



Dave Yost • Auditor of State

CITY OF SOLON
CUYAHOGA COUNTY

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Dave Yost • Auditor of State

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

City of Solon
Cuyahoga County
34200 Bainbridge Road
Solon, Ohio 44139

To the Members of Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 27, 2012.

We intend this report solely for the information and use of management, the audit committee, City Council, and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 27, 2012



City Of Solon, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For The Year Ended December 31, 2011



City Of Solon, Ohio

INTRODUCTORY SECTION

Comprehensive Annual Financial Report

City of Solon, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

*Prepared by the Department of
Finance*

*Dennis G. Kennedy, CPA
Director of Finance*

City of Solon, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011
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The City of Solon
CITY HALL

34200 Bainbridge Road
Solon, OH 44139-2955
Phone: (440) 248-1155
Fax: (440) 349-6322

June 27, 2012

Residents of the City of Solon
Honorable Mayor Susan A. Drucker and
Members of Solon City Council:

It is my privilege to present to you the City of Solon's (the City) Comprehensive Annual Financial Report (CAFR). This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principle (GAAP) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of year end.

Management assumes full responsibility for 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.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm.

For the year 2011, the City of Solon was audited by the Auditor of State's Office. Their unqualified opinion is included in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Accountants' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

REPORTING ENTITY

The City of Solon is located in the southeast corner of Cuyahoga County about 15 miles southeast of downtown Cleveland. It was originally organized as a township around 1825, and became a village in 1938. On November 2, 1954, the voters of Solon approved a charter. Then, in 1960, Solon became a city.

The form of government established by the Charter is the Mayor/Council type. There are seven City Council members; each is elected from a ward, for a term of four years. The Mayor's term is also four years. The Mayor appoints all department directors, some with the required confirmation of City Council.

Pursuant to Governmental Accounting Standards Board Statement No. 14, the City of Solon has included in this report all funds, agencies, boards and commissions for which the City is financially accountable.

CITY SERVICES

The City of Solon provides a full range of services to its citizens. The police protection services include patrol, investigations, jail facilities, drug resistance programs and safety schools. The fire protection service includes regular safety inspections, emergency medical (paramedic) services and fire safety education. In addition, the City has a very active service department that provides free refuse, leaf and brush pickup, recycling, road maintenance and repair, storm sewer maintenance and repair, two cemeteries and various other service department activities. The Recreation Department sponsors a full range of activities from its headquarters in the City's new Community Center, as does the Senior Services Department from the Senior Center wing of the new Community Center.

Solon has two enterprise operations. They are the Grantwood Recreation Park/Golf Course and the Water Reclamation (formerly wastewater) funds. The operating expenses of both of these activities have been, and continue to be, covered by user fees.

The administrative functions include planning and zoning, economic development, building permits and inspection, engineering, human resources, financial and municipal income tax administration.

In 2011, the City assumed responsibility for billing and collection of fees associated with maintenance of the storm and sanitary sewer system for residents and businesses. This function was previously performed by the City of Cleveland Division of Water. The City's intention in assuming primary responsibility for sewer service billing was to reduce outstanding delinquencies and to improve the level of customer service for Solon constituents. This activity is accounted for in the Water Reclamation Fund.

The Council is required to adopt a final annual budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City of Solon's financial planning and control. The budget is prepared by fund, function and department (personal services and other). Department heads may transfer resources with a department as they see fit. Transfers between departments, however, need special approval from the governing council.

ECONOMIC CONDITION AND OUTLOOK

Based on our City income tax receipts, the local economy seems to continue on the path of recovery from the recession that caused tax receipts to decline significantly in 2009. City income tax receipts for 2011 were \$38.7 million compared to \$37.5 million in 2010 and \$34.0 million in 2009. Through the first four monthly collections in 2012, it appears that total 2012 income tax revenue is on track to meet the 2012 budgeted estimate of \$38 million.

The success of our economic development program and the attractiveness of our City and services to members of the business community were rewarded in 2011 with the highest level of municipal income tax collections in the City's history. Our net income tax collections in 2011 were \$38.7 million, an amount which is indicative of the financial strength of our business community and their resilience to the crushing impact of the most recent recession and the strong presence Solon maintains in Northeast Ohio as a leader in retail and industry.

In addition, there were 137 industrial building permits issued for additions or remodeling to existing buildings for a total of \$4.6 million in market value, 64 permits for retail and commercial alterations with a value of \$3.9 million.

Solon is still very active with economic development packages for industry. The most common incentive agreement is the Job Creation Grant program. As of December 31, 2011, the City had 20 active agreements. Under this program, the company receives a grant from part of the municipal withholding tax paid to the City on a newly created job. The City also has one active enterprise zone agreement and one Community Reinvestment Area agreement.

Although the City has been growing rapidly since the 1960's, there is still some land available for new industry and business. The Planning Department estimates over 300 acres are presently available for industrial development.

With respect to finances, the City has successfully negotiated through a very difficult economic climate and has instituted strict budgetary controls that have allowed staff to continue to maintain and expand services. Challenges the City has faced with respect to the continued decline of funds we receive from the State and limited growth in property tax revenue due to the strain on the current housing market, have been offset by belt tightening and improving the level of investment in the City's economic development program.

LONG-TERM FINANCIAL PLANNING

The City's Administration and Council have a long established policy of maintaining a five year plan for personnel and capital expenditures. It is updated by the administration and reviewed every year by the Council Finance Committee during annual budget hearings.

Included in the five year plan is a schedule of infrastructure projects to be paid from the Infrastructure Capital Improvement Fund. This fund receives one half of one percent of City income tax as a result of a voter approved levy.

Capital expenditures for new buildings, vehicles and equipment are also included in the five year plan. This enables a discussion on financing these items two or three years before they are needed.

The City continues to use its reserve resources efficiently and effectively. In 2012, City leaders will consider action to eliminate approximately \$3.8 million in outstanding general obligation debt through an allocation of cash reserves. Reduction of debt is conducive to a long-term position of financial fortitude and helps maintain the City's current outstanding bond rating.

RELEVANT FINANCIAL POLICIES

The City has maintained a policy of balancing the budget with estimated current revenues for several years. This policy has enabled the City to build-up its cash reserves in the past for situations like the shortfall in income tax receipts experienced in 2009. In 2007, the City adopted a "General Fund Cash Reserve Policy" listing the uses of cash reserves.

The City has also been able to maintain a plan to minimize its debt. During the past ten years, \$6 million in cash reserves were used to pay for the Service Garage expansion and \$6 million for part of the new Community Center. In 2007, \$3 million in cash reserves were used to redeem or call the outstanding bonds on the 1993 City Hall Bond issue eight years ahead of schedule. In 2009, \$1.3 million in cash reserves were used to redeem or call 2/3rds of the City's outstanding library construction bonds 6 years ahead of schedule. The bonds were extinguished at par value and there was no gain or loss to be calculated. In 2010, the City redeemed \$4.7 million in Bond Anticipation Notes issued for the construction of Fire Station No. 3 and the reconstruction of Fire Station No. 2.

MAJOR INITIATIVES

The \$14 million Bainbridge Road reconstruction project began in 2010 and the majority of the scope of work was completed in 2011. This project is being funded with a stimulus grant received by Cuyahoga County.

The City also was awarded a \$6 million grant from the Northeast Ohio Areawide Coordinating Agency (NOACA) to upgrade or replace all 46 traffic signals throughout Solon. Funds for this project were provided from the NOACA congestion mitigation and air quality improvement program.

In addition, work continued in 2011 on the \$5.9 million anaerobic digester at the City's Water Reclamation Plant. The preliminary estimates on the project are \$5.9 million, and an Ohio EPA loan will be secured to pay for it. The loan will be repaid from sanitary sewer revenue. The City received grant funding in excess of \$211,000 from the Northeast Ohio Public Energy Council to assist in completing the upgrade.

The City dedicates over \$9 million annually to the upgrade, maintenance and improvement of street and sewer infrastructure in an effort to provide Solon residents and business partners the highest level of services possible.

The primary focus of the Administration and Council is to conduct operations as any successful chief executive officer or board of directors runs their business. It is imperative that the approach of Solon employees and elected officials remains centered on structured leadership and management principles that are designed to increase the City's efficiency as an entity and to improve the stewardship and accountability to the community.

Awards and Acknowledgements

Awards

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 Solon for its comprehensive annual financial report for the fiscal year ended December 31, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

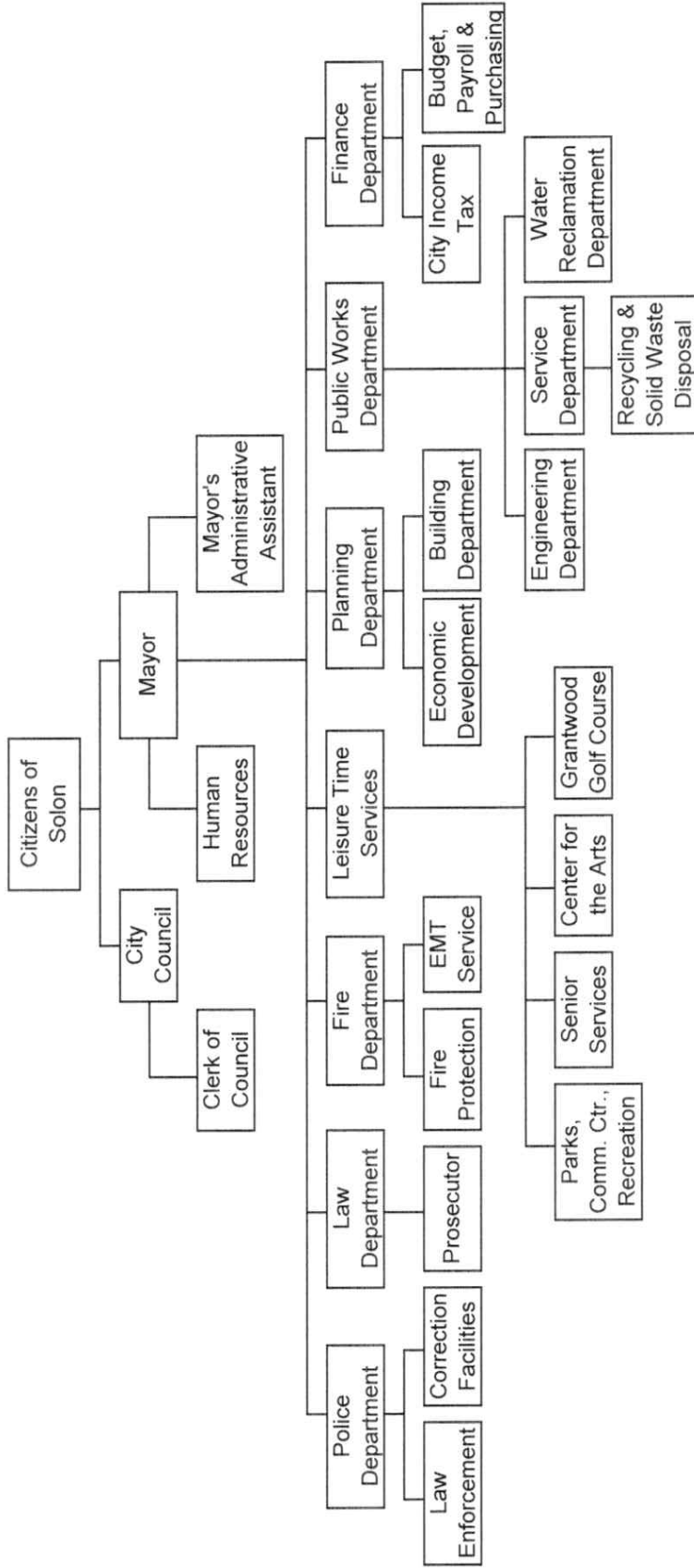
The preparation of this report would not be possible without the diligent and extra work by members of the Finance Department. I appreciate their efforts. In addition, my gratitude and compliments extend to the Auditor of State's Section of Local Government Services who helped us with this report. Finally, a thank you to Mayor Susan A. Drucker and the members of City Council is in order for their continued support of preparing a Comprehensive Annual Financial Report.

Respectfully submitted,



Dennis G. Kennedy, CPA
Director of Finance

**CITY OF SOLON
Organizational Chart
December 31, 2011**



City of Solon, Ohio

Principal Officials

December 31, 2011

Elected Officials

Susan A. Drucker Mayor

City Council

Richard A. Bell..... Ward 1

Robert N. Pelunis Ward 2

Toni M. Richmond Ward 3

William D. Mooney Ward 4

Nancy E. Meany Ward 5

Edward H. Kraus Ward 6 (Vice Mayor)

William I. Russo.....Ward 7

Carol J. McConoughey Clerk of Council (appointed)

Appointed Officials

Thomas G. Lobe..... Director of Law

Dennis G. Kennedy Director of Finance

Christopher P. Viland Chief of Police

William J. Shaw Chief of Fire and Rescue

Robert S. Frankland Director of Planning

Donald W. Holub Director of Recreation

Jill K. Frankel..... Director of Senior Services

John J. Busch..... Director of Engineering

Thomas G. Bandiera Director of Service

Charles E. Boshane Building Commissioner

Paul J. Solanics..... Director of Water Reclamation

Thomas M. Cornhoff..... Director of Human Resources

Patricia A. Dawson..... Director of Information Technology

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Solon
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2010

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



Linda C. Sandson
President

Jeffrey L. Esser
Executive Director



City Of Solon, Ohio

FINANCIAL SECTION

Comprehensive Annual Financial Report



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Solon
Cuyahoga County
34200 Bainbridge Road
Solon, Ohio 44139

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Dave Yost
Auditor of State

June 27, 2012

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

The discussion and analysis of the City of Solon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole. To obtain a more detailed understanding, readers should also review the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Key Financial Highlights for 2011 are as follows:

- The City's net assets increased by over \$5 million during 2011 due mainly to an increase in municipal income tax collections and accounts receivable relating to sewer billings as well as to an increase in net capital assets. This increase was partially offset by an increase in total liabilities resulting from retainage and judgments payable on construction projects as well as the issuance of OWDA loan debt for the Anaerobic Digester/Electrical Upgrade project.
- The City's capital assets increased by over \$1 million. Most of the increase can be attributed to infrastructure related projects such as the Carter/Cochran Intersection project, the Bainbridge Road project and the Anaerobic Digester/Electrical Upgrade project. The increase in capital assets was partially offset by annual depreciation.
- The general fund had an increase in fund balance primarily due to an increase in withholding income taxes.
- General obligation debt decreased in 2011 due to annual debt service payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Solon's basic financial statements. The City of Solon's basic financial statements are comprised of these parts:

1. Management's Discussion and Analysis
2. Government-Wide Financial Statements
3. Fund Financial Statements
4. Notes to the Basic Financial Statements

In addition, this report also contains other supplementary information:

1. Transmittal Letter
2. Combining Statements
3. Individual Fund Schedules
4. Statistical and Demographic Data

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Solon's finances in a manner similar to private sector businesses. The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental

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

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 non-major funds presented in total in one column.

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

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

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

The government-wide financial statements can be found starting on page 13.

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 Solon, like all other state and local governments, uses fund accounting to ensure and demonstrate compliance with legal requirements. All of the funds of the City of Solon can be divided into three categories: governmental, proprietary and fiduciary.

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 the 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.

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

The City of Solon maintains 27 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the government funds statement of revenue, expenditures, and changes in fund balances for the general fund, general obligation bond retirement fund and the infrastructure capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into single, aggregate presentation. Individual fund data for each of these non-major government funds is provided in the form of combining statements elsewhere in this report.

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

PROPRIETARY FUNDS – use the same basis of accounting as business-type activities. The City of Solon has two enterprise operations and one internal service fund under the proprietary fund classification. They are the water reclamation (wastewater) operation and Grantwood (golf course) recreation and the internal service fund accounting for self-insured workers' compensation claims.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 21 to 24.

FIDUCIARY FUNDS – are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Solon's own programs.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The City implemented GASB 54 in 2010. Please see the notes to the basic financial statements concerning data reporting this change and the further clarification of fund balances. The notes to the basic financial statements can be found on pages 26 to 58.

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 non-major funds are presented, as well as individual detailed budgetary comparisons for all non-major funds. This information can be found starting on page 60.

Government-Wide Financial Analysis

The Statement of Net Assets and the Statement of Activities provide an overall view of the City of Solon. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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

The City of Solon as a Whole

The following provides a summary of the City's net assets for the City as a whole for 2011 compared to 2010:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$51,328,128	\$47,036,472	\$7,664,894	\$5,503,091	\$58,993,022	\$52,539,563
Capital Assets, Net	121,672,262	122,970,018	65,140,173	62,719,768	186,812,435	185,689,786
<i>Total Assets</i>	<u>173,000,390</u>	<u>170,006,490</u>	<u>72,805,067</u>	<u>68,222,859</u>	<u>245,805,457</u>	<u>238,229,349</u>
Liabilities						
Current Liabilities	8,597,649	6,199,750	441,883	314,645	9,039,532	6,514,395
Long-term Liabilities						
Due within one Year	2,695,063	3,152,406	1,920,251	1,776,133	4,615,314	4,928,539
Due in More than one Year	15,355,462	17,048,278	10,778,204	8,848,330	26,133,666	25,896,608
<i>Total Liabilities</i>	<u>26,648,174</u>	<u>26,400,434</u>	<u>13,140,338</u>	<u>10,939,108</u>	<u>39,788,512</u>	<u>37,339,542</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	116,112,789	117,330,135	52,758,649	52,548,182	168,871,438	169,878,317
Restricted for:						
Capital Projects	6,925,143	5,006,205	0	0	6,925,143	5,006,205
Debt Service	7,219,254	7,642,496	0	0	7,219,254	7,642,496
Other Purposes	2,813,897	3,019,958	0	0	2,813,897	3,019,958
Unrestricted	13,281,133	10,607,262	6,906,080	4,735,569	20,187,213	15,342,831
<i>Total Net Assets</i>	<u>\$146,352,216</u>	<u>\$143,606,056</u>	<u>\$59,664,729</u>	<u>\$57,283,751</u>	<u>\$206,016,945</u>	<u>\$200,889,807</u>

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Total current and other assets for governmental activities increased due to an increase in cash and cash equivalents. Net capital assets for governmental activities decreased due to annual depreciation being charged. This decrease was partially offset by capital asset additions in all categories except for land improvements. The increase in total liabilities was due to retainage payable on various construction projects as well as judgments payable resulting from a construction settlement with one of the City's contractors. The increase in total liabilities was largely offset by the continued pay-down of bonded debt, OWDA loans and OPWC loans.

Total assets for business-type activities increased due to an increase in charges for services revenue relating to sewer billings as well as to an increase in net capital assets. The increase in net capital assets was the result of additions to construction in progress for the anaerobic digester/electrical upgrade project. Total liabilities for business-type activities increased due to the issuance of an OWDA loan for the anaerobic digester/electrical upgrade project. This increase in total liabilities was partially offset by the annual pay-down on debt for the City's water reclamation facility.

Further details of the changes in net assets between 2011 and 2010 can be observed in Table 2.

(Table 2)
Changes in Net Assets

	Governmental Activities		Business -Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program Revenues						
Charges for Services	\$4,882,608	\$4,690,396	\$8,749,095	\$6,637,783	\$13,631,703	\$11,328,179
Operating Grants and Contributions	1,407,239	1,512,849	158,528	0	1,565,767	1,512,849
Capital Grants and Assessments	149,004	241,789	0	0	149,004	241,789
<i>Total Program Revenues</i>	<u>6,438,851</u>	<u>6,445,034</u>	<u>8,907,623</u>	<u>6,637,783</u>	<u>15,346,474</u>	<u>13,082,817</u>
General Revenues						
Property Taxes	4,166,146	4,197,089	0	0	4,166,146	4,197,089
Municipal Income Taxes	38,674,227	37,526,783	0	0	38,674,227	37,526,783
Grants and Entitlements	1,846,601	1,772,443	0	0	1,846,601	1,772,443
Investment Income	607,074	895,577	0	0	607,074	895,577
Gain on Sale of Capital Assets	47,632	13,894	0	0	47,632	13,894
Miscellaneous	522,228	814,795	76,617	38,576	598,845	853,371
<i>Total General Revenues</i>	<u>45,863,908</u>	<u>45,220,581</u>	<u>76,617</u>	<u>38,576</u>	<u>45,940,525</u>	<u>45,259,157</u>
<i>Total Revenues</i>	<u>\$52,302,759</u>	<u>\$51,665,615</u>	<u>\$8,984,240</u>	<u>\$6,676,359</u>	<u>\$61,286,999</u>	<u>\$58,341,974</u>

City of Solon, Ohio
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(Table 2)
Changes in Net Assets

	Governmental Activities		Business -Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program Expenses						
Security of Persons and Property						
Police	\$8,501,513	\$8,673,149	\$0	\$0	\$8,501,513	\$8,673,149
Fire	8,137,648	8,075,434	0	0	8,137,648	8,075,434
Prosecutor	258,477	255,132	0	0	258,477	255,132
Public Health and Welfare	85,571	81,915	0	0	85,571	81,915
Leisure Time Activities	6,594,011	6,347,442	0	0	6,594,011	6,347,442
Community Environment	2,793,632	2,994,824	0	0	2,793,632	2,994,824
Basic Utility Services	2,668,113	2,758,637	0	0	2,668,113	2,758,637
Transportation	14,847,835	10,227,176	0	0	14,847,835	10,227,176
General Government	5,426,644	4,592,923	0	0	5,426,644	4,592,923
Interest and Fiscal Charges	533,090	641,829	0	0	533,090	641,829
Water Reclamation	0	0	5,265,324	5,910,432	5,265,324	5,910,432
Grantwood Recreation	0	0	1,048,003	927,306	1,048,003	927,306
<i>Total Program Expenses</i>	<u>49,846,534</u>	<u>44,648,461</u>	<u>6,313,327</u>	<u>6,837,738</u>	<u>56,159,861</u>	<u>51,486,199</u>
<i>Excess (Deficiency) before Transfers</i>	2,456,225	7,017,154	2,670,913	(161,379)	5,127,138	6,855,775
Transfers	289,935	(214,075)	(289,935)	214,075	0	0
<i>Change in Net Assets</i>	<u>2,746,160</u>	<u>6,803,079</u>	<u>2,380,978</u>	<u>52,696</u>	<u>5,127,138</u>	<u>6,855,775</u>
<i>Net Assets, Beginning of Year</i>	<u>143,606,056</u>	<u>136,802,977</u>	<u>57,283,751</u>	<u>57,231,055</u>	<u>200,889,807</u>	<u>194,034,032</u>
<i>Net Assets, End of Year</i>	<u>\$146,352,216</u>	<u>\$143,606,056</u>	<u>\$59,664,729</u>	<u>\$57,283,751</u>	<u>\$206,016,945</u>	<u>\$200,889,807</u>

Governmental Activities

The funding for governmental activities comes from several different sources, the most significant being municipal income tax. In addition, property tax, grants and entitlements and charges for services provide revenue for governmental activities. Governmental revenues and transfers in exceeded governmental expenses mainly due to the resurgence of City income tax receipts.

On the expense side, the largest program or function is security of persons and property. It is composed of three parts; Police, Fire and Prosecutor. Fire and Prosecutor had normal increases while Police had a slight decrease due to a reduction in the cost of personal services.

The next largest program or function is transportation. It includes the construction and maintenance of streets, storm sewers and other related infrastructure. There was a significant increase from 2010 because a much greater amount of infrastructure costs were expensed rather than capitalized in 2011.

Leisure time activities had a slight increase between 2011 and 2010 because of higher operating costs. General government increased between 2011 and 2010 due to higher personal service costs including those paid from the City's sick leave reserve.

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Business-type Activities

The City has two business-type operations. They are the Water Reclamation Plant (wastewater) and Grantwood (golf course) Recreation. The largest sources of revenue for both Water Reclamation and Grantwood Recreation in 2011 were charges for services. On the expense side, the largest expenses are for payroll and employee benefits for both operations.

Financial Analysis of the City's Funds

Governmental Funds – provide near term inflows, outflows and balances of spendable resources. This information is useful in evaluating 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 16. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of 2011, the City of Solon's governmental funds reported a positive combined ending fund balance. The majority of the ending fund balance is unassigned. The remainder of the fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has been specifically marked for expenditures as designated by grant agreements, City ordinances or intent of use.

The general fund is the main governmental and operating fund of the City. There was an overall increase in the general fund's fund balance between 2011 and 2010 mainly due to an increase in withholding income taxes.

The general obligation bond retirement fund mainly receives property taxes and special assessments which are restricted for the payment of debt service. Despite a decrease in revenues, there was an overall increase in the general obligation bond retirement fund's fund balance between 2011 and 2010 due to transfers in.

The infrastructure fund is the largest capital improvement governmental fund of the City. It receives one half of one percent of the City income tax (levy) to pay for new construction and repair of the City's infrastructure. There was an overall increase in the infrastructure fund's fund balance between 2011 and 2010 due to a significant decrease in capital expenditures.

Business-type Funds – report the City's Water Reclamation (wastewater) operation and Grantwood (golf course) Recreation on a full accrual basis. In 2011, the net assets for the Water Reclamation facility increased due to an increase in charges for services and a decrease in operating expenditures.

General Fund Budgeting Highlights

Solon's largest budgeted fund is the general fund. Its expenditure budget (appropriations), along with all other funds, is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. Ohio Law limits appropriations for each fund to the estimated receipts plus the unencumbered cash reserve (or carryover) from the prior year for that particular fund.

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In 2011, the general fund's actual revenue plus other financing sources exceeded the final estimate. The general fund's actual expenditures plus other financing uses were well under final budget producing an overall positive variance.

Capital Assets

Governmental capital assets, net of depreciation, decreased due to annual depreciation. This decrease was partially offset by current year capital asset additions. Business-type capital assets, net of depreciation, increased as the result of additions to construction in progress for the anaerobic digester/electrical upgrade project. For additional information on capital assets, please see note 9 to the basic financial statements.

A five year capital plan, involving all assets and capital projects is maintained by the administration. It is updated and reviewed by City Council every year.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$10,537,043	\$10,494,480	\$3,120,877	\$3,120,877	\$13,657,920	\$13,615,357
Construction in Progress	4,664,262	2,155,766	4,229,355	0	8,893,617	2,155,766
Land Improvements	1,239,771	1,337,802	8,771	9,567	1,248,542	1,347,369
Buildings	39,260,172	40,567,853	15,801,329	16,507,355	55,061,501	57,075,208
Furniture and Equipment	2,329,861	2,481,699	959,480	1,035,719	3,289,341	3,517,418
Vehicles	4,438,795	4,925,364	145,376	172,957	4,584,171	5,098,321
Infrastructure	59,202,358	61,007,054	40,874,985	41,873,293	100,077,343	102,880,347
Total Capital Assets	\$121,672,262	\$122,970,018	\$65,140,173	\$62,719,768	\$186,812,435	\$185,689,786

Outstanding Obligations

(Table 4)
Outstanding Obligations at Year End

	Governmental Activities		Business -Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$4,470,000	\$5,620,000	\$0	\$0	\$4,470,000	\$5,620,000
Special Assessment Bonds	84,895	167,497	0	0	84,895	167,497
OWDA Loans	9,742,923	10,519,826	12,381,524	10,171,586	22,124,447	20,691,412
OPWC Loans	199,235	259,883	0	0	199,235	259,883
Compensated Absences	3,433,260	3,474,833	316,931	452,877	3,750,191	3,927,710
Solon City School District	40,000	40,000	0	0	40,000	40,000
Claims Payable	80,212	118,645	0	0	80,212	118,645
Total	\$18,050,525	\$20,200,684	\$12,698,455	\$10,624,463	\$30,748,980	\$30,825,147

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General obligation bonds, Ohio Water Development Authority Loans and Ohio Public Works Commission Loans comprise most of the outstanding obligations. In addition, outstanding obligations include compensated absences (sick leave, vacation, etc.), obligations payable to the Solon City School District and claims payable for 2011.

Governmental activities debt is serviced by property taxes and special assessments that are credited to the bond retirement fund. Most of this debt was issued for the construction of new buildings such as the new Community Center (2002) and for new infrastructure. Most of the business-type debt is for the water reclamation utility and improvements made to the wastewater plant. User fees are used to service that debt.

The compensated absence category represents the dollar value of accumulated but unused sick leave and vacation time at year end. The liability represents amounts that will either be taken as leave or paid out upon termination or retirement. For additional information, please see note 16 to the basic financial statements.

Economic Factors and Current Financial Issues

In 2011, the level of growth the City experienced in income tax revenue continued from the rebound realized in 2010. Income tax proceeds had declined in 2009 due to the impact of the recession. Net tax collections in 2010 were \$37.5 million – a significant increase over lower than expected 2009 tax revenue of \$34.0 million. The City's 2011 income tax collections increased to \$38.7 million, an indication that both the general economic conditions and the state of the local economy had improved dramatically since the revenue decline that impacted collections in 2009.

The general fund finished 2011 with an unassigned fund balance of \$20,646,611. Maintaining a significant unassigned balance in the general fund has been a priority for the City in its financial planning. For 2011, the City had a favorable variance in its projected budget versus actual amounts of approximately \$2.4 million.

The City's property values remain stable. In 2001, Solon surpassed the \$1 billion mark in assessed property value which is about 35 percent of market value. In 2011, the City issued 137 permits for industrial alterations at a value of \$4.6 million and 64 permits for retail and commercial alterations with a value of \$3.9 million. Solon continues to be a destination for new business development and has successfully negotiated the crisis in the housing industry with minimal negligible effects.

The City continues to have an aggressive economic development program. As of year end, Solon had the following economic incentive agreements:

1. One (1) Enterprise Zone Agreement that created 40 jobs and retained 17 jobs.
2. One (1) Community Reinvestment Area that created 1,152 jobs and retained 698 jobs.
3. Twenty (20) Job Creation Grant Agreements that expect to create 1,853 jobs and retained 853 jobs.

Debt management has always been a priority of the City of Solon's elected officials. The City was notified by Standard & Poors on May 19, 2008 that they upgraded Solon's credit rating to AAA from AA+. In April 2010, Moody's recalibrated Solon's rating from Aa1 to Aaa.

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

Requests for Information and Data

This financial report is designed to provide a general overview of the City of Solon's finances for everyone with an interest. Questions concerning any of the information and data presented in this report, or requests for additional financial information, should be addressed to Dennis Kennedy, Director of Finance, City of Solon, 34200 Bainbridge Road, Solon, Ohio 44139.

City of Solon, Ohio
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$34,085,557	\$5,526,744	\$39,612,301
Accounts Receivable	162,423	1,949,986	2,112,409
Accrued Interest Receivable	4,819	0	4,819
Intergovernmental Receivable	1,383,479	0	1,383,479
Municipal Income Taxes Receivable	6,120,849	0	6,120,849
Materials and Supplies Inventory	498,500	188,164	686,664
Prepaid Items	135,582	0	135,582
Property Taxes Receivable	3,856,563	0	3,856,563
Special Assessments Receivable	5,080,356	0	5,080,356
Nondepreciable Capital Assets	15,201,305	7,350,232	22,551,537
Depreciable Capital Assets, Net	106,470,957	57,789,941	164,260,898
<i>Total Assets</i>	<u>173,000,390</u>	<u>72,805,067</u>	<u>245,805,457</u>
Liabilities			
Accounts Payable	315,348	52,288	367,636
Accrued Wages	351,474	26,205	377,679
Contracts Payable	777,220	0	777,220
Intergovernmental Payable	687,766	90,695	778,461
Retainage Payable	1,183,176	0	1,183,176
Matured Compensated Absences Payable	109,735	0	109,735
Accrued Interest Payable	147,887	223,854	371,741
Claims Payable	253,657	0	253,657
Judgments Payable	773,788	0	773,788
Deferred Revenue	3,662,808	0	3,662,808
Vacation Benefits Payable	334,790	48,841	383,631
Long-Term Liabilities:			
Due Within One Year	2,695,063	1,920,251	4,615,314
Due In More Than One Year	15,355,462	10,778,204	26,133,666
<i>Total Liabilities</i>	<u>26,648,174</u>	<u>13,140,338</u>	<u>39,788,512</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	116,112,789	52,758,649	168,871,438
Restricted for:			
Capital Projects	6,925,143	0	6,925,143
Debt Service	7,219,254	0	7,219,254
Street, Construction, Maintenance and Repair	1,070,267	0	1,070,267
Landfill Improvement	641,520	0	641,520
Other Purposes	1,102,110	0	1,102,110
Unrestricted	13,281,133	6,906,080	20,187,213
<i>Total Net Assets</i>	<u>\$146,352,216</u>	<u>\$59,664,729</u>	<u>\$206,016,945</u>

See accompanying notes to the basic financial statements

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Assessments
Governmental Activities:				
Security of Persons and Property				
Police	\$8,501,513	\$354,441	\$116,426	\$0
Fire	8,137,648	711,236	136,456	95,605
Prosecutor	258,477	10,242	0	0
Public Health and Welfare	85,571	3,391	0	0
Leisure Time Activities	6,594,011	3,165,390	110,095	0
Community Environment	2,793,632	124,986	8,939	0
Basic Utility Services	2,668,113	73,489	0	0
Transportation	14,847,835	201,984	1,032,386	53,399
General Government	5,426,644	237,449	2,937	0
Interest and Fiscal Charges	533,090	0	0	0
<i>Total Governmental Activities</i>	<u>49,846,534</u>	<u>4,882,608</u>	<u>1,407,239</u>	<u>149,004</u>
Business-Type Activities:				
Water Reclamation	5,265,324	7,797,724	158,528	0
Grantwood Recreation	1,048,003	951,371	0	0
<i>Total Business-Type Activities</i>	<u>6,313,327</u>	<u>8,749,095</u>	<u>158,528</u>	<u>0</u>
<i>Total</i>	<u>\$56,159,861</u>	<u>\$13,631,703</u>	<u>\$1,565,767</u>	<u>\$149,004</u>

General Revenues

- Property Taxes Levied for:
 - General Purposes
 - Debt Service
 - Police Pension
 - Fire Pension
 - Service and Safety Equipment
- Municipal Income Taxes Levied for:
 - General Purposes
 - Infrastructure
 - General Capital Improvements
- Grants and Entitlements not Restricted to Specific Programs
- Investment Income
- Gain on Sale of Capital Assets
- Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$8,030,646)	\$0	(\$8,030,646)
(7,194,351)	0	(7,194,351)
(248,235)	0	(248,235)
(82,180)	0	(82,180)
(3,318,526)	0	(3,318,526)
(2,659,707)	0	(2,659,707)
(2,594,624)	0	(2,594,624)
(13,560,066)	0	(13,560,066)
(5,186,258)	0	(5,186,258)
<u>(533,090)</u>	<u>0</u>	<u>(533,090)</u>
<u>(43,407,683)</u>	<u>0</u>	<u>(43,407,683)</u>
0	2,690,928	2,690,928
<u>0</u>	<u>(96,632)</u>	<u>(96,632)</u>
<u>0</u>	<u>2,594,296</u>	<u>2,594,296</u>
<u>(43,407,683)</u>	<u>2,594,296</u>	<u>(40,813,387)</u>
1,338,758	0	1,338,758
1,419,400	0	1,419,400
407,280	0	407,280
610,920	0	610,920
389,788	0	389,788
29,071,231	0	29,071,231
9,524,829	0	9,524,829
78,167	0	78,167
1,846,601	0	1,846,601
607,074	0	607,074
47,632	0	47,632
<u>522,228</u>	<u>76,617</u>	<u>598,845</u>
45,863,908	76,617	45,940,525
<u>289,935</u>	<u>(289,935)</u>	<u>0</u>
<u>46,153,843</u>	<u>(213,318)</u>	<u>45,940,525</u>
2,746,160	2,380,978	5,127,138
<u>143,606,056</u>	<u>57,283,751</u>	<u>200,889,807</u>
<u>\$146,352,216</u>	<u>\$59,664,729</u>	<u>\$206,016,945</u>

City of Solon, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$20,319,669	\$2,114,990	\$3,962,825	\$7,434,417
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	98,605	0	0	0
Accounts Receivable	107,587	0	0	54,836
Accrued Interest Receivable	4,819	0	0	0
Intergovernmental Receivable	674,002	103,390	2,327	603,760
Interfund Receivable	500,000	0	0	0
Municipal Income Taxes Receivable	4,576,250	0	1,525,416	19,183
Materials and Supplies Inventory	498,500	0	0	0
Prepaid Items	135,582	0	0	0
Property Taxes Receivable	1,046,679	1,360,682	0	1,449,202
Special Assessments Receivable	0	5,080,356	0	0
Total Assets	\$27,961,693	\$8,659,418	\$5,490,568	\$9,561,398
Liabilities				
Accounts Payable	\$241,276	\$0	\$0	\$74,072
Accrued Wages	314,872	0	0	36,602
Contracts Payable	1,915	0	141,641	633,264
Intergovernmental Payable	117,471	0	0	570,295
Interfund Payable	0	0	500,000	0
Retainage Payable	0	0	1,130,437	52,739
Matured Compensated Absences Payable	109,735	0	0	0
Claims Payable	253,657	0	0	0
Judgments Payable	0	0	773,788	0
Deferred Revenue	3,629,456	6,544,428	711,513	1,952,582
Total Liabilities	4,668,382	6,544,428	3,257,379	3,319,554
Fund Balances				
Nonspendable	732,687	0	0	0
Restricted	377	2,114,990	2,233,189	5,229,008
Committed	1,003,676	0	0	1,012,836
Assigned	909,960	0	0	0
Unassigned	20,646,611	0	0	0
Total Fund Balances	23,293,311	2,114,990	2,233,189	6,241,844
Total Liabilities and Fund Balances	\$27,961,693	\$8,659,418	\$5,490,568	\$9,561,398

See accompanying notes to the basic financial statements

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

<p style="text-align: center;">Total Governmental Funds</p>	Total Governmental Funds Balances	\$33,883,334
	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$33,831,901	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	121,672,262
98,605	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
162,423	Property Taxes	193,755
4,819	Municipal Income Taxes	2,846,283
1,383,479	Intergovernmental	994,777
500,000	Special Assessments	5,080,356
6,120,849	Miscellaneous	60,000
498,500		
135,582		
3,856,563	Total	9,175,171
5,080,356		
\$51,673,077	An internal service fund is used by management to charge the costs of workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	
	Net Assets	74,439
	Claims Payable	80,212
	Total	154,651
\$315,348	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(147,887)
351,474		
776,820	Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(334,790)
687,766		
500,000	Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	
1,183,176	General Obligation Bonds	(4,470,000)
109,735	Special Assessment Bonds	(84,895)
253,657	OWDA Loan Payable	(9,742,923)
773,788	OPWC Loan Payable	(199,235)
12,837,979	Compensated Absences	(3,433,260)
17,789,743	Solon City School District	(40,000)
	Claims Payable	(80,212)
	Total	(18,050,525)
732,687		
9,577,564	<i>Net Assets of Governmental Activities</i>	\$146,352,216
2,016,512		
909,960		
20,646,611		
33,883,334		
\$51,673,077		

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

	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds
Revenues				
Property Taxes	\$1,339,863	\$1,426,210	\$0	\$1,409,404
Municipal Income Taxes	29,042,214	0	9,515,157	78,085
Special Assessments	0	722,102	0	0
Intergovernmental	1,533,746	356,297	42,563	1,436,720
Investment Income	607,074	0	0	0
Fees, Licenses and Permits	387,657	3,489	0	331,262
Fines and Forfeitures	330,578	0	0	67,331
Rentals	0	0	0	31,134
Charges for Services	928,851	0	0	2,812,306
Contributions and Donations	0	0	0	98,588
Miscellaneous	424,428	0	14,845	82,955
<i>Total Revenues</i>	<u>34,594,411</u>	<u>2,508,098</u>	<u>9,572,565</u>	<u>6,347,785</u>
Expenditures				
Current:				
Security of Persons and Property				
Police	7,291,506	0	0	785,645
Fire	6,295,462	0	0	1,149,061
Prosecutor	257,217	0	0	0
Public Health and Welfare	85,571	0	0	0
Leisure Time Activities	537,406	0	0	5,485,913
Community Environment	2,836,242	0	0	2,405
Basic Utility Services	1,588,652	0	0	305,353
Transportation	5,102,872	0	0	1,079,000
General Government	4,956,822	9,666	0	0
Capital Outlay	0	0	8,799,695	1,588,891
Debt Service:				
Principal Retirement	0	2,009,505	60,648	0
Interest and Fiscal Charges	0	546,106	0	0
<i>Total Expenditures</i>	<u>28,951,750</u>	<u>2,565,277</u>	<u>8,860,343</u>	<u>10,396,268</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,642,661</u>	<u>(57,179)</u>	<u>712,222</u>	<u>(4,048,483)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	41,610	0	0	24,852
Transfers In	0	371,317	0	3,992,458
Transfers Out	(4,063,840)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,022,230)</u>	<u>371,317</u>	<u>0</u>	<u>4,017,310</u>
<i>Net Change in Fund Balances</i>	1,620,431	314,138	712,222	(31,173)
<i>Fund Balances Beginning of Year</i>	<u>21,672,880</u>	<u>1,800,852</u>	<u>1,520,967</u>	<u>6,273,017</u>
<i>Fund Balances End of Year</i>	<u>\$23,293,311</u>	<u>\$2,114,990</u>	<u>\$2,233,189</u>	<u>\$6,241,844</u>

See accompanying notes to the basic financial statements

City of Solon, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011*

<hr/> <p style="text-align: center;">Total Governmental Funds</p> <hr/> <p>\$4,175,477 38,635,456 722,102 3,369,326 607,074 722,408 397,909 31,134 3,741,157 98,588 522,228</p> <hr/> <p>53,022,859</p> <hr/> <p>8,077,151 7,444,523 257,217 85,571 6,023,319 2,838,647 1,894,005 6,181,872 4,966,488 10,388,586</p> <hr/> <p>2,070,153 546,106</p> <hr/> <p>50,773,638</p> <hr/> <p>2,249,221</p> <hr/> <p>66,462 4,363,775 (4,063,840)</p> <hr/> <p>366,397</p> <hr/> <p>2,615,618</p> <hr/> <p>31,267,716</p> <hr/> <p><u>\$33,883,334</u></p>	<p>Net Change in Fund Balances - Total Governmental Funds \$2,615,618</p> <p><i>Amounts reported for governmental activities in the statement of activities are different because</i></p> <p>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. This is the amount by which depreciation exceeded capital outlay in the current period.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Capital Outlay</td> <td style="width: 20%; text-align: right;">4,771,468</td> <td style="width: 20%;"></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(6,050,394)</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td></td> <td style="text-align: right;">(1,278,926)</td> </tr> </table> <p>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. (18,830)</p> <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Property Taxes</td> <td style="width: 20%; text-align: right;">(9,331)</td> <td style="width: 20%;"></td> </tr> <tr> <td>Municipal Income Taxes</td> <td style="text-align: right;">38,771</td> <td></td> </tr> <tr> <td>Intergovernmental</td> <td style="text-align: right;">(75,906)</td> <td></td> </tr> <tr> <td>Special Assessments</td> <td style="text-align: right;">(711,266)</td> <td></td> </tr> <tr> <td>Charges for Services</td> <td style="text-align: right;">(10,000)</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td></td> <td style="text-align: right;">(767,732)</td> </tr> </table> <p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,070,153</p> <p>Some expenses reported in the statement of activities, such as accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 13,016</p> <p>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.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Compensated Absences</td> <td style="width: 20%; text-align: right;">41,573</td> <td style="width: 20%;"></td> </tr> <tr> <td>Vacation Benefits Payable</td> <td style="text-align: right;">(707)</td> <td></td> </tr> <tr> <td>Claims Payable</td> <td style="text-align: right;">38,433</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td></td> <td style="text-align: right;">79,299</td> </tr> </table> <p>The internal service funds used by management are not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Change in Net Assets</td> <td style="width: 20%; text-align: right;">71,995</td> <td style="width: 20%;"></td> </tr> <tr> <td>Claims Payable</td> <td style="text-align: right;">(38,433)</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td></td> <td style="text-align: right;">33,562</td> </tr> </table> <p style="text-align: right;"><u><u>\$2,746,160</u></u></p> <p><i>Change in Net Assets of Governmental Activities</i> <u>\$2,746,160</u></p>	Capital Outlay	4,771,468		Depreciation	(6,050,394)		Total		(1,278,926)	Property Taxes	(9,331)		Municipal Income Taxes	38,771		Intergovernmental	(75,906)		Special Assessments	(711,266)		Charges for Services	(10,000)		Total		(767,732)	Compensated Absences	41,573		Vacation Benefits Payable	(707)		Claims Payable	38,433		Total		79,299	Change in Net Assets	71,995		Claims Payable	(38,433)		Total		33,562
Capital Outlay	4,771,468																																																
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City of Solon, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,123,653	\$1,292,534	\$1,349,907	\$57,373
Municipal Income Taxes	25,153,508	29,844,638	29,746,521	(98,117)
Intergovernmental	1,186,870	1,331,770	1,425,869	94,099
Investment Income	594,996	675,800	670,480	(5,320)
Fees, Licenses and Permits	390,032	443,000	383,276	(59,724)
Fines and Forfeitures	286,141	325,000	324,183	(817)
Charges for Services	629,315	655,500	808,270	152,770
Miscellaneous	232,644	269,889	418,146	148,257
<i>Total Revenues</i>	<u>29,597,159</u>	<u>34,838,131</u>	<u>35,126,652</u>	<u>288,521</u>
Expenditures				
Current:				
Security of Persons and Property				
Police	6,558,075	7,707,189	7,284,601	422,588
Fire	5,892,706	6,840,935	6,339,089	501,846
Prosecutor	225,094	264,865	257,039	7,826
Public Health and Welfare	73,071	86,000	85,571	429
Leisure Time Activities	38,638	38,638	38,638	0
Community Environment	1,828,951	2,152,732	1,917,731	235,001
Basic Utility Services	1,348,975	1,631,842	1,624,881	6,961
Transportation	4,854,314	5,647,070	5,271,273	375,797
General Government	4,901,683	5,621,143	5,051,962	569,181
<i>Total Expenditures</i>	<u>25,721,507</u>	<u>29,990,414</u>	<u>27,870,785</u>	<u>2,119,629</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,875,652</u>	<u>4,847,717</u>	<u>7,255,867</u>	<u>2,408,150</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	41,610	41,610	41,610	0
Advances Out	(500,000)	(500,000)	(500,000)	0
Transfers In	0	250	250	0
Transfers Out	(5,208,250)	(5,431,250)	(5,420,217)	11,033
<i>Total Other Financing Sources (Uses)</i>	<u>(5,666,640)</u>	<u>(5,889,390)</u>	<u>(5,878,357)</u>	<u>11,033</u>
<i>Net Change in Fund Balance</i>	(1,790,988)	(1,041,673)	1,377,510	2,419,183
<i>Fund Balance Beginning of Year</i>	17,867,602	17,867,602	17,867,602	0
Prior Year Encumbrances Appropriated	193,022	193,022	193,022	0
<i>Fund Balance End of Year</i>	<u>\$16,269,636</u>	<u>\$17,018,951</u>	<u>\$19,438,134</u>	<u>\$2,419,183</u>

See accompanying notes to the basic financial statements

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

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,258,025	\$268,719	\$5,526,744	\$155,051
Materials and Supplies Inventory	124,405	63,759	188,164	0
Accounts Receivable	1,949,164	822	1,949,986	0
<i>Total Current Assets</i>	<u>7,331,594</u>	<u>333,300</u>	<u>7,664,894</u>	<u>155,051</u>
<i>Noncurrent Assets:</i>				
Nondepreciable Capital Assets	4,968,068	2,382,164	7,350,232	0
Depreciable Capital Assets, Net	57,185,025	604,916	57,789,941	0
<i>Total Noncurrent Assets</i>	<u>62,153,093</u>	<u>2,987,080</u>	<u>65,140,173</u>	<u>0</u>
<i>Total Assets</i>	<u>69,484,687</u>	<u>3,320,380</u>	<u>72,805,067</u>	<u>155,051</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	48,084	4,204	52,288	0
Accrued Wages	19,784	6,421	26,205	0
Contracts Payable	0	0	0	400
Intergovernmental Payable	86,527	4,168	90,695	0
Accrued Interest Payable	223,854	0	223,854	0
Compensated Absences Payable	43,768	107,272	151,040	0
Vacation Benefits Payable	34,486	14,355	48,841	0
OWDA Loans Payable	1,769,211	0	1,769,211	0
Claims Payable	0	0	0	60,159
<i>Total Current Liabilities</i>	<u>2,225,714</u>	<u>136,420</u>	<u>2,362,134</u>	<u>60,559</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable	145,528	20,363	165,891	0
OWDA Loans Payable	10,612,313	0	10,612,313	0
Claims Payable	0	0	0	20,053
<i>Total Long-Term Liabilities</i>	<u>10,757,841</u>	<u>20,363</u>	<u>10,778,204</u>	<u>20,053</u>
<i>Total Liabilities</i>	<u>12,983,555</u>	<u>156,783</u>	<u>13,140,338</u>	<u>80,612</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	49,771,569	2,987,080	52,758,649	0
Unrestricted	6,729,563	176,517	6,906,080	74,439
<i>Total Net Assets</i>	<u>\$56,501,132</u>	<u>\$3,163,597</u>	<u>\$59,664,729</u>	<u>\$74,439</u>

See accompanying notes to the basic financial statements

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

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Operating Revenues				
Charges for Services	\$7,719,948	\$835,282	\$8,555,230	\$250,000
Tap-In Fees	77,776	0	77,776	0
Rentals	0	116,089	116,089	0
Miscellaneous	59,942	16,675	76,617	910
<i>Total Operating Revenues</i>	<u>7,857,666</u>	<u>968,046</u>	<u>8,825,712</u>	<u>250,910</u>
Operating Expenses				
Personal Services	1,653,130	582,931	2,236,061	0
Materials and Supplies	418,030	151,484	569,514	0
Contractual Services	843,563	138,673	982,236	143,895
Depreciation	1,766,978	57,822	1,824,800	0
Claims	0	0	0	118,888
Change in Workers' Compensation Estimate	0	0	0	(83,868)
Other	197,198	117,093	314,291	0
<i>Total Operating Expenses</i>	<u>4,878,899</u>	<u>1,048,003</u>	<u>5,926,902</u>	<u>178,915</u>
<i>Operating Income (Loss)</i>	2,978,767	(79,957)	2,898,810	71,995
Non-Operating Revenues (Expenses)				
Operating Grants	158,528	0	158,528	0
Interest and Fiscal Charges	(386,425)	0	(386,425)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(227,897)</u>	<u>0</u>	<u>(227,897)</u>	<u>0</u>
<i>Income (Loss) before Transfers and Capital Contributions</i>	2,750,870	(79,957)	2,670,913	71,995
Capital Contributions	10,000	0	10,000	0
Transfers In	66,410	4,972	71,382	0
Transfers Out	(371,317)	0	(371,317)	
<i>Change in Net Assets</i>	2,455,963	(74,985)	2,380,978	71,995
<i>Net Assets Beginning of Year</i>	<u>54,045,169</u>	<u>3,238,582</u>	<u>57,283,751</u>	<u>2,444</u>
<i>Net Assets End of Year</i>	<u><u>\$56,501,132</u></u>	<u><u>\$3,163,597</u></u>	<u><u>\$59,664,729</u></u>	<u><u>\$74,439</u></u>

See accompanying notes to the basic financial statements

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

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$6,189,448	\$835,282	\$7,024,730	\$0
Cash Received from Tap-In Fees	77,776	0	77,776	0
Cash Received from Rentals	0	116,915	116,915	0
Cash Received from Interfund Services Provided	0	0	0	250,000
Cash Received from Other Sources and Donations	55,543	16,528	72,071	910
Cash Payments to Employees for Services and Benefits	(1,813,329)	(580,074)	(2,393,403)	0
Cash Payments for Goods and Services	(1,128,541)	(342,523)	(1,471,064)	(148,230)
Cash Payments for Claims	0	0	0	(73,453)
Cash Payments for Other Operating Expenses	(197,198)	(123,415)	(320,613)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>3,183,699</u>	<u>(77,287)</u>	<u>3,106,412</u>	<u>29,227</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants	158,528	0	158,528	0
Transfers In	66,410	4,972	71,382	0
Transfers Out	(371,317)	0	(371,317)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(146,379)</u>	<u>4,972</u>	<u>(141,407)</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
OWDA Loans Issued	3,761,028	0	3,761,028	0
Acquisition of Capital Assets	(4,229,355)	(5,850)	(4,235,205)	0
Principal Paid on OWDA Loans	(1,551,090)	0	(1,551,090)	0
Interest Paid on OWDA Loans	(325,115)	0	(325,115)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(2,344,532)</u>	<u>(5,850)</u>	<u>(2,350,382)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	692,788	(78,165)	614,623	29,227
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,565,237</u>	<u>346,884</u>	<u>4,912,121</u>	<u>125,824</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,258,025</u>	<u>\$268,719</u>	<u>\$5,526,744</u>	<u>\$155,051</u>

(continued)

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

	Business-type Activities			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$2,978,767	(\$79,957)	\$2,898,810	\$71,995
Adjustments:				
Depreciation	1,766,978	57,822	1,824,800	0
(Increase) Decrease in Assets:				
Accounts Receivable	(1,534,899)	679	(1,534,220)	0
Materials and Supplies Inventory	32,104	(45,064)	(12,960)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	33,646	(13,624)	20,022	0
Accrued Wages	(2,788)	1,031	(1,757)	0
Contracts Payable	0	0	0	(4,335)
Claims Payable	0	0	0	(38,433)
Compensated Absences Payable	(139,310)	3,364	(135,946)	0
Vacation Benefits Payable	(13,517)	(968)	(14,485)	0
Intergovernmental Payable	62,718	(570)	62,148	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$3,183,699</u>	<u>(\$77,287)</u>	<u>\$3,106,412</u>	<u>\$29,227</u>

Noncash Capital Financing Activities

During 2011, the infrastructure capital projects fund paid \$10,000 respectively, to contractors directly on behalf of the water reclamation enterprise fund. These amounts are included in capital contributions.

See accompanying notes to the basic financial statements

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

Assets

Equity in Pooled Cash and Cash Equivalents	\$1,057,967
Cash and Cash Equivalents in Segregated Accounts	<u>41,614</u>
<i>Total Assets</i>	<u><u>\$1,099,581</u></u>

Liabilities

Intergovernmental Payable	\$41,614
Deposits Held and Due to Others	<u>1,057,967</u>
<i>Total Liabilities</i>	<u><u>\$1,099,581</u></u>

See accompanying notes to the basic financial statements

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

Note 1 - Reporting Entity

The City of Solon (the City) 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 mayor-council form of government, was adopted November 2, 1954. The mayor is elected for a four-year term and seven Council members are elected at large for four year staggered terms.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of Solon consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Solon this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, a public golf course, sanitation system and general administrative services.

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

The City participates in a shared risk pool and a jointly governed organization. These organizations are the Northern Ohio Risk Management Association and the Northeast Ohio Public Energy Council. These organizations are presented in Notes 14 and 15 to the basic financial statements.

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

Basis of Presentation

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

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and 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 liabilities 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 general laws of Ohio.

General Obligation Bond Retirement Fund The general obligation bond retirement fund accounts for and reports property taxes, special assessments and other resources restricted for the payment of principal and interest on general long-term debt, including related costs.

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

Infrastructure Fund The infrastructure fund is used to account for and report one-fourth of the City income tax revenues approved by the voters and restricted for paying the costs to construct, reconstruct and maintain City-owned infrastructure.

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

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

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

Water Reclamation Fund The water reclamation fund accounts for the revenues and expenses of the City owned wastewater system.

Grantwood Recreation Fund The grantwood recreation fund accounts for the revenues and expenses of the City owned golf course.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund is a workers' compensation fund that accounts for workers' compensation claims of the City employees.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City only utilizes the agency fund type. The agency funds are used to hold inspection deposits, distribute traffic violation monies to other municipalities, provide scholarships for students in the DARE program, collect other municipalities' portion of sewer district legal case fees, and to distribute income tax revenues to Bainbridge Township.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the

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

government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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 the 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, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes and grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). 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 tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fees, fines and forfeitures, interest and grants and entitlements.

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

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

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

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

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 cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2011, investments were limited to STAR Ohio, repurchase agreements, federal national mortgage association notes, federal home loan bank bonds and federal home loan mortgage corporation notes.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 amounted to \$607,074, which includes \$294,156 assigned from other City funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Prepaid Items

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

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

Inventory

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or 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.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. 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). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000 with the exception of land as land was included regardless of cost. 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 the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business Type Activities Estimated Lives
Land Improvements	20 years	20 years
Buildings	40 years	40 years
Equipment and Furniture	5-30 years	5-65 years
Vehicles	3-20 years	7-20 years
Infrastructure	20 years	20 years

The City reports infrastructure consisting of roadways, sanitary and storm sewers, bridges and culverts, waterlines, traffic signals and sidewalks and includes infrastructure acquired prior to December 31, 1980.

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

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund balance amounts are eliminated in the statement of net assets.

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. Since the City's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The City records a liability for accumulated unused sick leave for employees after ten years of service with the City.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures 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 fund(s) from which the employees who have resigned or retired will be paid.

Accrued Liabilities and Long-Term Obligations

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

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

Net Assets

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

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

laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for state highway maintenance and law enforcement.

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

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.

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

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

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

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

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

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

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

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 water reclamation, the Grantwood golf course and workers' compensation program. 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. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets from the infrastructure capital projects governmental fund.

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 repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

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

Estimates

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

Budgetary Process

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 the City Council may appropriate. The appropriations resolution is the City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the City Council. The legal level of control has been established by the Council at the personal services and other object level within each department for all funds. For the personal service object level the Finance Director has been authorized to allocate and maintain appropriations within each department. For the other object level the Finance Director has been authorized to allocate appropriations within each department and any object level which he maintains on his books, other than personal services. Budgetary statements are presented beyond that legal level of control for informational purposes only.

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 amounts on the certificate of estimated resources when the original and final appropriations were enacted by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the 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 the Council during the year.

Note 3 – Changes in Accounting Principles

For 2011, the City has implemented GASB Statement No. 59, "Financial Instruments Omnibus". GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the City's financial statements.

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

Note 4 – 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	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>					
Prepays	\$135,582	\$0	\$0	\$0	\$135,582
Inventory	498,500	0	0	0	498,500
Unclaimed Monies	98,605	0	0	0	98,605
<i>Total Nonspendable</i>	<u>732,687</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>732,687</u>
<u>Restricted for:</u>					
Street Lighting	377	0	0	0	377
Street and Highway Construction, Maintenance and Repair	0	0	0	830,940	830,940
Police Pension	0	0	0	274,720	274,720
Fire Pension	0	0	0	154,347	154,347
Police Department	0	0	0	282,210	282,210
Landfill Improvement	0	0	0	641,520	641,520
Debt Service	0	2,114,990	0	0	2,114,990
Capital Improvements	0	0	2,233,189	3,045,271	5,278,460
<i>Total Restricted</i>	<u>377</u>	<u>2,114,990</u>	<u>2,233,189</u>	<u>5,229,008</u>	<u>9,577,564</u>
<u>Committed to:</u>					
Emergency Medical Service	998,468	0	0	0	998,468
Cable TV	0	0	0	325,956	325,956
Tree Planting	0	0	0	250,956	250,956
Recreation	0	0	0	366,619	366,619
Police Department	0	0	0	69,305	69,305
Other Purposes	5,208	0	0	0	5,208
<i>Total Committed</i>	<u>1,003,676</u>	<u>0</u>	<u>0</u>	<u>1,012,836</u>	<u>2,016,512</u>
<u>Assigned to:</u>					
Senior Services	111,183	0	0	0	111,183
Economic Incentive	198,385	0	0	0	198,385
Compensated Absences	327,400	0	0	0	327,400
Other Purposes	272,992	0	0	0	272,992
<i>Total Assigned</i>	<u>909,960</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>909,960</u>
Unassigned	20,646,611	0	0	0	20,646,611
Total Fund Balances	<u><u>\$23,293,311</u></u>	<u><u>\$2,114,990</u></u>	<u><u>\$2,233,189</u></u>	<u><u>\$6,241,844</u></u>	<u><u>\$33,883,334</u></u>

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

Note 5 - Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - is presented for the general fund 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 (generally accepted accounting principles) are:

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
- d) Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
- e) Investments are reported at cost (budget) rather than fair value (GAAP).
- f) Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
- g) Budgetary revenues and expenditures of the senior services, economic incentive, police training, police bike rodeo and police transfer of prisoners funds are classified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

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

Net Change in Fund Balance	
GAAP Basis	\$1,620,431
Net Adjustment for Revenue Accruals	2,084,407
Beginning Fair Value Adjustment for Investments	350,143
Ending Fair Value Adjustment for Investments	(281,897)
Ending Unrecorded Cash	(21)
Net Adjustment for Expenditure Accruals	(1,688,700)
Advances Out	(500,000)
Excess of Revenues Over (Under) Expenditures	
Senior Services	(19,878)
Economic Incentive	40,302
Police Training	10
Police Bike Rodeo	250
Police Transfer of Prisoners	133,123
Encumbrances	<u>(360,660)</u>
Budget Basis	<u><u>\$1,377,510</u></u>

Note 6 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

Active monies are public monies 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 or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that 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.

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 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

City of Solon, Ohio
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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;
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 division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers' acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$11,953,458 of the City's bank balance of \$16,356,277 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of December 31, 2011, the City had the following investments:

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	Fair Value	Maturity	Standard & Poor's Rating	Percentage of Total Investments
STAR Ohio	\$9,063	Average 57.0 Days	AAAm	N/A
Repurchase Agreements backed by Federal Home Loan Mortgage Corporation Notes	390,000	Less than 30 Days	AAA	1.55%
Federal National Mortgage Association Notes	19,044,553	Less than five years	AAA	75.87%
Federal Home Loan Bank Bonds	4,163,390	Less than three years	AAA	16.59%
Federal Home Loan Mortgage Corporation Notes	<u>1,504,490</u>	Less than five years	AAA	5.99%
Total	<u>\$25,111,496</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. Repurchase agreements are limited to 30 days and the market value of the underlying securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk Ohio law requires that STAR Ohio 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 7 – Receivables

Receivables at December 31, 2011, consisted of municipal income taxes, property taxes, accounts (billings for user charged services), special assessments, interest and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except 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 \$4,465,019 in the general obligation bond retirement fund. At December 31, 2011, the amount of delinquent special assessments was \$45,064.

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

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$3.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

Real Estate	
Residential/Agricultural	\$798,875,290
Other Real Estate	325,815,610
Tangible Personal Property	
Public Utility	<u>17,142,470</u>
Total	<u><u>\$1,141,833,370</u></u>

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

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

Income Tax

The City levies and collects an income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, 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 monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2011, the general fund received seventy-five percent of the proceeds and the infrastructure fund received twenty-five percent of the proceeds.

Intergovernmental Receivable

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$328,040
Gasoline Tax	262,347
Estate Tax	233,990
Homestead and Rollback	202,794
Cents per Gallon	131,778
Auto Regulation	106,786
Personal Property Tax Reimbursement	43,856
Prisoner Housing	26,722
Bedford Municipal Court	22,628
Cuyahoga Arts & Culture	9,229
State of Ohio	5,006
Violations Bureau	4,855
City of Cleveland	2,327
Solon City Schools	2,075
Cuyahoga County	1,046
Total Intergovernmental Receivables	<u><u>\$1,383,479</u></u>

Note 8 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires 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 any other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2011.

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Litigation

The City of Solon is a party to legal proceedings. The City and Kenmore Construction had a dispute over a construction contract which was brought to arbitration to be settled. On April 5, 2012, Kenmore Construction was awarded a total of \$1,429,131 to be paid by the City. Of the total awarded amount, \$655,343 consisted of the retainage balance on the contract and \$773,788 consisted of the amount in dispute plus interest charges.

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$10,494,480	\$42,563	\$0	\$10,537,043
Construction in progress	2,155,766	2,824,953	(316,457)	4,664,262
Total Capital Assets				
Not Being Depreciated	12,650,246	2,867,516	(316,457)	15,201,305
Capital Assets Being Depreciated				
Land improvements	2,046,340	0	0	2,046,340
Buildings	55,832,072	101,603	0	55,933,675
Equipment and Furniture	6,330,444	316,439	(149,156)	6,497,727
Vehicles	11,728,948	425,292	(187,136)	11,967,104
Infrastructure	117,921,879	1,377,075	(196,846)	119,102,108
Total Capital Assets Being Depreciated	193,859,683	2,220,409	(533,138)	195,546,954
Less Accumulated Depreciation				
Land improvements	(708,538)	(98,031)	0	(806,569)
Buildings	(15,264,219)	(1,409,284)	0	(16,673,503)
Equipment and Furniture	(3,848,745)	(468,277)	149,156	(4,167,866)
Vehicles	(6,803,584)	(893,031)	168,306	(7,528,309)
Infrastructure	(56,914,825)	(3,181,771)	196,846	(59,899,750)
Total Accumulated Depreciation	(83,539,911)	(6,050,394) *	514,308	(89,075,997)
Capital Assets Being Depreciated, net	110,319,772	(3,829,985)	(18,830)	106,470,957
Governmental Activities				
Capital Assets, net	<u>\$122,970,018</u>	<u>(\$962,469)</u>	<u>(\$335,287)</u>	<u>\$121,672,262</u>

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

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
Business Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$3,120,877	\$0	\$0	\$3,120,877
Construction in progress	0	4,229,355	0	4,229,355
Total Capital Assets Not Being Depreciated	3,120,877	4,229,355	0	7,350,232
Capital Assets Being Depreciated				
Land Improvements	256,107	0	0	256,107
Buildings	28,049,089	0	0	28,049,089
Equipment and Furniture	5,954,686	5,850	0	5,960,536
Vehicles	704,965	0	0	704,965
Infrastructure	59,238,235	10,000	0	59,248,235
Total Capital Assets Being Depreciated	94,203,082	15,850	0	94,218,932
Less Accumulated Depreciation				
Land Improvements	(246,540)	(796)	0	(247,336)
Buildings	(11,541,734)	(706,026)	0	(12,247,760)
Equipment and Furniture	(4,918,967)	(82,089)	0	(5,001,056)
Vehicles	(532,008)	(27,581)	0	(559,589)
Infrastructure	(17,364,942)	(1,008,308)	0	(18,373,250)
Total Accumulated Depreciation	(34,604,191)	(1,824,800)	0	(36,428,991)
Capital Assets Being Depreciated, net	59,598,891	(1,808,950)	0	57,789,941
Business Type Activities				
Capital Assets, net	<u>\$62,719,768</u>	<u>\$2,420,405</u>	<u>\$0</u>	<u>\$65,140,173</u>

* Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	
Police	\$492,226
Fire	505,691
Leisure Time Activities	657,209
Community Environment	31,861
Transportation	3,181,771
Basic Utility Service	760,492
General Government	421,144
Total Depreciation Expense	<u>\$6,050,394</u>

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

Note 10 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In October 1989, the City joined together with neighboring cities to form the Northern Ohio Risk Management Association (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the general fund. NORMA is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of NORMA. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the City. The City is not liable nor will it receive a cash balance of past claims upon departure from the pool.

There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA in any of the last three years.

Workers' Compensation

On July 3, 2007, the City was approved for self-insured status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City has established a workers' compensation internal service fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The City utilizes the services of Sedgwick Claims Management Services, the third party administrator, to review, process, and pay employee claims. The City also maintains excess insurance coverage which would pay the portion of claims that exceed \$600,000 per occurrence for police officers, \$500,000 per occurrence for fire fighters and \$400,000 per occurrence for all other employees.

The claims liability of \$80,212 reported in the fund at December 31, 2011, is based on an estimate provided by the third party administrator and the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2010 and 2011 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Change in Workers' Compensation Estimate</u>	<u>Balance at End of Year</u>
2010	\$10,270	\$155,846	\$70,498	\$23,027	\$118,645
2011	118,645	118,888	73,453	(83,868)	80,212

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

Employee Health Benefits

The City provides employee medical and prescription drug benefits through a partially self insured program. The third party administrator, Medical Mutual of Ohio, reviews the claims which are then paid by the City. The premiums are paid by the fund that pays the salary for the employee and the costs are distributed on a pro rata basis based on the number of family and single plans in each fund.

Medical claims within the network are subject to \$225 single and \$450 family deductible, and then are covered 100 percent. Medical claims out of network are subject to \$450 single and \$900 family deductible followed by 80/20 percent coinsurance for the next \$1,000 single and \$2,000 family, then 100 percent. Prescriptions are subject to a co-pay of \$10 generic, \$25 formulary, and \$50 non-formulary. The City has stop loss coverage at \$75,000 per family, per year, and a calculated aggregate maximum for the 2011 plan year of \$3,421,179.

The claims liability of \$253,657 reported in the general fund at December 31, 2011 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2010 and 2011 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2010	\$295,908	\$3,143,598	\$3,260,932	\$178,574
2011	178,574	3,051,861	2,976,778	253,657

Note 11 - Defined Benefit Pension Plans

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.

City of Solon, Ohio
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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, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. 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 4.00 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$1,284,341, \$1,181,581, and \$1,143,422, respectively. For 2011, 92.96 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$62,770 made by the City and \$44,836 made by 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 publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code 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.

City of Solon, Ohio
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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 pension were \$462,874 and \$820,332 for the year ended December 31, 2011, \$472,990 and \$814,826 for the year ended December 31, 2010, and \$468,584 and \$846,914 for the year ended December 31, 2009, respectively. For 2011, 72.26 percent for police and 72.60 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

Note 12 - 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 administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

City of Solon, Ohio
Notes to the Basic Financial Statements
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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 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$513,737, \$673,612, and \$826,782, respectively. For 2011, 92.96 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Firemen 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.

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 Solon, Ohio
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For the Year Ended December 31, 2011

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 administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$245,051 and \$321,000 for the year ended December 31, 2011, \$250,406 and \$318,845 for the year ended December 31, 2010, and \$248,074 and \$331,401 for the year ended December 31, 2009. For 2011, 72.26 percent has been contributed for police and 72.60 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009

Note 13 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Accumulated vacation leave must be taken within twelve months after credited or be forfeited unless approved by the Mayor.

Sick leave is earned at the rate of 4.6 hours per eighty hours worked by each employee to a maximum of 15 days or 120 hours per year. Each employee with the City hired prior to December 31, 1988, is paid for up to 120 days or a maximum of 960 hours in full and one day for every three days of accumulated sick leave in excess of 120 days. Each employee with the City hired after December 31, 1988, is paid for up to 45 days or a maximum of 360 hours in full and one day for every four days of accumulated sick leave in excess of 45 days. This benefit is paid to an employee upon retirement under a pension plan resulting from his public employment, or his estate upon death.

Various departments allow compensation time to be earned on the same basis as overtime in lieu of overtime. Compensation time is subject to the regulations of the Fair Labor Standards Act.

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

Note 14 – Shared Risk Pool

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the Cities of Bedford Heights, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon and South Euclid and the Village of Chagrin Falls. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of the Mayor from each of the participating members.

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of the Cities of Eastlake and Solon whose commencement date is October 1, 1989, the City of Maple Heights, whose commencement date is October 1, 1993, and the City of University Heights, whose commencement date is October 1, 2008. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the specific stop-loss coverage carried by the pool. The self-insurance pool will pay up to \$750,000 per policy year before the aggregate stop-loss coverage takes over. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2011, the City of Solon paid \$285,166 in premiums from the general fund, which represents 16.65 percent of the total premiums paid by all members. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Maple Heights, 5353 Lee Road, Maple Heights, Ohio, 44137.

Note 15 – Jointly Governed Organization

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 112 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Solon did not contribute to NOPEC during 2011. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

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

Note 16 - Long-Term Obligations

The changes in long-term obligations during the year were as follows:

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
1997 \$3,700,000 - 5.70%					
Library Building	\$240,000	\$0	(\$240,000)	\$0	\$0
2002 \$12,235,000 - 3.00% to 4.60%					
Community Center	5,380,000	0	(910,000)	4,470,000	670,000
<i>Total General Obligation Bonds</i>	<u>5,620,000</u>	<u>0</u>	<u>(1,150,000)</u>	<u>4,470,000</u>	<u>670,000</u>
Special Assessment Bonds with Governmental Commitment					
1992 \$1,500,000 - 6.31%					
County Issued Miles Sewer	167,497	0	(82,602)	84,895	84,895
OWDA Loans					
1993 \$5,894,814 - 4.30%					
Northeast Pump	517,794	0	(165,299)	352,495	172,483
1997 \$1,249,104 - 4.16%					
Aurora/Liberty Sanitary Sewer	487,294	0	(73,091)	414,203	76,163
2004 \$5,861,485 - 1.87%					
Aurora Road West Draw	4,138,872	0	(279,671)	3,859,201	283,741
2006 \$6,329,372 - 3.35%					
Aurora East Sewer Project	5,375,866	0	(258,842)	5,117,024	267,586
<i>Total OWDA Loans</i>	<u>10,519,826</u>	<u>0</u>	<u>(776,903)</u>	<u>9,742,923</u>	<u>799,973</u>
OPWC Loans					
1996 \$952,295 - 0%					
Solon Allotment	214,265	0	(47,613)	166,652	47,615
1999 \$195,500 - 0%					
Cochran Project	45,618	0	(13,035)	32,583	13,033
<i>Total OPWC Loans</i>	<u>259,883</u>	<u>0</u>	<u>(60,648)</u>	<u>199,235</u>	<u>60,648</u>
Other Long-term Obligations					
Compensated Absences	3,474,833	1,117,850	(1,159,423)	3,433,260	979,388
Solon City School District	40,000	0	0	40,000	40,000
Claims Payable	118,645	118,888	(157,321)	80,212	60,159
<i>Total Other Long-term Obligations</i>	<u>3,633,478</u>	<u>1,236,738</u>	<u>(1,316,744)</u>	<u>3,553,472</u>	<u>1,079,547</u>
<i>Total General Long-term Obligations</i>	<u>\$20,200,684</u>	<u>\$1,236,738</u>	<u>(\$3,386,897)</u>	<u>\$18,050,525</u>	<u>\$2,695,063</u>

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

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11	Amounts Due in One Year
Business-type Activities					
OWDA Loans					
1971 \$509,646 - 6.25%					
Treatment Plant Expansion	\$16,993	\$0	(\$16,993)	\$0	\$0
1993 \$5,894,814 - 4.30%					
Northeast Pump	715,048	0	(228,269)	486,779	238,190
1996 \$18,763,183 - 3.04%					
Treatment Plant Upgrade and Expansion	5,869,887	0	(1,104,175)	4,765,712	1,137,997
1997 \$401,178 - 3.54%					
Treatment Plant Upgrade and Expansion	132,669	0	(24,705)	107,964	25,587
2006 \$4,406,906 - 3.15%					
Trickling Filter Rehabilitation	3,436,989	0	(176,948)	3,260,041	182,565
2011 \$5,096,690 - 3.15%					
Anaerobic Digester and Electrical Upgrade	0	3,761,028	0	3,761,028	184,872
<i>Total OWDA Loans</i>	10,171,586	3,761,028	(1,551,090)	12,381,524	1,769,211
Other Long-term Liabilities					
Compensated Absences	452,877	70,355	(206,301)	316,931	151,040
<i>Total Business-type Activities</i>	<u>\$10,624,463</u>	<u>\$3,831,383</u>	<u>(\$1,757,391)</u>	<u>\$12,698,455</u>	<u>\$1,920,251</u>

In 1997, the City issued \$3,700,000 in voted general obligation bonds for construction of the Solon Branch Public Library. The bonds were issued for a twenty year period with a final maturity in 2016. During 2009, the City called \$1,390,000 of the amounts due in years 2012 through 2016. The bonds did not have a call premium.

In 2002, the City issued \$12,235,000 in unvoted general obligation bonds for construction of the Community Center, Kruse Drive improvements and refunding of a 1992 general obligation bond issue. The bonds were issued for a twenty year period with a final maturity in 2021.

In 1992, the City issued \$1,500,000 in special assessment bonds for the installation of the Miles Road Sanitary Sewer Project. The bonds were issued for a twenty year period with a final maturity in 2012.

In 1993, the City received a \$5,894,814 Ohio Water Development Authority loan for the installation of the Creekside and Northeast Pump Stations and the Bainbridge and Liberty Roads Sanitary Sewer Projects. The loan was issued for a twenty year period with a final maturity in 2013.

In 1997, the City received a \$1,249,104 Ohio Water Development Authority loan for the installation of the Aurora/Liberty Sanitary Sewer Project. The loan was issued for a twenty year period with a final maturity in 2016.

In 2004, the City received a \$5,861,485 Ohio Water Development Authority loan for the installation of the Aurora Road West Draw Project. The loan was issued for a twenty year period with a final maturity in 2024.

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

In 2006, the City received a \$6,329,372 Ohio Water Development Authority loan for improvements to the Aurora East Sewer System. The loan was issued for a twenty year period with a final maturity in 2026.

In 1996, the City received a \$952,295 Ohio Public Works Commission loan for the installation of the Solon Boulevard, Baldwin/Huntington Sanitary Sewer Projects. The loan was issued for a twenty year period with a final maturity in 2015.

In 1999, the City received a \$195,500 Ohio Public Works Commission loan for the improvement of the pavement and street signals at the Solon and Cochran intersection. The loan was issued for a fifteen year period with a final maturity in 2014.

During 2008, the City assumed a loan initially between an independent contractor towards the Solon City School District for nonpayment. The contractor has agreed to compensate the City over a ten year period while the City repays the loan over a five year period. The remaining payments are due in 2012.

In 1971, the City received a \$509,646 Ohio Water Development Authority loan for the installation of the Northeast Wastewater Treatment Plant. The loan was issued for a forty year period with a final maturity in 2011.

In 1993, the City received a \$5,894,814 Ohio Water Development Authority loan for the installation of the Creekside and Northeast Pump Stations and the Bainbridge and Liberty Roads Sanitary Sewer Projects. The loan was issued for a twenty year period with a final maturity in 2013.

In 1996, the City received a \$18,763,183 Ohio Water Development Authority loan for the expansion of the Central Wastewater Treatment Plant. The loan was issued for a twenty year period with a final maturity in 2015.

In 1997, the City received a \$401,178 Ohio Water Development Authority loan for the expansion of the Central Wastewater Treatment Plant. The loan was issued for a nineteen year period with a final maturity in 2015.

A line of credit has been established with the Ohio Water Development Authority in the amount of \$4,406,906 for the Trickling Filter Rehabilitation system; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The City has received \$3,879,364 in proceeds.

A line of credit has been established with the Ohio Water Development Authority in the amount of \$5,096,690 for the Anaerobic Digester and Electrical Upgrade project; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The City has received \$3,761,028 in proceeds.

General obligation bonds will be paid from the general bond retirement debt service fund with property taxes. Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The OWDA loans will be paid from the general bond retirement debt service fund with property taxes and special assessments. The OPWC loans will be paid from the infrastructure capital projects fund with income taxes.

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

The OWDA enterprise fund loans are being paid from the water reclamation enterprise fund user fees. In the event that the water reclamation enterprise fund would fail to pay the OWDA loans, payment would be made by any general tax revenues collected in the general, bond retirement or capital projects funds.

Compensated absences will be paid from the general fund, the recreation special revenue fund and the water reclamation and Grantwood recreation enterprise funds.

The City's overall legal debt margin was \$117,338,259 with an unvoted debt margin of \$60,246,590 at December 31, 2011. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011 are as follows:

Governmental Activities

	General Obligation Bonds		Special Assessment Bonds		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2012	\$670,000	\$213,030	\$84,895	\$3,014	\$799,973	\$253,902	\$60,648
2013	350,000	184,555	0	0	823,871	230,001	60,648
2014	365,000	169,155	0	0	660,730	207,339	54,132
2015	380,000	152,730	0	0	678,116	189,953	23,807
2016	400,000	135,250	0	0	696,038	172,031	0
2017 - 2021	2,305,000	357,000	0	0	3,260,113	617,181	0
2022 - 2026	0	0	0	0	2,824,082	206,520	0
Total	\$4,470,000	\$1,211,720	\$84,895	\$3,014	\$9,742,923	\$1,876,927	\$199,235

Business-Type Activities

	OWDA Loans	
	Principal	Interest
2012	\$1,401,774	\$158,289
2013	1,447,945	112,120
2014	1,236,228	67,247
2015	1,274,508	28,969
Total	\$5,360,455	\$366,625

Note 17 – Municipal Solid Waste Landfill

GASB No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" establishes standards of accounting and financial reporting for municipal solid waste landfill (MSWLF) closure and postclosure care costs that are required to be incurred by federal, state or local laws or regulations. The City of Solon is exempt from this standard since the operator of the landfill is solely responsible for all costs, expenses and fees which may arise in connection with the operation, closure and postclosure care and monitoring as required by the Ohio Environmental Protection Agency regulations and permits of the Solon Landfill as it currently exists.

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

Note 18 - Interfund Transactions

Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following:

Transfers To	Transfer From		Total
	General	Water Reclamation	
<i>Major Funds:</i>			
General Obligation Bond Retirement	\$0	\$371,317	\$371,317
Water Reclamation	66,410	0	66,410
Grantwood Recreation	4,972	0	4,972
Total Major Funds	71,382	371,317	442,699
Other Governmental Funds	3,992,458	0	3,992,458
Total All Funds	<u>\$4,063,840</u>	<u>\$371,317</u>	<u>\$4,435,157</u>

The general fund transfer to the water reclamation and the grantwood recreation enterprise funds were to cover their respective shares of interest earnings per City ordinance. The general fund transfer to the street construction, maintenance and repair and the state highway special revenue funds were to cover their respective shares of interest earnings per City ordinance. The general fund transfer to the police and fire pensions special revenue funds were because the 1.0 mills of property tax received by those funds are not enough to meet the annual liability and payment to the police and fire pension systems. The general fund transfer to the cable TV special revenue fund was to cover the cable TV's share of interest earnings per City ordinance. The general fund transfer to the recreation special revenue fund is an annual subsidy to help keep program fees affordable to participants. The general fund transfer to the landfill improvement special revenue fund was to cover the landfill's share of interest earnings per City ordinance. The general fund transfers to the safety and service equipment and the general capital improvements capital projects funds was an occasional subsidy for capital purchases. The water reclamation transfer to the bond retirement fund was for the repayment of OWDA debt from OWDA Creekside project fees.

Interfund Balances

Interfund balances at December 31, 2011, consist of an interfund receivable in the general fund of \$500,000 and an interfund payable in the infrastructure capital projects fund of \$500,000. The advance was made to cover encumbered projects at year-end until the receipt of income tax monies.

Note 19 – Joint Economic Development District

In 2006, the City entered into a contract with neighboring Bainbridge Township to form the Bainbridge-Solon Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, and its primary purpose was to promote regional growth and economic development. In December 2006, the JEDD Board levied a municipal income tax of two percent in the JEDD effective January 1, 2007. The JEDD Board also contracted with the City of Solon to administer this income tax.

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

The JEDD agreement requires the City of Solon and Bainbridge Township share the income tax receipts 50/50 after income tax administration costs and a five percent deduction for the JEDD's Maintenance and Improvement Fund for infrastructure related projects.

Note 20 – Contractual Commitments

The following table presents the City's remaining balances on construction contracts at December 31, 2011. The City's total amount remaining on construction contracts includes amounts for contracts payable of \$633,379 and retainage payable of \$256,859 which are included in the City's construction in progress.

Vendor	Project Description	Amount Remaining on Contract
A.W. Farrell & Son, Incorporated	Service Dept Roof Replacement	\$1,410,000
Fabrizi Trucking and Paving	Carter/Cochran Interesection	736,590
Mr. Excavator, Incorporated	Briar Hill Dam	675,934
Kenmore Construction	Pettibone Rd Project	655,343
Fechko Excavating, Incorporated	Pepperwood Estates Project	276,579
Quality Control Inspection Incorporated	Construction Inspection Services	248,379
Wade Trim/Ohio, Incorporated	Pepperwood Estates Project	160,747
Treasurer Cuyahoga County	Bainbridge Road Project	130,289
Trax Construction Company	Sanitary & Storm Sewer Repairs	88,120
R.E. Warner & Associates	Cannon/Rt 91 Intersection	84,626
Tri-Mor	Annual Concrete Street Repair	77,040
Trax Construction Company	Huntington Detention Basin	72,324
Crossroads Asphalt Recycling	Annual Crack Sealing Program	71,301
T.C. Construction Company	Emergency Road Repairs	55,529
Tri-Mor	Kingswood Drive	49,303
Carron Asphalt	Annual Asphalt Street Repair	47,419
Cementech Incorporated	Indepedence Court Project	41,840
AAA Pipe Cleaning	Annual Sewer Grouting	40,409
Mark Haynes Construction	S. Branch Sulfur Springs Restoration	39,518
Camp Dresser & McKee Incorporated	Anaerobic Digester & Elec. Upgrade	36,248
Geo-Sci Laboratory, Incorporated	Annual Materials Testing	33,363
Tri-Mor	Emergency Road Repairs	32,537
URS Corporation	Citywide Traffic Signalization Project	30,637
Dura Mark Inc.	Annual Street Striping	20,608
Big Trees Incorporated	Bainbridge Road Project	16,244
Robert T. Park Ent. DBA	Fire Alarm Installations	8,565
CT Consultants Incorporated	Anaerobic Digester & Elec. Upgrade	6,410
Pavement Technology, Incorporated	Carter/Cochran Interesection	5,342
Forest City Land Group, Incorporated	Dorset Detention Basin	4,937
Total		\$5,156,179

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

Note 21 – Subsequent Events

On April 5, 2012, a construction contract dispute between the City of Solon and Kenmore Construction was settled through arbitration. The contract in dispute involved construction costs on the Pettibone Road project which was completed in 2010. The settlement decision was made against the City and Kenmore Construction was awarded \$1,429,131. The settlement amount consisted of the retainage balance on the project, the additional amount in dispute and interest penalty charges.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - to account for and report the portion of the State gasoline tax and motor vehicle license fees that are restricted for maintenance of streets within the City.

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

Police Pension Fund – to account for and report restricted property taxes levied for the payment of the current liabilities for police disability and pension benefits.

Fire Pension Fund - to account for and report restricted property taxes levied for the payment of the current liabilities for fire disability and pension benefits.

Cable TV Fund - to account for and report cable franchise fees committed to the Cable TV Commission including a distribution of fifty percent to the Solon City Schools.

Tree Planting Fund – to account for and report deposits from developers committed to purchasing and planting trees in the City.

Recreation Fund – to account for and report recreation activity charges and transfers committed to operating the City park and recreation programs.

Police Department Programs Fund - to account for and report grants restricted to the Police Department's DARE Programs.

Landfill Improvement Fund – to account for and report fees restricted for reclamation of the City-owned landfill.

Law Enforcement Trust Fund – to account for and report confiscation of money from law enforcement activities restricted to expenditures to support the same law enforcement activities.

Northeast Ohio Public Energy Council (NOPEC) Grant Fund – to account for and report grant monies restricted to energy conservation projects to reduce energy consumption.

Donations Trust Fund – to account for and report donations made to the Police Department committed to the purchase of specific equipment.

Street Lighting Fund – to account for and report special assessments collected to pay the costs of electricity for street lighting. This fund is currently inactive and is included with the general fund for GAAP reporting because it does not have an ongoing revenue source.

Senior Services Fund – to account for and report the receipt of senior services activity fees and transfers from the general fund to pay the cost of operating the senior services center and related programs. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Economic Incentive Fund – to account for and report the receipt of grant money used to support economic incentive/job creation programs. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

Police Training Fund - to account for and report the receipt of training fees collected to pay the cost of providing police and corrections training. This fund is included with the general fund for GAAP reporting because there is no restriction on these monies.

Police Bike Rodeo Fund - to account for and report contributions and donations from the police bike rodeo to be used for police department events. This fund is included with the general fund for GAAP reporting because there is no restriction on these monies.

Police Transfer of Prisoners Fund - to account for and report police transfer of prisoner fees to be used for police department programs and expenses. This fund is included with the general fund for GAAP reporting because there is no restriction on these monies.

Community Improvement Corporation Fund – to account for and report the revenues used for industrial revenue bond administration. This fund is currently inactive and is included with the general fund for GAAP reporting because there is no restriction on these monies.

Nonmajor Capital Projects Funds

Capital projects funds are used to account 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 by proprietary funds or for assets that will be held in trust.

Safety and Service Equipment Fund – to account for and report the voter approved one half mill property tax levy restricted to the purchase of police, fire and service department vehicles and equipment.

Community Center Fund – to account for and report debt proceeds restricted to construction of the new Community Center.

Building Construction Fund – to account for and report debt proceeds restricted to the construction of various City buildings.

Old City Hall Renovations Fund – to account for and report grants restricted to renovating the old Solon City Hall.

General Capital Improvements Fund – to account for and report income taxes from the City's Joint Economic Development District (JEDD) and recycling charges restricted to the purchase of land, buildings, vehicles and equipment.

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,722,098	\$3,712,319	\$7,434,417
Accounts Receivable	54,836	0	54,836
Intergovernmental Receivable	579,167	24,593	603,760
Municipal Income Tax Receivable	0	19,183	19,183
Property Taxes Receivable	1,046,678	402,524	1,449,202
<i>Total Assets</i>	<u>\$5,402,779</u>	<u>\$4,158,619</u>	<u>\$9,561,398</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$74,072	\$0	\$74,072
Accrued Wages	36,602	0	36,602
Contracts Payable	0	633,264	633,264
Intergovernmental Payable	570,295	0	570,295
Retainage Payable	0	52,739	52,739
Deferred Revenue	1,525,237	427,345	1,952,582
<i>Total Liabilities</i>	<u>2,206,206</u>	<u>1,113,348</u>	<u>3,319,554</u>
Fund Balances			
Restricted	2,183,737	3,045,271	5,229,008
Committed	1,012,836	0	1,012,836
<i>Total Fund Balances</i>	<u>3,196,573</u>	<u>3,045,271</u>	<u>6,241,844</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,402,779</u>	<u>\$4,158,619</u>	<u>\$9,561,398</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$1,019,306	\$390,098	\$1,409,404
Municipal Income Taxes	0	78,085	78,085
Intergovernmental	1,337,276	99,444	1,436,720
Fees, Licenses and Permits	331,262	0	331,262
Fines and Forfeitures	67,331	0	67,331
Rentals	31,134	0	31,134
Charges for Services	2,784,566	27,740	2,812,306
Contributions and Donations	98,588	0	98,588
Miscellaneous	63,033	19,922	82,955
<i>Total Revenues</i>	<u>5,732,496</u>	<u>615,289</u>	<u>6,347,785</u>
Expenditures			
Current:			
Security of Persons and Property			
Police	785,645	0	785,645
Fire	1,149,061	0	1,149,061
Leisure Time Activities	5,485,913	0	5,485,913
Community Environment	2,405	0	2,405
Basic Utility Services	305,353	0	305,353
Transportation	1,079,000	0	1,079,000
Capital Outlay	0	1,588,891	1,588,891
<i>Total Expenditures</i>	<u>8,807,377</u>	<u>1,588,891</u>	<u>10,396,268</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,074,881)</u>	<u>(973,602)</u>	<u>(4,048,483)</u>
Other Financing Sources			
Sale of Capital Assets	0	24,852	24,852
Transfers In	2,732,835	1,259,623	3,992,458
<i>Total Other Financing Sources</i>	<u>2,732,835</u>	<u>1,284,475</u>	<u>4,017,310</u>
<i>Net Change in Fund Balances</i>	(342,046)	310,873	(31,173)
<i>Fund Balances Beginning of Year</i>	<u>3,538,619</u>	<u>2,734,398</u>	<u>6,273,017</u>
<i>Fund Balances End of Year</i>	<u><u>\$3,196,573</u></u>	<u><u>\$3,045,271</u></u>	<u><u>\$6,241,844</u></u>

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

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
Assets					
Equity in Pooled Cash and Cash Equivalents	\$608,220	\$135,686	\$485,371	\$486,427	\$285,238
Accounts Receivable	0	0	0	0	46,852
Intergovernmental Receivable	462,047	38,864	25,873	38,809	1,938
Property Taxes Receivable	0	0	418,671	628,007	0
<i>Total Assets</i>	<u>\$1,070,267</u>	<u>\$174,550</u>	<u>\$929,915</u>	<u>\$1,153,243</u>	<u>\$334,028</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$8,072
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	210,651	332,080	0
Deferred Revenue	381,541	32,336	444,544	666,816	0
<i>Total Liabilities</i>	<u>381,541</u>	<u>32,336</u>	<u>655,195</u>	<u>998,896</u>	<u>8,072</u>
Fund Balances					
Restricted	688,726	142,214	274,720	154,347	0
Committed	0	0	0	0	325,956
<i>Total Fund Balances</i>	<u>688,726</u>	<u>142,214</u>	<u>274,720</u>	<u>154,347</u>	<u>325,956</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,070,267</u>	<u>\$174,550</u>	<u>\$929,915</u>	<u>\$1,153,243</u>	<u>\$334,028</u>

Tree Planting	Recreation	Police Department Programs	Landfill Improvement	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$250,956	\$454,070	\$92,899	\$665,812	\$188,164	\$69,255	\$3,722,098
0	7,934	0	0	0	50	54,836
0	9,229	0	1,046	1,361	0	579,167
0	0	0	0	0	0	1,046,678
<u>\$250,956</u>	<u>\$471,233</u>	<u>\$92,899</u>	<u>\$666,858</u>	<u>\$189,525</u>	<u>\$69,305</u>	<u>\$5,402,779</u>
\$0	\$40,662	\$0	\$25,338	\$0	\$0	\$74,072
0	36,388	0	0	214	0	36,602
0	27,564	0	0	0	0	570,295
0	0	0	0	0	0	1,525,237
0	104,614	0	25,338	214	0	2,206,206
0	0	92,899	641,520	189,311	0	2,183,737
250,956	366,619	0	0	0	69,305	1,012,836
250,956	366,619	92,899	641,520	189,311	69,305	3,196,573
<u>\$250,956</u>	<u>\$471,233</u>	<u>\$92,899</u>	<u>\$666,858</u>	<u>\$189,525</u>	<u>\$69,305</u>	<u>\$5,402,779</u>

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

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
Revenues					
Property Taxes	\$0	\$0	\$407,722	\$611,584	\$0
Intergovernmental	983,211	79,720	91,538	136,689	0
Fees, Licenses and Permits	0	0	0	0	321,407
Fines and Forfeitures	0	0	0	0	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	16,476
<i>Total Revenues</i>	<u>983,211</u>	<u>79,720</u>	<u>499,260</u>	<u>748,273</u>	<u>337,883</u>
Expenditures					
Current:					
Security of Persons and Property					
Police	0	0	710,844	0	0
Fire	0	0	0	1,144,587	0
Leisure Time Activities	0	0	0	0	525,319
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Transportation	1,005,000	74,000	0	0	0
<i>Total Expenditures</i>	<u>1,005,000</u>	<u>74,000</u>	<u>710,844</u>	<u>1,144,587</u>	<u>525,319</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(21,789)	5,720	(211,584)	(396,314)	(187,436)
Other Financing Sources					
Transfers In	13,456	2,458	300,000	400,000	7,702
<i>Net Change in Fund Balances</i>	(8,333)	8,178	88,416	3,686	(179,734)
<i>Fund Balances (Deficit)</i>					
<i>Beginning of Year</i>	<u>697,059</u>	<u>134,036</u>	<u>186,304</u>	<u>150,661</u>	<u>505,690</u>
<i>Fund Balances End of Year</i>	<u><u>\$688,726</u></u>	<u><u>\$142,214</u></u>	<u><u>\$274,720</u></u>	<u><u>\$154,347</u></u>	<u><u>\$325,956</u></u>

Tree Planting	Recreation	Police Department Programs	Landfill Improvement	Law Enforcement Trust	NOPEC Grant	Donations Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,019,306
0	41,098	0	0	770	4,250	0	1,337,276
0	0	0	9,855	0	0	0	331,262
0	0	0	0	67,331	0	0	67,331
0	31,134	0	0	0	0	0	31,134
1,150	2,783,416	0	0	0	0	0	2,784,566
0	50,186	20,599	0	0	0	27,803	98,588
0	46,557	0	0	0	0	0	63,033
<u>1,150</u>	<u>2,952,391</u>	<u>20,599</u>	<u>9,855</u>	<u>68,101</u>	<u>4,250</u>	<u>27,803</u>	<u>5,732,496</u>
0	0	33,427	0	34,650	0	6,724	785,645
0	0	0	0	0	0	4,474	1,149,061
0	4,943,760	0	0	0	0	16,834	5,485,913
0	0	0	0	0	2,125	280	2,405
0	0	0	305,353	0	0	0	305,353
0	0	0	0	0	0	0	1,079,000
<u>0</u>	<u>4,943,760</u>	<u>33,427</u>	<u>305,353</u>	<u>34,650</u>	<u>2,125</u>	<u>28,312</u>	<u>8,807,377</u>
1,150	(1,991,369)	(12,828)	(295,498)	33,451	2,125	(509)	(3,074,881)
<u>0</u>	<u>1,995,000</u>	<u>0</u>	<u>14,219</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,732,835</u>
1,150	3,631	(12,828)	(281,279)	33,451	2,125	(509)	(342,046)
<u>249,806</u>	<u>362,988</u>	<u>105,727</u>	<u>922,799</u>	<u>155,860</u>	<u>(2,125)</u>	<u>69,814</u>	<u>3,538,619</u>
<u>\$250,956</u>	<u>\$366,619</u>	<u>\$92,899</u>	<u>\$641,520</u>	<u>\$189,311</u>	<u>\$0</u>	<u>\$69,305</u>	<u>\$3,196,573</u>

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

	Safety and Service Equipment	Community Center	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$723,451	\$2,027	\$891,671	\$2,335	\$2,092,835	\$3,712,319
Intergovernmental Receivable	24,593	0	0	0	0	24,593
Municipal Income Taxes Receivable	0	0	0	0	19,183	19,183
Property Taxes Receivable	402,524	0	0	0	0	402,524
<i>Total Assets</i>	<u>\$1,150,568</u>	<u>\$2,027</u>	<u>\$891,671</u>	<u>\$2,335</u>	<u>\$2,112,018</u>	<u>\$4,158,619</u>
Liabilities and Fund Balances						
Liabilities						
Contracts Payable	\$121,627	\$0	\$31,174	\$0	\$480,463	\$633,264
Retainage Payable	0	0	0	0	52,739	52,739
Deferred Revenue	427,117	0	0	0	228	427,345
<i>Total Liabilities</i>	548,744	0	31,174	0	533,430	1,113,348
Fund Balances						
Restricted	601,824	2,027	860,497	2,335	1,578,588	3,045,271
<i>Total Liabilities and Fund Balances</i>	<u>\$1,150,568</u>	<u>\$2,027</u>	<u>\$891,671</u>	<u>\$2,335</u>	<u>\$2,112,018</u>	<u>\$4,158,619</u>

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

	Safety and Service Equipment	Community Center	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues						
Property Taxes	\$390,098	\$0	\$0	\$0	\$0	\$390,098
Municipal Income Taxes	0	0	0	0	78,085	78,085
Intergovernmental	99,444	0	0	0	0	99,444
Charges for Services	0	0	0	0	27,740	27,740
Miscellaneous	19,922	0	0	0	0	19,922
<i>Total Revenues</i>	<u>509,464</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>105,825</u>	<u>615,289</u>
Expenditures						
Capital Outlay	802,740	0	32,600	4,685	748,866	1,588,891
<i>Excess of Revenues Under Expenditures</i>	<u>(293,276)</u>	<u>0</u>	<u>(32,600)</u>	<u>(4,685)</u>	<u>(643,041)</u>	<u>(973,602)</u>
Other Financing Sources						
Sale of Capital Assets	24,852	0	0	0	0	24,852
Transfers In	133,123	0	0	0	1,126,500	1,259,623
<i>Total Other Financing Sources</i>	<u>157,975</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,126,500</u>	<u>1,284,475</u>
<i>Net Change in Fund Balances</i>	<u>(135,301)</u>	<u>0</u>	<u>(32,600)</u>	<u>(4,685)</u>	<u>483,459</u>	<u>310,873</u>
<i>Fund Balances Beginning of Year</i>	<u>737,125</u>	<u>2,027</u>	<u>893,097</u>	<u>7,020</u>	<u>1,095,129</u>	<u>2,734,398</u>
<i>Fund Balances End of Year</i>	<u>\$601,824</u>	<u>\$2,027</u>	<u>\$860,497</u>	<u>\$2,335</u>	<u>\$1,578,588</u>	<u>\$3,045,271</u>

Combining Statements – Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Agency Funds

Inspection Deposits Fund – to account for money held by the City to insure compliance with various City ordinances regarding development within the City.

Traffic Violations Fund – to account for traffic violation money collected by the City to be distributed to other municipalities.

DARE Scholarship Fund – to account for money held by the City to provide college scholarships for students in the DARE program.

Northeast Ohio Regional Sewer District Case Fee Fund – to account for money collected from other municipalities representing their portion of sewer district legal case fees.

JEDD Income Tax Fund – to account for income tax revenue collected by the City to be distributed to Bainbridge Township and the City of Solon.

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

	Beginning Balance 12/31/10	Additions	Deductions	Ending Balance 12/31/11
Inspection Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,162,188	\$59,350	\$163,945	\$1,057,593
Liabilities				
Deposits Held and Due to Others	\$1,162,188	\$59,350	\$163,945	\$1,057,593
Traffic Violations Fund				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$105,095	\$105,095	\$0
Liabilities				
Intergovernmental Payable	\$0	\$105,095	\$105,095	\$0
DARE Scholarship Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$374	\$0	\$0	\$374
Liabilities				
Deposits Held and Due to Others	\$374	\$0	\$0	\$374
Northeast Ohio Regional Sewer District Case Fee Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$33,000	\$0	\$33,000	\$0
Liabilities				
Deposits Held and Due to Others	\$33,000	\$0	\$33,000	\$0
JEDD Income Tax Fund				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$41,163	\$155,411	\$154,960	\$41,614
Liabilities				
Intergovernmental Payable	\$41,163	\$155,411	\$154,960	\$41,614
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,195,562	\$59,350	\$196,945	\$1,057,967
Cash and Cash Equivalents in Segregated Accounts	41,163	260,506	260,055	41,614
Total Assets	\$1,236,725	\$319,856	\$457,000	\$1,099,581
Liabilities				
Intergovernmental Payable	\$41,163	\$260,506	\$260,055	\$41,614
Deposits Held and Due to Others	1,195,562	59,350	196,945	1,057,967
Total Liabilities	\$1,236,725	\$319,856	\$457,000	\$1,099,581

**Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes
in Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$1,123,653	\$1,292,534	\$1,349,907	\$57,373
Municipal Income Taxes	25,153,508	29,844,638	29,746,521	(98,117)
Intergovernmental	1,186,870	1,331,770	1,425,869	94,099
Investment Income	594,996	675,800	670,480	(5,320)
Fees, Licenses and Permits	390,032	443,000	383,276	(59,724)
Fines and Forfeitures	286,141	325,000	324,183	(817)
Charges for Services	629,315	655,500	808,270	152,770
Miscellaneous	232,644	269,889	418,146	148,257
<i>Total Revenues</i>	<u>29,597,159</u>	<u>34,838,131</u>	<u>35,126,652</u>	<u>288,521</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	5,886,955	6,917,981	6,605,930	312,051
Materials and Supplies	289,438	341,393	230,875	110,518
Contractual Services	343,787	356,549	356,530	19
Capital Outlay	37,895	91,266	91,266	0
<i>Total Police</i>	<u>6,558,075</u>	<u>7,707,189</u>	<u>7,284,601</u>	<u>422,588</u>
Fire				
Personal Services	5,168,669	6,046,685	5,838,734	207,951
Materials and Supplies	269,171	303,575	234,147	69,428
Contractual Services	239,333	272,925	255,653	17,272
Capital Outlay	215,533	217,750	10,555	207,195
<i>Total Fire</i>	<u>5,892,706</u>	<u>6,840,935</u>	<u>6,339,089</u>	<u>501,846</u>
Prosecutor				
Prosecutor				
Personal Services	86,241	101,733	101,733	0
Materials and Supplies	127,534	150,084	144,989	5,095
<i>Total Prosecutor</i>	<u>213,775</u>	<u>251,817</u>	<u>246,722</u>	<u>5,095</u>
Teen Court				
Personal Services	10,621	12,267	9,863	2,404
Materials and Supplies	698	781	454	327
<i>Total Teen Court</i>	<u>11,319</u>	<u>13,048</u>	<u>10,317</u>	<u>2,731</u>
<i>Total Prosecutor</i>	<u>225,094</u>	<u>264,865</u>	<u>257,039</u>	<u>7,826</u>
<i>Total Security of Persons and Property</i>	<u>\$12,675,875</u>	<u>\$14,812,989</u>	<u>\$13,880,729</u>	<u>\$932,260</u>

(continued)

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare				
Cemetery				
Other	\$4,248	\$5,000	\$4,904	\$96
County Health District				
Contractual Services	68,823	81,000	80,667	333
Total Public Health and Welfare	73,071	86,000	85,571	429
Leisure Time Activities				
Recreation				
Personal Services	38,638	38,638	38,638	0
Community Environment				
Planning and Zoning				
Personal Services	466,643	549,451	547,167	2,284
Materials and Supplies	9,795	8,927	8,927	0
Contractual Services	28,379	28,990	28,990	0
Capital Outlay	510	56	0	56
Total Planning and Zoning	505,327	587,424	585,084	2,340
Development Board				
Materials and Supplies	4,041	1,008	1,008	0
Contractual Services	31,894	27,718	27,718	0
Total Development Board	35,935	28,726	28,726	0
Building Department				
Personal Services	334,823	391,751	317,554	74,197
Materials and Supplies	14,291	12,488	12,488	0
Contractual Services	20,185	18,605	18,605	0
Capital Outlay	1,933	6,975	6,975	0
Other	11,895	1,365	0	1,365
Total Building Department	383,127	431,184	355,622	75,562
Engineering Department				
Personal Services	732,486	864,450	707,351	157,099
Materials and Supplies	35,558	48,275	48,275	0
Contractual Services	103,147	163,160	163,160	0
Capital Outlay	6,372	1,310	1,310	0
Total Engineering Department	\$877,563	\$1,077,195	\$920,096	\$157,099

(continued)

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Beautification Commission				
Materials and Supplies	\$25,512	\$26,700	\$26,700	\$0
Contractual Services	1,487	1,503	1,503	0
<u>Total Beautification Commission</u>	<u>26,999</u>	<u>28,203</u>	<u>28,203</u>	<u>0</u>
<u>Total Community Environment</u>	<u>1,828,951</u>	<u>2,152,732</u>	<u>1,917,731</u>	<u>235,001</u>
Basic Utility Services				
Storm Sewers				
Personal Services	421,082	493,333	488,784	4,549
Materials and Supplies	49,408	62,547	62,547	0
Contractual Services	12,745	10,580	9,674	906
<u>Total Storm Sewers</u>	<u>483,235</u>	<u>566,460</u>	<u>561,005</u>	<u>5,455</u>
Trees, Leaf and Brush				
Materials and Supplies	12,745	12,665	12,580	85
Contractual Services	17,294	19,850	18,429	1,421
<u>Total Trees, Leaf and Brush</u>	<u>30,039</u>	<u>32,515</u>	<u>31,009</u>	<u>1,506</u>
Refuse Collection and Disposal				
Personal Services	626,628	785,316	785,316	0
Materials and Supplies	175,384	219,577	219,577	0
Contractual Services	33,689	27,974	27,974	0
<u>Total Refuse Collection and Disposal</u>	<u>835,701</u>	<u>1,032,867</u>	<u>1,032,867</u>	<u>0</u>
<u>Total Basic Utility Services</u>	<u>1,348,975</u>	<u>1,631,842</u>	<u>1,624,881</u>	<u>6,961</u>
Transportation				
Street Lighting				
Contractual Services	674,533	793,740	735,086	58,654
Street Department				
Personal Services	2,805,084	3,251,541	3,019,867	231,674
Materials and Supplies	1,153,864	1,342,361	1,263,638	78,723
Contractual Services	175,644	206,497	199,768	6,729
Capital Outlay	45,189	52,931	52,914	17
<u>Total Street Department</u>	<u>4,179,781</u>	<u>4,853,330</u>	<u>4,536,187</u>	<u>317,143</u>
<u>Total Transportation</u>	<u>\$4,854,314</u>	<u>\$5,647,070</u>	<u>\$5,271,273</u>	<u>\$375,797</u>

(continued)

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government				
Council				
Personal Services	\$250,179	\$294,510	\$278,033	\$16,477
Materials and Supplies	21,107	24,640	21,169	3,471
Contractual Services	8,335	9,810	8,553	1,257
Total Council	<u>279,621</u>	<u>328,960</u>	<u>307,755</u>	<u>21,205</u>
Mayor				
Personal Services	246,676	290,467	271,405	19,062
Materials and Supplies	4,674	4,991	3,142	1,849
Contractual Services	287	752	752	0
Capital Outlay	835	925	0	925
Total Mayor	<u>252,472</u>	<u>297,135</u>	<u>275,299</u>	<u>21,836</u>
Finance				
Personal Services	614,856	724,047	683,558	40,489
Materials and Supplies	23,809	27,808	24,424	3,384
Contractual Services	85,635	100,571	90,362	10,209
Capital Outlay	1,699	2,000	1,046	954
Total Finance	<u>725,999</u>	<u>854,426</u>	<u>799,390</u>	<u>55,036</u>
Legal Department				
Personal Services	73,139	86,080	85,433	647
Contractual Services	169,933	200,000	185,001	14,999
Other	18,896	21,903	1,903	20,000
Total Legal Department	<u>261,968</u>	<u>307,983</u>	<u>272,337</u>	<u>35,646</u>
Human Resources				
Personal Services	388,487	457,498	448,566	8,932
Materials and Supplies	4,128	4,783	4,064	719
Contractual Services	125,599	146,590	136,558	10,032
Capital Outlay	6,993	7,970	5,748	2,222
Total Human Resources	<u>525,207</u>	<u>616,841</u>	<u>594,936</u>	<u>21,905</u>
Civil Service				
Personal Services	3,441	4,223	4,223	0
Materials and Supplies	495	555	356	199
Contractual Services	27,189	31,640	29,289	2,351
Total Civil Service	<u>31,125</u>	<u>36,418</u>	<u>33,868</u>	<u>2,550</u>
City Hall				
Personal Services	165,282	194,499	189,193	5,306
Materials and Supplies	850	1,360	1,360	0
Contractual Services	1,274	1,500	1,157	343
Total City Hall	<u>\$167,406</u>	<u>\$197,359</u>	<u>\$191,710</u>	<u>\$5,649</u>

(continued)

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Income Tax Department				
Personal Services	\$315,508	\$371,534	\$362,958	\$8,576
Materials and Supplies	42,517	49,042	43,302	5,740
Contractual Services	45,314	53,244	46,983	6,261
Capital Outlay	8,072	9,500	2,324	7,176
Other	101,960	120,000	119,979	21
Total Income Tax Department	513,371	603,320	575,546	27,774
Unclaimed Monies				
Other	20,000	20,000	50	19,950
City Administration				
Personal Services	105,163	119,742	95,883	23,859
Materials and Supplies	155,698	182,187	179,763	2,424
Contractual Services	1,044,654	1,226,272	1,028,598	197,674
Capital Outlay	9,346	11,000	2,970	8,030
Other	55,653	65,500	46,812	18,688
Total City Administration	1,370,514	1,604,701	1,354,026	250,675
Sick Leave Reserve				
Personal Services	754,000	754,000	647,045	106,955
Total General Government	4,901,683	5,621,143	5,051,962	569,181
Total Expenditures	25,721,507	29,990,414	27,870,785	2,119,629
Excess of Revenues Over Expenditures	3,875,652	4,847,717	7,255,867	2,408,150
Other Financing Sources (Uses)				
Sale of Capital Assets	41,610	41,610	41,610	0
Advances Out	(500,000)	(500,000)	(500,000)	0
Transfers In	0	250	250	0
Transfers Out	(5,208,250)	(5,431,250)	(5,420,217)	11,033
Total Other Financing Sources (Uses)	(5,666,640)	(5,889,390)	(5,878,357)	11,033
Net Change in Fund Balance	(1,790,988)	(1,041,673)	1,377,510	2,419,183
Fund Balance Beginning of Year	17,867,602	17,867,602	17,867,602	0
Prior Year Encumbrances Appropriated	193,022	193,022	193,022	0
Fund Balance End of Year	\$16,269,636	\$17,018,951	\$19,438,134	\$2,419,183

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,186,000	\$1,186,000	\$1,426,210	\$240,210
Special Assessments	800,000	800,000	722,102	(77,898)
Intergovernmental	356,297	356,297	356,297	0
Fees, Licenses and Permits	0	0	3,489	3,489
<i>Total Revenues</i>	<u>2,342,297</u>	<u>2,342,297</u>	<u>2,508,098</u>	<u>165,801</u>
Expenditures				
Current:				
General Government				
Legislative and Executive				
Contractual Services	10,000	10,000	9,666	334
Debt Service:				
Principal Retirement	2,009,505	2,009,505	2,009,505	0
Interest and Fiscal Charges	546,106	546,106	546,106	0
<i>Total Debt Service</i>	<u>2,555,611</u>	<u>2,555,611</u>	<u>2,555,611</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,565,611</u>	<u>2,565,611</u>	<u>2,565,277</u>	<u>334</u>
<i>Excess of Revenues Under Expenditures</i>	(223,314)	(223,314)	(57,179)	166,135
Other Financing Sources				
Transfers In	0	0	371,317	371,317
<i>Net Change in Fund Balance</i>	(223,314)	(223,314)	314,138	537,452
<i>Fund Balance Beginning of Year</i>	<u>1,800,852</u>	<u>1,800,852</u>	<u>1,800,852</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,577,538</u>	<u>\$1,577,538</u>	<u>\$2,114,990</u>	<u>\$537,452</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$9,749,926	\$9,749,926	\$9,749,926	\$0
Intergovernmental	42,563	42,563	42,563	0
Miscellaneous	58,796	19,637	12,518	(7,119)
<i>Total Revenues</i>	<u>9,851,285</u>	<u>9,812,126</u>	<u>9,805,007</u>	<u>(7,119)</u>
Expenditures				
Current:				
Transportation				
Engineering Department				
Personal Services	256,450	348,272	348,272	0
Capital Outlay	10,682,902	10,591,080	10,410,564	180,516
Debt Service:				
Principal Retirement	60,648	60,648	60,648	0
<i>Total Expenditures</i>	<u>11,000,000</u>	<u>11,000,000</u>	<u>10,819,484</u>	<u>180,516</u>
<i>Excess of Revenues Under Expenditures</i>	(1,148,715)	(1,187,874)	(1,014,477)	173,397
Other Financing Sources				
Advances In	500,000	500,000	500,000	0
<i>Net Change in Fund Balance</i>	(648,715)	(687,874)	(514,477)	173,397
<i>Fund Balance Beginning of Year</i>	<u>687,879</u>	<u>687,879</u>	<u>687,879</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$39,164</u>	<u>\$5</u>	<u>\$173,402</u>	<u>\$173,397</u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Reclamation Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$5,426,000	\$5,851,000	\$6,189,448	\$338,448
Tap-In Fees	75,000	75,000	77,776	2,776
Miscellaneous	54,710	54,710	55,543	833
Intergovernmental	222,000	158,500	158,528	28
OWDA Loans Issued	<u>3,761,028</u>	<u>3,761,028</u>	<u>3,761,028</u>	<u>0</u>
<i>Total Revenues</i>	<u>9,538,738</u>	<u>9,900,238</u>	<u>10,242,323</u>	<u>342,085</u>
Expenses				
Personal Services	2,100,000	2,100,000	1,814,513	285,487
Materials and Supplies	503,000	503,000	335,844	167,156
Contractual Services	1,334,517	1,609,517	963,881	645,636
Other	220,770	220,770	197,198	23,572
Capital Outlay	4,437,644	4,437,644	4,254,483	183,161
Debt Service:				
Principal Retirement	1,551,090	1,551,090	1,551,090	0
Interest and Fiscal Charges	<u>325,115</u>	<u>325,115</u>	<u>325,115</u>	<u>0</u>
<i>Total Expenses</i>	<u>10,472,136</u>	<u>10,747,136</u>	<u>9,442,124</u>	<u>1,305,012</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenses Before Transfers</i>	(933,398)	(846,898)	800,199	1,647,097
Transfers In	62,000	62,000	66,410	4,410
Transfers Out	<u>(404,581)</u>	<u>(404,581)</u>	<u>(371,317)</u>	<u>33,264</u>
<i>Net Change in Fund Equity</i>	(1,275,979)	(1,189,479)	495,292	1,684,771
<i>Fund Equity Beginning of Year</i>	4,507,074	4,507,074	4,507,074	0
Prior Year Encumbrances Appropriated	<u>58,163</u>	<u>58,163</u>	<u>58,163</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$3,289,258</u>	<u>\$3,375,758</u>	<u>\$5,060,529</u>	<u>\$1,684,771</u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Grantwood Recreation Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,238,300	\$920,100	\$835,282	(\$84,818)
Rentals	118,300	118,300	116,915	(1,385)
Miscellaneous	16,600	16,600	16,528	(72)
<i>Total Revenues</i>	<u>1,373,200</u>	<u>1,055,000</u>	<u>968,725</u>	<u>(86,275)</u>
Expenses				
Personal Services	707,795	635,485	580,074	55,411
Materials and Supplies	266,072	239,012	204,279	34,733
Contractual Services	194,465	175,745	152,494	23,251
Other	197,171	177,971	146,606	31,365
Capital Outlay	6,960	6,250	5,850	400
<i>Total Expenses</i>	<u>1,372,463</u>	<u>1,234,463</u>	<u>1,089,303</u>	<u>145,160</u>
<i>Excess of Revenues Over (Under) Expenses Before Transfers</i>	737	(179,463)	(120,578)	58,885
Transfers In	0	4,600	4,972	372
<i>Net Change in Fund Equity</i>	737	(174,863)	(115,606)	59,257
<i>Fund Equity Beginning of Year</i>	325,306	325,306	325,306	0
Prior Year Encumbrances Appropriated	21,578	21,578	21,578	0
<i>Fund Equity End of Year</i>	<u>\$347,621</u>	<u>\$172,021</u>	<u>\$231,278</u>	<u>\$59,257</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,007,000	\$1,007,000	\$984,768	(\$22,232)
Expenditures				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	750,000	750,000	750,000	0
Materials and Supplies	255,000	255,000	255,000	0
<i>Total Expenditures</i>	<u>1,005,000</u>	<u>1,005,000</u>	<u>1,005,000</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,000	2,000	(20,232)	(22,232)
Other Financing Sources				
Transfers In	12,000	12,000	13,456	1,456
<i>Net Change in Fund Balance</i>	14,000	14,000	(6,776)	(20,776)
<i>Fund Balance Beginning of Year</i>	<u>614,996</u>	<u>614,996</u>	<u>614,996</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$628,996</u>	<u>\$628,996</u>	<u>\$608,220</u>	<u>(\$20,776)</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$81,648	\$81,648	\$79,306	(\$2,342)
Expenditures				
Current:				
Transportation				
State Highway				
Materials and Supplies	70,000	74,000	74,000	0
<i>Excess of Revenues Over Expenditures</i>	11,648	7,648	5,306	(2,342)
Other Financing Sources				
Transfers In	2,000	2,000	2,458	458
<i>Net Change in Fund Balance</i>	13,648	9,648	7,764	(1,884)
<i>Fund Balance Beginning of Year</i>	127,922	127,922	127,922	0
<i>Fund Balance End of Year</i>	<u>\$141,570</u>	<u>\$137,570</u>	<u>\$135,686</u>	<u>(\$1,884)</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$349,118	\$349,118	\$407,722	\$58,604
Intergovernmental	91,538	91,538	91,538	0
<i>Total Revenues</i>	440,656	440,656	499,260	58,604
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	760,000	760,000	707,496	52,504
<i>Excess of Revenues Under Expenditures</i>	(319,344)	(319,344)	(208,236)	111,108
Other Financing Sources				
Transfers In	300,000	300,000	300,000	0
<i>Net Change in Fund Balance</i>	(19,344)	(19,344)	91,764	111,108
<i>Fund Balance Beginning of Year</i>	393,607	393,607	393,607	0
<i>Fund Balance End of Year</i>	<u>\$374,263</u>	<u>\$374,263</u>	<u>\$485,371</u>	<u>\$111,108</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$524,295	\$524,295	\$611,584	\$87,289
Intergovernmental	136,689	136,689	136,689	0
<i>Total Revenues</i>	660,984	660,984	748,273	87,289
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	1,164,000	1,164,000	1,160,276	3,724
<i>Excess of Revenues Under Expenditures</i>	(503,016)	(503,016)	(412,003)	91,013
Other Financing Sources				
Transfers In	400,000	400,000	400,000	0
<i>Net Change in Fund Balance</i>	(103,016)	(103,016)	(12,003)	91,013
<i>Fund Balance Beginning of Year</i>	498,430	498,430	498,430	0
<i>Fund Balance End of Year</i>	<u>\$395,414</u>	<u>\$395,414</u>	<u>\$486,427</u>	<u>\$91,013</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cable TV Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, Licenses and Permits	\$276,000	\$315,000	\$316,632	\$1,632
Miscellaneous	14,500	14,500	14,538	38
<i>Total Revenues</i>	<u>290,500</u>	<u>329,500</u>	<u>331,170</u>	<u>1,670</u>
Expenditures				
Current:				
Leisure Time Activities				
Cable TV				
Personal Services	3,217	3,217	1,524	1,693
Materials and Supplies	6,985	6,985	3,680	3,305
Contractual Services	219,472	219,472	215,792	3,680
Capital Outlay	195,000	195,000	185,771	9,229
Other	123,600	145,000	142,484	2,516
<i>Total Expenditures</i>	<u>548,274</u>	<u>569,674</u>	<u>549,251</u>	<u>20,423</u>
<i>Excess of Revenues Under Expenditures</i>	(257,774)	(240,174)	(218,081)	22,093
Other Financing Sources				
Transfers In	7,500	7,500	7,702	202
<i>Net Change in Fund Balance</i>	(250,274)	(232,674)	(210,379)	22,295
<i>Fund Balance Beginning of Year</i>	469,135	469,135	469,135	0
Prior Year Encumbrances Appropriated	2,557	2,557	2,557	0
<i>Fund Balance End of Year</i>	<u>\$221,418</u>	<u>\$239,018</u>	<u>\$261,313</u>	<u>\$22,295</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tree Planting Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$0	\$0	\$1,150	\$1,150
Expenditures				
Current:				
General Government				
Tree Planting				
Contractual Services	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
<i>Net Change in Fund Balance</i>	(200,000)	(200,000)	1,150	201,150
<i>Fund Balance Beginning of Year</i>	<u>249,806</u>	<u>249,806</u>	<u>249,806</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$49,806</u></u>	<u><u>\$49,806</u></u>	<u><u>\$250,956</u></u>	<u><u>\$201,150</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$41,073	\$41,073	\$31,869	(\$9,204)
Rentals	26,000	26,000	31,134	5,134
Charges for Services	2,877,779	2,908,520	2,781,864	(126,656)
Contributions and Donations	62,000	62,000	50,186	(11,814)
Miscellaneous	47,430	47,430	47,158	(272)
<i>Total Revenues</i>	<u>3,054,282</u>	<u>3,085,023</u>	<u>2,942,211</u>	<u>(142,812)</u>
Expenditures				
Current:				
Leisure Time Activities				
Administration				
Personal Services	555,070	555,070	548,442	6,628
Materials and Supplies	60,796	64,557	64,557	0
Contractual Services	47,000	40,486	40,486	0
Capital Outlay	9,500	17,617	17,617	0
<i>Total Administration</i>	<u>672,366</u>	<u>677,730</u>	<u>671,102</u>	<u>6,628</u>
Recreation Programs				
Personal Services	224,500	246,336	246,336	0
Materials and Supplies	35,000	70,000	70,000	0
Contractual Services	118,250	109,218	109,218	0
Capital Outlay	10,000	6,087	6,087	0
Other	25,000	20,756	20,756	0
<i>Total Recreation Programs</i>	<u>412,750</u>	<u>452,397</u>	<u>452,397</u>	<u>0</u>
Swimming Pools				
Personal Services	68,895	68,895	56,572	12,323
Materials and Supplies	40,500	39,717	39,717	0
Contractual Services	67,000	61,739	61,739	0
<i>Total Swimming Pools</i>	<u>176,395</u>	<u>170,351</u>	<u>158,028</u>	<u>12,323</u>
Community Parks				
Personal Services	237,475	237,475	231,531	5,944
Materials and Supplies	66,422	82,943	82,943	0
Contractual Services	44,275	36,517	36,517	0
<i>Total Community Parks</i>	<u>348,172</u>	<u>356,935</u>	<u>350,991</u>	<u>5,944</u>
Concession Stand				
Personal Services	18,300	18,300	14,738	3,562
Materials and Supplies	5,000	15,785	15,785	0
<i>Total Concession Stand</i>	<u>\$23,300</u>	<u>\$34,085</u>	<u>\$30,523</u>	<u>\$3,562</u>

(continued)

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

	Budgeted Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
Youth Recreation Programs				
Personal Services	\$948,813	\$926,977	\$896,148	\$30,829
Materials and Supplies	144,795	133,735	133,735	0
Contractual Services	368,384	324,191	324,191	0
Capital Outlay	609	609	609	0
Other	12,024	11,865	11,865	0
Total Youth Recreation Programs	<u>1,474,625</u>	<u>1,397,377</u>	<u>1,366,548</u>	<u>30,829</u>
Adult Recreation Programs				
Materials and Supplies	5,750	5,162	5,162	0
Contractual Services	1,750	1,995	1,995	0
Total Adult Recreation Programs	<u>7,500</u>	<u>7,157</u>	<u>7,157</u>	<u>0</u>
Holiday Programs				
Materials and Supplies	4,500	25,322	25,322	0
Contractual Services	21,500	5,394	5,394	0
Total Holiday Programs	<u>26,000</u>	<u>30,716</u>	<u>30,716</u>	<u>0</u>
Community Center				
Personal Services	1,199,240	1,199,240	1,128,819	70,421
Materials and Supplies	155,163	142,292	142,292	0
Contractual Services	580,461	608,889	608,889	0
Capital Outlay	25,000	19,899	19,899	0
Other	7,500	11,404	11,404	0
Total Community Center	<u>1,967,364</u>	<u>1,981,724</u>	<u>1,911,303</u>	<u>70,421</u>
<i>Total Expenditures</i>	<u>5,108,472</u>	<u>5,108,472</u>	<u>4,978,765</u>	<u>129,707</u>
<i>Excess of Revenues Under Expenditures</i>	(2,054,190)	(2,023,449)	(2,036,554)	(13,105)
Other Financing Sources				
Transfers In	<u>1,988,282</u>	<u>1,988,282</u>	<u>1,995,000</u>	<u>6,718</u>
<i>Net Change in Fund Balance</i>	(65,908)	(35,167)	(41,554)	(6,387)
<i>Fund Balance Beginning of Year</i>	411,750	411,750	411,750	0
Prior Year Encumbrances Appropriated	<u>24,129</u>	<u>24,129</u>	<u>24,129</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$369,971</u></u>	<u><u>\$400,712</u></u>	<u><u>\$394,325</u></u>	<u><u>(\$6,387)</u></u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Department Programs Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$20,599</u>	<u>(\$9,401)</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
DARE program				
Personal Services	25,000	50,000	31,340	18,660
Materials and Supplies	<u>5,000</u>	<u>5,000</u>	<u>1,994</u>	<u>3,006</u>
Total DARE Program	30,000	55,000	33,334	21,666
Violent Crime Prevention				
Personal Services	<u>93</u>	<u>93</u>	<u>93</u>	<u>0</u>
<i>Total Expenditures</i>	<u>30,093</u>	<u>55,093</u>	<u>33,427</u>	<u>21,666</u>
<i>Net Change in Fund Balance</i>	(93)	(25,093)	(12,828)	12,265
<i>Fund Balance Beginning of Year</i>	<u>105,727</u>	<u>105,727</u>	<u>105,727</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$105,634</u></u>	<u><u>\$80,634</u></u>	<u><u>\$92,899</u></u>	<u><u>\$12,265</u></u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Landfill Improvement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, Licenses and Permits	\$0	\$0	\$9,719	\$9,719
Expenditures				
Current:				
Basic Utility Services				
Landfill Improvement				
Capital Outlay	<u>412,714</u>	<u>412,714</u>	<u>292,223</u>	<u>120,491</u>
<i>Excess of Revenues Under Expenditures</i>	(412,714)	(412,714)	(282,504)	130,210
Other Financing Sources				
Transfers In	<u>24,000</u>	<u>24,000</u>	<u>14,219</u>	<u>(9,781)</u>
<i>Net Change in Fund Balance</i>	(388,714)	(388,714)	(268,285)	120,429
<i>Fund Balance Beginning of Year</i>	921,383	921,383	921,383	0
Prior Year Encumbrances Appropriated	<u>12,714</u>	<u>12,714</u>	<u>12,714</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$545,383</u></u>	<u><u>\$545,383</u></u>	<u><u>\$665,812</u></u>	<u><u>\$120,429</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,464	\$5,000	\$770	(\$4,230)
Fines and Forfeitures	<u>27,593</u>	<u>56,000</u>	<u>67,878</u>	<u>11,878</u>
<i>Total Revenues</i>	<u>30,057</u>	<u>61,000</u>	<u>68,648</u>	<u>7,648</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
OMVI				
Personal Services	7,000	7,000	5,944	1,056
Drug Money				
Materials and Supplies	30,000	30,000	511	29,489
Immobilization				
Materials and Supplies	35,000	35,000	28,000	7,000
Miscellaneous				
Materials and Supplies	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
<i>Total Expenditures</i>	<u>92,000</u>	<u>92,000</u>	<u>34,455</u>	<u>57,545</u>
<i>Net Change in Fund Balance</i>	(61,943)	(31,000)	34,193	65,193
<i>Fund Balance Beginning of Year</i>	<u>153,971</u>	<u>153,971</u>	<u>153,971</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$92,028</u></u>	<u><u>\$122,971</u></u>	<u><u>\$188,164</u></u>	<u><u>\$65,193</u></u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
NOPEC Grant Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$4,250	\$4,250	\$4,250	\$0
Expenditures				
Current:				
Community Environment				
Energy Conservation				
Contractual Services	5,100	5,100	5,100	0
<i>Net Change in Fund Balance</i>	(850)	(850)	(850)	0
<i>Fund Balance Beginning of Year</i>	850	850	850	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions and Donations	\$17,015	\$31,100	\$32,753	\$1,653
Expenditures				
Current:				
Security of Persons and Property				
Police				
Materials and Supplies	10,000	10,000	6,724	3,276
Fire				
Materials and Supplies	4,500	4,500	4,474	26
Total Security of Persons and Property	14,500	14,500	11,198	3,302
Leisure Time Activities				
Senior Services Donations				
Other	37,031	37,031	20,833	16,198
Community Park Donations				
Other	3,200	3,200	0	3,200
Total Leisure Time Activities	40,231	40,231	20,833	19,398
Community Environment				
Blue Herron Donations				
Other	100	100	0	100
Beautification Donations				
Other	646	646	280	366
Engineering Department				
Personal Services	3,300	3,300	0	3,300
Total Community Environment	4,046	4,046	280	3,766
General Government				
Special Donations				
Other	8,600	8,600	0	8,600
Cemetery Endowment				
Contractual Services	5,000	5,000	0	5,000
Total General Government	13,600	13,600	0	13,600
<i>Total Expenditures</i>	<u>72,377</u>	<u>72,377</u>	<u>32,311</u>	<u>40,066</u>
<i>Net Change in Fund Balance</i>	(55,362)	(41,277)	442	41,719
<i>Fund Balance Beginning of Year</i>	65,422	65,422	65,422	0
Prior Year Encumbrances Appropriated	2,031	2,031	2,031	0
<i>Fund Balance End of Year</i>	<u>\$12,091</u>	<u>\$26,176</u>	<u>\$67,895</u>	<u>\$41,719</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	377	377	377	0
<i>Fund Balance End of Year</i>	<u>\$377</u>	<u>\$377</u>	<u>\$377</u>	<u>\$0</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior Services Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$111,900	\$111,900	\$110,293	(\$1,607)
Miscellaneous	2,300	2,300	2,239	(61)
<i>Total Revenues</i>	<u>114,200</u>	<u>114,200</u>	<u>112,532</u>	<u>(1,668)</u>
Expenditures				
Current:				
Leisure Time Activities				
Administration				
Personal Services	414,895	414,895	393,129	21,766
Materials and Supplies	21,971	23,681	23,681	0
Contractual Services	2,500	2,855	2,855	0
Capital Outlay	2,500	0	0	0
<i>Total Administration</i>	<u>441,866</u>	<u>441,431</u>	<u>419,665</u>	<u>21,766</u>
Senior Programs				
Materials and Supplies	64,242	66,084	66,084	0
Contractual Services	32,795	31,588	31,588	0
Other	200	0	0	0
<i>Total Senior Programs</i>	<u>97,237</u>	<u>97,672</u>	<u>97,672</u>	<u>0</u>
<i>Total Expenditures</i>	<u>539,103</u>	<u>539,103</u>	<u>517,337</u>	<u>21,766</u>
<i>Excess of Revenues Under Expenditures</i>	(424,903)	(424,903)	(404,805)	20,098
Other Financing Sources				
Transfers In	417,000	417,000	417,000	0
<i>Net Change in Fund Balance</i>	(7,903)	(7,903)	12,195	20,098
<i>Fund Balance Beginning of Year</i>	93,967	93,967	93,967	0
Prior Year Encumbrances Appropriated	4,414	4,414	4,414	0
<i>Fund Balance End of Year</i>	<u>\$90,478</u>	<u>\$90,478</u>	<u>\$110,576</u>	<u>\$20,098</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Economic Incentive Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$9,631	\$9,631
Expenditures				
Current:				
Community Environment				
Enterprise Zone Monitoring				
Other	900,500	1,123,000	1,122,433	567
<i>Excess of Revenues Under Expenditures</i>	(900,500)	(1,123,000)	(1,112,802)	10,198
Other Financing Sources				
Transfers In	850,000	1,072,500	1,072,500	0
<i>Net Change in Fund Balance</i>	(50,500)	(50,500)	(40,302)	10,198
<i>Fund Balance Beginning of Year</i>	88,374	88,374	88,374	0
<i>Fund Balance End of Year</i>	<u>\$37,874</u>	<u>\$37,874</u>	<u>\$48,072</u>	<u>\$10,198</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$13,500	\$13,500	\$920	(\$12,580)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Police Training				
Materials and Supplies	13,500	13,500	930	12,570
<i>Net Change in Fund Balance</i>	0	0	(10)	(10)
<i>Fund Balance Beginning of Year</i>	19,878	19,878	19,878	0
<i>Fund Balance End of Year</i>	<u>\$19,878</u>	<u>\$19,878</u>	<u>\$19,868</u>	<u>(\$10)</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Bike Rodeo Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	(250)	(250)	(250)	0
<i>Net Change in Fund Balance</i>	(250)	(250)	(250)	0
<i>Fund Balance Beginning of Year</i>	250	250	250	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Transfer of Prisoners Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	(133,123)	(133,123)	(133,123)	0
<i>Net Change in Fund Balance</i>	(133,123)	(133,123)	(133,123)	0
<i>Fund Balance Beginning of Year</i>	133,123	133,123	133,123	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Community Improvement Corporation Fund
 For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Environment Development Board Contractual Services	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
<i>Net Change in Fund Balance</i>	(4,000)	(4,000)	0	4,000
<i>Fund Balance Beginning of Year</i>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$4,000</u></u>	<u><u>\$4,000</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Safety and Service Equipment Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$319,298	\$319,298	\$390,098	\$70,800
Intergovernmental	99,444	99,444	99,444	0
Miscellaneous	0	0	19,922	19,922
<i>Total Revenues</i>	418,742	418,742	509,464	90,722
Expenditures				
Capital Outlay	950,562	1,181,786	1,058,381	123,405
<i>Excess of Revenues Under Expenditures</i>	(531,820)	(763,044)	(548,917)	214,127
Other Financing Sources				
Sale of Capital Assets	0	0	24,852	24,852
Transfers In	133,123	133,123	133,123	0
<i>Total Other Financing Sources</i>	133,123	133,123	157,975	24,852
<i>Net Change in Fund Balance</i>	(398,697)	(629,921)	(390,942)	238,979
<i>Fund Balance Beginning of Year</i>	712,316	712,316	712,316	0
Prior Year Encumbrances Appropriated	73,562	73,562	73,562	0
<i>Fund Balance End of Year</i>	<u>\$387,181</u>	<u>\$155,957</u>	<u>\$394,936</u>	<u>\$238,979</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	0	2,000
<i>Fund Balance Beginning of Year</i>	2,027	2,027	2,027	0
<i>Fund Balance End of Year</i>	<u>\$27</u>	<u>\$27</u>	<u>\$2,027</u>	<u>\$2,000</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Construction Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$421,200	\$421,200	\$0	(\$421,200)
Expenditures				
Capital Outlay	891,994	1,313,194	1,426	1,311,768
<i>Net Change in Fund Balance</i>	(470,794)	(891,994)	(1,426)	890,568
<i>Fund Balance Beginning of Year</i>	893,097	893,097	893,097	0
<i>Fund Balance End of Year</i>	<u>\$422,303</u>	<u>\$1,103</u>	<u>\$891,671</u>	<u>\$890,568</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Old City Hall Renovations Fund
 For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$600	\$600	\$0	(\$600)
Expenditures				
Capital Outlay	<u>7,600</u>	<u>8,206</u>	<u>5,271</u>	<u>2,935</u>
<i>Net Change in Fund Balance</i>	(7,000)	(7,606)	(5,271)	2,335
<i>Fund Balance Beginning of Year</i>	7,006	7,006	7,006	0
Prior Year Encumbrances Appropriated	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$606</u></u>	<u><u>\$0</u></u>	<u><u>\$2,335</u></u>	<u><u>\$2,335</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$71,000	\$71,000	\$70,965	(\$35)
Charges for Services	20,000	20,000	27,740	7,740
<i>Total Revenues</i>	91,000	91,000	98,705	7,705
Expenditures				
Capital Outlay	1,641,000	1,825,000	1,715,089	109,911
<i>Excess of Revenues Under Expenditures</i>	(1,550,000)	(1,734,000)	(1,616,384)	117,616
Other Financing Sources				
Transfers In	895,556	1,126,500	1,126,500	0
<i>Net Change in Fund Balance</i>	(654,444)	(607,500)	(489,884)	117,616
<i>Fund Balance Beginning of Year</i>	1,083,555	1,083,555	1,083,555	0
<i>Fund Balance End of Year</i>	<u>\$429,111</u>	<u>\$476,055</u>	<u>\$593,671</u>	<u>\$117,616</u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$150,000	\$250,000	\$250,000	\$0
Miscellaneous	0	0	910	910
<i>Total Revenues</i>	<u>150,000</u>	<u>250,000</u>	<u>250,910</u>	<u>910</u>
Expenses				
Contractual Services	148,230	148,230	148,230	0
Claims	127,102	227,102	74,443	152,659
<i>Total Expenses</i>	<u>275,332</u>	<u>375,332</u>	<u>222,673</u>	<u>152,659</u>
<i>Net Change in Fund Equity</i>	(125,332)	(125,332)	28,237	153,569
<i>Fund Equity Beginning of Year</i>	125,492	125,492	125,492	0
Prior Year Encumbrances Appropriated	332	332	332	0
<i>Fund Equity End of Year</i>	<u>\$492</u>	<u>\$492</u>	<u>\$154,061</u>	<u>\$153,569</u>

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City Of Solon, Ohio

STATISTICAL SECTION

Comprehensive Annual Financial Report

Statistical Section

This part of the City of Solon, 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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S11
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the municipal income tax.	S12 - S13
Debt Capacity 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.	S14 - S19
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S20- S23
Operating Information These schedules contain service 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.	S24 - S29

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that fiscal year.

City of Solon, Ohio
Net Assets By Component
Last Ten Years
(Accrual Basis of Accounting)

	<u>2011 (1)</u>	<u>2010 (1)</u>	<u>2009 (1)</u>	<u>2008</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$116,112,789	\$117,330,135	\$104,060,699	\$92,250,325
Restricted:				
Capital Projects	6,925,143	5,006,205	9,236,362	19,795,982
Debt Service	7,219,254	7,642,496	7,866,320	8,824,240
Street Construction, Maintenance and Repair	1,070,267	1,108,641	1,081,065	1,084,825
Cable TV	0	0	0	553,060
Tree Planting	0	0	0	249,116
Landfill Improvement	641,520	922,799	1,178,514	1,400,493
Other Purposes	1,102,110	988,518	981,745	1,507,140
Unrestricted	<u>13,281,133</u>	<u>10,607,262</u>	<u>12,398,272</u>	<u>12,324,836</u>
<i>Total Governmental Activities</i> <i>Net Assets</i>	<u>\$146,352,216</u>	<u>\$143,606,056</u>	<u>\$136,802,977</u>	<u>\$137,990,017</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	\$52,758,649	\$52,548,182	\$52,711,512	\$51,496,779
Unrestricted	<u>6,906,080</u>	<u>4,735,569</u>	<u>4,519,543</u>	<u>5,470,918</u>
<i>Total Business-Type Activities</i> <i>Net Assets</i>	<u>\$59,664,729</u>	<u>\$57,283,751</u>	<u>\$57,231,055</u>	<u>\$56,967,697</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$168,871,438	\$169,878,317	\$156,772,211	\$143,747,104
Restricted	16,958,294	15,668,659	20,344,006	33,414,856
Unrestricted	<u>20,187,213</u>	<u>15,342,831</u>	<u>16,917,815</u>	<u>17,795,754</u>
<i>Total Primary Government</i> <i>Net Assets</i>	<u>\$206,016,945</u>	<u>\$200,889,807</u>	<u>\$194,034,032</u>	<u>\$194,957,714</u>

(1) The City implemented GASB 54 in 2010, causing the classification of net assets to change.

2007	2006	2005	2004	2003	2002
\$87,878,235	\$82,030,598	\$78,760,236	\$73,743,370	\$74,138,179	\$64,236,393
21,802,881	19,874,834	17,130,291	19,714,801	20,769,432	21,153,622
4,245,100	5,043,568	5,832,940	5,494,418	5,164,577	5,182,771
971,182	933,208	787,747	933,997	1,100,877	1,439,159
488,084	505,445	478,171	504,777	434,793	345,524
243,136	240,376	232,556	216,226	200,356	186,326
1,394,909	1,399,637	1,352,933	1,351,906	1,367,896	1,379,192
792,373	549,219	208,927	139,672	340,629	606,348
14,084,752	13,134,426	13,348,140	18,278,464	21,327,415	28,200,481
<u>\$131,900,652</u>	<u>\$123,711,311</u>	<u>\$118,131,941</u>	<u>\$120,377,631</u>	<u>\$124,844,154</u>	<u>\$122,729,816</u>
\$50,615,585	\$49,301,117	\$44,682,581	\$39,874,333	\$39,017,736	\$34,383,495
4,291,875	3,265,336	5,723,344	5,929,558	7,447,417	7,695,055
<u>\$54,907,460</u>	<u>\$52,566,453</u>	<u>\$50,405,925</u>	<u>\$45,803,891</u>	<u>\$46,465,153</u>	<u>\$42,078,550</u>
\$138,493,820	\$131,331,715	\$123,442,817	\$113,617,703	\$113,155,915	\$98,619,888
29,937,665	28,546,287	26,023,565	28,355,797	29,378,560	30,292,942
18,376,627	16,399,762	19,071,484	24,208,022	28,774,832	35,895,536
<u>\$186,808,112</u>	<u>\$176,277,764</u>	<u>\$168,537,866</u>	<u>\$166,181,522</u>	<u>\$171,309,307</u>	<u>\$164,808,366</u>

City of Solon, Ohio
Changes in Net Assets
Last Nine Years
(Accrual Basis of Accounting)

	2011	2010	2009	2008
Program Revenues				
Governmental Activities:				
Charges for Services:				
Security of Persons and Property				
Police	\$354,441	\$398,302	\$421,753	\$487,454
Fire	711,236	338,162	367,317	436,985
Prosecutor	10,242	13,810	16,910	19,725
Public Health and Welfare	3,391	4,434	4,901	5,406
Leisure Time Activities	3,165,390	3,131,685	3,075,799	3,081,121
Community Environment	124,986	159,952	113,636	157,036
Basic Utility Services	73,489	96,456	52,604	157,087
Transportation	201,984	289,778	358,670	325,144
General Government	237,449	257,817	257,235	455,053
Operating Grants and Contributions	1,407,239	1,512,849	1,620,631	1,405,593
Capital Grants and Assessments	149,004	241,789	3,022,448	5,742,816
<i>Total Governmental Activities Program Revenues</i>	<u>6,438,851</u>	<u>6,445,034</u>	<u>9,311,904</u>	<u>12,273,420</u>
Business-Type Activities:				
Charges for Services:				
Water Reclamation	7,797,724	5,659,317	5,421,385	5,842,685
Grantwood Recreation	951,371	978,466	1,079,991	1,329,215
Operating Grants and Contributions	158,528	0	0	585
<i>Total Business-Type Activities Program Revenues</i>	<u>8,907,623</u>	<u>6,637,783</u>	<u>6,501,376</u>	<u>7,172,485</u>
<i>Total Primary Government Program Revenues</i>	<u>15,346,474</u>	<u>13,082,817</u>	<u>15,813,280</u>	<u>19,445,905</u>
Expenses				
Governmental Activities:				
Security of Persons and Property				
Police	8,501,513	8,673,149	8,534,822	8,558,640
Fire	8,137,648	8,075,434	8,054,144	8,312,572
Prosecutor	258,477	255,132	293,094	299,401
Public Health and Welfare	85,571	81,915	84,955	82,050
Leisure Time Activities	6,594,011	6,347,442	6,463,393	6,607,556
Community Environment	2,793,632	2,994,824	2,831,678	3,343,663
Basic Utility Services	2,668,113	2,758,637	2,331,673	2,159,306
Transportation	14,847,835	10,227,176	16,375,233	15,653,183
General Government	5,426,644	4,592,923	5,364,048	6,037,327
Interest and Fiscal Charges	533,090	641,829	857,669	1,232,429
<i>Total Governmental Activities Expenses</i>	<u>49,846,534</u>	<u>44,648,461</u>	<u>51,190,709</u>	<u>52,286,127</u>
Business-Type Activities				
Water Reclamation	5,265,324	5,910,432	6,472,968	6,005,663
Grantwood Recreation	1,048,003	927,306	1,142,923	1,395,175
<i>Total Business-Type Activities Expenses</i>	<u>6,313,327</u>	<u>6,837,738</u>	<u>7,615,891</u>	<u>7,400,838</u>
<i>Total Primary Government Program Expenses</i>	<u>56,159,861</u>	<u>51,486,199</u>	<u>58,806,600</u>	<u>59,686,965</u>
Net (Expense)/Revenue				
Governmental Activities	(43,407,683)	(38,203,427)	(41,878,805)	(40,012,707)
Business-Type Activities	2,594,296	(199,955)	(1,114,515)	(228,353)
<i>Total Primary Government Net Expense</i>	<u>(\$40,813,387)</u>	<u>(\$38,403,382)</u>	<u>(\$42,993,320)</u>	<u>(\$40,241,060)</u>

2007	2006	2005	2004	2003
\$473,157	\$467,125	\$451,120	\$397,347	\$431,411
432,286	410,437	410,017	342,623	357,758
22,654	21,545	33,500	19,334	23,462
7,485	8,328	9,210	8,076	8,248
3,064,735	2,901,646	2,853,512	2,591,960	2,142,864
163,455	151,067	147,069	138,260	177,622
110,039	223,131	147,855	107,112	99,214
327,922	293,743	308,193	241,598	253,276
469,342	521,404	587,975	649,852	563,605
1,259,666	1,186,197	1,008,611	1,073,328	831,117
663,457	1,597,434	2,028,529	30,000	924,595
<u>6,994,198</u>	<u>7,782,057</u>	<u>7,985,591</u>	<u>5,599,490</u>	<u>5,813,172</u>
5,783,498	5,245,086	5,034,157	4,951,245	5,084,021
1,378,801	1,358,772	1,458,833	1,439,019	1,280,301
0	0	0	0	0
<u>7,162,299</u>	<u>6,603,858</u>	<u>6,492,990</u>	<u>6,390,264</u>	<u>6,364,322</u>
<u>14,156,497</u>	<u>14,385,915</u>	<u>14,478,581</u>	<u>11,989,754</u>	<u>12,177,494</u>
7,893,398	7,454,568	7,085,001	6,952,721	6,236,704
7,052,821	7,187,188	6,945,834	6,580,279	5,860,599
299,085	296,403	449,351	291,166	299,984
98,755	114,569	123,533	121,625	105,461
6,385,083	5,959,263	5,786,057	5,599,968	5,055,204
3,289,985	2,907,697	2,659,078	2,738,297	2,874,107
2,694,417	1,840,017	1,543,094	1,467,266	1,238,991
13,287,441	10,519,856	11,193,451	11,766,890	6,029,480
6,591,856	7,003,004	6,700,104	8,336,415	6,396,281
1,374,360	1,354,604	1,285,874	1,301,006	1,448,515
<u>48,967,201</u>	<u>44,637,169</u>	<u>43,771,377</u>	<u>45,155,633</u>	<u>35,545,326</u>
4,446,862	5,768,265	4,948,864	5,935,231	5,464,150
1,336,801	1,262,934	1,405,262	1,356,898	1,409,474
<u>5,783,663</u>	<u>7,031,199</u>	<u>6,354,126</u>	<u>7,292,129</u>	<u>6,873,624</u>
<u>54,750,864</u>	<u>51,668,368</u>	<u>50,125,503</u>	<u>52,447,762</u>	<u>42,418,950</u>
(41,973,003)	(36,855,112)	(35,785,786)	(39,556,143)	(29,732,154)
1,378,636	(427,341)	138,864	(901,865)	(509,302)
<u>(\$40,594,367)</u>	<u>(\$37,282,453)</u>	<u>(\$35,646,922)</u>	<u>(\$40,458,008)</u>	<u>(\$30,241,456)</u>

(continued)

City of Solon, Ohio
Changes in Net Assets (continued)
Last Nine Years
(Accrual Basis of Accounting)

	2011	2010	2009	2008
General Revenues and Other Changes in Net Assets				
<i>Governmental Activities</i>				
Property Taxes Levied For:				
General Purposes	\$1,338,758	\$847,731	\$830,331	\$931,232
Debt Service	1,419,400	1,928,116	2,227,871	1,933,192
Police Pension	407,280	411,492	425,385	474,758
Fire Pension	610,920	616,532	637,371	711,430
Service and Safety Equipment	389,788	393,218	392,947	457,470
Community Center	0	0	0	305,922
Municipal Income Taxes levied for:				
General Purposes	29,071,231	28,336,758	25,569,132	26,663,509
Debt Service	0	0	0	3,607
Infrastructure	9,524,829	9,120,696	8,360,524	9,179,725
General Capital Improvements	78,167	69,329	76,178	74,141
Grants and Entitlements not Restricted to Specific Programs				
	1,846,601	1,772,443	1,813,161	2,389,085
Investment Income	607,074	895,577	998,629	2,807,067
Gain on Sale of Capital Assets	47,632	13,894	27,013	0
Miscellaneous	522,228	814,795	650,783	582,432
<i>Total Governmental Activities</i>				
General Revenues	45,863,908	45,220,581	42,009,325	46,513,570
Special Item - Gain on the Sale of Land Transfers	0 289,935	0 (214,075)	0 (1,317,560)	1,799,567 (2,211,065)
<i>Total Governmental Activities</i>	<u>46,153,843</u>	<u>45,006,506</u>	<u>40,691,765</u>	<u>46,102,072</u>
<i>Business-Type Activities</i>				
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	76,617	38,576	60,313	77,525
<i>Total Business-Type Activities</i>				
General Revenues	76,617	38,576	60,313	77,525
Transfers	(289,935)	214,075	1,317,560	2,211,065
<i>Total Business-Type Activities</i>	<u>(213,318)</u>	<u>252,651</u>	<u>1,377,873</u>	<u>2,288,590</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>				
	<u>45,940,525</u>	<u>45,259,157</u>	<u>42,069,638</u>	<u>48,390,662</u>
Change in Net Assets				
Governmental Activities	2,746,160	6,803,079	(1,187,040)	6,089,365
Business-Type Activities	2,380,978	52,696	263,358	2,060,237
<i>Total Primary Government Change in Net Assets</i>				
	<u>\$5,127,138</u>	<u>\$6,855,775</u>	<u>(\$923,682)</u>	<u>\$8,149,602</u>

2007	2006	2005	2004	2003
\$951,950	\$1,012,667	\$745,476	\$787,950	\$729,028
2,535,666	2,291,480	2,237,086	3,025,779	3,061,294
486,686	440,914	410,539	320,851	298,464
729,324	654,279	615,809	332,792	298,464
471,740	452,365	420,530	431,881	430,479
0	0	0	0	0
30,601,737	27,042,160	22,840,197	21,800,820	21,673,469
41,358	0	0	0	0
9,682,464	8,136,936	7,127,506	4,971,768	6,603,732
0	0	0	0	0
1,941,816	2,229,329	2,572,766	2,336,884	1,929,875
3,242,148	2,426,337	893,329	1,155,225	1,298,459
0	31,726	0	8,450	0
397,834	260,020	87,494	90,038	401,395
51,082,723	44,978,213	37,950,732	35,262,438	36,724,659
0	0	0	0	0
(920,379)	(2,543,731)	(4,410,636)	(172,818)	(4,878,167)
50,162,344	42,434,482	33,540,096	35,089,620	31,846,492
1,498	2,518	0	0	0
40,494	41,620	52,534	67,785	17,738
41,992	44,138	52,534	67,785	17,738
920,379	2,543,731	4,410,636	172,818	4,878,167
962,371	2,587,869	4,463,170	240,603	4,895,905
51,124,715	45,022,351	38,003,266	35,330,223	36,742,397
8,189,341	5,579,370	(2,245,690)	(4,466,523)	2,114,338
2,341,007	2,160,528	4,602,034	(661,262)	4,386,603
<u>\$10,530,348</u>	<u>\$7,739,898</u>	<u>\$2,356,344</u>	<u>(\$5,127,785)</u>	<u>\$6,500,941</u>

City of Solon, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008
General Fund				
Non-spendable	\$732,687	\$555,472	\$623,912	\$0
Restricted	377	96,972	83,358	0
Committed	1,003,676	1,182,073	1,101,884	0
Assigned	909,960	359,302	459,812	0
Unassigned	20,646,611	19,479,061	22,636,438	0
Reserved	0	0	0	406,585
Unreserved	0	0	0	26,104,831
Total General Fund	23,293,311	21,672,880	24,905,404	26,511,416
All Other Governmental Funds				
Restricted	9,577,187	8,408,663	11,473,009	
Committed	1,012,836	1,188,298	1,234,298	0
Unassigned (Deficit)	0	(2,125)	(3,790,560)	0
Reserved	0	0	0	455,015
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	0	0	0	4,488,030
Debt Service Funds	0	0	0	1,485,082
Capital Projects Funds	0	0	0	13,198,823
Total All Other Governmental Funds	10,590,023	9,594,836	8,916,747	19,626,950
Total Governmental Funds	\$33,883,334	\$31,267,716	\$33,822,151	\$46,138,366

Note: The City implemented GASB 54 in 2010.

2007	2006	2005	2004	2003	2002
\$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	0	0	0	0	0
2,625,689	2,746,771	2,780,421	2,892,935	2,891,843	786,678
25,889,682	25,898,002	23,818,231	25,438,890	26,936,020	34,724,059
<u>28,515,371</u>	<u>28,644,773</u>	<u>26,598,652</u>	<u>28,331,825</u>	<u>29,827,863</u>	<u>35,510,737</u>
0	0	0	0	0	0
0	0	0	0	0	0
5,339,021	1,902,166	255,949	3,560,449	3,505,304	11,589,137
3,563,983	3,185,684	2,762,247	2,737,070	3,520,429	4,035,765
1,074,820	1,529,697	1,996,287	2,362,134	2,298,675	1,995,644
6,549,744	10,924,870	10,570,361	9,525,748	10,043,906	1,768,345
<u>16,527,568</u>	<u>17,542,417</u>	<u>15,584,844</u>	<u>18,185,401</u>	<u>19,368,314</u>	<u>19,388,891</u>
<u>\$45,042,939</u>	<u>\$46,187,190</u>	<u>\$42,183,496</u>	<u>\$46,517,226</u>	<u>\$49,196,177</u>	<u>\$54,899,628</u>

City of Solon, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008
Revenues				
Property Taxes	\$4,175,477	\$4,200,659	\$4,439,830	\$4,850,270
Municipal Income Taxes	38,635,456	37,011,203	33,433,337	36,379,832
Special Assessments	722,102	812,268	788,768	1,121,553
Intergovernmental	3,369,326	3,418,929	6,379,986	3,996,592
Investment Income	607,074	895,577	998,629	2,807,067
Fees, Licenses and Permits	722,408	772,364	670,840	856,198
Fines and Forfeitures	397,909	342,265	337,471	401,852
Rentals	31,134	23,083	24,097	18,525
Charges for Services	3,741,157	3,562,684	3,646,417	3,758,436
Contributions and Donations	98,588	99,555	75,173	130,287
Miscellaneous	522,228	814,795	650,587	582,432
Total Revenues	53,022,859	51,953,382	51,445,135	54,903,044
Expenditures				
Current:				
Security of Persons and Property	0	0	0	0
Police	8,077,151	8,264,487	8,078,371	7,985,861
Fire	7,444,523	7,429,107	7,574,187	7,750,303
Prosecutor	257,217	252,624	297,440	299,953
Public Health and Welfare	85,571	81,915	84,955	82,050
Leisure Time Activities	6,023,319	5,669,661	5,793,337	5,900,904
Community Development	2,838,647	3,001,106	2,801,923	3,316,686
Basic Utilities Services	1,894,005	1,890,447	1,641,022	1,920,896
Transportation	6,181,872	6,429,141	6,491,425	6,095,752
General Government	4,966,488	4,327,183	4,061,450	4,790,951
Capital Outlay	10,388,586	14,549,895	22,775,769	13,280,808
Debt Service:				
Principal Retirement	2,070,153	1,995,556	3,271,373	1,732,382
Interest and Fiscal Charges	546,106	657,129	879,836	1,246,408
Bond Issuance Costs	0	0	0	0
Total Expenditures	50,773,638	54,548,251	63,751,088	54,402,954
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>2,249,221</u>	<u>(2,594,869)</u>	<u>(12,305,953)</u>	<u>500,090</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	66,462	112,607	83,882	14,175
General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow	0	0	0	0
OWDA Loans Issued	0	0	0	0
Transfers In	4,363,775	7,529,125	5,553,280	8,344,130
Transfers Out	(4,063,840)	(7,601,298)	(5,647,424)	(10,281,118)
Total Other Financing Sources (Uses)	366,397	40,434	(10,262)	(1,922,813)
Special Item				
Proceeds from Sale of Land	0	0	0	2,518,150
Net Change in Fund Balances	<u>\$2,615,618</u>	<u>(\$2,554,435)</u>	<u>(\$12,316,215)</u>	<u>\$1,095,427</u>
Debt Service as a Percentage of Noncapital Expenditures				
	5.7%	6.4%	8.2%	6.1%

(1) Security of Persons and Property was shown in total for 2002.

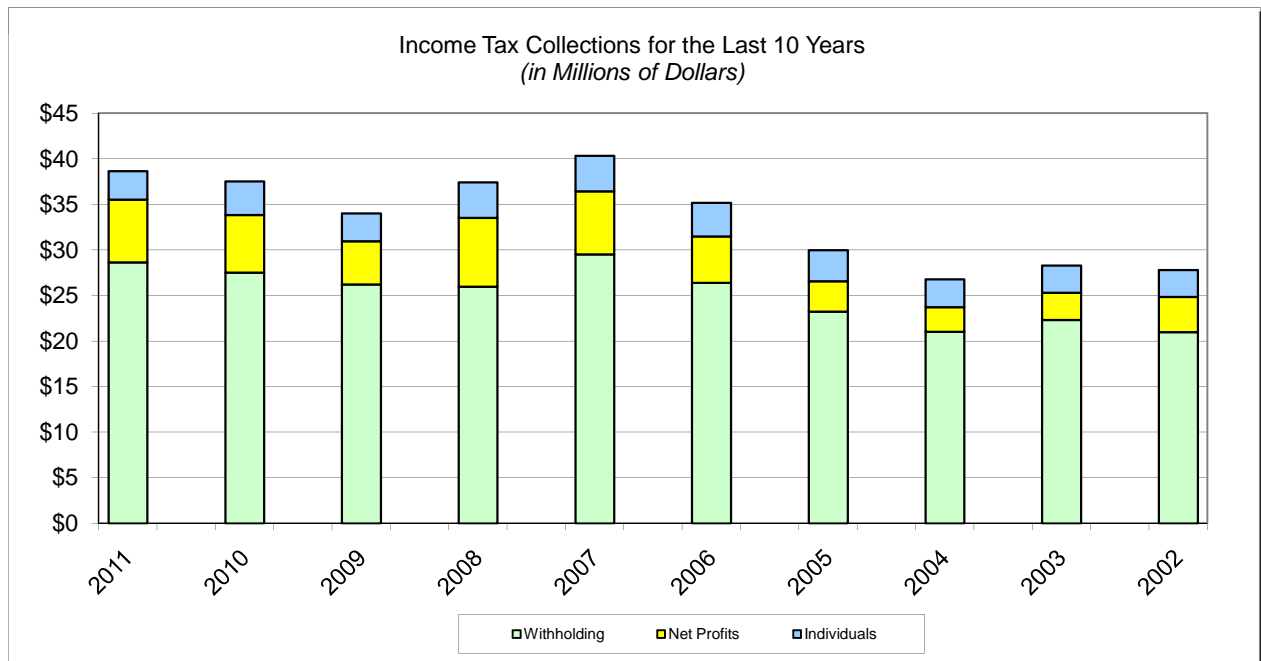
2007	2006	2005	2004	2003	2002 (1)
\$5,167,986	\$4,857,332	\$4,501,679	\$4,856,262	\$4,824,148	\$4,370,359
38,530,269	36,029,136	29,535,375	27,038,056	28,383,580	27,795,091
1,003,236	850,556	1,083,930	406,647	370,838	820,074
3,127,153	4,360,538	3,766,964	3,306,652	3,536,577	7,314,296
3,242,148	2,426,337	893,329	1,155,225	1,298,459	3,174,847
989,533	978,890	1,112,664	1,081,566	1,040,886	900,926
353,490	379,355	332,732	292,396	282,640	286,901
13,598	18,343	31,992	11,563	8,397	0
3,714,454	3,621,838	3,471,063	3,110,637	2,725,537	1,864,193
103,806	111,152	66,982	83,731	67,961	0
397,834	260,020	87,494	90,038	401,395	236,792
<u>56,643,507</u>	<u>53,893,497</u>	<u>44,884,204</u>	<u>41,432,773</u>	<u>42,940,418</u>	<u>46,763,479</u>
0	0	0	0	0	10,808,139
7,290,455	7,020,044	6,649,603	6,635,441	6,014,057	0
7,025,219	6,605,778	6,458,351	6,289,735	5,401,761	0
294,804	300,436	445,789	288,406	299,984	0
98,755	114,569	123,533	121,625	105,461	105,158
5,602,008	5,248,742	5,091,112	4,895,083	4,276,719	3,259,042
3,139,019	2,219,670	2,062,884	2,083,980	2,084,024	1,709,823
2,044,148	1,846,896	1,587,598	1,469,524	1,525,655	1,467,022
5,405,428	4,910,127	5,167,983	4,745,841	4,318,184	3,974,720
5,692,537	6,117,606	6,000,827	7,370,422	5,330,364	4,920,380
13,649,066	13,399,863	15,578,972	7,913,048	16,768,406	25,394,387
5,886,095	2,547,369	2,546,082	2,336,134	2,171,799	4,648,819
1,406,201	1,263,066	1,299,872	1,273,201	1,403,436	1,295,962
0	0	0	0	0	90,645
<u>57,533,735</u>	<u>51,594,166</u>	<u>53,012,606</u>	<u>45,422,440</u>	<u>49,699,850</u>	<u>57,674,097</u>
<u>(890,228)</u>	<u>2,299,331</u>	<u>(8,128,402)</u>	<u>(3,989,667)</u>	<u>(6,759,432)</u>	<u>(10,910,618)</u>
54,216	72,236	169,563	29,500	0	0
0	0	0	0	0	12,195,521
0	0	0	0	0	(2,860,468)
612,140	1,789,236	3,811,825	1,454,034	1,268,815	0
10,425,148	6,994,821	4,462,788	5,369,057	10,056,269	4,903,817
<u>(11,345,527)</u>	<u>(7,151,930)</u>	<u>(4,649,504)</u>	<u>(5,541,875)</u>	<u>(10,269,103)</u>	<u>(6,080,540)</u>
<u>(254,023)</u>	<u>1,704,363</u>	<u>3,794,672</u>	<u>1,310,716</u>	<u>1,055,981</u>	<u>8,158,330</u>
0	0	0	0	0	0
<u>(\$1,144,251)</u>	<u>\$4,003,694</u>	<u>(\$4,333,730)</u>	<u>(\$2,678,951)</u>	<u>(\$5,703,451)</u>	<u>(\$2,752,288)</u>
14.8%	11.1%	11.5%	10.6%	12.2%	23.0%

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

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2011	2.00 %	\$38,674,227	\$28,643,077	74.06%	\$6,882,485	17.80%	\$3,148,665	8.14%
2010	2.00	37,526,783	27,519,770	73.33	6,341,666	16.90	3,665,347	9.77
2009	2.00	34,005,834	26,232,767	77.14	4,716,335	13.87	3,056,732	8.99
2008	2.00	37,416,449	25,989,242	69.46	7,547,808	20.17	3,879,399	10.37
2007	2.00	40,325,559	29,517,754	73.20	6,937,835	17.20	3,869,970	9.60
2006	2.00	35,179,096	26,402,804	75.05	5,075,164	14.43	3,701,128	10.52
2005	2.00	29,967,703	23,220,297	77.48	3,337,974	11.14	3,409,432	11.38
2004	2.00	26,772,588	21,006,825	78.46	2,726,706	10.18	3,039,057	11.35
2003	2.00	28,277,201	22,338,251	79.00	2,968,932	10.50	2,970,018	10.50
2002	2.00	27,795,091	21,002,339	75.56	3,856,373	13.87	2,936,379	10.56

(1) 2003 through 2011 are on an Accrual Basis and 2002 is on a Modified Accrual Basis.

(2) Rates may only be raised by obtaining the approval of a majority of the voters at a public election.



City of Solon, Ohio
Principal Income Taxpayers
Current Year and Nine Years Ago

The following are the principal income taxpayers in the City; ranked in order of payroll withholding.

<u>2011 Taxpayers</u>	<u>Ranking</u>
Swagelok Manufacturing Company	1
Nestle Food Company	2
Keithley Instruments Inc.	3
Solon Board of Education	4
Erico Products Inc.	5
City of Solon	6
Parker Hannifin	7
National Enterprise Systems Inc.	8
Friction Products Company	9
LPS Management LLC	10

<u>2002 Taxpayers</u>	<u>Ranking</u>
Nestle Beverage Services	1
Swagelok Manufacturing Company	2
Solon Board of Education	3
Keithley Instruments Inc.	4
Pioneer Standard Electronics	5
Erico Products Inc.	6
Kennametal Inc.	7
L'Oreal USA Products, Inc.	8
City of Solon	9
Datavantage Corporation	10

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholding.

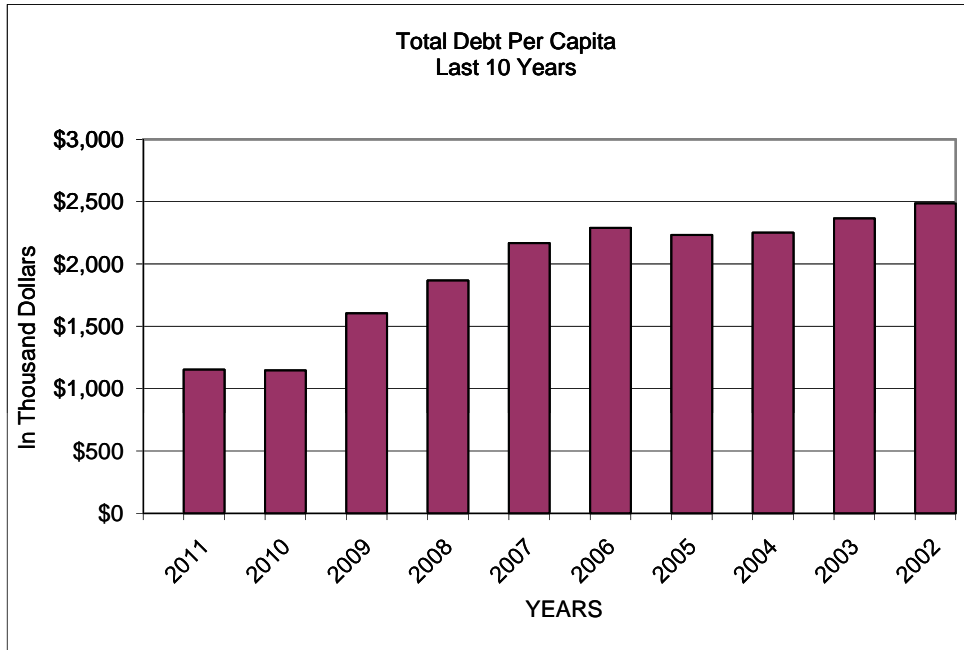
Source: Information provided by City's Finance Department.

City of Solon, 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	OWDA Loans	OPWC Loans	General Obligation Bond Anticipation Notes
2011	\$4,470,000	\$84,895	\$9,742,923	\$199,235	\$0
2010	5,620,000	167,497	10,519,826	259,883	0
2009	6,720,000	247,805	11,274,426	320,531	4,707,351
2008	9,150,000	325,818	12,007,462	350,855	5,739,897
2007	10,150,000	401,537	12,603,477	411,503	9,400,888
2006	15,210,000	474,961	12,683,360	472,151	7,112,751
2005	17,170,000	548,385	11,347,421	532,799	6,012,118
2004	19,040,000	722,220	7,977,195	593,447	6,531,075
2003	20,835,000	898,350	6,827,517	654,095	7,045,100
2002	22,570,000	1,060,714	5,975,352	714,744	7,500,000

(1) The personal income and population can be found on S22.



Business-Type
Activities

<u>OWDA Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$12,381,524	\$26,878,577	2.46%	\$1,151
10,171,586	26,738,792	3.24	1,145
11,688,947	34,959,060	4.53	1,603
13,110,071	40,684,103	5.27	1,866
14,275,277	47,242,682	6.12	2,167
13,942,003	49,895,226	6.47	2,289
13,041,769	48,652,492	6.30	2,232
14,183,512	49,047,449	6.36	2,250
15,288,431	51,548,493	6.68	2,364
16,353,726	54,174,536	7.02	2,485

City of Solon, Ohio
*Ratio of General Obligation Bonded Debt to Estimated
 True Values of Taxable Property and Bonded Debt Per Capita
 Last Ten Years*

<u>Year</u>	<u>Population (1)</u>	<u>Estimated True Values of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated True Values of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2011	23,348	\$3,232,882,651	\$4,470,000	0.14 %	\$191.45
2010	23,348	3,238,635,274	5,620,000	0.17	240.71
2009	21,802	3,629,826,351	6,720,000	0.19	308.23
2008	21,802	3,970,061,706	9,150,000	0.23	419.69
2007	21,802	4,250,386,170	10,150,000	0.24	465.55
2006	21,802	3,741,137,847	15,210,000	0.41	697.64
2005	21,802	3,522,804,158	17,170,000	0.49	787.54
2004	21,802	3,586,420,398	19,040,000	0.53	873.31
2003	21,802	3,471,059,759	20,835,000	0.60	955.65
2002	21,802	3,410,829,704	22,570,000	0.66	1,035.23

Sources:

(1) U. S. Bureau of Census, Census of Population.

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt.

(4) Although the general obligation bond retirement 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 Solon, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2011

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Solon
Direct - City of Solon			
General Obligation Bonds	\$4,470,000	100.00%	\$4,470,000
Special Assessment Bonds	84,895	100.00%	84,895
OWDA Loans	9,742,923	100.00%	9,742,923
OPWC Loans	199,235	100.00%	199,235
<i>Total Direct</i>	<u>14,497,053</u>		<u>14,497,053</u>
Overlapping			
Solon City School District			
General Obligation Bonds	17,853,237	97.86%	17,471,178
Capital Lease Obligations	111,702	97.86%	109,312
Orange School District			
General Obligation Bonds	26,473,006	2.14%	566,522
Capital Lease Obligations	127,646	2.14%	2,732
Cuyahoga County (2)			
General Obligation Bonds	298,113,842	3.87%	11,537,006
Revenue Bonds	166,580,000	3.87%	6,446,646
Capital Lease Obligations	20,851,000	3.87%	806,934
Loans Payable	8,310,000	3.87%	321,597
Greater Cleveland Regional Transit Authority			
	<u>166,047,138</u>	3.87%	<u>6,426,024</u>
<i>Total Overlapping Debt</i>	<u>704,467,571</u>		<u>43,687,951</u>
Total	<u><u>\$718,964,624</u></u>		<u><u>\$58,185,004</u></u>

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) The special taxing districts' debt (which includes the Cleveland Metropolitan Park District, Cuyahoga Community College and the Cleveland-Cuyahoga Port Authority) is included in the County total.

Source: Cuyahoga County Auditor

City of Solon, Ohio
Ratios of Bonded Debt Outstanding and Legal Debt Margin
Last Ten Years

	2011	2010	2009	2008
Population	23,348	23,348	21,802	21,802
Total Assessed Property Value	<u>\$1,141,833,370</u>	<u>\$1,138,422,059</u>	<u>\$1,179,483,022</u>	<u>\$1,189,301,755</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$4,470,000	\$5,620,000	\$6,720,000	\$9,150,000
Special Assessment Bonds	84,895	167,497	247,805	325,818
Bond Anticipation Notes	0	0	4,700,000	5,700,000
OPWC Loans	199,235	259,883	320,531	350,855
OWDA Loans	<u>22,124,447</u>	<u>20,691,412</u>	<u>22,963,373</u>	<u>25,117,533</u>
Total Gross Indebtedness	26,878,577	26,738,792	34,951,709	40,644,206
Less:				
Special Assessment Bonds	(84,895)	(167,497)	(247,805)	(325,818)
OWDA Loans	(22,124,447)	(20,691,412)	(22,963,373)	(25,117,533)
General Obligation Bond Retirement Fund Balance	<u>(2,114,990)</u>	<u>(1,800,852)</u>	<u>(1,186,990)</u>	<u>(1,485,082)</u>
Total Net Debt Applicable to Debt Limit	<u>2,554,245</u>	<u>4,079,031</u>	<u>10,553,541</u>	<u>13,715,773</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>119,892,504</u>	<u>119,534,316</u>	<u>123,845,717</u>	<u>124,876,684</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$117,338,259</u>	<u>\$115,455,285</u>	<u>\$113,292,176</u>	<u>\$111,160,911</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.87%	96.59%	91.48%	89.02%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$62,800,835</u>	<u>\$62,613,213</u>	<u>\$64,871,566</u>	<u>\$65,411,597</u>
Total Gross Indebtedness	26,878,577	26,738,792	34,951,709	40,644,206
Less:				
Voted General Obligation Bonds	0	(240,000)	(465,000)	(2,060,000)
Special Assessment Bonds	(84,895)	(167,497)	(247,805)	(325,818)
OWDA Loans	(22,124,447)	(20,691,412)	(22,963,373)	(25,117,533)
General Obligation Bond Retirement Fund Balance	<u>(2,114,990)</u>	<u>(1,800,852)</u>	<u>(1,186,990)</u>	<u>(1,485,082)</u>
Net Debt Within 5 ½ % Limitations	<u>2,554,245</u>	<u>3,839,031</u>	<u>10,088,541</u>	<u>11,655,773</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$60,246,590</u>	<u>\$58,774,182</u>	<u>\$54,783,025</u>	<u>\$53,755,824</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	95.93%	93.87%	84.45%	82.18%

Source: City Financial Records

2007	2006	2005	2004	2003	2002
21,802	21,802	21,802	21,802	21,802	21,802
<u>\$1,268,462,154</u>	<u>\$1,185,343,677</u>	<u>\$1,178,760,526</u>	<u>\$1,188,847,661</u>	<u>\$1,139,784,898</u>	<u>\$1,120,768,635</u>
\$10,150,000	\$15,210,000	\$17,170,000	\$19,040,000	\$20,835,000	\$22,570,000
401,537	474,961	548,385	722,220	898,350	1,060,714
9,390,000	7,100,000	6,000,000	6,500,000	7,000,000	7,500,000
411,503	472,151	532,799	593,447	654,095	714,744
26,878,754	26,625,363	24,389,190	22,160,707	22,115,948	19,190,442
47,231,794	49,882,475	48,640,374	49,016,374	51,503,393	51,035,900
(401,537)	(474,961)	(548,385)	(722,220)	(898,350)	(1,060,714)
(26,878,754)	(26,625,363)	(24,389,190)	(22,160,707)	(22,115,948)	(19,190,442)
(1,074,820)	(1,529,697)	(1,996,287)	(2,362,134)	(2,298,675)	(1,596,515)
18,876,683	21,252,454	21,706,512	23,771,313	26,190,420	29,188,229
133,188,526	124,461,086	123,769,855	124,829,004	119,677,414	117,680,707
<u>\$114,311,843</u>	<u>\$103,208,632</u>	<u>\$102,063,343</u>	<u>\$101,057,691</u>	<u>\$93,486,994</u>	<u>\$88,492,478</u>
85.83%	82.92%	82.46%	80.96%	78.12%	75.20%
\$69,765,418	\$65,193,902	\$64,831,829	\$65,386,621	\$62,688,169	\$61,642,275
47,231,794	49,882,475	48,640,374	49,016,374	51,503,393	51,035,900
(2,250,000)	(2,430,000)	(2,605,000)	(2,770,000)	(2,920,000)	(3,060,000)
(401,537)	(474,961)	(548,385)	(722,220)	(898,350)	(1,060,714)
(26,878,754)	(26,625,363)	(24,389,190)	(22,160,707)	(22,115,948)	(19,190,442)
(1,074,820)	(1,529,697)	(1,996,287)	(2,362,134)	(2,298,675)	(1,596,515)
16,626,683	18,822,454	19,101,512	21,001,313	23,270,420	26,128,229
<u>\$53,138,735</u>	<u>\$46,371,448</u>	<u>\$45,730,317</u>	<u>\$44,385,308</u>	<u>\$39,417,749</u>	<u>\$35,514,046</u>
76.17%	71.13%	70.54%	67.88%	62.88%	57.61%

City of Solon, Ohio
Principal Employers
2010 and 2001 (1)

2010		
Employer	W-2's	Percentage of Total City W-2's
Swagelok Company	2,800	6.37 %
Nestle Food Company	2,113	4.81
Solon Board of Education	1,063	2.42
National Enterprise Systems	882	2.01
City of Solon	848	1.93
Erico Products Inc.	535	1.22
The Cleveland Clinic	446	1.01
Keithley Instruments Inc.	356	0.81
L'Oreal USA Products, Inc.	328	0.75
Datavantage	321	0.73
Total	9,692	22.06 %
Total W-2's Received	43,929	

2001		
Employer	W-2's	Percentage of Total City W-2's
Nestle Food Company	2,378	4.85 %
Swagelok Company	1,012	2.06
Solon Board of Education	989	2.02
City of Solon	722	1.47
Agilysys Inc.	648	1.32
Keithley Instruments Inc.	601	1.23
Erico Products Inc.	589	1.20
L'Oreal USA Products, Inc.	516	1.05
Venture Lighting Inc.	499	1.02
Kennametal Inc.	498	1.02
Total	8,452	17.24 %
Total W-2's Received	49,028	

(1) Current year data was not complete when this report was produced.

Source: Information provided by City's Finance Department.

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2011	23,348	\$1,093,853,800	\$46,850	\$95,881	43
2010	23,348	1,093,853,800	46,850	95,881	43
2009	21,802	771,659,988	35,394	78,903	39
2008	21,802	771,659,988	35,394	78,903	39
2007	21,802	771,659,988	35,394	78,903	39
2006	21,802	771,659,988	35,394	78,903	39
2005	21,802	771,659,988	35,394	78,903	39
2004	21,802	771,659,988	35,394	78,903	39
2003	21,802	771,659,988	35,394	78,903	39
2002	21,802	771,659,988	35,394	78,903	39

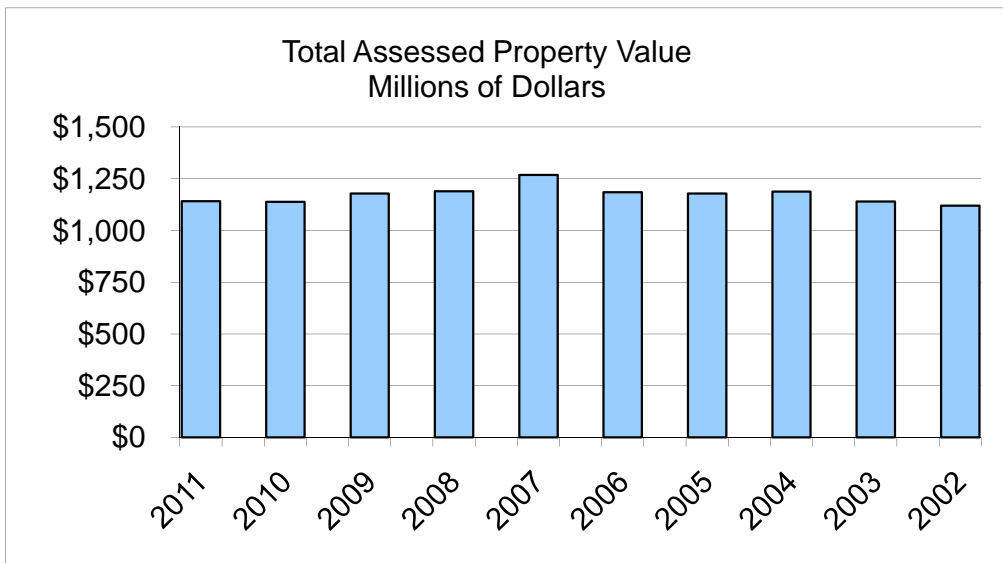
(1) Source: U. S. Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

(3) Ohio Labor Market Website: "<http://www.lmi.state.oh.us>"

(4) Source: Cuyahoga County Auditor

(5) Computation of per capita personal income multiplied by population



<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Total Assessed Property Value (4)</u>
57.0%	5,043	7.1%	\$1,141,833,370
57.0	5,171	8.6	1,138,422,059
50.4	5,214	9.0	1,179,483,022
50.4	5,292	7.1	1,189,301,755
50.4	5,357	6.1	1,268,462,154
50.4	5,366	5.5	1,185,343,677
50.4	5,314	5.9	1,178,760,526
50.4	5,243	6.3	1,188,847,661
50.4	5,162	6.2	1,139,784,898
50.4	5,103	5.7	1,120,768,635

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

Function/Program	2011	2010	2009	2008
Security of Persons and Property				
Police	44.00	46.00	47.00	46.00
Dispatch and Clerks	18.00	17.00	19.00	19.00
Corrections	7.00	8.00	10.00	10.00
Fire	58.00	60.00	61.00	61.00
Leisure Time Activities				
Recreation	12.00	13.00	14.00	15.00
Senior Services	4.00	5.00	5.00	5.00
Arts Center	4.00	4.00	4.00	4.00
Grantwood Golf Course	5.00	5.00	5.00	6.00
Community Environment				
Planning	6.00	6.00	6.00	6.00
Building	3.00	4.00	4.00	5.00
Engineering	10.00	11.00	11.00	10.00
Public Works	0.00	1.00	2.00	2.00
Basic Utility Services				
Water Reclamation	17.00	23.00	23.00	22.00
Transportation				
Service	68.00	66.00	70.00	68.00
General Government				
City Council	2.00	2.00	2.00	2.00
Mayors Office	2.00	2.00	2.00	2.00
Finance	10.00	11.00	11.00	10.00
Income Tax	4.00	4.00	4.00	4.00
Prosecutor Clerk	1.00	1.00	1.00	1.00
Human Resources	2.00	2.00	2.00	2.00
Network Administrator	3.00	3.00	3.00	3.00
City Hall Custodial	2.00	2.00	2.00	2.00
Receptionist	1.00	1.00	1.00	1.00
Totals:	<u>283.00</u>	<u>297.00</u>	<u>309.00</u>	<u>306.00</u>

Source: City of Solon, Ohio Payroll Department W2 Audit Lising

Method: Using 1.0 for each full-time employee at December 31.
 No part-time or seasonal employees are included.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
46.00	46.00	46.00	46.00	45.00	45.00
16.00	16.00	15.00	15.00	15.00	15.00
10.00	10.00	10.00	10.00	12.00	12.00
61.00	61.00	61.00	61.00	60.00	61.00
16.00	16.00	16.00	14.00	14.00	13.00
5.00	5.00	5.00	5.00	5.00	4.00
3.00	3.00	3.00	3.00	3.00	3.00
7.00	7.00	7.00	7.00	7.00	7.00
6.00	6.00	6.00	6.00	6.00	5.00
6.00	6.00	7.00	8.00	8.00	7.00
8.00	8.00	8.00	9.00	10.00	9.00
2.00	2.00	1.00	2.00	2.00	2.00
24.00	23.00	24.00	24.00	24.00	24.00
67.00	65.00	64.00	66.00	67.00	67.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
11.00	11.00	11.00	11.00	11.00	10.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
<u>305.00</u>	<u>301.00</u>	<u>299.00</u>	<u>302.00</u>	<u>304.00</u>	<u>299.00</u>

City of Solon, Ohio
Operating Indicators by Function/Program
Last Eight Years (1)

Function/Program	2011	2010	2009	2008
Security of Persons & Property				
<i>Police</i>				
Number of traffic citations issued	3,744	4,673	4,266	4,743
DUI Arrests	132	118	126	135
Prisoners Processed	1,732	1,521	1,376	1,445
<i>Fire</i>				
Fire Responses	746	737	785	753
EMS Calls	1,726	1,789	1,725	1,831
Safety Inspections	1,529	1,589	1,703	2,600
Plan Reviews	247	150	231	293
Leisure Time Activities				
<i>Parks and Recreation</i>				
Community Center Memberships	8,341	8,495	9,550	9,950
Summer Camp Participants	1,201	1,248	1,295	1,475
Baseball/Softball Teams	81	99	108	117
<i>Senior Services</i>				
Total Participation Hours	36,817	31,678	84,233	73,216
<i>Arts Center</i>				
Class Registrations	3,160	3,274	3,508	3,040
Percentage of Solon Residents	79%	81%	83%	87%
<i>Grantwood Golf Course</i>				
Rounds Played (18 holes)	14,025	12,021	12,649	12,464
Rounds Played (9 holes)	10,967	17,148	19,289	19,398
Buckets of Range Balls	6,525	8,870	10,342	11,291
Community Environment				
<i>Building</i>				
Building Permits Issued	793	819	706	726
Basic Utility Services				
<i>Waste Water Treatment</i>				
Average Daily Flow (millions of gallons)	4.131	3.733	3.291	3.787
Transportation				
<i>Service</i>				
Tons of Salt Purchased	10,119	16,000	12,700	11,509
Tons of Rubbish Collected	7,835	7,868	8,147	8,987
Tons of Leaves Collected	2,590	2,100	2,788	1,752
Tons of Recycling Materials Collected	1,422	1,334	1,199	1,069
General Government				
<i>City Council</i>				
Ordinances or Resolutions Introduced	255	286	311	372
<i>Finance</i>				
Accounts Payable Checks Processed	9,333	9,547	10,838	10,525
Purchase Orders Issued	4,829	4,355	4,880	4,828
<i>Network Administration</i>				
Computer Workstations	237	235	235	225

(1) Information prior to 2004 is not available.

Source: Information provided by various departments at the City of Solon

2007	2006	2005	2004
4,672	4,901	4,431	4,477
117	109	128	127
1,489	1,472	1,124	1,323
833	705	841	820
1,844	1,739	1,695	1,541
2,763	2,408	1,471	999
287	273	259	234
10,600	11,056	11,534	10,201
1,520	1,500	1,585	1,582
118	136	138	137
59,239	45,664	46,831	31,533
2,683	2,332	1,713	1,447
88%	83%	77%	79%
12,598	12,266	13,485	14,354
20,492	20,720	21,645	20,748
11,222	11,439	12,616	16,073
775	819	923	758
3,957	4,045	4,112	4,024
9,497	7,515	17,970	12,888
12,255	11,309	11,590	11,980
4,351	5,510	6,395	3,850
1,573	987	727	594
324	311	302	288
10,022	9,971	10,272	10,627
4,523	4,698	4,805	5,067
217	205	200	196

City of Solon, Ohio
Capital Assets Statistics by Function/Program
Last Eight Years (1)

Function/Program	2011	2010	2009	2008
Security of Persons and Property				
<i>Police</i>				
Square Footage of Station	37,168	37,168	37,168	37,168
Vehicles	28	27	25	24
<i>Fire</i>				
Square Footage of Station #1	37,168	37,168	37,168	37,168
Square Footage of Station #2	16,200	16,200	16,200	16,200
Square Footage of Station #3	9,610	9,610	9,610	9,610
Vehicles	19	21	21	23
Leisure Time Activities				
<i>Parks and Recreation</i>				
Square Footage of Community Center	92,500	92,500	92,500	92,500
Vehicles	7	7	7	8
<i>Senior Services</i>				
Vehicles	4	4	6	5
<i>Arts Center</i>				
Square Footage of Building	15,000	15,000	15,000	15,000
<i>Grantwood Golf Course</i>				
Square Footage of Clubhouse	7,200	7,200	7,200	7,200
Square Footage of Maintenance Building	5,000	5,000	5,000	5,000
Vehicles	1	1	1	1
Community Environment				
<i>Planning Department</i>				
Vehicles	2	2	2	2
<i>Building Department</i>				
Vehicles	4	4	5	5
<i>Engineering Department</i>				
Vehicles	9	8	8	9
Basic Utility Services				
<i>Waste Water Treatment</i>				
Square Footage of Buildings	56,000	56,000	56,000	56,000
Vehicles	12	12	12	13
Transportation				
<i>Service</i>				
Square Footage of Building	70,461	70,461	70,461	70,461
Vehicles	71	70	73	67
General Government				
<i>City Hall</i>				
Square Footage of Building	55,950	55,950	55,950	55,950
Mayor's Vehicle	1	1	1	1
Tax/Finance's Vehicle	1	1	1	1
Network Administration's Vehicle	1	1	1	1
City Hall Vehicle	1	1	1	1

(1) Information prior to 2004 is not available.

Source: Information provided by various departments at the City of Solon

2007	2006	2005	2004
37,168	37,168	37,168	37,168
24	24	24	23
37,168	37,168	37,168	37,168
16,200	9,000	9,000	9,000
9,610	9,610	9,610	9,610
22	21	21	21
92,500	92,500	92,500	92,500
8	7	7	7
3	4	4	3
15,000	15,000	15,000	15,000
7,200	7,200	7,200	7,200
5,000	5,000	5,000	5,000
1	1	1	1
2	2	2	2
5	5	5	5
9	8	8	8
56,000	56,000	56,000	56,000
13	13	14	15
70,461	70,461	70,461	70,461
66	58	64	68
55,950	55,950	55,950	55,950
1	1	1	1
1	1	1	1
1	1	0	0
1	1	1	1

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City Of Solon, Ohio

34200 BAINBRIDGE ROAD • SOLON, OHIO 44139
WWW.SOLONOHIO.ORG

Susan Drucker, Mayor



Dave Yost • Auditor of State

CITY OF SOLON

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
JULY 10, 2012