:				
Leisure Time Activities	2,760,036	2,760,036	2,207,072	552,964
Debt Service:				
Principal Retirement	2,690	2,690	2,690	0
Interest and Fiscal Charges	1,327	1,327	1,327	0
<i>Total Expenditures</i>	<u>2,764,053</u>	<u>2,764,053</u>	<u>2,211,089</u>	<u>552,964</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(341,453)	(341,453)	336,078	677,531
Other Financing Sources				
Sale of Capital Assets	0	0	228	228
<i>Net Change in Fund Balance</i>	(341,453)	(341,453)	336,306	677,759
<i>Fund Balance Beginning of Year</i>	1,137,575	1,137,575	1,137,575	0
Unexpended Prior Year Encumbrances	15,153	15,153	15,153	0
<i>Fund Balance End of Year</i>	<u>\$811,275</u>	<u>\$811,275</u>	<u>\$1,489,034</u>	<u>\$677,759</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,062,616	\$49,793	\$5,112,409	\$2,112,437
Cash and Cash Equivalents with Escrow Agents	44,378	0	44,378	0
Materials and Supplies Inventory	0	9,274	9,274	0
Accounts Receivable	459,004	0	459,004	0
Prepaid Items	0	168	168	0
<i>Total Current Assets</i>	<u>5,565,998</u>	<u>59,235</u>	<u>5,625,233</u>	<u>2,112,437</u>
<i>Noncurrent Assets</i>				
Investment in Joint Venture	8,737,703	0	8,737,703	0
Nondepreciable Capital Assets	891,515	1,499,176	2,390,691	0
Depreciable Capital Assets, Net	27,216,778	688,363	27,905,141	0
<i>Total Noncurrent Assets</i>	<u>36,845,996</u>	<u>2,187,539</u>	<u>39,033,535</u>	<u>0</u>
<i>Total Assets</i>	<u>42,411,994</u>	<u>2,246,774</u>	<u>44,658,768</u>	<u>2,112,437</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	8,675	524	9,199	0
Claims Payable	0	0	0	241,691
Accrued Wages	6,894	3,326	10,220	0
Retainage Payable	44,378	0	44,378	0
Advances From Other Funds	0	150,000	150,000	0
Intergovernmental Payable	2,579	513	3,092	0
Unearned Revenue	156,123	0	156,123	0
<i>Total Current Liabilities</i>	<u>218,649</u>	<u>154,363</u>	<u>373,012</u>	<u>241,691</u>
<i>Long-Term Liabilities</i>				
Interfund Payable	0	305,000	305,000	0
<i>Total Liabilities</i>	<u>218,649</u>	<u>459,363</u>	<u>678,012</u>	<u>241,691</u>
Net Position				
Net Investment in Capital Assets	28,108,293	2,187,539	30,295,832	0
Unrestricted (Deficit)	14,085,052	(400,128)	13,684,924	1,870,746
<i>Total Net Position</i>	<u>\$42,193,345</u>	<u>\$1,787,411</u>	<u>\$43,980,756</u>	<u>\$1,870,746</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012*

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Sewer	Nonmajor - Golf Course	Total	Internal Service Fund
Operating Revenues				
Charges for Services	\$1,790,745	\$294,622	\$2,085,367	\$3,154,866
Tap-In-Fees	73,298	0	73,298	0
Rentals	0	36,750	36,750	0
Miscellaneous	288	5,430	5,718	0
<i>Total Operating Revenues</i>	<u>1,864,331</u>	<u>336,802</u>	<u>2,201,133</u>	<u>3,154,866</u>
Operating Expenses				
Personal Services	284,459	234,836	519,295	0
Fringe Benefits	119,347	69,508	188,855	0
Contractual Services	1,659,271	65,733	1,725,004	415,546
Materials and Supplies	40,344	43,671	84,015	0
Depreciation	1,091,552	51,164	1,142,716	0
Other	33,390	13,343	46,733	0
Claims	0	0	0	2,687,284
<i>Total Operating Expenses</i>	<u>3,228,363</u>	<u>478,255</u>	<u>3,706,618</u>	<u>3,102,830</u>
<i>Operating Income (Loss)</i>	<u>(1,364,032)</u>	<u>(141,453)</u>	<u>(1,505,485)</u>	<u>52,036</u>
Nonoperating Revenues (Expenses)				
Interest	6,464	0	6,464	0
Gain on Disposal of Capital Assets	26,100	900	27,000	0
Loss on Disposal of Capital Assets	0	(3,885)	(3,885)	0
Loss in Joint Venture	(329,415)	0	(329,415)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(296,851)</u>	<u>(2,985)</u>	<u>(299,836)</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions</i>	<u>(1,660,883)</u>	<u>(144,438)</u>	<u>(1,805,321)</u>	<u>52,036</u>
Capital Contributions	47,087	22,509	69,596	0
<i>Change in Net Position</i>	<u>(1,613,796)</u>	<u>(121,929)</u>	<u>(1,735,725)</u>	<u>52,036</u>
<i>Net Position Beginning of Year - - Restated (See Note 3)</i>	<u>43,807,141</u>	<u>1,909,340</u>	<u>45,716,481</u>	<u>1,818,710</u>
<i>Net Position End of Year</i>	<u>\$42,193,345</u>	<u>\$1,787,411</u>	<u>\$43,980,756</u>	<u>\$1,870,746</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, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,721,684	\$331,372	\$2,053,056	\$0
Cash Received from Interfund Services	0	0	0	3,154,866
Cash Received from Other Operating Sources	288	5,430	5,718	0
Cash Received from Tap-In Fees	73,298	0	73,298	0
Cash Payments to Suppliers for Goods and Services	(1,660,442)	(107,305)	(1,767,747)	(415,546)
Cash Payments for Claims	0	0	0	(2,687,554)
Cash Payments for Employee Services and Benefits	(417,012)	(303,233)	(720,245)	0
Cash Payments for Other Operating Expenses	(33,468)	(12,977)	(46,445)	0
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>(315,652)</u>	<u>(86,713)</u>	<u>(402,365)</u>	<u>51,766</u>
Cash Flows from Noncapital Financing Activities				
Advance In	0	150,000	150,000	0
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(707,671)	(25,341)	(733,012)	0
Sale of Capital Assets	30,000	900	30,900	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(677,671)</u>	<u>(24,441)</u>	<u>(702,112)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest	6,464	0	6,464	0
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(986,859)	38,846	(948,013)	51,766
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>6,093,853</u>	<u>10,947</u>	<u>6,104,800</u>	<u>2,060,671</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,106,994</u>	<u>\$49,793</u>	<u>\$5,156,787</u>	<u>\$2,112,437</u>

(continued)

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	(\$1,364,032)	(\$141,453)	(\$1,505,485)	\$52,036
Adjustments:				
Depreciation	1,091,552	51,164	1,142,716	0
(Increase)/Decrease in Assets:				
Materials and Supplies Inventory	0	1,899	1,899	0
Accounts Receivable	(60,899)	0	(60,899)	0
Prepaid Items	18	42	60	0
Increase/(Decrease) in Liabilities:				
Accounts Payable	6,723	524	7,247	0
Claims Payable	0	0	0	(270)
Accrued Wages	1,977	636	2,613	0
Retainage Payable	16,066	0	16,066	0
Intergovernmental Payable	1,105	475	1,580	0
Unearned Revenue	(8,162)	0	(8,162)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$315,652)</u>	<u>(\$86,713)</u>	<u>(\$402,365)</u>	<u>\$51,766</u>

Noncash Capital Transactions

During 2012, governmental funds transferred capital assets to the Golf Course enterprise fund in the amount of \$22,509. In addition, the Golf enterprise fund transferred capital assets to governmental funds in the amount of \$3,885.

During 2012, the sewer enterprise fund received sewer lines from developers valued at \$47,087.

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2012

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,334,572</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$1,334,572</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, 2012

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 21).

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 22 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 more significant of the City’s accounting policies are described below.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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 position 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 fund is 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 deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance.

The following are the City's major governmental funds:

General Fund The general fund accounts for and reports 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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Recreation Fund The recreation fund accounts for and reports 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 and reports 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.

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 position, 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 and reports 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 and reports 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 only internal service fund reports on a self-insurance program for employee hospital/medical, prescription, dental and vision insurance benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for central dispatching services for the West Shore Council of Governments, deposits held for contractors and developers and assessments due to other governments.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. 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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, 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.

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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Unearned Revenue Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

On enterprise fund financial statements, revenue received as of December 31, 2012, for 2013 services, has been recorded as unearned revenue.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding, reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes charges for services, delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

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 2012, investments were limited to non-negotiable certificates of deposit, bond anticipation notes, federal farm credit bank bonds, municipal bonds 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 2012. 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, 2012.

Interest earnings are allocated to City funds according to state statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the special assessment bond retirement fund during 2012 was \$175,279, which includes \$173,027 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, 2012 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, 2012

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 position 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 position 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
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 position, 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, 2012

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.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the general fund.

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 and compensated absences, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, 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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) 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) 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 is 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. These amounts are assigned by council. 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. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2013's appropriated budget.

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.

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 Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position 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 position is available.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

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.

Contributions of Capital

Contributions of capital in the governmental activities and proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

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.

Deferred Charges 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 or new debt, whichever is shorter, using the effective-interest method and is presented as deferred outflows of resources on the statement of net position.

Estimates

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 3 – Changes in Accounting Principles and Restatement of Prior Year’s Fund Balance

Changes in Accounting Principles

For 2012, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements,” Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements,” Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53,” Statement No. 65, “Items Previously Reported as Assets and Liabilities” and Statement No. 66, “Technical Corrections–2012—an amendment of GASB Statements No. 10 and No. 62.”

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 62 incorporates into GASB’s authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the City’s financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the City’s financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the City’s financial statements.

Restatement of Prior Year’s Fund Balance

In the prior years, the City reported activity relating to the information technology internal service fund in proprietary funds. Since the funds are no longer contributing to this fund, the City has decided to now report this activity in the general fund. This restatement had the following effect on fund balances as they were previously reported.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	General	Recreation	Special Assessment Bond Retirement	Infrastructure Tax	Other Governmental Funds	Total
Fund Balance at December 31, 2011	\$36,109,113	\$1,162,278	\$421,826	\$14,680,632	\$14,233,188	\$66,607,037
Change in Fund Structure	95,660	0	0	0	0	95,660
Adjusted Fund Balance at December 31, 2011	<u>\$36,204,773</u>	<u>\$1,162,278</u>	<u>\$421,826</u>	<u>\$14,680,632</u>	<u>\$14,233,188</u>	<u>\$66,702,697</u>

This change also restated the internal service net position from \$1,914,370 to \$1,818,710 at December 31, 2011.

Note 4 – Accountability

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

	<u>Amount</u>
<i>Nonmajor Funds:</i>	
Issue 2 Improvements	\$85,168
Grants	314,109
Sidewalks	24,967

The deficit fund balances in the nonmajor capital projects funds 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	Recreation	Special Assessment Bond Retirement	Infrastructure Tax	Other Governmental Funds	Total Governmental Activities
Nonspendable:						
Interfund loans	\$625,000	\$0	\$0	\$1,231,900	\$0	\$1,856,900
Prepays	213,159	373	0	0	1,443	214,975
Inventory	360,292	1,472	0	0	0	361,764
Unclaimed monies	510,143	0	0	0	0	510,143
Cemetery	0	0	0	0	579,902	579,902
<i>Total Nonspendable</i>	<u>1,708,594</u>	<u>1,845</u>	<u>0</u>	<u>1,231,900</u>	<u>581,345</u>	<u>3,523,684</u>
Restricted for:						
Road improvements	0	0	0	0	2,826,454	2,826,454
Police and fire departments	0	0	0	0	681,044	681,044
Law enforcement	0	0	0	0	386,217	386,217
Drug and alcohol enforcement	0	0	0	0	128,740	128,740
Juvenile diversion	0	0	0	0	2,980	2,980
Natural disaster restoration	0	0	0	0	37	37
West/Bay ecological	0	0	0	0	168,153	168,153
Emergency medical services	0	0	0	0	215,693	215,693
Sanitary sewer improvements	0	0	0	0	2,764,584	2,764,584

(continued)

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Fund Balances	General	Recreation	Special Assessment Bond Retirement	Infrastructure Tax	Other Governmental Funds	Total Governmental Activities
Restricted for:						
Construction and improvement of City facilities	\$0	\$0	\$0	\$0	\$5,813,560	\$5,813,560
Debt service payments	0	0	397,846	0	704,410	1,102,256
Issue 11 Improvements	0	0	0	13,706,955	0	13,706,955
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>397,846</u>	<u>13,706,955</u>	<u>13,691,872</u>	<u>27,796,673</u>
Committed to:						
Recreation	0	1,525,703	0	0	0	1,525,703
City Donations	0	0	0	0	181,229	181,229
Administration and training	24,000	0	0	0	0	24,000
City Improvements	36,037	0	0	0	0	36,037
Landfill management	18,457	0	0	0	0	18,457
<i>Total Committed</i>	<u>78,494</u>	<u>1,525,703</u>	<u>0</u>	<u>0</u>	<u>181,229</u>	<u>1,785,426</u>
Assigned to:						
Compensated absences	746,652	0	0	0	0	746,652
Safety town	9,939	0	0	0	0	9,939
Equipment replacement	8,372,645	0	0	0	0	8,372,645
Cable television	3,316,556	0	0	0	0	3,316,556
Swimming pool operations	77,618	0	0	0	0	77,618
Community services	47,372	0	0	0	0	47,372
Service center construction	0	0	0	0	15,607	15,607
Year 2013 Appropriations	4,175,670	0	0	0	0	4,175,670
Purchases on Order	404,663	0	0	0	0	404,663
<i>Total Assigned</i>	<u>17,151,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,607</u>	<u>17,166,722</u>
Unassigned (Deficit):	20,597,199	0	0	0	(424,244)	20,172,955
Total Fund Balances	<u><u>\$39,535,402</u></u>	<u><u>\$1,527,548</u></u>	<u><u>\$397,846</u></u>	<u><u>\$14,938,855</u></u>	<u><u>\$14,045,809</u></u>	<u><u>\$70,445,460</u></u>

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).
- (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).

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

- (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	\$3,330,629	\$365,270
Net Adjustment for Revenue Accruals	1,543,673	221
Beginning Fair Value Adjustment for Investments	38,969	0
Ending Fair Value Adjustment for Investments	(108,428)	0
Net Adjustment for Expenditure Accruals	(882,642)	26,502
Excess of revenues and other financing sources and over (under) expenditures and other financing uses:		
Swimming Pool Operations	(9,644)	0
Senior/Community Services	(1,143)	0
Cemetery Operations	6,769	0
Reserve for Compensated Absences	(1,385,093)	0
Advances In	267,400	0
Advances Out	(370,000)	0
Encumbrances	(1,909,219)	(55,687)
Budget Basis	\$521,271	\$336,306

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.

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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Investments

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

	Fair Value	Maturity	Percentage of Total Investments
Bond Anticipation Notes	\$21,925,462	Less than one year	68.29%
Federal Farm Credit Bank Bonds	2,000,040	Less than two years	6.23
Federal Farm Credit Bank Bonds	2,999,890	Less than three years	9.34
Municipal Bonds	2,947,494	Less than one year	9.18
Municipal Bonds	2,030,812	Less than two years	6.33
Municipal Bonds	185,776	Less than three years	N/A
STAROhio	14,690	Average 55.4 Days	N/A
Total Portfolio	<u>\$32,104,164</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 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.

Note 8 – Interfund Transfers and Balances

Interfund Transfers

At December 31, 2012, interfund transfers were as follows:

Transfers To	Transfers From			Total
	General	Infrastructure Tax	Other Governmental Funds	
Major Fund:				
General Fund	\$0	\$0	\$2,334	\$2,334
Other Governmental Funds:				
Police Pension	350,000	0	0	350,000
Fire Pension	350,000	0	0	350,000
FEMA	16,626	0	0	16,626
Issue 2 Improvements	18,300	0	0	18,300
Grants	12,000	993,170	0	1,005,170
Total Other Governmental Funds	<u>746,926</u>	<u>993,170</u>	<u>0</u>	<u>1,740,096</u>
Total Governmental Funds	<u>\$746,926</u>	<u>\$993,170</u>	<u>\$2,334</u>	<u>\$1,742,430</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 grants capital projects fund was to provide additional resources for capital improvements. The transfer of \$2,334 from other governmental funds to general fund was to return funds donated for the Bicentennial to the general fund.

Interfund Balances

As of December 31, 2012, interfund balances were as follows:

	Receivable		Payable	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Major Funds				
General Fund	\$305,000	\$320,000	\$0	\$0
Infrastructure Tax	250,000	1,231,900	0	0
Nonmajor Funds				
FEMA	0	0	0	133,900
Grants	0	0	250,000	1,098,000
Sidewalks	0	0	0	170,000
<i>Total Governmental Activities</i>	<u>555,000</u>	<u>1,551,900</u>	<u>250,000</u>	<u>1,401,900</u>
Business-Type Activity				
Golf Course	0	0	305,000	150,000
Total	<u><u>\$555,000</u></u>	<u><u>\$1,551,900</u></u>	<u><u>\$555,000</u></u>	<u><u>\$1,551,900</u></u>

Interfund balances at December 31, 2012, consisted of a general fund advance of \$150,000 to the golf enterprise fund due to the timing of the operating revenues, and \$170,000 advanced to nonmajor capital projects fund is to provide additional resources for capital improvements. 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, 2012, 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 \$3,605,000 in the special assessment bond retirement fund. At December 31, 2012, the amount of delinquent special assessments was \$66,429.

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 2012 for real and public utility property taxes represents collections of 2011 taxes.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

2012 real property taxes are levied after October 1, 2012 on the assessed value as of January 1, 2012, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

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. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2012, was \$9.52 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2012 property tax receipts were based are as follows:

Category	Amount
Real Estate:	
Residential/Agricultural	\$967,001,100
Other Real Estate	378,135,350
Public Utility Tangible Property	19,742,750
Total Assessed Valuation	\$1,364,879,200

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Westlake and periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Estate Tax	\$983,433
Homestead and Rollback	666,262
Gas Excise Tax	370,737
Highway Distribution	181,505
Local Government	178,439
Auto Registration	124,482
Detroit/Dover Road Widening Grant	69,492
Fuel Service Contract	63,505
Other	26,111
Tangible Personal Property Loss Reimbursements	11,834
I-90 Columbia Road Grant	9,150
	\$2,684,950
<i>Total Intergovernmental Receivables</i>	

Note 10 – Capital Assets

A summary of changes in capital assets during 2012 follows:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$14,162,808	\$0	\$0	\$14,162,808
Construction in Progress	7,157,351	3,838,266	(6,704,893)	4,290,724
<i>Total Nondepreciable Capital Assets</i>	21,320,159	3,838,266	(6,704,893)	18,453,532
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	42,608,246	27,522	0	42,635,768
Improvements	5,653,995	86,661	(90,186)	5,650,470
Machinery and Equipment	6,280,122	436,411	(302,889)	6,413,644
Furniture and Fixtures	1,581,332	76,592	(4,470)	1,653,454
Vehicles	8,027,632	798,196	(229,183)	8,596,645
Infrastructure				
Roads	115,896,201	4,569,017	(28,543)	120,436,675
Water Mains	36,740,624	1,853,123	(25,496)	38,568,251
Storm Sewers	27,493,690	507,736	0	28,001,426
Culverts	3,320,916	0	0	3,320,916
Traffic Signals	3,337,271	236,002	0	3,573,273
Bridges	1,980,831	0	0	1,980,831
<i>Total Depreciable Capital Assets</i>	252,920,860	8,591,260	(680,767)	260,831,353
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(9,996,643)	(851,276)	0	(10,847,919)
Improvements	(3,617,793)	(238,227)	80,514	(3,775,506)
Machinery and Equipment	(4,902,919)	(489,408)	295,347	(5,096,980)
Furniture and Fixtures	(\$1,006,010)	(\$144,138)	\$3,290	(\$1,146,858)

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Governmental Activities (Continued)				
<i>Less Accumulated Depreciation</i>				
Vehicles	(\$6,002,626)	(\$628,008)	\$223,300	(\$6,407,334)
Infrastructure				
Roads	(74,585,147)	(3,383,253)	28,543	(77,939,857)
Water Mains	(14,904,669)	(634,815)	25,496	(15,513,988)
Storm Sewers	(12,935,318)	(538,970)	0	(13,474,288)
Culverts	(2,666,009)	(75,470)	0	(2,741,479)
Traffic Signals	(848,966)	(85,796)	0	(934,762)
Bridges	(890,674)	(34,933)	0	(925,607)
<i>Total Accumulated Depreciation</i>	<u>(132,356,774)</u>	<u>(7,104,294)</u>	<u>656,490</u>	<u>(138,804,578)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>120,564,086</u>	<u>1,486,966</u>	<u>(24,277)</u>	<u>122,026,775</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$141,884,245</u>	<u>\$5,325,232</u>	<u>(\$6,729,170)</u>	<u>\$140,480,307</u>
Business-Type Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,499,176	\$0	\$0	\$1,499,176
Construction in Progress	458,271	433,244	0	891,515
<i>Total Nondepreciable Capital Assets</i>	<u>1,957,447</u>	<u>433,244</u>	<u>0</u>	<u>2,390,691</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	1,758,202	0	0	1,758,202
Improvements	243,495	0	0	243,495
Machinery and Equipment	384,989	47,378	(13,855)	418,512
Furniture and Fixtures	36,295	0	0	36,295
Vehicles	693,265	271,014	(141,875)	822,404
Infrastructure				
Sewer Lines	52,955,921	47,087	0	53,003,008
<i>Total Depreciable Capital Assets</i>	<u>56,072,167</u>	<u>365,479</u>	<u>(155,730)</u>	<u>56,281,916</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(431,041)	(34,912)	0	(465,953)
Improvements	(185,593)	(4,904)	0	(190,497)
Machinery and Equipment	(339,533)	(41,212)	13,855	(366,890)
Furniture and Fixtures	(25,800)	(2,180)	0	(27,980)
Vehicles	(689,365)	(4,291)	137,975	(555,681)
Infrastructure				
Sewer Lines	(25,714,557)	(1,055,217)	0	(26,769,774)
<i>Total Accumulated Depreciation</i>	<u>(27,385,889)</u>	<u>(1,142,716)</u>	<u>151,830</u>	<u>(28,376,775)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>28,686,278</u>	<u>(777,237)</u>	<u>(3,900)</u>	<u>27,905,141</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$30,643,725</u>	<u>(\$343,993)</u>	<u>(\$3,900)</u>	<u>\$30,295,832</u>

During 2012, the City received street improvements from developers valued at \$272,786 and storm sewer and water improvements from developers valued at \$265,075 in governmental funds. The sewer enterprise fund received sewer lines from developers valued at \$47,087.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

During 2012, governmental funds transferred capital assets to the Golf Course enterprise fund in the amount of \$22,509. In addition, the Golf enterprise fund transferred capital assets to governmental funds in the amount of \$3,885.

Depreciation expense was charged to governmental functions as follows:

General Government	\$400,442
Security of Persons and Property	717,029
Public Health Services	101,394
Transportation	3,927,986
Community Environment	12,591
Basic Utility Services	1,249,255
Leisure Time Activities	695,597
Total	\$7,104,294

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.

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Argonaut Insurance Company		
Blanket Property and Contents, Replacement	\$73,370,242	\$1,000
Inland Marine	2,588,461	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	1,000
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.

The City utilizes the services of J.P. Farley Corporation, the third party administrator, to review, process, and pay employee claims. The City purchased stop-loss coverage for claims in excess of \$80,000 per individual and \$3,496,260 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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The claims liability of \$241,691 as estimated by the third-party administrator and reported in the hospitalization internal service fund at December 31, 2012, 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 2011 and 2012 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$222,965	\$2,629,879	\$2,610,883	\$241,961
2012	241,961	2,687,284	2,687,554	241,691

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.

Note 12 –Significant Commitments

Contractual Commitments

At December 31, 2012, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Melrose Water	\$2,470,779	\$2,021,055	\$449,724
2012 Street Maintenance	1,482,211	1,026,944	455,267
Allen/Westhill Sanitary	606,409	480,463	125,946
Total	\$4,559,399	\$3,528,462	\$1,030,937

The amounts of \$288,903 and \$375,042 in contracts and retainage payable have been capitalized.

Encumbrances

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

Governmental Funds:		Proprietary Funds:	
General fund	\$1,909,219	Sewer	\$166,063
Recreation	55,687	Nonmajor - Golf Course	4,422
Infrastructure Tax	972,128		
Other Governmental Funds	1,120,611	Total Proprietary Funds	170,485
Total Governmental Funds	4,057,645	Internal Service Fund	\$34,229

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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. 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. For the year ended December 31, 2012, members in state and local classifications contributed 10.0 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2012, member and employer contribution rates were consistent across all three plans.

The City's 2012 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, 2012. 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, 2012. 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, 2012, 2011, and 2010 were \$1,017,149, \$1,002,821, and \$909,450, respectively. For 2012, 98.06 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$20,754 made by the City and \$14,825 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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 \$512,570 and \$555,647 for the year ended December 31, 2012, \$511,011 and \$543,428 for the year ended December 31, 2011, and \$489,767 and \$519,179 for the year ended December 31, 2010, respectively. For 2012, 96.78 percent for police and 97.29 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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.

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 2012, state and local government employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012. 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, 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

The OPERS 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, 2012, 2011, and 2010 were \$415,161, \$408,351, and \$528,669, respectively. For 2012, 98.06 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approval health care changes, OPERS expects to consistently allocate four percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or 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. That report is also available of OP&F's website at www.op-f.org.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required 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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012, 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 \$271,361 and \$217,427 for the year ended December 31, 2011, \$270,535 and \$212,646 for the year ended December 31, 2010, and \$259,289 and \$203,157 for the year ended December 31, 2009, respectively. For 2012, 96.78 percent for police and 97.29 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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.

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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012.

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 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

Changes in long-term obligations during the year ended December 31, 2012, consisted of the following:

	Balance 12/31/2011	Increase	Decrease	Balance 12/31/2012	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
Issue 11 Sewers Refunding Bonds	\$315,000	\$0	\$155,000	\$160,000	\$160,000
Unamortized Premium	740	0	364	376	0
Total Issue 11 Sewers Refunding Bonds	315,740	0	155,364	160,376	160,000
Street Improvements Refunding Bonds	250,000	0	90,000	160,000	85,000
Unamortized Premium	588	0	211	377	0
Total Street Improvements Refunding Bonds	250,588	0	90,211	160,377	85,000
Recreational Facilities Refunding Bonds	8,775,000	0	785,000	7,990,000	840,000
Unamortized Premium	4,196	0	376	3,820	0
Total Recreational Facilities Refunding Bonds	8,779,196	0	785,376	7,993,820	840,000
Infrastructure Various Purpose Bonds	6,950,000	0	625,000	6,325,000	650,000
Unamortized Premium	249,115	0	22,402	226,713	0
Total Infrastructure Various Purpose Bonds	7,199,115	0	647,402	6,551,713	650,000
<i>Total General Obligation Bonds</i>	16,544,639	0	1,678,353	14,866,286	1,735,000
Special Assessment Bonds (with governmental commitment)					
Issue 11 Sewers Refunding Bonds	75,000	0	35,000	40,000	40,000
Unamortized Premium	177	0	83	94	0
Total Issue 11 Sewers Refunding Bonds	75,177	0	35,083	40,094	40,000
Sewer System Phase III Refunding Bonds	70,000	0	20,000	50,000	25,000
Unamortized Premium	164	0	47	117	0
Total Sewer System Phase III Refunding Bonds	\$70,164	\$0	\$20,047	\$50,117	\$25,000

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	Balance 12/31/2011	Increase	Decrease	Balance 12/31/2012	Amounts Due in One Year
Governmental Activities (Continued)					
Special Assessment Bonds					
(with governmental commitment)					
Street Improvement Bonds	\$3,610,000	\$0	\$195,000	\$3,415,000	\$200,000
Unamortized Premium	245,769	0	13,276	232,493	0
Total Street Improvement Bonds	3,855,769	0	208,276	3,647,493	200,000
Various Purpose Improvements	445,000	0	40,000	405,000	40,000
<i>Total Special Assessment Bonds</i>	4,446,110	0	303,406	4,142,704	305,000
OPWC Loans					
Issue 11	40,898	0	20,449	20,449	20,449
Issue 2	524,052	0	40,312	483,740	40,312
<i>Total OPWC Loans</i>	564,950	0	60,761	504,189	60,761
Other Long-Term Obligations					
Compensated Absences Payable	5,635,138	1,866,600	1,889,779	5,611,959	600,000
Capital Lease	10,918	0	2,690	8,228	3,081
Landfill Postclosure Costs	560,162	5,700	43,528	522,334	175,500
<i>Total Other Long-Term Obligations</i>	6,206,218	1,872,300	1,935,997	6,142,521	778,581
Total Governmental Long-Term Liabilities	\$27,761,917	\$1,872,300	\$3,978,517	\$25,655,700	\$2,879,342

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 was 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, 2012 is \$505,000.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 was 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, 2012 is \$6,720,000.

Other long-term obligations The 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.

The City's overall legal debt margin was \$128,877,537 and the unvoted legal debt margin was \$67,967,766 at December 31, 2012. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2012, are as follows:

Year	General Obligation Bonds		Special Assessment Bonds		OPWC Loans
	Principal	Interest	Principal	Interest	
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	346,319	265,000	152,250	40,312
2017	1,705,000	296,657	280,000	141,350	40,312
2018-2022	6,265,000	550,424	1,545,000	495,250	201,558
2023-2025	0	0	985,000	105,262	80,622
Total	<u>\$14,635,000</u>	<u>\$2,498,279</u>	<u>\$3,910,000</u>	<u>\$1,414,657</u>	<u>\$504,189</u>

Note 18 - Capital Lease

During 2011, the City entered into a lease agreement for a copier for the recreation center. 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, 2012:

Governmental Activities	
<i>Capital Lease, being depreciated:</i>	
Equipment	\$12,326
Less Accumulated Depreciation:	
Equipment	<u>(4,109)</u>
<i>Carrying Value</i>	<u><u>\$8,217</u></u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012.

Year Ending December 30,	Governmental Activities
2013	\$4,017
2014	4,017
2015	1,673
Total	9,707
Less: Amount Representing Interest	(1,479)
Present Value of Net Minimum Lease Payments	\$8,228

Note 19 – Industrial Development Revenue Bonds

At December 31, 2012, the City has one remaining series of industrial development revenue bonds in the aggregate outstanding principal amount of \$22,195,000 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 20 – 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 \$522,334 reported as landfill postclosure costs in the long-term liabilities due in one year and due in more than one year lines of the governmental activities column of the statement of net position at December 31, 2012, 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 2012 audited financial statements and the City was in compliance.

Note 21 – 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 \$8,737,703 which represents 40.35 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal 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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 22 – 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 2012, 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 2012.

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 2012.

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 2012, 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 and report that portion of the State gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

State Highway Fund - To account for and report 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 and report the additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

Police Pension Fund - To account for and report 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 and report 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 and report 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 and report 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 and report 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 and report 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 and report monies received from Cuyahoga County restricted for establishing or expanding community policing programs.

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

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

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

(continued)

Combining and Individual Fund Statements and Schedules (continued)

Fund Descriptions - Nonmajor Funds (continued)

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

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

Westlake/Bay Ecological Fund - To account for and report 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 and report 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 and report 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 and report 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 and report 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 and report 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.

Information Technology Fund - To account for and report the allocation of information technology costs back to the user departments. 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 and report resources restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Issue 11 Bond Retirement Fund - To account for and report 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.

(continued)

Combining and Individual Fund Statements and Schedules (continued)

Fund Descriptions - Nonmajor Funds (continued)

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 and report 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. This fund did not have any budgetary activity in 2012, therefore, budgetary information is not provided.

Storm Drainage Fund - To account for and report 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 and report note proceeds restricted for the Crocker Road improvement project. This fund did not have any budgetary activity in 2012, therefore, budgetary information is not provided.

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

Grants Fund - To account for and report various state and federal monies which are restricted for historical site preservation and the construction of recreation facilities.

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

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

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

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

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,551,863	\$372,386	\$9,992,260	\$14,916,509
Cash and Cash Equivalents with Escrow Agents	0	0	124,301	124,301
Accrued Interest Receivable	7,287	0	6,127	13,414
Accounts Receivable	900,323	0	59,793	960,116
Intergovernmental Receivable	809,664	123	78,642	888,429
Prepaid Items	1,443	0	0	1,443
Municipal Income Taxes Receivable	0	554,963	169,624	724,587
Permissive Motor Vehicle Taxes Receivable	37,838	0	0	37,838
Property Taxes Receivable	1,852,094	0	0	1,852,094
<i>Total Assets</i>	<u>\$8,160,512</u>	<u>\$927,472</u>	<u>\$10,430,747</u>	<u>\$19,518,731</u>
Liabilities				
Accounts Payable	\$19,038	\$0	\$10,050	\$29,088
Contracts Payable	0	0	72,701	72,701
Accrued Wages	43,204	0	2,879	46,083
Retainage Payable	0	0	124,301	124,301
Interfund Payable	0	0	250,000	250,000
Intergovernmental Payable	9,819	0	444	10,263
Advances From Other Funds	0	0	1,401,900	1,401,900
<i>Total Liabilities</i>	<u>72,061</u>	<u>0</u>	<u>1,862,275</u>	<u>1,934,336</u>
Deferred Inflows of Resources				
Property Taxes	1,746,758	0	0	1,746,758
Unavailable Revenue	1,417,733	223,062	151,033	1,791,828
<i>Total Deferred Inflows of Resources</i>	<u>3,164,491</u>	<u>223,062</u>	<u>151,033</u>	<u>3,538,586</u>
Fund Balances				
Nonspendable	581,345	0	0	581,345
Restricted	4,161,386	704,410	8,826,076	13,691,872
Committed	181,229	0	0	181,229
Assigned	0	0	15,607	15,607
Unassigned (Deficit)	0	0	(424,244)	(424,244)
<i>Total Fund Balances</i>	<u>4,923,960</u>	<u>704,410</u>	<u>8,417,439</u>	<u>14,045,809</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$8,160,512</u>	<u>\$927,472</u>	<u>\$10,430,747</u>	<u>\$19,518,731</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$1,785,859	\$119,057	\$0	\$1,904,916
Municipal Income Taxes	0	1,873,305	542,138	2,415,443
Permissive Motor Vehicle Taxes	226,807	0	0	226,807
Charges for Services	602,771	0	105,466	708,237
Licenses, Permits and Fees	0	0	75,724	75,724
Fines and Forfeitures	71,825	0	0	71,825
Intergovernmental	1,760,552	13,881	754,201	2,528,634
Interest	7,389	0	250	7,639
Contributions and Donations	29,900	0	0	29,900
Miscellaneous	31,317	0	0	31,317
<i>Total Revenues</i>	<u>4,516,420</u>	<u>2,006,243</u>	<u>1,477,779</u>	<u>8,000,442</u>
Expenditures				
Current:				
General Government	203,890	0	0	203,890
Security of Persons and Property	4,088,732	0	0	4,088,732
Public Health Services	2,513	0	0	2,513
Transportation	1,628,145	0	0	1,628,145
Community Environment	35,269	0	0	35,269
Basic Utility Services	86,823	0	0	86,823
Capital Outlay	0	0	1,645,564	1,645,564
Debt Service:				
Principal Retirement	0	1,655,000	60,761	1,715,761
Interest and Fiscal Charges	0	518,886	0	518,886
<i>Total Expenditures</i>	<u>6,045,372</u>	<u>2,173,886</u>	<u>1,706,325</u>	<u>9,925,583</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,528,952)</u>	<u>(167,643)</u>	<u>(228,546)</u>	<u>(1,925,141)</u>
Other Financing Sources (Uses)				
Transfers In	716,626	0	1,023,470	1,740,096
Transfers Out	(2,334)	0	0	(2,334)
<i>Total Other Financing Sources (Uses)</i>	<u>714,292</u>	<u>0</u>	<u>1,023,470</u>	<u>1,737,762</u>
<i>Net Change in Fund Balances</i>	(814,660)	(167,643)	794,924	(187,379)
<i>Fund Balances Beginning of Year</i>	<u>5,738,620</u>	<u>872,053</u>	<u>7,622,515</u>	<u>14,233,188</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,923,960</u></u>	<u><u>\$704,410</u></u>	<u><u>\$8,417,439</u></u>	<u><u>\$14,045,809</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,463,987	\$434,709	\$432,897	\$151,397	\$131,440
Accrued Interest Receivable	3,232	960	956	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	629,137	47,587	0	21,366	21,366
Prepaid Items	0	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	37,838	0	0
Property Taxes Receivable	0	0	0	370,419	370,419
<i>Total Assets</i>	<u>\$2,096,356</u>	<u>\$483,256</u>	<u>\$471,691</u>	<u>\$543,182</u>	<u>\$523,225</u>
Liabilities					
Accounts Payable	\$1,003	\$0	\$0	\$0	\$0
Accrued Wages	5,531	0	0	0	0
Intergovernmental Payable	853	0	0	0	0
<i>Total Liabilities</i>	<u>7,387</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	349,352	349,352
Unavailable Revenue	433,656	31,738	0	42,433	42,433
<i>Total Deferred Inflows of Resources</i>	<u>433,656</u>	<u>31,738</u>	<u>0</u>	<u>391,785</u>	<u>391,785</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	1,655,313	451,518	471,691	151,397	131,440
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>1,655,313</u>	<u>451,518</u>	<u>471,691</u>	<u>151,397</u>	<u>131,440</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,096,356</u>	<u>\$483,256</u>	<u>\$471,691</u>	<u>\$543,182</u>	<u>\$523,225</u>

(continued)

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2012

	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion
Assets					
Equity in Pooled Cash and Cash Equivalents	\$123,221	\$306,199	\$39,043	\$89,972	\$2,230
Accrued Interest Receivable	0	0	0	0	0
Accounts Receivable	0	0	0	1,285	750
Intergovernmental Receivable	64,097	0	0	0	0
Prepaid Items	0	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	1,111,256	0	0	0	0
<i>Total Assets</i>	<u>\$1,298,574</u>	<u>\$306,199</u>	<u>\$39,043</u>	<u>\$91,257</u>	<u>\$2,980</u>
Liabilities					
Accounts Payable	\$0	\$2,333	\$0	\$1,560	\$0
Accrued Wages	23,444	0	0	0	0
Intergovernmental Payable	5,436	0	0	0	0
<i>Total Liabilities</i>	<u>28,880</u>	<u>2,333</u>	<u>0</u>	<u>1,560</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	1,048,054	0	0	0	0
Unavailable Revenue	127,299	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>1,175,353</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	94,341	303,866	39,043	89,697	2,980
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>94,341</u>	<u>303,866</u>	<u>39,043</u>	<u>89,697</u>	<u>2,980</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,298,574</u>	<u>\$306,199</u>	<u>\$39,043</u>	<u>\$91,257</u>	<u>\$2,980</u>

Federal Equitable	FEMA	Emergency Medical Service	Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
\$389,806	\$37	\$73,105	\$578,624	\$153,116	\$182,080	\$4,551,863
861	0	0	1,278	0	0	7,287
0	0	898,288	0	0	0	900,323
0	0	0	0	26,111	0	809,664
1,088	0	355	0	0	0	1,443
0	0	0	0	0	0	37,838
0	0	0	0	0	0	1,852,094
<u>\$391,755</u>	<u>\$37</u>	<u>\$971,748</u>	<u>\$579,902</u>	<u>\$179,227</u>	<u>\$182,080</u>	<u>\$8,160,512</u>
\$4,450	\$0	\$7,475	\$0	\$1,366	\$851	\$19,038
0	0	13,358	0	871	0	43,204
0	0	3,396	0	134	0	9,819
<u>4,450</u>	<u>0</u>	<u>24,229</u>	<u>0</u>	<u>2,371</u>	<u>851</u>	<u>72,061</u>
0	0	0	0	0	0	1,746,758
0	0	731,471	0	8,703	0	1,417,733
0	0	731,471	0	8,703	0	3,164,491
1,088	0	355	579,902	0	0	581,345
386,217	37	215,693	0	168,153	0	4,161,386
0	0	0	0	0	181,229	181,229
<u>387,305</u>	<u>37</u>	<u>216,048</u>	<u>579,902</u>	<u>168,153</u>	<u>181,229</u>	<u>4,923,960</u>
<u>\$391,755</u>	<u>\$37</u>	<u>\$971,748</u>	<u>\$579,902</u>	<u>\$179,227</u>	<u>\$182,080</u>	<u>\$8,160,512</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, 2012

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension
Revenues				
Property Taxes	\$0	\$0	\$0	\$357,172
Permissive Motor Vehicle Taxes	0	0	226,807	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	1,216,877	98,665	0	41,641
Interest	4,872	1,278	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	2,755	0	0	0
<i>Total Revenues</i>	<u>1,224,504</u>	<u>99,943</u>	<u>226,807</u>	<u>398,813</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	783,931
Public Health Services	0	0	0	0
Transportation	755,052	24,171	848,922	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
<i>Total Expenditures</i>	<u>755,052</u>	<u>24,171</u>	<u>848,922</u>	<u>783,931</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>469,452</u>	<u>75,772</u>	<u>(622,115)</u>	<u>(385,118)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	350,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>350,000</u>
<i>Net Change in Fund Balances</i>	469,452	75,772	(622,115)	(35,118)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,185,861</u>	<u>375,746</u>	<u>1,093,806</u>	<u>186,515</u>
<i>Fund Balances End of Year</i>	<u>\$1,655,313</u>	<u>\$451,518</u>	<u>\$471,691</u>	<u>\$151,397</u>

<u>Fire Pension</u>	<u>Police and Fire Operating</u>	<u>Law Enforcement</u>	<u>Mandatory Drug Fines</u>	<u>Alcohol Education</u>	<u>Juvenile Diversion</u>
\$357,172	\$1,071,515	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	38,022	6,117	17,627	3,250
41,641	124,924	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>398,813</u>	<u>1,196,439</u>	<u>38,022</u>	<u>6,117</u>	<u>17,627</u>	<u>3,250</u>
0	0	0	0	0	0
773,073	1,255,119	69,938	10,655	1,878	1,769
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>773,073</u>	<u>1,255,119</u>	<u>69,938</u>	<u>10,655</u>	<u>1,878</u>	<u>1,769</u>
<u>(374,260)</u>	<u>(58,680)</u>	<u>(31,916)</u>	<u>(4,538)</u>	<u>15,749</u>	<u>1,481</u>
350,000	0	0	0	0	0
0	0	0	0	0	0
<u>350,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(24,260)	(58,680)	(31,916)	(4,538)	15,749	1,481
<u>155,700</u>	<u>153,021</u>	<u>335,782</u>	<u>43,581</u>	<u>73,948</u>	<u>1,499</u>
<u>\$131,440</u>	<u>\$94,341</u>	<u>\$303,866</u>	<u>\$39,043</u>	<u>\$89,697</u>	<u>\$2,980</u>

(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, 2012

	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	506,318
Fines and Forfeitures	6,809	0	0	0
Intergovernmental	0	179,904	56,900	0
Interest	611	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>7,420</u>	<u>179,904</u>	<u>56,900</u>	<u>506,318</u>
Expenditures				
Current:				
General Government	0	195,630	8,260	0
Security of Persons and Property	131,623	0	0	1,060,558
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>131,623</u>	<u>195,630</u>	<u>8,260</u>	<u>1,060,558</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(124,203)</u>	<u>(15,726)</u>	<u>48,640</u>	<u>(554,240)</u>
Other Financing Sources (Uses)				
Transfers In	0	16,626	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>16,626</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(124,203)	900	48,640	(554,240)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>511,508</u>	<u>(863)</u>	<u>(48,640)</u>	<u>770,288</u>
<i>Fund Balances End of Year</i>	<u>\$387,305</u>	<u>\$37</u>	<u>\$0</u>	<u>\$216,048</u>

Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$1,785,859
0	0	0	226,807
17,475	78,978	0	602,771
0	0	0	71,825
0	0	0	1,760,552
628	0	0	7,389
0	0	29,900	29,900
0	28,562	0	31,317
<u>18,103</u>	<u>107,540</u>	<u>29,900</u>	<u>4,516,420</u>
0	0	0	203,890
0	0	188	4,088,732
1,850	0	663	2,513
0	0	0	1,628,145
0	0	35,269	35,269
0	86,823	0	86,823
<u>1,850</u>	<u>86,823</u>	<u>36,120</u>	<u>6,045,372</u>
<u>16,253</u>	<u>20,717</u>	<u>(6,220)</u>	<u>(1,528,952)</u>
0	0	0	716,626
0	0	(2,334)	(2,334)
<u>0</u>	<u>0</u>	<u>(2,334)</u>	<u>714,292</u>
16,253	20,717	(8,554)	(814,660)
<u>563,649</u>	<u>147,436</u>	<u>189,783</u>	<u>5,738,620</u>
<u>\$579,902</u>	<u>\$168,153</u>	<u>\$181,229</u>	<u>\$4,923,960</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2012

	General Obligation Bond Retirement	Issue 11 Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$372,386	\$0	\$372,386
Intergovernmental Receivable	123	0	123
Municipal Income Taxes Receivable	302,256	252,707	554,963
<i>Total Assets</i>	<u>\$674,765</u>	<u>\$252,707</u>	<u>\$927,472</u>
Deferred Inflows of Resources			
Unavailable Revenue	\$121,545	\$101,517	\$223,062
Fund Balances			
Restricted	553,220	151,190	704,410
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$674,765</u>	<u>\$252,707</u>	<u>\$927,472</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, 2012

	General Obligation Bond Retirement	Issue 11 Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$119,057	\$0	\$119,057
Municipal Income Taxes	1,050,214	823,091	1,873,305
Intergovernmental	13,881	0	13,881
<i>Total Revenues</i>	<u>1,183,152</u>	<u>823,091</u>	<u>2,006,243</u>
Expenditures			
Debt Service:			
Principal Retirement	1,030,000	625,000	1,655,000
Interest and Fiscal Charges	323,480	195,406	518,886
<i>Total Expenditures</i>	<u>1,353,480</u>	<u>820,406</u>	<u>2,173,886</u>
<i>Net Change in Fund Balances</i>	(170,328)	2,685	(167,643)
<i>Fund Balances Beginning of Year</i>	<u>723,548</u>	<u>148,505</u>	<u>872,053</u>
<i>Fund Balances End of Year</i>	<u>\$553,220</u>	<u>\$151,190</u>	<u>\$704,410</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	Sanitary Sewer Improvement	Storm Drainage	Crocker Road Improvements	Issue 2 Improvements
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,000	\$2,768,580	\$247,932	\$108,987
Cash and Cash Equivalents with Escrow Agents	0	8,173	0	0
Accrued Interest Receivable	0	6,127	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$3,000</u>	<u>\$2,782,880</u>	<u>\$247,932</u>	<u>\$108,987</u>
Liabilities				
Accounts Payable	\$0	\$9,800	\$0	\$0
Contracts Payable	0	0	0	60,255
Accrued Wages	0	2,879	0	0
Retainage Payable	0	8,173	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	444	0	0
Advances From Other Funds	0	0	0	133,900
<i>Total Liabilities</i>	<u>0</u>	<u>21,296</u>	<u>0</u>	<u>194,155</u>
Deferred Inflows of Resources				
Unavailable Revenue	0	0	0	0
Fund Balances				
Restricted	3,000	2,761,584	247,932	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	(85,168)
<i>Total Fund Balances (Deficit)</i>	<u>3,000</u>	<u>2,761,584</u>	<u>247,932</u>	<u>(85,168)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,000</u>	<u>\$2,782,880</u>	<u>\$247,932</u>	<u>\$108,987</u>

<u>Grants</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>
\$1,037,187	\$1,267,185	\$98,640	\$15,607	\$4,445,142	\$9,992,260
86,865	0	7,263	22,000	0	124,301
0	0	0	0	0	6,127
0	0	59,793	0	0	59,793
78,642	0	0	0	0	78,642
0	0	0	0	169,624	169,624
<u>\$1,202,694</u>	<u>\$1,267,185</u>	<u>\$165,696</u>	<u>\$37,607</u>	<u>\$4,614,766</u>	<u>\$10,430,747</u>
\$0	\$250	\$0	\$0	\$0	\$10,050
12,446	0	0	0	0	72,701
0	0	0	0	0	2,879
86,865	0	7,263	22,000	0	124,301
250,000	0	0	0	0	250,000
0	0	0	0	0	444
1,098,000	0	170,000	0	0	1,401,900
<u>1,447,311</u>	<u>250</u>	<u>177,263</u>	<u>22,000</u>	<u>0</u>	<u>1,862,275</u>
69,492	0	13,400	0	68,141	151,033
0	1,266,935	0	0	4,546,625	8,826,076
0	0	0	15,607	0	15,607
(314,109)	0	(24,967)	0	0	(424,244)
<u>(314,109)</u>	<u>1,266,935</u>	<u>(24,967)</u>	<u>15,607</u>	<u>4,546,625</u>	<u>8,417,439</u>
<u>\$1,202,694</u>	<u>\$1,267,185</u>	<u>\$165,696</u>	<u>\$37,607</u>	<u>\$4,614,766</u>	<u>\$10,430,747</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, 2012

	Sanitary Sewer Improvement	Storm Drainage	Crocker Road Improvements	Issue 2 Improvements
Revenues				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	255	0	0
Licenses, Permits and Fees	0	46,838	0	0
Intergovernmental	0	0	0	15,169
Interest	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>47,093</u>	<u>0</u>	<u>15,169</u>
Expenditures				
Capital Outlay	0	509,323	0	100,425
Debt Service:				
Principal Retirement	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,761</u>
<i>Total Expenditures</i>	<u>0</u>	<u>509,323</u>	<u>0</u>	<u>161,186</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(462,230)	0	(146,017)
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,300</u>
<i>Net Change in Fund Balances</i>	0	(462,230)	0	(127,717)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>3,000</u>	<u>3,223,814</u>	<u>247,932</u>	<u>42,549</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$3,000</u></u>	<u><u>\$2,761,584</u></u>	<u><u>\$247,932</u></u>	<u><u>(\$85,168)</u></u>

Grants	Impact Fees	Sidewalks	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$542,138	\$542,138
0	0	105,211	0	0	105,466
0	28,886	0	0	0	75,724
717,504	0	0	0	21,528	754,201
0	0	250	0	0	250
<u>717,504</u>	<u>28,886</u>	<u>105,461</u>	<u>0</u>	<u>563,666</u>	<u>1,477,779</u>
671,294	23,670	223,410	0	117,442	1,645,564
0	0	0	0	0	60,761
<u>671,294</u>	<u>23,670</u>	<u>223,410</u>	<u>0</u>	<u>117,442</u>	<u>1,706,325</u>
46,210	5,216	(117,949)	0	446,224	(228,546)
<u>1,005,170</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,023,470</u>
1,051,380	5,216	(117,949)	0	446,224	794,924
<u>(1,365,489)</u>	<u>1,261,719</u>	<u>92,982</u>	<u>15,607</u>	<u>4,100,401</u>	<u>7,622,515</u>
<u><u>(\$314,109)</u></u>	<u><u>\$1,266,935</u></u>	<u><u>(\$24,967)</u></u>	<u><u>\$15,607</u></u>	<u><u>\$4,546,625</u></u>	<u><u>\$8,417,439</u></u>

Fund Descriptions - Fiduciary Fund

Fiduciary Fund

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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, 2012

	Balance 12/31/11	Additions	Reductions	Balance 12/31/12
<i>Central Dispatch</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$159,576	\$803,410	\$829,840	\$133,146
Liabilities				
Deposits Held and Due to Others	\$159,576	\$803,410	\$829,840	\$133,146
 <i>Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,100,273	\$509,936	\$408,783	\$1,201,426
Liabilities				
Deposits Held and Due to Others	\$1,100,273	\$509,936	\$408,783	\$1,201,426
 <i>Toledo/Lucas County Port Authority</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$4,854,727	\$4,854,727	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$4,854,727	\$4,854,727	\$0
 <i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,259,849	\$6,168,073	\$6,093,350	\$1,334,572
Liabilities				
Deposits Held and Due to Others	\$1,259,849	\$6,168,073	\$6,093,350	\$1,334,572

**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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$9,350,114	\$9,350,114	\$9,504,855	\$154,741
Municipal Income Taxes	13,438,500	13,438,500	14,164,531	726,031
Admission Taxes	200,000	200,000	186,569	(13,431)
Hotel Taxes	400,000	400,000	479,377	79,377
Charges for Services	160,000	160,000	117,363	(42,637)
Licenses, Permits and Fees	419,600	419,600	579,227	159,627
Fines and Forfeitures	275,300	275,300	241,927	(33,373)
Intergovernmental	2,581,843	2,581,843	3,692,675	1,110,832
Interest	300,000	300,000	89,875	(210,125)
Rentals	133,030	133,030	139,178	6,148
Franchise Taxes	500,000	500,000	566,190	66,190
Miscellaneous	122,500	117,500	318,518	201,018
<i>Total Revenues</i>	<i>27,880,887</i>	<i>27,875,887</i>	<i>30,080,285</i>	<i>2,204,398</i>
Expenditures				
Current:				
General Government				
Council				
Salaries	166,500	166,500	164,934	1,566
Fringe Benefits	32,550	32,550	32,008	542
Contractual Services	18,794	18,794	11,794	7,000
Materials and Supplies	2,000	2,000	1,328	672
Other	3,300	3,300	2,563	737
Total Council	223,144	223,144	212,627	10,517
Mayor				
Salaries	212,200	212,200	207,081	5,119
Fringe Benefits	54,200	54,200	53,383	817
Contractual Services	29,280	29,280	22,365	6,915
Materials and Supplies	5,153	5,153	3,998	1,155
Other	4,670	4,670	3,869	801
Total Mayor	305,503	305,503	290,696	14,807
Finance Department				
Salaries	611,800	611,800	584,546	27,254
Fringe Benefits	206,000	206,000	190,924	15,076
Contractual Services	668,030	668,030	614,023	54,007
Materials and Supplies	12,750	12,750	8,991	3,759
Capital Outlay	130,000	130,000	21,286	108,714
Other	6,128	6,128	4,324	1,804
Total Finance Department	1,634,708	1,634,708	1,424,094	210,614
Information Technology				
Contractual Services	4,575	4,574	(6,701)	11,275
Capital Outlay	20,473	20,474	20,474	0
Total Information Technology	\$25,048	\$25,048	\$13,773	\$11,275

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Communications				
Salaries	\$70,800	\$70,800	\$46,062	\$24,738
Fringe Benefits	17,900	17,900	13,937	3,963
Contractual Services	40,400	40,400	26,251	14,149
Materials and Supplies	20,200	20,200	12,358	7,842
Capital Outlay	33,800	33,800	13,715	20,085
Other	36,742	36,742	10,299	26,443
Total Communications	219,842	219,842	122,622	97,220
Law Department				
Salaries	393,500	393,500	343,347	50,153
Fringe Benefits	122,900	122,900	113,780	9,120
Contractual Services	48,661	48,661	20,656	28,005
Materials and Supplies	3,000	3,000	661	2,339
Capital Outlay	5,000	5,000	0	5,000
Other	1,700	1,700	417	1,283
Total Law Department	574,761	574,761	478,861	95,900
Purchasing				
Salaries	221,500	221,500	220,984	516
Fringe Benefits	73,650	73,650	71,584	2,066
Contractual Services	9,600	9,600	2,705	6,895
Materials and Supplies	3,000	3,000	2,897	103
Capital Outlay	0	0	1,159	(1,159)
Other	1,500	1,500	542	958
Total Purchasing	309,250	309,250	299,871	9,379
Civil Service				
Salaries	66,750	66,750	0	66,750
Fringe Benefits	27,200	27,200	0	27,200
Contractual Services	14,000	14,000	1,990	12,010
Material and Supplies	1,214	1,214	902	312
Other	500	500	4,898	(4,398)
Total Civil Service	109,664	109,664	7,790	101,874
Engineering				
Salaries	564,000	564,000	443,164	120,836
Fringe Benefits	226,200	226,200	199,334	26,866
Contractual Services	65,013	65,013	37,722	27,291
Material and Supplies	27,272	27,272	23,590	3,682
Capital Outlay	18,000	18,000	15,968	2,032
Other	3,500	3,500	1,611	1,889
Total Engineering	\$903,985	\$903,985	\$721,389	\$182,596

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Building Maintenance				
Salaries	\$45,750	\$45,750	\$41,889	\$3,861
Fringe Benefits	14,000	14,000	11,668	2,332
Contractual Services	342,138	342,138	281,141	60,997
Material and Supplies	14,500	14,500	3,793	10,707
Capital Outlay	24,997	24,997	24,997	0
Other	1,900	1,900	397	1,503
Total Building Maintenance	443,285	443,285	363,885	79,400
Miscellaneous				
Salaries	36,800	38,800	37,569	1,231
Fringe Benefits	511,313	511,313	436,910	74,403
Contractual Services	1,215,377	1,392,002	1,366,049	25,953
Material and Supplies	91,233	91,233	56,787	34,446
Capital Outlay	32,500	32,500	24,000	8,500
Other	123,500	123,500	137,543	(14,043)
Total Miscellaneous	2,010,723	2,189,348	2,058,858	130,490
Cable TV				
Capital Outlay	858,475	858,475	409,284	449,191
Other	227,750	227,750	20,399	207,351
Total Cable TV	1,086,225	1,086,225	429,683	656,542
Contracts				
Contractual Services	921,808	921,808	655,612	266,196
Total General Government	8,767,946	8,946,571	7,079,761	1,866,810
Security of Persons and Property				
Police Department				
Salaries	5,303,200	5,303,200	4,865,847	437,353
Fringe Benefits	1,302,700	1,302,700	1,125,862	176,838
Contractual Services	522,274	522,274	446,122	76,152
Materials and Supplies	261,213	261,213	253,954	7,259
Capital Outlay	249,450	249,450	212,930	36,520
Other	38,948	38,948	29,610	9,338
Total Police Department	7,677,785	7,677,785	6,934,325	743,460
Fire Department				
Salaries	2,640,500	2,640,500	2,352,156	288,344
Fringe Benefits	546,400	546,400	527,368	19,032
Contractual Services	259,961	259,961	154,119	105,842
Materials and Supplies	101,280	101,280	80,150	21,130
Capital Outlay	112,012	112,012	113,219	(1,207)
Other	14,642	14,642	8,357	6,285
Total Fire Department	\$3,674,795	\$3,674,795	\$3,235,369	\$439,426

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Safety Town				
Salaries	\$9,000	\$9,000	\$8,490	\$510
Fringe Benefits	1,450	1,450	1,312	138
Other	7,500	7,500	5,564	1,936
	17,950	17,950	15,366	2,584
<i>Total Safety Town</i>				
	11,370,530	11,370,530	10,185,060	1,185,470
<i>Total Security of Persons and Property</i>				
Public Health Services				
Community Services				
Salaries	519,100	519,100	483,655	35,445
Fringe Benefits	146,150	146,150	139,961	6,189
Contractual Services	112,686	112,686	84,727	27,959
Materials and Supplies	22,076	22,076	17,725	4,351
Capital Outlay	72,500	72,500	51,990	20,510
Other	7,680	7,680	5,278	2,402
	880,192	880,192	783,336	96,856
<i>Total Public Health Services</i>				
Transportation				
Service Director				
Salaries	173,300	173,300	168,455	4,845
Fringe Benefits	50,500	50,500	49,157	1,343
Contractual Services	22,197	22,197	16,012	6,185
Materials and Supplies	4,215	4,215	3,484	731
Other	2,012	2,012	1,844	168
	252,224	252,224	238,952	13,272
<i>Total Service Director</i>				
City Service				
Salaries	1,749,300	1,749,300	1,447,057	302,243
Fringe Benefits	785,750	785,750	646,183	139,567
Contractual Services	2,755,198	2,755,198	2,489,540	265,658
Materials and Supplies	315,138	315,138	285,769	29,369
Capital Outlay	1,200,746	1,200,746	863,100	337,646
Other	13,960	13,960	12,731	1,229
	6,820,092	6,820,092	5,744,380	1,075,712
<i>Total City Service</i>				
Snow Removal				
Salaries	252,000	252,000	98,341	153,659
Fringe Benefits	39,000	39,000	15,002	23,998
Contractual Services	35,076	35,076	23,034	12,042
Capital Outlay	0	0	11,682	(11,682)
Other	700	700	0	700
	326,776	326,776	148,059	178,717
<i>Total Snow Removal</i>				
	\$7,399,092	\$7,399,092	\$6,131,391	\$1,267,701
<i>Total Transportation</i>				

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Planning				
Salaries	\$366,600	\$366,600	\$318,457	\$48,143
Fringe Benefits	113,500	113,500	80,932	32,568
Contractual Services	37,994	37,994	23,252	14,742
Materials and Supplies	4,800	4,800	2,624	2,176
Other	2,400	2,400	806	1,594
Total Planning	525,294	525,294	426,071	99,223
Zoning				
Contractual Services	2,400	2,400	1,776	624
Materials and Supplies	900	900	303	597
Total Zoning	3,300	3,300	2,079	1,221
Board of Building Standards				
Contractual Services	100	100	0	100
Materials and Supplies	200	200	0	200
Other	100	100	0	100
Total Board of Building Standards	400	400	0	400
Inspection				
Salaries	620,900	620,900	610,047	10,853
Fringe Benefits	206,050	206,050	200,941	5,109
Contractual Services	36,636	36,636	27,451	9,185
Materials and Supplies	20,054	20,054	17,811	2,243
Capital Outlay	2,000	2,000	0	2,000
Other	2,054	2,054	1,497	557
Total Inspection	887,694	887,694	857,747	29,947
Architect				
Contractual Services	104,942	149,942	117,800	32,142
Unclaimed Monies				
Salaries	5,000	5,000	0	5,000
Fringe Benefits	750	750	0	750
Other	25,000	25,000	21,387	3,613
Total Unclaimed Monies	30,750	30,750	21,387	9,363
<i>Total Community Environment</i>	1,552,380	1,597,380	1,425,084	172,296
Basic Utility Services				
Forester				
Salaries	214,800	304,800	255,855	48,945
Fringe Benefits	100,500	114,500	113,103	1,397
Contractual Services	25,000	25,000	23,966	1,034
Other	8,045	8,045	6,658	1,387
Total Forester	\$348,345	\$452,345	\$399,582	\$52,763

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Storm Drainage				
Salaries	\$27,000	\$47,000	\$29,701	\$17,299
Fringe Benefits	4,200	4,200	4,509	(309)
Contractual Services	42,672	42,672	29,146	13,526
Materials and Supplies	41,218	41,218	39,456	1,762
Capital Outlay	0	0	1,244	(1,244)
Other	7,000	7,000	8,160	(1,160)
Total Storm Drainage	122,090	142,090	112,216	29,874
Leaf Pick-Up				
Salaries	181,000	181,000	157,951	23,049
Fringe Benefits	28,100	28,100	24,106	3,994
Contractual Services	53,090	53,090	53,645	(555)
Capital Outlay	30,000	30,000	0	30,000
Other	700	700	397	303
Total Leaf Pick-Up	292,890	292,890	236,099	56,791
<i>Total Basic Utility Services</i>	<i>763,325</i>	<i>887,325</i>	<i>747,897</i>	<i>139,428</i>
Leisure Time Activities				
Recreation				
Salaries	180,700	180,700	178,869	1,831
Fringe Benefits	56,700	56,700	50,072	6,628
Contractual Services	91,765	106,765	113,984	(7,219)
Materials and Supplies	19,000	19,000	15,816	3,184
Capital Outlay	141,600	141,600	122,363	19,237
Other	10,500	10,500	0	10,500
Total Recreation	500,265	515,265	481,104	34,161
Park				
Salaries	157,550	157,550	140,764	16,786
Fringe Benefits	59,700	59,700	47,404	12,296
Contractual Services	143,647	143,647	123,569	20,078
Materials and Supplies	11,138	11,138	14,444	(3,306)
Other	12,077	12,077	10,971	1,106
Total Park	384,112	384,112	337,152	46,960
<i>Total Leisure Time Activities</i>	<i>884,377</i>	<i>899,377</i>	<i>818,256</i>	<i>81,121</i>
Total Expenditures	31,617,842	31,980,467	27,170,785	4,809,682
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(\$3,736,955)</i>	<i>(\$4,104,580)</i>	<i>\$2,909,500</i>	<i>\$7,014,080</i>

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Sale of Capital Assets	\$5,000	\$5,000	\$33,963	\$28,963
Advances In	289,400	123,148	267,400	144,252
Advances Out	(100,000)	(370,000)	(370,000)	0
Transfers In	10,000	10,000	2,334	(7,666)
Transfers Out	(2,487,425)	(2,487,425)	(2,321,926)	165,499
<i>Total Other Financing Sources (Uses)</i>	<u>(2,283,025)</u>	<u>(2,719,277)</u>	<u>(2,388,229)</u>	<u>331,048</u>
<i>Net Change in Fund Balance</i>	(6,019,980)	(6,823,857)	521,271	7,345,128
<i>Fund Balance Beginning of Year</i>	31,060,806	31,060,806	31,060,806	0
Unexpended Prior Year Encumbrances	<u>1,067,796</u>	<u>1,067,796</u>	<u>1,067,796</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,108,622</u></u>	<u><u>\$25,304,745</u></u>	<u><u>\$32,649,873</u></u>	<u><u>\$7,345,128</u></u>

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, 2012

	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	2,075,100	2,075,100	2,189,521	114,421
Interest	10,000	10,000	0	(10,000)
Rentals	77,500	77,500	89,467	11,967
Miscellaneous	10,000	10,000	18,179	8,179
<i>Total Revenues</i>	<u>2,422,600</u>	<u>2,422,600</u>	<u>2,547,167</u>	<u>124,567</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	1,263,000	1,263,000	1,058,665	204,335
Fringe Benefits	391,500	391,500	279,901	111,599
Contractual Services	791,245	791,245	609,118	182,127
Materials and Supplies	156,270	156,270	111,132	45,138
Capital Outlay	10,000	10,000	16,808	(6,808)
Other	148,021	148,021	131,448	16,573
Total Leisure Time Activities	<u>2,760,036</u>	<u>2,760,036</u>	<u>2,207,072</u>	<u>552,964</u>
Debt Service:				
Principal Retirement	2,690	2,690	2,690	0
Interest and Fiscal Charges	1,327	1,327	1,327	0
Total Debt Service	<u>4,017</u>	<u>4,017</u>	<u>4,017</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,764,053</u>	<u>2,764,053</u>	<u>2,211,089</u>	<u>552,964</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(341,453)</u>	<u>(341,453)</u>	<u>336,078</u>	<u>677,531</u>
Other Financing Sources				
Sale of Capital Assets	0	0	228	228
<i>Net Change in Fund Balance</i>	<u>(341,453)</u>	<u>(341,453)</u>	<u>336,306</u>	<u>677,759</u>
<i>Fund Balance Beginning of Year</i>	1,137,575	1,137,575	1,137,575	0
Unexpended Prior Year Encumbrances	15,153	15,153	15,153	0
<i>Fund Balance End of Year</i>	<u>\$811,275</u>	<u>\$811,275</u>	<u>\$1,489,034</u>	<u>\$677,759</u>

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, 2012

	<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	194,000	194,000	175,279	(18,721)
<i>Total Revenues</i>	<u>484,000</u>	<u>484,000</u>	<u>465,279</u>	<u>(18,721)</u>
Expenditures				
Debt Service:				
Principal Retirement	290,000	290,000	290,000	0
Interest and Fiscal Charges	204,700	204,700	199,259	5,441
<i>Total Expenditures</i>	<u>494,700</u>	<u>494,700</u>	<u>489,259</u>	<u>5,441</u>
<i>Net Change in Fund Balance</i>	(10,700)	(10,700)	(23,980)	(13,280)
<i>Fund Balance Beginning of Year</i>	<u>421,826</u>	<u>421,826</u>	<u>421,826</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$411,126</u></u>	<u><u>\$411,126</u></u>	<u><u>\$397,846</u></u>	<u><u>(\$13,280)</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$4,280,000	\$4,280,000	\$4,629,149	\$349,149
Charges for Services	0	0	2,800	2,800
Intergovernmental	2,645,000	2,645,000	64,585	(2,580,415)
Interest	60,000	60,000	18,262	(41,738)
<i>Total Revenues</i>	6,985,000	6,985,000	4,714,796	(2,270,204)
Expenditures				
Capital Outlay:				
Issue 11 Improvements:				
Salaries	90,000	90,000	21,061	68,939
Fringe Benefits	14,000	14,000	3,197	10,803
Contractual Services	160,000	160,000	163,604	(3,604)
Capital Outlay	13,190,409	7,190,409	4,700,257	2,490,152
Other	311,646	311,646	69,875	241,771
<i>Total Expenditures</i>	13,766,055	7,766,055	4,957,994	2,808,061
<i>Excess of Revenues Under Expenditures</i>	(6,781,055)	(781,055)	(243,198)	537,857
Other Financing Sources (Uses)				
Advances In	3,550,000	3,550,000	3,300,000	(250,000)
Advances Out	(3,560,000)	(4,533,900)	(1,231,900)	3,302,000
Transfers Out	(993,170)	(993,170)	(993,170)	0
<i>Total Other Financing Sources (Uses)</i>	(1,003,170)	(1,977,070)	1,074,930	3,052,000
<i>Net Change in Fund Balance</i>	(7,784,225)	(2,758,125)	831,732	3,589,857
<i>Fund Balance Beginning of Year</i>	8,676,502	8,676,502	8,676,502	0
Unexpended Prior Year Encumbrances	2,450,425	2,450,425	2,450,425	0
<i>Fund Balance End of Year</i>	\$3,342,702	\$8,368,802	\$11,958,659	\$3,589,857

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,695,000	\$1,695,000	\$1,721,684	\$26,684
Tap-In Fees	20,000	20,000	73,298	53,298
Interest	40,000	40,000	6,464	(33,536)
Sale of Capital Assets	0	0	30,000	30,000
Miscellaneous	0	0	288	288
<i>Total Revenues</i>	1,755,000	1,755,000	1,831,734	76,734
Expenses				
Personal Services	485,900	485,900	297,665	188,235
Fringe Benefits	191,400	191,400	119,347	72,053
Contractual Services	1,838,768	2,048,768	1,665,116	383,652
Materials and Supplies	45,500	45,500	40,344	5,156
Capital Outlay	1,058,865	1,058,865	814,580	244,285
Other	69,597	69,597	43,402	26,195
<i>Total Expenses</i>	3,690,030	3,900,030	2,980,454	919,576
<i>Net Change in Fund Equity</i>	(1,935,030)	(2,145,030)	(1,148,720)	996,310
<i>Fund Equity Beginning of Year</i>	5,762,621	5,762,621	5,762,621	0
Unexpended Prior Year Encumbrances	327,030	327,030	327,030	0
<i>Fund Equity End of Year</i>	\$4,154,621	\$3,944,621	\$4,940,931	\$996,310

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,235,000	\$1,235,000	\$1,207,424	(\$27,576)
Interest	10,000	10,000	1,977	(8,023)
Miscellaneous	0	0	2,755	2,755
<i>Total Revenues</i>	<u>1,245,000</u>	<u>1,245,000</u>	<u>1,212,156</u>	<u>(32,844)</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Salaries	213,100	243,100	225,568	17,532
Fringe Benefits	85,100	85,100	69,762	15,338
Contractual Services	74,700	76,782	59,789	16,993
Materials and Supplies	532,242	525,460	410,697	114,763
Capital Outlay	0	0	1,876	(1,876)
Other	65,000	69,700	22,579	47,121
<i>Total Expenditures</i>	<u>970,142</u>	<u>1,000,142</u>	<u>790,271</u>	<u>209,871</u>
<i>Net Change in Fund Balance</i>	274,858	244,858	421,885	177,027
<i>Fund Balance Beginning of Year</i>	962,907	962,907	962,907	0
Unexpended Prior Year Encumbrances	<u>32,242</u>	<u>32,242</u>	<u>32,242</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,270,007</u></u>	<u><u>\$1,240,007</u></u>	<u><u>\$1,417,034</u></u>	<u><u>\$177,027</u></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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$105,000	\$105,000	\$97,900	(\$7,100)
Interest	2,000	2,000	610	(1,390)
<i>Total Revenues</i>	<u>107,000</u>	<u>107,000</u>	<u>98,510</u>	<u>(8,490)</u>
Expenditures				
Current:				
Transportation:				
State Highway				
Materials and Supplies	39,285	39,285	27,385	11,900
Capital Outlay	10,000	10,000	0	10,000
Other	5,000	5,000	265	4,735
<i>Total Expenditures</i>	<u>54,285</u>	<u>54,285</u>	<u>27,650</u>	<u>26,635</u>
<i>Net Change in Fund Balance</i>	52,715	52,715	70,860	18,145
<i>Fund Balance Beginning of Year</i>	357,693	357,693	357,693	0
Unexpended Prior Year Encumbrances	<u>4,285</u>	<u>4,285</u>	<u>4,285</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$414,693</u></u>	<u><u>\$414,693</u></u>	<u><u>\$432,838</u></u>	<u><u>\$18,145</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permissive Motor Vehicle Taxes	\$230,000	\$230,000	\$227,685	(\$2,315)
Interest	7,000	7,000	793	(6,207)
<i>Total Revenues</i>	<u>237,000</u>	<u>237,000</u>	<u>228,478</u>	<u>(8,522)</u>
Expenditures				
Current:				
Transportation:				
Permissive Motor Vehicle License:				
Salaries	40,000	40,000	36,544	3,456
Fringe Benefits	6,200	6,200	5,578	622
Capital Outlay	800,000	800,000	800,000	0
Other	33,800	33,800	7,800	26,000
<i>Total Expenditures</i>	<u>880,000</u>	<u>880,000</u>	<u>849,922</u>	<u>30,078</u>
<i>Net Change in Fund Balance</i>	(643,000)	(643,000)	(621,444)	21,556
<i>Fund Balance Beginning of Year</i>	<u>1,052,452</u>	<u>1,052,452</u>	<u>1,052,452</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$409,452</u></u>	<u><u>\$409,452</u></u>	<u><u>\$431,008</u></u>	<u><u>\$21,556</u></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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$362,638	\$362,638	\$357,172	(\$5,466)
Intergovernmental	41,088	41,088	41,641	553
<i>Total Revenues</i>	403,726	403,726	398,813	(4,913)
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Fringe Benefits	890,000	890,000	783,931	106,069
<i>Excess of Revenues Under Expenditures</i>	(486,274)	(486,274)	(385,118)	101,156
Other Financing Sources				
Transfers In	400,000	400,000	350,000	(50,000)
<i>Net Change in Fund Balance</i>	(86,274)	(86,274)	(35,118)	51,156
<i>Fund Balance Beginning of Year</i>	186,515	186,515	186,515	0
<i>Fund Balance End of Year</i>	<u>\$100,241</u>	<u>\$100,241</u>	<u>\$151,397</u>	<u>\$51,156</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$362,638	\$362,638	\$357,172	(\$5,466)
Intergovernmental	41,088	41,088	41,641	553
<i>Total Revenues</i>	403,726	403,726	398,813	(4,913)
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Fringe Benefits	835,000	835,000	773,073	61,927
<i>Excess of Revenues Under Expenditures</i>	(431,274)	(431,274)	(374,260)	57,014
Other Financing Sources				
Transfers In	400,000	400,000	350,000	(50,000)
<i>Net Change in Fund Balance</i>	(31,274)	(31,274)	(24,260)	7,014
<i>Fund Balance Beginning of Year</i>	155,700	155,700	155,700	0
<i>Fund Balance End of Year</i>	<u>\$124,426</u>	<u>\$124,426</u>	<u>\$131,440</u>	<u>\$7,014</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,087,915	\$1,087,915	\$1,071,515	(\$16,400)
Intergovernmental	123,266	123,266	124,924	1,658
<i>Total Revenues</i>	<u>1,211,181</u>	<u>1,211,181</u>	<u>1,196,439</u>	<u>(14,742)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police and Fire Operating:				
Salaries	1,239,000	1,239,000	1,217,294	21,706
Fringe Benefits	35,550	35,550	33,852	1,698
<i>Total Expenditures</i>	<u>1,274,550</u>	<u>1,274,550</u>	<u>1,251,146</u>	<u>23,404</u>
<i>Net Change in Fund Balance</i>	(63,369)	(63,369)	(54,707)	8,662
<i>Fund Balance Beginning of Year</i>	<u>177,928</u>	<u>177,928</u>	<u>177,928</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$114,559</u></u>	<u><u>\$114,559</u></u>	<u><u>\$123,221</u></u>	<u><u>\$8,662</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, 2012

	<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	\$38,022	\$8,022
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	100,000	100,000	42,944	57,056
Other	30,779	30,779	24,859	5,920
<i>Total Expenditures</i>	<u>130,779</u>	<u>130,779</u>	<u>67,803</u>	<u>62,976</u>
<i>Net Change in Fund Balance</i>	(100,779)	(100,779)	(29,781)	70,998
<i>Fund Balance Beginning of Year</i>	335,201	335,201	335,201	0
Unexpended Prior Year Encumbrances	<u>779</u>	<u>779</u>	<u>779</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$235,201</u></u>	<u><u>\$235,201</u></u>	<u><u>\$306,199</u></u>	<u><u>\$70,998</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$6,117	(\$8,883)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>20,000</u>	<u>20,000</u>	<u>10,655</u>	<u>9,345</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	(4,538)	462
<i>Fund Balance Beginning of Year</i>	<u>43,581</u>	<u>43,581</u>	<u>43,581</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$38,581</u></u>	<u><u>\$38,581</u></u>	<u><u>\$39,043</u></u>	<u><u>\$462</u></u>

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$17,772	\$2,772
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>6,960</u>	<u>6,960</u>	<u>3,838</u>	<u>3,122</u>
<i>Net Change in Fund Balance</i>	8,040	8,040	13,934	5,894
<i>Fund Balance Beginning of Year</i>	72,518	72,518	72,518	0
Unexpended Prior Year Encumbrances	<u>1,960</u>	<u>1,960</u>	<u>1,960</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$82,518</u></u>	<u><u>\$82,518</u></u>	<u><u>\$88,412</u></u>	<u><u>\$5,894</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$3,000	\$3,000	\$2,750	(\$250)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries	2,900	2,900	1,676	1,224
Fringe Benefits	450	450	93	357
<i>Total Expenditures</i>	<u>3,350</u>	<u>3,350</u>	<u>1,769</u>	<u>1,581</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(350)	(350)	981	1,331
Other Financing Uses				
Advances Out	0	(3,000)	(3,000)	0
<i>Net Change in Fund Balance</i>	(350)	(3,350)	(2,019)	1,331
<i>Fund Balance Beginning of Year</i>	<u>4,249</u>	<u>4,249</u>	<u>4,249</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,899</u></u>	<u><u>\$899</u></u>	<u><u>\$2,230</u></u>	<u><u>\$1,331</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$0	\$0	\$6,809	\$6,809
Interest	4,500	4,500	612	(3,888)
<i>Total Revenues</i>	<u>4,500</u>	<u>4,500</u>	<u>7,421</u>	<u>2,921</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	117,243	117,243	99,444	17,799
Other	53,550	53,550	35,533	18,017
<i>Total Expenditures</i>	<u>170,793</u>	<u>170,793</u>	<u>134,977</u>	<u>35,816</u>
<i>Net Change in Fund Balance</i>	(166,293)	(166,293)	(127,556)	38,737
<i>Fund Balance Beginning of Year</i>	498,243	498,243	498,243	0
Unexpended Prior Year Encumbrances	<u>10,793</u>	<u>10,793</u>	<u>10,793</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$342,743</u></u>	<u><u>\$342,743</u></u>	<u><u>\$381,480</u></u>	<u><u>\$38,737</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$51,947	\$346,156	\$179,904	(\$166,252)
Expenditures				
Current:				
General Government:				
FEMA:				
Capital Outlay	29,378	195,630	195,630	0
<i>Excess of Revenues Over (Under) Expenditures</i>	22,569	150,526	(15,726)	(166,252)
Other Financing Sources (Uses)				
Advances Out	(70,000)	(236,252)	(70,000)	166,252
Transfers In	16,626	16,626	16,626	0
<i>Total Other Financing Sources (Uses)</i>	(53,374)	(219,626)	(53,374)	166,252
<i>Net Change in Fund Balance</i>	(30,805)	(69,100)	(69,100)	0
<i>Fund Balance Beginning of Year</i>	39,759	39,759	39,759	0
Unexpended Prior Year Encumbrances	29,378	29,378	29,378	0
<i>Fund Balance End of Year</i>	<u>\$38,332</u>	<u>\$37</u>	<u>\$37</u>	<u>\$0</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$56,900	\$56,900	\$56,900	\$0
Expenditures				
Current:				
General Government:				
Federal Grants				
Other	8,260	8,260	8,260	0
<i>Excess of Revenues Over Expenditures</i>	48,640	48,640	48,640	0
Other Financing Uses				
Advances Out	(56,900)	(56,900)	(56,900)	0
<i>Net Change in Fund Balance</i>	(8,260)	(8,260)	(8,260)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Unexpended Prior Year Encumbrances	8,260	8,260	8,260	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$800,000	\$800,000	\$513,685	(\$286,315)
Intergovernmental	0	0	2,500	2,500
<i>Total Revenues</i>	800,000	800,000	516,185	(283,815)
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Salaries	544,800	544,800	527,838	16,962
Fringe Benefits	131,900	126,000	125,647	353
Contractual Services	133,335	104,235	80,236	23,999
Materials and Supplies	17,824	17,824	16,737	1,087
Capital Outlay	14,000	0	0	0
Other	372,000	314,000	313,920	80
<i>Total Expenditures</i>	1,213,859	1,106,859	1,064,378	42,481
<i>Net Change in Fund Balance</i>	(413,859)	(306,859)	(548,193)	(241,334)
<i>Fund Balance Beginning of Year</i>	585,030	585,030	585,030	0
Unexpended Prior Year Encumbrances	24,559	24,559	24,559	0
<i>Fund Balance End of Year</i>	\$195,730	\$302,730	\$61,396	(\$241,334)

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$20,000	\$20,000	\$17,475	(\$2,525)
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Capital Outlay	44,000	44,000	0	44,000
Other	5,000	5,000	1,850	3,150
<i>Total Expenditures</i>	<u>49,000</u>	<u>49,000</u>	<u>1,850</u>	<u>47,150</u>
<i>Net Change in Fund Balance</i>	(29,000)	(29,000)	15,625	44,625
<i>Fund Balance Beginning of Year</i>	<u>561,811</u>	<u>561,811</u>	<u>561,811</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$532,811</u></u>	<u><u>\$532,811</u></u>	<u><u>\$577,436</u></u>	<u><u>\$44,625</u></u>

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$80,000	\$80,000	\$78,978	(\$1,022)
Miscellaneous	0	0	16,700	16,700
<i>Total Revenues</i>	<u>80,000</u>	<u>80,000</u>	<u>95,678</u>	<u>15,678</u>
Expenditures				
Current:				
Basic Utility Services:				
Litter Prevention:				
Salaries	49,100	49,100	47,985	1,115
Fringe Benefits	7,650	7,650	7,343	307
Contractual Services	26,672	26,672	24,435	2,237
Capital Outlay	50,000	50,000	0	50,000
Other	8,522	8,522	6,242	2,280
<i>Total Expenditures</i>	<u>141,944</u>	<u>141,944</u>	<u>86,005</u>	<u>55,939</u>
<i>Net Change in Fund Balance</i>	(61,944)	(61,944)	9,673	71,617
<i>Fund Balance Beginning of Year</i>	139,423	139,423	139,423	0
Unexpended Prior Year Encumbrances	<u>1,194</u>	<u>1,194</u>	<u>1,194</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$78,673</u></u>	<u><u>\$78,673</u></u>	<u><u>\$150,290</u></u>	<u><u>\$71,617</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$15,548	\$13,548	\$29,900	\$16,352
Expenditures				
Current:				
Community Environment:				
Donations:				
Materials and Supplies	10,298	10,298	9,696	602
Capital Outlay	1	3,500	11,086	(7,586)
Other	63,309	63,105	24,529	38,576
<i>Total Expenditures</i>	<u>73,608</u>	<u>76,903</u>	<u>45,311</u>	<u>31,592</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(58,060)</u>	<u>(63,355)</u>	<u>(15,411)</u>	<u>47,944</u>
Other Financing Uses				
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers Out	0	(2,334)	(2,334)	0
<i>Total Other Financing Uses</i>	<u>(25,000)</u>	<u>(27,334)</u>	<u>(27,334)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(83,060)	(90,689)	(42,745)	47,944
<i>Fund Balance Beginning of Year</i>	213,064	213,064	213,064	0
Unexpended Prior Year Encumbrances	10,908	10,908	10,908	0
<i>Fund Balance End of Year</i>	<u>\$140,912</u>	<u>\$133,283</u>	<u>\$181,227</u>	<u>\$47,944</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$207,950	\$207,950	\$211,509	\$3,559
Miscellaneous	2,050	2,050	1,849	(201)
<i>Total Revenues</i>	210,000	210,000	213,358	3,358
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	121,100	121,100	114,047	7,053
Fringe Benefits	18,800	18,800	26,435	(7,635)
Contractual Services	46,156	46,156	30,141	16,015
Materials and Supplies	31,000	31,000	30,570	430
Capital Outlay	5,000	5,000	0	5,000
Other	6,600	6,600	2,457	4,143
<i>Total Expenditures</i>	228,656	228,656	203,650	25,006
<i>Net Change in Fund Balance</i>	(18,656)	(18,656)	9,708	28,364
<i>Fund Balance Beginning of Year</i>	66,501	66,501	66,501	0
Unexpended Prior Year Encumbrances	56	56	56	0
<i>Fund Balance End of Year</i>	\$47,901	\$47,901	\$76,265	\$28,364

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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$130,000	\$130,000	\$105,421	(\$24,579)
Miscellaneous	0	0	9,151	9,151
<i>Total Revenues</i>	<u>130,000</u>	<u>130,000</u>	<u>114,572</u>	<u>(15,428)</u>
Expenditures				
Current:				
Public Health Services:				
Senior/Community Services:				
Contractual Services	6,500	6,500	5,660	840
Capital Outlay	4,800	4,800	2,723	2,077
Other	136,153	136,153	111,972	24,181
<i>Total Expenditures</i>	<u>147,453</u>	<u>147,453</u>	<u>120,355</u>	<u>27,098</u>
<i>Net Change in Fund Balance</i>	(17,453)	(17,453)	(5,783)	11,670
<i>Fund Balance Beginning of Year</i>	43,770	43,770	43,770	0
Unexpended Prior Year Encumbrances	<u>2,152</u>	<u>2,152</u>	<u>2,152</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,469</u></u>	<u><u>\$28,469</u></u>	<u><u>\$40,139</u></u>	<u><u>\$11,670</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$24,000	\$24,000	\$16,950	(\$7,050)
Interest	4,000	4,000	855	(3,145)
<i>Total Revenues</i>	<u>28,000</u>	<u>28,000</u>	<u>17,805</u>	<u>(10,195)</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Salaries	67,500	67,500	46,227	21,273
Fringe Benefits	27,300	27,300	23,869	3,431
Contractual Services	20,010	20,010	13,836	6,174
Materials and Supplies	9,290	9,290	8,254	1,036
Capital Outlay	2,000	2,000	1,339	661
Other	8,041	8,041	7,628	413
<i>Total Expenditures</i>	<u>134,141</u>	<u>134,141</u>	<u>101,153</u>	<u>32,988</u>
<i>Excess of Revenues Under Expenditures</i>	(106,141)	(106,141)	(83,348)	22,793
Other Financing Sources				
Transfers In	100,000	100,000	75,000	(25,000)
<i>Net Change in Fund Balance</i>	(6,141)	(6,141)	(8,348)	(2,207)
<i>Fund Balance Beginning of Year</i>	80,024	80,024	80,024	0
Unexpended Prior Year Encumbrances	1,291	1,291	1,291	0
<i>Fund Balance End of Year</i>	<u>\$75,174</u>	<u>\$75,174</u>	<u>\$72,967</u>	<u>(\$2,207)</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Compensated Absences:				
Personal Services	600,000	600,000	113,312	486,688
Fringe Benefits	8,700	8,700	1,595	7,105
<i>Total Expenditures</i>	<u>608,700</u>	<u>608,700</u>	<u>114,907</u>	<u>493,793</u>
<i>Excess of Revenues Under Expenditures</i>	(608,700)	(608,700)	(114,907)	493,793
Other Financing Sources				
Transfers In	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	891,300	891,300	1,385,093	493,793
<i>Fund Balance Beginning of Year</i>	<u>1,007,065</u>	<u>1,007,065</u>	<u>1,007,065</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,898,365</u></u>	<u><u>\$1,898,365</u></u>	<u><u>\$2,392,158</u></u>	<u><u>\$493,793</u></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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$120,913	\$120,913	\$119,057	(\$1,856)
Municipal Income Taxes	1,050,000	1,050,000	1,042,536	(7,464)
Intergovernmental	13,662	13,662	13,881	219
<i>Total Revenues</i>	<u>1,184,575</u>	<u>1,184,575</u>	<u>1,175,474</u>	<u>(9,101)</u>
Expenditures				
Debt Service:				
Principal Retirement	1,030,000	1,030,000	1,030,000	0
Interest and Fiscal Charges	323,550	323,500	323,480	20
<i>Total Expenditures</i>	<u>1,353,550</u>	<u>1,353,500</u>	<u>1,353,480</u>	<u>20</u>
<i>Net Change in Fund Balance</i>	(168,975)	(168,925)	(178,006)	(9,081)
<i>Fund Balance Beginning of Year</i>	<u>550,392</u>	<u>550,392</u>	<u>550,392</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$381,417</u></u>	<u><u>\$381,467</u></u>	<u><u>\$372,386</u></u>	<u><u>(\$9,081)</u></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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$822,000	\$822,000	\$819,780	(\$2,220)
Expenditures				
Debt Service:				
Principal Retirement	625,000	625,000	625,000	0
Interest and Fiscal Charges	195,500	195,406	195,406	0
<i>Total Expenditures</i>	<u>820,500</u>	<u>820,406</u>	<u>820,406</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,500	1,594	(626)	(2,220)
<i>Fund Balance Beginning of Year</i>	<u>626</u>	<u>626</u>	<u>626</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,126</u></u>	<u><u>\$2,220</u></u>	<u><u>\$0</u></u>	<u><u>(\$2,220)</u></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, 2012

	<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	\$255	\$255
Licenses, Permits and Fees	45,000	45,000	58,775	13,775
Interest	30,000	30,000	4,329	(25,671)
<i>Total Revenues</i>	<u>75,000</u>	<u>75,000</u>	<u>63,359</u>	<u>(11,641)</u>
Expenditures				
Capital Outlay:				
Storm Drainage:				
Salaries	175,000	215,000	205,369	9,631
Fringe Benefits	27,000	27,000	31,268	(4,268)
Capital Outlay	634,800	634,800	215,680	419,120
Other	29,737	29,737	112,730	(82,993)
<i>Total Expenditures</i>	<u>866,537</u>	<u>906,537</u>	<u>565,047</u>	<u>341,490</u>
<i>Net Change in Fund Balance</i>	(791,537)	(831,537)	(501,688)	329,849
<i>Fund Balance Beginning of Year</i>	3,219,418	3,219,418	3,219,418	0
Unexpended Prior Year Encumbrances	<u>8,237</u>	<u>8,237</u>	<u>8,237</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,436,118</u></u>	<u><u>\$2,396,118</u></u>	<u><u>\$2,725,967</u></u>	<u><u>\$329,849</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$135,176	\$135,176	\$150,661	\$15,485
Expenditures				
Capital Outlay:				
Issue 2 Improvements:				
Salaries	30,000	0	0	0
Fringe Benefits	4,600	0	0	0
Capital Outlay	3,200,000	133,900	133,900	0
Other	25,400	0	0	0
Total Capital Outlay	3,260,000	133,900	133,900	0
Debt Service:				
Principal Retirement	60,800	60,800	60,761	39
<i>Total Expenditures</i>	3,320,800	194,700	194,661	39
<i>Excess of Revenues Under Expenditures</i>	(3,185,624)	(59,524)	(44,000)	15,524
Other Financing Sources (Uses)				
Advances In	3,260,000	3,393,900	133,900	(3,260,000)
Advances Out	(100,000)	(100,000)	(100,000)	0
Transfers In	60,800	60,800	18,300	(42,500)
<i>Total Other Financing Sources (Uses)</i>	3,220,800	3,354,700	52,200	(3,302,500)
<i>Net Change in Fund Balance</i>	35,176	3,295,176	8,200	(3,286,976)
<i>Fund Balance Beginning of Year</i>	7,057	7,057	7,057	0
<i>Fund Balance End of Year</i>	\$42,233	\$3,302,233	\$15,257	(\$3,286,976)

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,733,900	\$2,132,443	\$991,268	(\$1,141,175)
Expenditures				
Capital Outlay:				
Grants:				
Salaries	15,000	25,000	11,133	13,867
Fringe Benefits	2,500	4,000	1,712	2,288
Capital Outlay	1,312,651	2,089,651	1,921,450	168,201
Other	9,916	61,416	61,236	180
<i>Total Expenditures</i>	1,340,067	2,180,067	1,995,531	184,536
<i>Excess of Revenues Over (Under) Expenditures</i>	393,833	(47,624)	(1,004,263)	(956,639)
Other Financing Sources (Uses)				
Advances In	922,400	1,363,857	1,098,000	(265,857)
Advances Out	(3,512,500)	(3,262,500)	(3,262,500)	0
Transfers In	0	0	1,005,170	1,005,170
<i>Total Other Financing Sources (Uses)</i>	(2,590,100)	(1,898,643)	(1,159,330)	739,313
<i>Net Change in Fund Balance</i>	(2,196,267)	(1,946,267)	(2,163,593)	(217,326)
<i>Fund Balance Beginning of Year</i>	1,443,033	1,443,033	1,443,033	0
Unexpended Prior Year Encumbrances	1,030,567	1,030,567	1,030,567	0
<i>Fund Balance End of Year</i>	\$277,333	\$527,333	\$310,007	(\$217,326)

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, 2012

	<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	\$28,886	\$3,886
Expenditures				
Capital Outlay:				
Impact Fee:				
Capital Outlay	58,475	58,475	22,609	35,866
Other	97,750	97,750	4,136	93,614
<i>Total Expenditures</i>	<u>156,225</u>	<u>156,225</u>	<u>26,745</u>	<u>129,480</u>
<i>Net Change in Fund Balance</i>	(131,225)	(131,225)	2,141	133,366
<i>Fund Balance Beginning of Year</i>	1,259,089	1,259,089	1,259,089	0
Unexpended Prior Year Encumbrances	<u>2,975</u>	<u>2,975</u>	<u>2,975</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,130,839</u></u>	<u><u>\$1,130,839</u></u>	<u><u>\$1,264,205</u></u>	<u><u>\$133,366</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$5,000	\$56,500	\$58,918	\$2,418
Interest	0	0	250	250
<i>Total Revenues</i>	<u>5,000</u>	<u>56,500</u>	<u>59,168</u>	<u>2,668</u>
Expenditures				
Capital Outlay:				
Sidewalk Improvement:				
Salaries	45,000	55,000	31,870	23,130
Fringe Benefits	7,000	11,700	4,774	6,926
Materials and Supplies	0	0	548	(548)
Capital Outlay	0	224,700	224,700	0
Other	23,000	8,300	5,402	2,898
<i>Total Expenditures</i>	<u>75,000</u>	<u>299,700</u>	<u>267,294</u>	<u>32,406</u>
<i>Excess of Revenues Under Expenditures</i>	(70,000)	(243,200)	(208,126)	35,074
Other Financing Sources				
Advances In	0	170,000	170,000	0
<i>Net Change in Fund Balance</i>	(70,000)	(73,200)	(38,126)	35,074
<i>Fund Balance Beginning of Year</i>	<u>92,343</u>	<u>92,343</u>	<u>92,343</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,343</u></u>	<u><u>\$19,143</u></u>	<u><u>\$54,217</u></u>	<u><u>\$35,074</u></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, 2012

	<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				
Capital Outlay	<u>36,828</u>	<u>36,828</u>	<u>36,828</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(36,828)	(36,828)	(36,828)	0
<i>Fund Balance Beginning of Year</i>	779	779	779	0
Unexpended Prior Year Encumbrances	<u>36,828</u>	<u>36,828</u>	<u>36,828</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$779</u></u>	<u><u>\$779</u></u>	<u><u>\$779</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
Recreation Center Construction Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$339,800	\$339,800	\$524,612	\$184,812
Intergovernmental	15,000	15,000	21,528	6,528
<i>Total Revenues</i>	<u>354,800</u>	<u>354,800</u>	<u>546,140</u>	<u>191,340</u>
Expenditures				
Capital Outlay:				
Recreation Center Construction:				
Contractual Services	55,000	55,000	54,560	440
Capital Outlay	224,387	224,387	101,669	122,718
Other	142,000	142,000	26,450	115,550
<i>Total Expenditures</i>	<u>421,387</u>	<u>421,387</u>	<u>182,679</u>	<u>238,708</u>
<i>Net Change in Fund Balance</i>	(66,587)	(66,587)	363,461	430,048
<i>Fund Balance Beginning of Year</i>	4,016,444	4,016,444	4,016,444	0
Prior Year Encumbrances Appropriated	59,387	59,387	59,387	0
<i>Fund Balance End of Year</i>	<u><u>\$4,009,244</u></u>	<u><u>\$4,009,244</u></u>	<u><u>\$4,439,292</u></u>	<u><u>\$430,048</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$430,000	\$430,000	\$294,622	(\$135,378)
Rentals	35,600	35,600	36,750	1,150
Sale of Capital Assets	0	0	900	900
Miscellaneous	8,000	8,000	5,430	(2,570)
<i>Total Revenues</i>	<u>473,600</u>	<u>473,600</u>	<u>337,702</u>	<u>(135,898)</u>
Expenses				
Current:				
Personal Services	229,600	234,600	233,725	875
Fringe Benefits	68,900	68,900	69,508	(608)
Contractual Services	85,234	85,234	69,422	15,812
Materials and Supplies	60,791	55,592	46,589	9,003
Capital Outlay	25,500	25,500	20,556	4,944
Other	24,551	24,550	13,321	11,229
<i>Total Expenses</i>	<u>494,576</u>	<u>494,376</u>	<u>453,121</u>	<u>41,255</u>
<i>Excess of Revenues Under Expenses Before Advances</i>	(20,976)	(20,776)	(115,419)	(94,643)
Advances In	50,000	50,000	150,000	100,000
Advances Out	(25,000)	0	0	0
<i>Net Change in Fund Equity</i>	4,024	29,224	34,581	5,357
<i>Fund Equity Beginning of Year</i>	10,014	10,014	10,014	0
Unexpended Prior Year Encumbrances	776	776	776	0
<i>Fund Equity End of Year</i>	<u>\$14,814</u>	<u>\$40,014</u>	<u>\$45,371</u>	<u>\$5,357</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$3,415,000	\$3,415,000	\$3,154,866	(\$260,134)
Expenses				
Contractual Services	450,000	450,000	415,546	34,454
Claims	3,457,180	3,457,180	2,548,963	908,217
<i>Total Expenses</i>	<u>3,907,180</u>	<u>3,907,180</u>	<u>2,964,509</u>	<u>942,671</u>
<i>Net Change in Fund Equity</i>	(492,180)	(492,180)	190,357	682,537
<i>Fund Equity Beginning of Year</i>	1,710,671	1,710,671	1,710,671	0
Unexpended Prior Year Encumbrances	<u>177,180</u>	<u>177,180</u>	<u>177,180</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,395,671</u></u>	<u><u>\$1,395,671</u></u>	<u><u>\$2,078,208</u></u>	<u><u>\$682,537</u></u>

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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 – S11
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>	S12 – S19
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>	S20 - S25
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>	S26 – S29
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>	S30 - S35
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.

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities				
Net Investment in Capital Assets	\$121,260,561	\$120,651,597	\$118,410,063	\$115,906,207
Restricted	36,145,785	39,248,472	42,677,403	39,002,639
Unrestricted	<u>40,264,326</u>	<u>32,946,087</u>	<u>23,964,324</u>	<u>23,933,018</u>
<i>Total Governmental Activities Net Position</i>	<u>197,670,672</u>	<u>192,846,156</u>	<u>185,051,790</u>	<u>178,841,864</u>
Business-Type Activities				
Net Investment in Capital Assets	30,295,832	30,643,725	31,334,659	31,092,605
Unrestricted	<u>13,684,924</u>	<u>15,072,756</u>	<u>16,277,091</u>	<u>18,373,841</u>
<i>Total Business-Type Activities Net Position</i>	<u>43,980,756</u>	<u>45,716,481</u>	<u>47,611,750</u>	<u>49,466,446</u>
Primary government				
Net Investment in Capital Assets	151,556,393	151,295,322	149,744,722	146,998,812
Restricted	36,145,785	39,248,472	42,677,403	39,002,639
Unrestricted	<u>53,949,250</u>	<u>48,018,843</u>	<u>40,241,415</u>	<u>42,306,859</u>
<i>Total Primary Government Net Position</i>	<u>\$241,651,428</u>	<u>\$238,562,637</u>	<u>\$232,663,540</u>	<u>\$228,308,310</u>

2008	2007	2006	2005	2004	2003
\$116,235,290	\$113,923,769	\$111,215,683	\$107,532,355	\$95,408,072	\$90,918,473
38,496,737	36,851,590	29,743,519	31,289,085	37,559,907	35,710,547
16,455,779	30,181,068	30,016,958	24,115,948	23,388,288	24,879,263
<u>171,187,806</u>	<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>
31,760,772	32,213,389	32,600,713	33,192,749	32,689,796	32,564,585
19,410,303	19,250,408	20,501,409	20,526,997	20,898,424	21,257,934
<u>51,171,075</u>	<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>
147,996,062	146,137,158	143,816,396	140,725,104	128,097,868	123,483,058
38,496,737	36,851,590	29,743,519	31,289,085	37,559,907	35,710,547
35,866,082	49,431,476	50,518,367	44,642,945	44,286,712	46,137,197
<u>\$222,358,881</u>	<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>

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

	2012	2011	2010	2009
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$496,295	\$544,628	\$618,409	\$403,368
Security of Persons and Property	1,030,741	1,084,774	1,055,314	1,658,886
Public Health Services	144,383	166,906	163,675	179,602
Transportation	415,183	358,448	257,883	224,745
Community Environment	378,779	200,992	158,287	179,680
Basic Utility Services	182,005	177,435	182,493	226,160
Leisure Time Activities	2,512,420	2,407,993	2,339,261	2,318,991
Operating Grants and Contributions	2,104,715	2,815,006	1,813,317	1,908,400
Capital Grants and Contributions	1,422,539	1,546,514	2,572,627	198,262
<i>Total Governmental Activities Program Revenues</i>	<u>8,687,060</u>	<u>9,302,696</u>	<u>9,161,266</u>	<u>7,298,094</u>
Business-Type Activities:				
Charges for Services:				
Sewer	1,864,043	1,733,629	1,745,665	1,704,877
Golf Course	331,372	299,480	398,914	429,063
Capital Grants and Contributions	47,087	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>2,242,502</u>	<u>2,033,109</u>	<u>2,144,579</u>	<u>2,133,940</u>
<i>Total Primary Government Program Revenues</i>	<u>10,929,562</u>	<u>11,335,805</u>	<u>11,305,845</u>	<u>9,432,034</u>
Expenses				
Governmental Activities:				
General Government	7,404,615	7,902,687	6,968,302	7,911,956
Security of Persons and Property	15,042,478	14,747,275	14,584,694	14,833,854
Public Health Services	1,073,921	1,190,286	1,185,741	990,935
Transportation	10,977,479	11,927,202	9,085,307	7,754,905
Community Environment	1,475,762	1,721,879	1,685,287	1,461,332
Basic Utility Services	2,058,732	1,801,486	1,917,453	1,843,251
Leisure Time Activities	3,762,378	3,788,078	3,979,282	3,963,481
Interest and Fiscal Charges	1,253,224	806,303	762,104	775,746
<i>Total Governmental Activities Expenses</i>	<u>43,048,589</u>	<u>43,885,196</u>	<u>40,168,170</u>	<u>39,535,460</u>
Business-Type Activities:				
Sewer	3,557,778	3,684,221	3,574,031	3,407,143
Golf	478,255	428,838	462,322	499,842
<i>Total Business-Type Activities Expenses</i>	<u>4,036,033</u>	<u>4,113,059</u>	<u>4,036,353</u>	<u>3,906,985</u>
<i>Total Primary Government Expenses</i>	<u>\$47,084,622</u>	<u>\$47,998,255</u>	<u>\$44,204,523</u>	<u>\$43,442,445</u>

2008	2007	2006	2005	2004	2003
\$62,982	\$204,883	\$173,083	\$127,184	\$479,604	\$439,045
1,792,383	1,137,311	1,035,418	982,712	697,379	358,014
219,131	179,762	164,790	245,703	217,676	109,774
170,479	2,050	18,095	800	0	0
473,546	258,685	330,801	2,464	395,233	422,031
117,076	580,438	699,054	591,125	375,328	271,828
2,422,194	2,392,074	2,457,714	2,153,198	2,159,425	1,954,280
1,999,419	2,247,881	2,326,833	1,991,525	1,494,552	1,561,028
861,837	86,159	779,936	6,508,012	615,617	416,865
8,119,047	7,089,243	7,985,724	12,602,723	6,434,814	5,532,865
2,038,961	1,782,896	1,849,077	1,817,584	1,847,391	1,578,261
438,473	497,736	460,439	504,641	475,011	456,882
0	0	0	0	0	0
2,477,434	2,280,632	2,309,516	2,322,225	2,322,402	2,035,143
10,596,481	9,369,875	10,295,240	14,924,948	8,757,216	7,568,008
22,355,014	7,364,070	7,343,276	7,374,119	6,143,020	5,579,719
15,023,844	13,159,961	12,689,539	12,050,809	11,750,100	10,545,048
1,040,137	962,658	904,177	874,171	789,438	681,078
11,143,476	10,093,953	8,837,612	12,801,841	9,106,958	6,468,674
1,436,256	1,305,482	1,403,325	1,635,242	1,628,983	1,004,252
1,925,985	2,184,182	1,770,100	1,688,932	1,714,687	2,274,064
3,990,032	4,312,925	3,679,917	3,436,612	3,308,446	3,187,993
832,754	633,706	1,372,783	1,176,075	1,439,879	1,524,599
57,747,498	40,016,937	38,000,729	41,037,801	35,881,511	31,265,427
3,206,285	3,396,803	2,619,020	3,076,178	3,021,810	3,011,609
509,423	475,205	498,429	510,441	483,123	520,339
3,715,708	3,872,008	3,117,449	3,586,619	3,504,933	3,531,948
\$61,463,206	\$43,888,945	\$41,118,178	\$44,624,420	\$39,386,444	\$34,797,375

(continued)

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

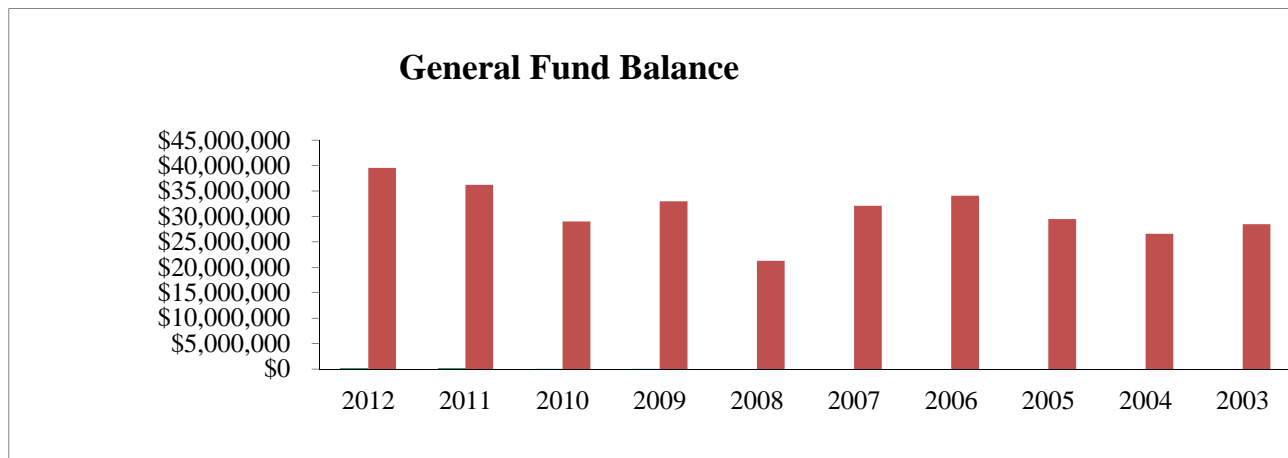
	2012	2011	2010	2009
Net (Expense)/Revenue				
Governmental Activities	(\$34,361,529)	(\$34,582,500)	(\$31,006,904)	(\$32,237,366)
Business-Type Activities	(1,793,531)	(2,079,950)	(1,891,774)	(1,773,045)
<i>Total Primary Government Net Expense</i>	<u>(36,155,060)</u>	<u>(36,662,450)</u>	<u>(32,898,678)</u>	<u>(34,010,411)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	9,529,928	9,766,663	9,875,483	10,340,850
Other Purposes	1,790,295	1,831,250	1,851,654	1,935,405
Debt Service	112,330	122,084	120,758	100,983
Municipal Income Taxes Levied For:				
General Purposes	14,861,413	14,091,446	12,617,962	12,306,589
Other Purposes	255,530	259,448	53,841	0
Debt Service	1,924,449	1,857,968	835,022	975,491
Capital Outlay	5,401,802	4,995,362	5,506,156	5,176,375
Admission Taxes	184,553	187,280	178,209	188,867
Hotel Taxes	483,446	431,774	406,204	374,953
Grants and Entitlements not Restricted to Specific Programs	3,248,049	6,057,901	4,460,061	4,653,290
Franchise Taxes	573,198	523,339	479,845	450,860
Investment Earnings	428,975	615,400	264,472	2,788,286
Gain (Loss) on Sale of Capital Assets	50,214	5,296	57,300	5,000
Miscellaneous	360,487	1,637,665	499,937	702,847
Transfers	(18,624)	(6,010)	9,926	0
<i>Total Governmental Activities</i>	<u>39,186,045</u>	<u>42,376,866</u>	<u>37,216,830</u>	<u>39,999,796</u>
Business-Type Activities:				
Investment Earnings	6,464	32,957	46,940	59,969
Gain on Sale of Capital Assets	27,000	0	0	0
Miscellaneous	5,718	145,714	64	8,447
Transfers	18,624	6,010	(9,926)	0
<i>Total Business-Type Activities</i>	<u>57,806</u>	<u>184,681</u>	<u>37,078</u>	<u>68,416</u>
<i>Total Primary Government</i>	<u>39,243,851</u>	<u>42,561,547</u>	<u>37,253,908</u>	<u>40,068,212</u>
Change in Net Position				
Governmental Activities	4,824,516	7,794,366	6,209,926	7,762,430
Business-Type Activities	(1,735,725)	(1,895,269)	(1,854,696)	(1,704,629)
<i>Total Primary Government Change in Net Position</i>	<u>\$3,088,791</u>	<u>\$5,899,097</u>	<u>\$4,355,230</u>	<u>\$6,057,801</u>

2008	2007	2006	2005	2004	2003
(\$49,628,451)	(\$32,927,694)	(\$30,015,005)	(\$28,435,078)	(\$29,446,697)	(\$25,732,562)
(1,238,274)	(1,591,376)	(807,933)	(1,264,394)	(1,182,531)	(1,496,805)
(50,866,725)	(34,519,070)	(30,822,938)	(29,699,472)	(30,629,228)	(27,229,367)
9,389,659	9,943,421	8,505,234	9,003,584	9,010,253	8,577,934
1,853,221	1,963,131	1,809,629	1,769,604	1,700,673	1,628,652
857,615	1,043,024	1,082,470	1,173,742	1,236,724	1,408,516
12,462,547	13,895,909	11,550,068	11,995,713	10,255,307	9,560,032
250,588	252,860	239,682	252,404	255,214	241,261
1,002,399	2,178,908	2,396,061	2,477,782	2,760,486	2,541,856
5,110,393	4,539,069	3,298,704	3,093,288	2,311,569	2,102,777
197,798	211,079	173,992	0	0	0
457,987	492,516	405,983	0	0	0
4,282,803	3,569,675	5,127,705	3,805,291	4,380,362	4,316,817
438,367	0	0	0	0	0
2,877,142	4,362,251	2,958,506	2,203,618	1,503,231	1,286,215
0	0	0	0	117,337	763,927
687,619	322,680	365,149	256,046	1,361,340	239,166
(8,308)	133,438	140,594	(1,054,873)	(597,815)	(824,450)
39,859,830	42,907,961	38,053,777	34,976,199	34,294,681	31,842,703
927,845	77,528	320,903	329,882	331,106	85,088
0	0	0	0	0	0
9,399	8,961	10,000	11,165	19,311	91,348
8,308	(133,438)	(140,594)	1,054,873	597,815	824,450
945,552	(46,949)	190,309	1,395,920	948,232	1,000,886
40,805,382	42,861,012	38,244,086	36,372,119	35,242,913	32,843,589
(9,768,621)	9,980,267	8,038,772	6,541,121	4,847,984	6,110,141
(292,722)	(1,638,325)	(617,624)	131,526	(234,299)	(495,919)
(\$10,061,343)	\$8,341,942	\$7,421,148	\$6,672,647	\$4,613,685	\$5,614,222

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

	2012	2011	2010	2009	2008
General Fund					
Reserved	\$0	\$0	\$0	\$0	\$0
Unreserved:					
Designated for Capital Acquisitions	0	0	0	0	0
Unreserved, Undesignated	0	0	0	0	0
Nonspendable	1,388,341	1,544,312	2,472,785	7,966,056	2,430,152
Committed	78,494	0	0	0	0
Assigned	17,151,115	12,590,847	12,135,035	12,627,238	11,950,684
Unassigned	20,917,452	22,069,614	14,398,464	12,369,237	6,874,603
Total General Fund	39,535,402	36,204,773	29,006,284	32,962,531	21,255,439
All Other Governmental Funds					
Reserved	0	0	0	0	0
Unreserved:					
Undesignated, Reported in:					
Special Revenue funds	0	0	0	0	0
Debt Service funds	0	0	0	0	0
Capital Projects funds	0	0	0	0	0
Nonspendable	583,190	569,065	546,832	533,795	511,532
Restricted	29,028,573	29,978,659	32,201,348	35,848,263	29,715,408
Committed	1,706,932	1,349,585	1,125,004	1,491,683	1,822,084
Assigned	15,607	15,607	15,607	15,607	114,828
Unassigned (Deficit)	(424,244)	(1,414,992)	(1,379,716)	(3,587)	(458,806)
Total All Other Governmental Funds	30,910,058	30,497,924	32,509,075	37,885,761	31,705,046
Total Governmental Funds	\$70,445,460	\$66,702,697	\$61,515,359	\$70,848,292	\$52,960,485

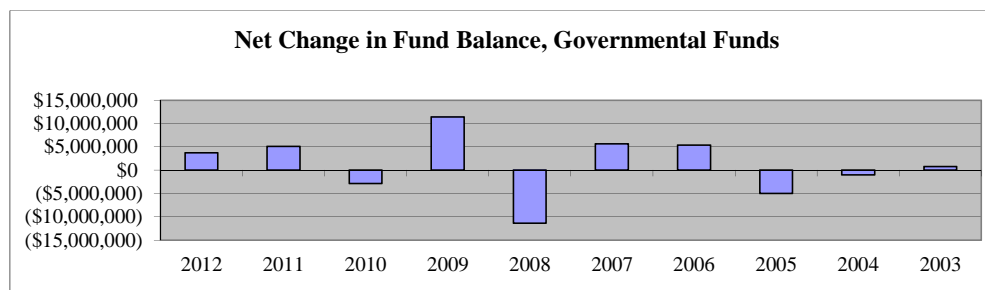
Note: The City implemented GASB 54 in 2009.



2007	2006	2005	2004	2003
\$7,796,807	\$9,697,876	\$7,806,445	\$6,815,484	\$10,021,597
8,730,585	7,975,965	7,591,251	7,969,632	7,796,347
15,559,357	16,408,054	14,071,956	11,812,699	10,653,195
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>32,086,749</u>	<u>34,081,895</u>	<u>29,469,652</u>	<u>26,597,815</u>	<u>28,471,139</u>
2,797,164	3,034,449	7,606,938	3,305,126	12,157,135
9,530,790	8,632,231	7,702,689	7,193,443	6,876,787
2,032,234	2,337,907	2,279,073	2,029,627	1,918,125
17,986,851	10,707,187	6,336,540	19,218,232	9,725,106
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>32,347,039</u>	<u>24,711,774</u>	<u>23,925,240</u>	<u>31,746,428</u>	<u>30,677,153</u>
<u>\$64,433,788</u>	<u>\$58,793,669</u>	<u>\$53,394,892</u>	<u>\$58,344,243</u>	<u>\$59,148,292</u>

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

	2012	2011	2010	2009
Revenues				
Property Taxes	\$11,409,771	\$11,669,377	\$11,871,691	\$12,216,342
Municipal Income Taxes	21,744,517	20,314,848	19,136,172	18,253,703
Admission Taxes	184,553	187,280	178,209	188,867
Hotel Taxes	483,446	431,774	406,204	374,953
Permissive Motor Vehicle Taxes	226,807	223,842	257,883	224,745
Charges for Services	3,350,948	3,478,751	3,454,644	3,327,200
Licenses, Permits and Fees	655,053	569,913	472,444	540,779
Fines and Forfeitures	332,873	361,168	359,933	790,128
Intergovernmental	6,104,036	9,857,916	8,702,713	6,651,892
Special Assessments	290,000	290,000	285,000	300,000
Interest	428,975	615,400	264,472	2,761,850
Rentals	231,985	229,550	164,498	152,158
Contributions and Donations	29,900	99,560	36,205	39,373
Franchise Taxes	573,198	523,339	479,845	450,860
Miscellaneous	359,643	1,621,375	499,937	702,847
<i>Total Revenues</i>	<u>46,405,705</u>	<u>50,474,093</u>	<u>46,569,850</u>	<u>46,975,697</u>
Expenditures				
Current:				
General Government	6,970,194	7,504,572	6,835,591	7,603,847
Security of Persons and Property	14,314,721	13,899,297	14,184,779	13,916,347
Public Health Services	1,060,754	1,017,728	1,078,920	934,217
Transportation	7,028,529	6,607,706	6,987,274	6,503,112
Community Environment	1,468,880	1,700,116	1,680,434	1,482,743
Basic Utility Services	817,980	704,210	763,839	741,720
Leisure Time Activities	3,097,749	3,042,862	3,316,452	3,249,516
Capital Outlay	5,210,403	8,585,474	10,406,778	8,400,702
Debt service:				
Principal Retirement	2,008,451	9,077,169	10,625,029	1,286,743
Interest and Fiscal Charges	719,472	812,377	785,863	648,827
Capital Appreciation Bonds Interest	0	0	140,730	134,018
Bond Issuance Costs	0	130,110	35,416	22,878
<i>Total Expenditures</i>	<u>42,697,133</u>	<u>53,081,621</u>	<u>56,841,105</u>	<u>44,924,670</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,708,572</u>	<u>(2,607,528)</u>	<u>(10,271,255)</u>	<u>2,051,027</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	34,191	73,427	34,382	13,902
General Obligations Notes and Bonds Issued	0	0	7,350,000	9,300,000
General Obligation Notes and Bonds Premium	0	0	53,940	22,878
Loan Issued	0	0	0	0
General Obligation Bonds Issued	0	7,350,000	0	0
General Obligation Bonds Premium	0	263,453	0	0
Inception of Capital Lease	0	12,326	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	1,742,430	1,242,799	729,550	889,476
Transfers Out	(1,742,430)	(1,242,799)	(729,550)	(889,476)
<i>Total Other Financing Sources (Uses)</i>	<u>34,191</u>	<u>7,699,206</u>	<u>7,438,322</u>	<u>9,336,780</u>
<i>Net Change in Fund Balances</i>	<u>\$3,742,763</u>	<u>\$5,091,678</u>	<u>(\$2,832,933)</u>	<u>\$11,387,807</u>
Debt Service as a Percentage of Noncapital Expenditures	7.3%	21.6%	25.6%	6.1%



2008	2007	2006	2005	2004	2003
\$12,325,252	\$12,665,021	\$11,396,836	\$12,155,219	\$11,879,372	\$11,228,925
19,119,560	20,164,744	18,293,898	17,578,476	15,470,140	14,784,860
197,798	211,079	173,992	0	0	0
457,987	492,516	405,983	0	0	0
242,258	0	0	0	0	0
3,987,708	3,608,149	3,480,554	2,825,684	2,483,146	2,105,237
584,486	761,571	929,730	924,303	1,318,527	1,053,268
280,141	227,919	243,059	295,531	367,721	290,852
6,822,869	5,876,873	8,009,743	7,562,035	6,495,291	6,296,343
340,000	320,000	357,592	221,910	236,764	218,000
2,850,216	4,330,669	2,958,506	2,188,708	1,503,231	1,243,422
159,180	157,564	145,020	57,668	101,387	0
62,864	39,963	61,882	56,852	48,095	0
438,367	0	0	0	0	0
640,351	322,680	365,149	256,046	1,396,359	353,887
48,509,037	49,178,748	46,821,944	44,122,432	41,300,033	37,574,794
21,996,767	5,983,975	5,910,695	5,849,475	5,734,643	5,466,351
13,994,489	12,507,272	11,991,168	11,079,604	10,848,006	10,225,414
932,305	832,274	782,869	734,291	705,667	611,694
6,694,353	6,112,980	4,742,667	4,484,762	5,274,082	3,591,594
1,399,183	1,282,164	1,373,099	1,366,438	1,559,187	970,432
771,254	753,497	707,566	603,055	673,328	1,349,688
3,275,678	3,488,479	3,022,567	2,802,362	2,722,184	2,705,819
8,267,256	8,264,879	8,567,823	22,774,913	11,202,721	8,584,014
1,463,142	3,101,326	3,297,761	3,117,762	3,142,450	2,968,450
705,748	1,355,219	1,186,462	1,048,657	1,348,307	1,537,386
387,618	0	0	0	0	0
178,495	0	0	317,417	138,718	0
60,066,288	43,682,065	41,582,677	54,178,736	43,349,293	38,010,842
(11,557,251)	5,496,683	5,239,267	(10,056,304)	(2,049,260)	(436,048)
12,201	9,998	17,635	38,985	162,092	810,651
9,990,000	0	0	4,620,000	6,840,000	0
4,776	0	0	314,530	16,067	0
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
(9,814,657)	0	0	0	(6,717,348)	0
1,966,471	11,961,714	3,846,676	4,217,078	10,766,761	2,369,281
(1,966,471)	(11,828,276)	(3,704,801)	(4,083,640)	(10,608,011)	(2,202,093)
192,320	143,436	159,510	5,106,953	1,063,440	1,180,195
(\$11,364,931)	\$5,640,119	\$5,398,777	(\$4,949,351)	(\$985,820)	\$744,147
4.9%	12.0%	13.2%	9.5%	13.0%	16.9%

City of Westlake, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Collection Years

	2012	2011	2010	2009
Unvoted Millage				
Operating	\$1.50000	\$1.40000	\$1.40000	\$1.40000
Debt	0.00000	0.10000	0.10000	0.10000
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	6.52000	6.60000	6.60000	6.60000
1982 Bond (\$3,200,000)	0.00000	0.00000	0.00000	0.00000
1988 Bond (\$6,000,000)	0.00000	0.00000	0.00000	0.00000
2001 Charter Police and Fire Operating	0.90000	0.90000	0.90000	0.90000
<i>Total Voted Millage by Type of Property</i>	<u>7.42000</u>	<u>7.50000</u>	<u>7.50000</u>	<u>7.50000</u>
<i>Total Millage</i>	<u><u>\$9.52000</u></u>	<u><u>\$9.60000</u></u>	<u><u>\$9.60000</u></u>	<u><u>\$9.60000</u></u>
Overlapping Rates by Taxing District				
<i>Westlake City School District</i>				
General Business and Public Utility Personal	\$70.10000	\$70.10000	\$70.10000	\$66.50000
Residential/Agricultural Real	37.25843	36.76906	36.66812	31.74549
Commercial/Industrial and Public Utility Real	39.15236	39.11334	38.60543	35.26262
<i>Westlake Porter Library</i>				
Operating - continuing				
General Business and Public Utility Personal	2.80000	2.80000	2.80000	2.80000
Residential/Agricultural Real	2.80000	2.80000	2.79970	2.80000
Commercial/Industrial and Public Utility Real	2.80000	2.80000	2.77368	2.80000
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	13.22000	13.22000	13.32000	13.32000
Residential/Agricultural Real	13.22000	13.11822	13.18662	12.66073
Commercial/Industrial and Public Utility Real	12.99676	12.78454	12.84125	12.81530
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	5.08000	5.08000	5.08000	4.78000
Residential/Agricultural Real	5.06349	5.00415	4.98989	4.15975
Commercial/Industrial and Public Utility Real	4.96214	4.86484	4.84497	4.39124

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) Cleveland Metro Parks, Port Authority, Cuyahoga Community College

Source: Cuyahoga County Fiscal Officer

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.

2008	2007	2006	2005	2004	2003
\$1.00000	\$1.00000	\$1.00000	\$1.60000	\$1.50000	\$1.50000
0.50000	0.50000	0.50000	0.50000	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	2.10000	2.70000	2.70000	2.70000
6.60000	6.60000	6.60000	6.00000	6.00000	6.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.20000
0.20000	0.30000	0.40000	0.50000	0.50000	0.50000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
7.70000	7.80000	7.90000	7.40000	7.40000	7.60000
\$9.80000	\$9.90000	\$10.00000	\$10.10000	\$10.10000	\$10.30000

\$66.50000	\$66.50000	\$60.80000	\$60.70000	\$61.00000	\$61.20000
31.72675	31.72802	27.95490	27.86250	28.14620	29.99600
35.20358	34.98604	31.29490	30.80390	31.52690	32.83400

2.50000	2.50000	2.50000	2.50000	2.50000	2.00000
2.12764	2.12775	2.29980	2.30070	2.29880	1.79720
2.23154	2.21376	2.37790	2.33610	2.38140	1.66750

13.42000	13.42000	13.52000	13.52000	13.52000	11.72000
11.86887	11.86549	11.72270	10.97540	10.98990	9.76420
12.45356	12.49410	12.57620	11.98460	12.04330	10.12350

4.78000	4.78000	4.78000	4.78000	4.48000	4.48000
4.15898	4.15762	4.29650	4.29490	3.61900	3.97250
4.37987	4.39621	4.55520	4.51750	4.00960	4.09760

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		Assessed Values	Estimated Actual Value
2012	\$967,001,100	\$378,135,350	\$0	\$3,843,247,000	\$19,742,750	\$22,434,943
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

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 2012, 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: Office of the County Fiscal Officer, Cuyahoga County, Ohio

Tangible Personal Property					
General Business		Total			Direct Tax Rate
Assessed Values	Estimated Actual Value	Assessed Values	Estimated Actual Value	Ratio	
\$0	\$0	\$1,364,879,200	\$3,865,681,943	35.31 %	\$9.52
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

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>
2012	\$13,263,978	\$12,477,531	94.07 %	\$368,459	\$12,845,990	96.85 %
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

Source: Cuyahoga County Fiscal Officer

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

2012 and 2003

Taxpayer	2012	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Toledo-Lucas County Port Authority (Crocker Park)	\$42,010,220	3.08%
St John Medical Center	19,326,890	1.42
Cleveland Electric Illuminating Company	17,833,930	1.31
Promenade Delaware LLC	12,181,550	0.89
Crocker Park LLC	11,015,610	0.81
Energizer Battery Manufacturing, Incorporated	7,101,510	0.52
Sturbridge Square Apartments	6,531,850	0.48
Remington Apartments NF LLC	6,499,330	0.48
ARC Westlake Village, Inc	6,068,230	0.44
BCM Westlake, LLC	5,659,650	0.40
Total	\$134,228,770	9.83%
Total Assessed Valuation	\$1,364,879,200	
Taxpayer	2003	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$12,212,940	1.03%
Westlake Center Associates	9,030,950	0.76
King James Park Ltd	8,963,080	0.75
University Hospital Health Systems	7,632,210	0.64
Cleveland Retirement Properties, LLC	7,426,370	0.62
Eveready Battery Company	7,381,190	0.62
Remington - CP & F, Incorporated	5,901,670	0.50
J G Westlake Hotel	5,887,390	0.50
Ohio Bell Telephone Company	5,817,740	0.49
Sturbridge Square Apartments	5,507,220	0.46
Total	\$75,760,760	6.37%
Total Assessed Valuation	\$1,188,846,372	

Source: Cuyahoga County Fiscal Officer

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
2012	1.50 %	\$22,443,194	\$16,832,396	75 %	\$2,917,615	13 %	\$2,693,183	12 %
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

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

2011 (1)

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,713	30.84 %	\$36,132,556	2.96 %
25,000-49,999	2,139	17.77	79,334,129	6.50
50,000-74,999	1,728	14.35	106,579,470	8.74
75,000-99,999	1,086	9.02	94,120,326	7.72
Over 100,000	<u>3,373</u>	28.02	<u>903,474,713</u>	74.08
Total	<u>12,039</u>		<u>\$1,219,641,194</u>	

2002

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-19,999	3,294	28.04 %	\$25,396,943	3.00 %
20,000-49,999	3,082	26.24	107,176,144	12.67
50,000-74,999	1,699	14.46	104,556,114	12.36
75,000-99,999	1,173	9.99	101,787,972	12.03
Over 100,000	<u>2,498</u>	21.27	<u>507,296,130</u>	59.94
Total	<u>11,746</u>		<u>\$846,213,303</u>	

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

(1) As of December 31, 2012, 2012 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
2012	\$14,866,286	\$4,142,704	\$0	\$504,189	\$8,228	\$19,521,407
2011	16,544,639	4,446,110	0	564,950	10,918	21,566,617
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

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S28 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S28 for population data.

<u>Percentage of Personal Income (1)</u>	<u>Per Capita (2)</u>
1.41%	\$596
1.61	659
1.88	695
2.21	817
1.54	570
1.67	619
1.99	739
2.26	838
2.26	837
2.85	1,057

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
2012	32,729	\$3,865,681,943	\$14,866,286	0.38%	\$454
2011	32,729	3,882,011,730	16,544,639	0.43	506
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

Source:

- (1) See S28 for population data.
- (2) See S14-15 for taxable property value data.

Note:

Although the debt service fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Westlake, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2012

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Westlake
Direct Debt			
City of Westlake			
General Obligation Bonds	\$14,866,286	100.00%	\$14,866,286
Special Assessment Bonds	4,142,704	100.00	4,142,704
Capital Lease	8,228	100.00	8,228
OPWC Loans	504,189	100.00	504,189
Total Direct Debt	19,521,407		19,521,407
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County General Obligation Bonds	352,896,785	4.94	17,433,101
Regional Transit Authority General Obligation Bonds	134,123,371	4.94	6,625,695
Westlake City School District Bonds	101,140,688	100.00	101,140,688
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	441,559,586	4.94	21,813,044
Cuyahoga County Capital Leases	98,268,690	4.94	4,854,473
Cuyahoga County Loans	7,269,902	4.94	359,133
Regional Transit Authority Capital Lease	17,793,437	4.94	878,996
Westlake City School District Capital Leases	156,025	100.00	156,025
Total Overlapping Debt	1,153,208,484		153,261,155
Total	\$1,172,729,891		\$172,782,562

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 2012 collection year.

City of Westlake, Ohio

Legal Debt Margin

Last Ten Years

	2012	2011	2010	2009
General Bonded Debt Outstanding:				
General Obligation Bonds	\$14,635,000	\$16,290,000	\$10,315,000	\$11,294,268
Special Assessment Bonds	3,910,000	4,200,000	4,490,000	4,775,000
Bond Anticipation Notes	0	0	9,300,000	9,300,000
OPWC Loans	504,189	564,950	625,711	686,472
Total	<u>19,049,189</u>	<u>21,054,950</u>	<u>24,730,711</u>	<u>26,055,740</u>
 Assessed Property Value	 <u>1,364,879,200</u>	 <u>1,369,783,370</u>	 <u>1,364,439,460</u>	 <u>1,411,069,733</u>
Less:				
Special Assessment Bonds	(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)
General Obligation Bond Retirement Fund Balance	(553,220)	(723,548)	(854,116)	(1,352,542)
Issue 11 Bond Retirement Fund Balance	<u>(151,190)</u>	<u>(148,505)</u>	<u>(35,000)</u>	<u>(35,000)</u>
Total Net Debt Applicable to Debt Limit	<u>14,434,779</u>	<u>15,982,897</u>	<u>19,351,595</u>	<u>19,893,198</u>
 Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	<u>143,312,316</u>	<u>143,827,254</u>	<u>143,266,143</u>	<u>148,162,322</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$128,877,537</u>	<u>\$127,844,357</u>	<u>\$123,914,548</u>	<u>\$128,269,124</u>
Legal Debt Margin as a Percentage of the Debt Limit	89.93%	88.89%	86.49%	86.57%
 Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	<u>\$75,068,356</u>	<u>\$75,338,085</u>	<u>\$75,044,170</u>	<u>\$77,608,835</u>
Net Unvoted Indebtedness Authorized by Council	11,715,000	11,715,000	5,815,000	6,550,250
Less:				
Special Assessment Bonds	(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)
General Obligation Bond Retirement Fund Balance	(553,220)	(723,548)	(854,116)	(1,352,542)
Issue 11 Bond Retirement Fund Balance	<u>(151,190)</u>	<u>(148,505)</u>	<u>(35,000)</u>	<u>(35,000)</u>
Net Debt Within 5 1/2% Limitations	<u>7,100,590</u>	<u>6,642,947</u>	<u>435,884</u>	<u>387,708</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$67,967,766</u>	<u>\$68,695,138</u>	<u>\$74,608,286</u>	<u>\$77,221,127</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	90.54%	91.18%	99.42%	99.50%

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

2008	2007	2006	2005	2004	2003
\$12,220,250	\$12,425,000	\$14,965,000	\$17,925,000	\$19,808,197	\$24,399,174
5,075,000	5,415,000	5,735,000	6,012,000	1,584,090	(218,000)
0	0	0	0	4,367,000	7,200,000
747,233	807,993	868,754	929,515	990,277	406,848
18,042,483	18,647,993	21,568,754	24,866,515	26,749,564	31,788,022
1,408,619,680	1,444,205,326	1,309,813,860	1,296,663,187	1,271,722,672	1,188,846,372
(5,075,000)	(5,415,000)	(5,735,000)	(6,012,000)	(1,584,090)	(1,781,000)
(1,710,602)	(1,628,522)	(1,647,158)	(1,619,632)	(1,434,979)	(1,164,701)
(35,000)	(35,000)	(333,073)	(320,851)	(264,921)	(424,437)
11,221,881	11,569,471	13,853,523	16,914,032	23,465,574	28,417,884
147,905,066	151,641,559	137,530,455	136,149,635	133,530,881	124,828,869
\$136,683,185	\$140,072,088	\$123,676,932	\$119,235,603	\$110,065,307	\$96,410,985
92.41%	92.37%	89.93%	87.58%	82.43%	77.23%
\$77,474,082	\$79,431,293	\$72,039,762	\$71,316,475	\$69,944,747	\$65,386,550
7,983,151	9,043,912	10,041,673	13,461,515	15,049,564	21,852,022
(5,075,000)	(5,415,000)	(5,735,000)	(6,012,000)	(1,584,090)	(1,781,000)
(1,710,602)	(1,628,522)	(1,647,158)	(1,619,632)	(1,434,979)	(1,164,701)
(35,000)	(35,000)	(333,073)	(320,851)	(264,921)	(424,437)
1,162,549	1,965,390	2,326,442	5,509,032	11,765,574	18,481,884
\$76,311,533	\$77,465,903	\$69,713,320	\$65,807,443	\$58,179,173	\$46,904,666
98.50%	97.53%	96.77%	92.28%	83.18%	71.73%

City of Westlake, Ohio

Principal Employers

2012 and 2003

2012		
Employer	Employees	Percentage of Total City Employment
St. John Medical Center	1,383	5.38 %
Hyland Software	1,195	4.65
Westlake City Schools	559	2.17
City of Westlake	441	1.71
Travel Centers of America	361	1.40
Lutheran Home @ Concord Reserve	350	1.36
Energizer	348	1.35
Lake Erie Electric	296	1.15
Rae Ann Skilled Nursing & Rehabilitation	267	1.04
University Hospitals	215	0.84
Total	5,415	21.05 %
Total City Employment	25,724	

2003		
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	

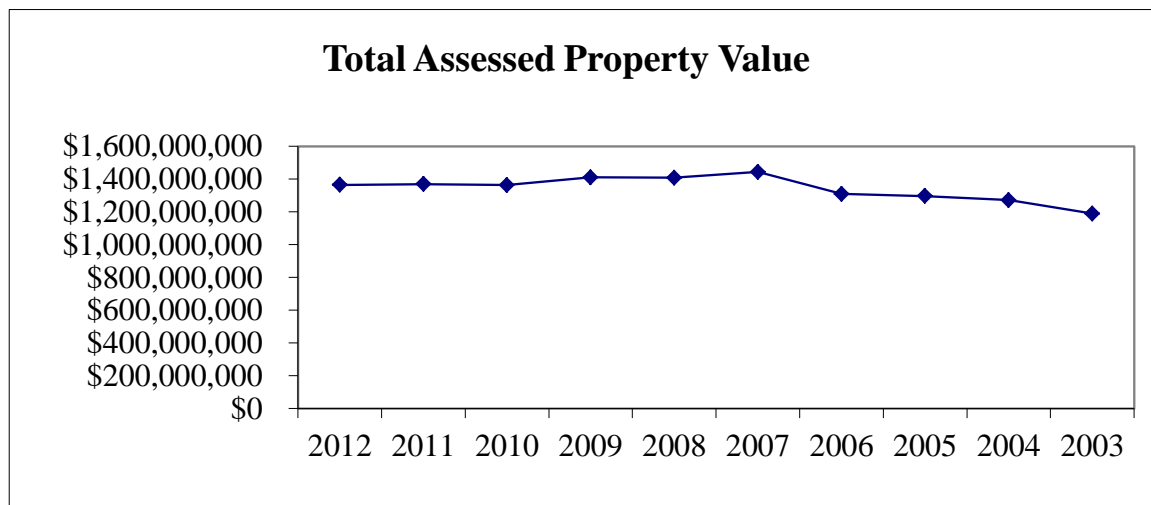
Source: City of Westlake, Ohio, Department of Planning of Economic Development - amounts are estimates. Total City employment based upon estimate from the Regional Regional Income Tax Authority 2012 withholding information.

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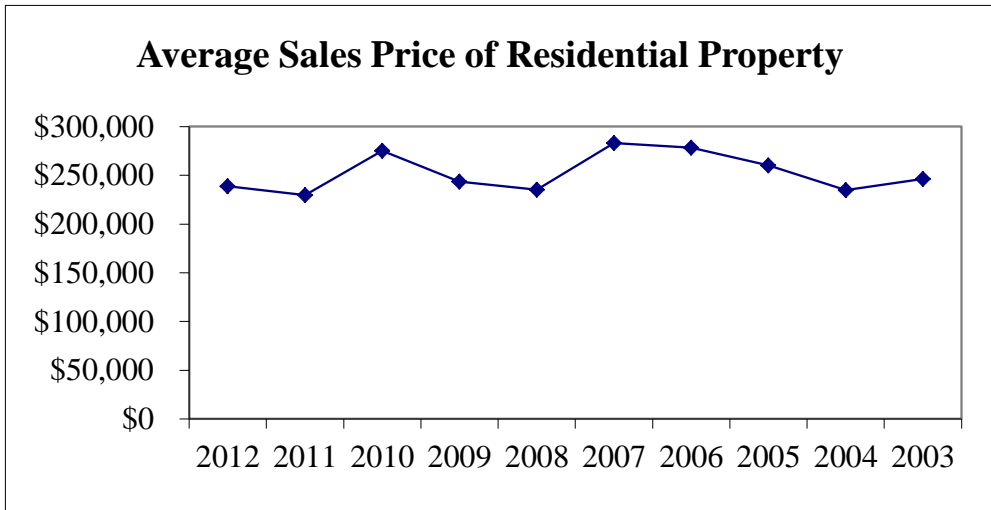
City of Westlake, Ohio
Demographic and Economic Statistics
Last Ten Years

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)
2012	32,729	\$1,387,447,768	\$42,392	\$71,974	45.0	50.1 %
2011	32,729	1,336,259,612	40,828	68,282	45.0	56.2
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

- (1) Source: U. S. Census, Census of population
 - (a) 2010 - 2012: 2010 Federal Census
 - (a) 2003 - 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) Ohio Labor Market Information
- (5) Source: Cuyahoga County Fiscal Officer
- (6) Computation of per capita personal income divided by population



School Enrollment (2)	City's Unemployment Rate (3) (4)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
3,984	4.8 % c	\$238,598	\$1,364,879,200
4,043	5.5 c	229,714	1,369,783,370
4,051	6.3 c	275,057	1,364,439,460
4,019	7.2 c	243,455	1,411,069,733
4,019	5.5 c	235,186	1,408,619,680
4,079	4.5 c	282,950	1,444,205,326
4,110	4.1 c	278,319	1,309,813,860
4,020	3.8 c	260,137	1,296,663,187
3,921	4.0 c	234,884	1,271,722,672
3,885	3.8 c	246,325	1,188,846,372



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

<u>Function/program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government:					
Council	4.5	4.5	4.5	4.5	4.5
Mayor	2.0	2.0	1.0	2.0	2.0
Finance	5.8	5.8	5.8	6.0	6.5
Information Technology	2.5	3.0	2.0	2.0	3.0
Law	6.5	6.5	6.5	6.5	6.5
Purchasing/Adm. Services	3.5	3.5	4.0	3.0	3.0
Communication	1.0	1.0	2.0	2.0	2.0
Human Resources	0.0	0.0	0.0	0.0	1.0
Planning	4.5	5.0	4.5	5.5	6.0
Safety Town	2.0	1.5	1.5	1.5	1.5
Central Dispatch	13.0	11.5	12.5	12.5	12.5
Police/Fire Operating Levy	16.0	18.0	20.0	20.0	20.0
Engineering	12.5	12.5	13.0	11.5	12.5
Inspection	10.0	9.5	9.5	9.5	9.5
Security of Persons and Property:					
Police	79.0	76.0	80.5	85.0	87.0
Fire	40.0	35.0	37.5	38.0	40.0
Recreation:					
Administration	3.0	4.5	5.0	4.5	4.5
Swimming Pool	44.5	46.0	44.0	46.5	50.0
Recreation Center	94.0	100.0	70.0	67.0	62.5
Golf Course	10.5	14.0	10.5	12.0	12.0
Senior/Community Services	15.5	15.5	14.5	14.0	13.5
Service:					
Administration	2.0	2.0	2.0	2.0	2.0
Building Maintenance	1.5	1.5	1.5	1.0	1.0
City Services	47.0	41.5	40.0	37.5	40.5
Sanitary/Storm Drainage	6.8	8.8	8.8	9.0	8.0
Rubbish/Recycling	0.0	0.0	0.0	0.0	0.0
Parks	4.0	4.5	4.5	5.0	6.0
Forester	5.0	4.0	4.0	5.0	5.0
Street Maintenance	2.0	3.0	4.0	4.0	5.5
Cemetery	1.0	1.0	1.0	2.0	2.5
Miscellaneous	1.0	1.0	1.0	1.0	1.0
Totals:	<u>440.6</u>	<u>442.6</u>	<u>415.6</u>	<u>420.0</u>	<u>431.5</u>

Source: City of Westlake, Ohio 2003-2012 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.

2007	2006	2005	2004	2003
5.0	5.0	5.0	5.0	5.0
2.0	2.0	2.0	2.0	2.0
6.5	8.0	7.0	7.0	6.5
2.5	0.0	0.0	0.0	0.0
6.5	6.5	7.0	7.0	7.5
3.0	3.5	3.0	3.5	3.0
1.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
4.5	4.5	4.5	4.5	4.5
1.5	1.5	1.5	1.5	1.5
12.5	12.5	14.0	0.0	0.0
20.0	28.0	16.0	16.0	16.0
12.5	11.5	12.5	12.5	13.0
9.5	10.5	11.5	11.5	10.5
85.5	75.5	87.0	82.0	83.5
39.0	36.0	40.5	40.0	40.5
4.0	4.0	5.0	4.0	5.0
51.5	51.5	44.5	58.0	45.0
62.5	65.0	64.0	56.0	70.5
13.0	12.5	16.5	15.5	17.0
11.5	11.5	12.0	11.5	11.0
2.5	2.5	2.5	2.5	2.5
1.0	1.0	1.0	1.0	1.5
36.5	34.5	37.5	36.5	33.5
7.0	7.5	6.5	7.5	7.0
0.0	0.0	0.0	0.0	0.0
6.0	6.0	6.5	7.0	4.0
5.0	5.0	5.0	5.0	5.0
7.5	7.5	6.0	7.0	7.5
2.5	2.5	1.0	1.5	2.5
3.0	2.5	4.0	3.5	3.5
<u>425.0</u>	<u>418.5</u>	<u>423.5</u>	<u>409.0</u>	<u>409.0</u>

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

Function/program	2012	2011	2010	2009
General Government				
Construction Permits Issued (2)	1,471	1,247	1,247	1,172
Estimated Value of Construction (2)	\$144,334,087	\$61,334,146	\$29,719,620	\$37,905,420
Economic Development Projects approved (square feet) (3)	937,338	451,454	20,096	160,308
Number of Planning Commission docket items (3)	96	87	82	82
Sewer Bills mailed (1)	36,811	36,196	35,752	35,477
Purchase Orders Issued (4)	2,618	2,776	2,777	2,879
Number of new litigations filed (5)	5	5	8	8
Number of pending litigations (5)	9	9	16	11
Police (6)				
Total Arrests	5,806	5,906	6,424	6,227
Part 1 Offenses (major offenses such as murder and theft)	507	594	598	585
DUI Arrests	246	185	215	232
Prisoners	1,273	1,203	1,294	1,471
Motor Vehicle Accidents	755	733	750	687
Calls for Service	33,606	34,268	33,914	34,626
Fire (7)				
Emergency responses	4,267	4,364	4,318	4,134
Fire Safety Inspections/Re-Inspections	576	916	1,066	2,351
Fire Protection Systems Inspected	926	928	805	638
Building/Fire Protection Plan Review	272	289	240	278
Number of Community Programs	78	64	41	45
Public Service (8)				
Road Maintenance (man hours)*	2,813	3,324	3,416	3,429
Asphalt (hot/cold) used in road maintenance (tons)	280	660	396	313
Concrete used in road maintenance (yards)	349	301	280	330
Number of Trees Removed	417	262	274	360
Number of Trees Planted	186	224	162	217
Truckloads of leaves picked-up	1,387	1,200	1,450	1,538
Cubic Yards of leaf humus delivered/sold	8,213	7,744	5,443	6,622
Cubic Yards of wood chips delivered/sold	3,576	3,554	2,827	4,432
Tons of snow melting salt purchased	4,713	4,877	6,342	4,262
Cemetery Internments	32	44	35	49
Grave purchases/Internment payments	\$34,425	\$52,050	\$28,110	\$46,440
Recreation (9)				
Recreation Center attendance**	587,182	524,081	504,222	512,754
No. of Peterson Pool Memberships	591	611	548	537
Learn to Swim enrollment (Peterson Pool only)	901	826	784	832
Average daily golf revenue (June, July, & August)	\$2,047	\$2,031	\$2,363	\$2,689
Senior/Community Services (10)				
Number of Activities/Programs	143	122	122	138
Activity Trips	39	49	51	36
Number of Volunteers	387	108	175	200
Newsletters	7,579	9,600	10,400	9,600
Transports	5,211	6,419	6,434	6,431
Miles Transported	49,834	54,612	50,162	46,648
Donations, Center/Assistance/Prescriptions	\$33,966	\$29,125	\$27,385	\$27,172

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

2008	2007	2006	2005	2004	2003
1,262	1,452	1,369	1,449	1,481	1,272
\$51,180,020	\$70,874,423	\$105,706,757	\$91,821,553	\$153,837,378	\$88,110,510
108,103	118,321	347,398	413,432	538,835	626,268
117	113	127	115	140	105
38,687	43,236	42,880	44,100	43,508	42,257
3,391	3,327	4,129	3,903	3,960	4,228
7	4	0	11	4	17
11	2	9	7	15	21
6,253	6,163	5,580	6,206	6,219	7,220
486	614	605	679	592	495
246	301	231	353	266	264
1,259	1,296	1,220	1,363	1,340	1,188
761	810	741	815	810	780
33,040	32,042	30,706	32,233	33,342	33,349
4,320	4,250	4,155	4,258	3,987	3,980
1,627	1,304	1,485	994	291	132
521	963	891	534	330	437
412	375	466	500	457	353
84	79	100	100	80	75
8,947	9,679	9,296	8,432	10,760	8,480
770	380	413	1,341	755	808
344	386	564	486	866	421
305	209	260	262	193	291
245	273	151	170	260	208
1,229	1,303	1,664	1,643	1,621	1,726
7,180	8,472	7,188	7,546	5,817	5,977
4,404	4,152	3,725	4,400	6,605	1,106
6,842	7,665	2,418	9,377	7,972	7,686
46	55	46	41	54	49
\$51,330	\$56,505	\$38,885	\$33,445	\$42,365	\$27,875
517,171	378,003	402,253	395,495	386,937	388,020
828	831	275	346	873	1,000
943	1,061	1,001	1,112	1,015	1,300
\$2,968	\$3,108	\$3,100	\$3,429	\$3,209	\$3,127
102	96	80	77	68	n/a
47	47	59	66	52	47
145	177	174	152	134	194
10,400	9,600	13,000	n/a	13,995	13,995
6,194	7,884	8,573	8,386	8,807	8,595
54,319	58,860	60,972	62,892	53,979	56,376
\$51,298	\$33,282	\$54,984	\$50,083	\$39,431	\$17,932

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

Function/program	2012	2011	2010	2009
General Government				
Square Footage Occupied (1)	40,000	40,000	40,000	40,000
Engineering Vehicles (2)	11	10	12	12
Inspection Vehicles (2)	8	8	8	8
Other Departmental Vehicles (2)	7	7	7	4
Police				
Stations	1	1	1	1
Square Footage of Building (3)	25,000	25,000	25,000	25,000
Vehicles (2)	47	47	39	41
Fire				
Stations	2	2	2	2
Vehicles (2)	18	18	18	18
Other public works				
Streets (miles)	136	136	136	136
Number of Streetlights (per light bill)	3,298	3,297	3,297	15,074
Public Service Vehicles (5)	72	67	70	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	7
Senior/Community Services				
Vehicles (4)	7	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

2008	2007	2006	2005	2004	2003
40,000	40,000	40,000	40,000	40,000	40,000
12	14	10	9	9	12
8	8	8	9	9	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
43	39	39	35	35	38
2	2	2	2	2	2
19	18	18	18	20	20
136	136	136	135	135	135
15,068	15,057	14,918	14,888	14,622	14,407
65	64	60	57	57	67
5	5	5	5	5	5
1	1	1	1	1	1
102,000	102,000	102,000	84,000	84,000	84,000
6	7	7	7	7	7
6	6	6	6	5	5
122	122	122	121	121	121

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City of Westlake, Ohio

**Single Audit Reports
For the Year Ended December 31, 2012**

City of Westlake, Ohio

For the Year Ended December 31, 2012

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**Independent Auditor's 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, in accordance with the 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, 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2013, wherein we noted that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 63 and GASB Statement No. 65, as disclosed in Note 3.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ciuni & Parichi, Inc.

Cleveland, Ohio
June 26, 2013

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Members of the City Council
City of Westlake, Ohio

Report on Compliance for Each Major Federal Program

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, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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, 2012.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated, June 26, 2013, which contained unmodified opinions on those financial statements, wherein we noted the City adopted GASB Statement No. 63 and GASB Statement No. 65, as disclosed in Note 3. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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 basic financial statements. The information has been

Members of the City Council
City of Westlake, Ohio

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 basic financial statements or to the basic 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.

Cini & Parichi, Inc.

Cleveland, Ohio
June 26, 2013

City of Westlake, Ohio

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Grant or Pass-Through Number</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	CUY SR254 02.50	20.205	\$ 930,456	\$ 662,350
Highway Planning and Construction	CUY IR90 03.56	20.205	<u>55,567</u>	<u>63,802</u>
Total Highway Planning and Construction			<u>986,023</u>	<u>726,152</u>
Passed through the Northeast Ohio Areawide Coordinating Agency:				
Transportation for Livable Communities Initiative	TLCI-10-Westlake	20.205	<u>14,240</u>	<u>3,660</u>
Total U.S. Department of Transportation			<u>1,000,263</u>	<u>729,812</u>
U.S. Department of Energy:				
ARRA – Energy Efficiency and Conservation Block Grant	N/A	81.128	<u>56,900</u>	<u>8,259</u>
U.S. Department of Homeland Security:				
Assistance to Firefighters Grant	Lifepacks Grant	97.044	149,627	149,627
Assistance to Firefighters Grant	Radio Grant	97.044	<u>30,277</u>	<u>-</u>
Total Assistance to Firefighters Grant			<u>179,904</u>	<u>149,627</u>
Total Federal Assistance			\$ <u>1,237,067</u>	\$ <u>887,698</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, 2012

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, 2012

1. Summary of Auditor's Results

(d)(I)(I)	Type of Financial Statement Opinion	Unmodified
(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	Unmodified
(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
(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.



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
AUGUST 29, 2013**