



**Comprehensive Annual
Financial Report
Year ending
December 31, 2010**



Dave Yost • Auditor of State

Honorable Mayor and Members of Council
City of Warrensville Heights
4301 Warrensville Center Road
Warrensville Heights, Ohio 44128

We have reviewed the *Independent Auditors' Report* of the City of Warrensville Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 15, 2012

City of Warrensville Heights, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2010**

Issued by the Department of Finance

**Irene Crowell
Finance Director**

Introductory Section

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City of Warrensville Heights

4301 Warrensville Center Road
Warrensville Heights, Ohio 44128
(216) 587-6500

Clinton Hall
Mayor

August 30, 2011

Honorable Members of City Council
and Citizens of Warrensville Heights
Warrensville Heights, Ohio 44128

We are pleased to submit the *Comprehensive Annual Financial Report of the City of Warrensville Heights* for the year ended December 31, 2010. This report enables the City to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis. It is also in compliance with the Ohio Revised Code Section 117.38, which requires the cities that are reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days after fiscal year end. This report is submitted to satisfy that requirement.

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

Ciuni and Panichi Inc., a certified public accountant and business consulting firm, has issued an unqualified ("clean") opinion on the City of Warrensville Heights' financial statements for the year ended December 31, 2010. The *Independent Auditor's Report* is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the *Independent Auditor's Report* and provides a narrative introduction, overview, and analysis of the basic financial statements. The *MD&A* complements this letter of transmittal, and should be read in conjunction with it.

The City and Form of Government

The City of Warrensville Heights, Ohio is located in the southeast portion of Cuyahoga County, eight miles from downtown Cleveland. The City was incorporated as a village in 1927, and became a city in 1960. The City has 13,542 residents (10.4% less than 2000 data) according to the most recent data from the United States Census Bureau.

The City is in the Cleveland Primary Metropolitan Statistical Area, which is comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. The City is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area which is the 11th most populous in the country.

The City operates under, and is governed by, its Charter which was adopted in 1958 by its voters, and has been amended from time to time. The last amendment was made in 2010. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven member Council. Formerly, the seven Council members were elected at large every two years, and served staggered terms so that no more than four members of Council would be elected at any biennial election. At the municipal election in November 2002, the electors of the City voted to amend the *City Charter* to require the election of members of Council by specified wards for terms of four years. Thus, at the municipal election in November, 2003, the voters of the City elected seven members of Council by wards---each to serve for a term of four years.

The Council fixes compensation of City officials and employees; and enacts ordinances and resolutions relating to the City's services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The Council President is elected by a majority of the Council for a one-year term. The Charter establishes certain administrative departments. The Council may establish divisions of those departments and additional departments.

The City's chief executive and administrative officer is the Mayor who is elected by the voters for a four-year term and serves in a part-time capacity. The Mayor also serves as the City's Safety Director. The Mayor presides over all Council meetings, and may veto any legislation passed by Council. A two-third vote of all members of Council is required to override a veto.

The Mayor appoints, subject to the approval of Council, the directors of the City's departments, the Chiefs of Police and Fire, as well as police and fire personnel after competitive civil service examinations. Additionally, the Mayor appoints members to a number of boards and commissions; and in accordance with civil service requirements, may remove all appointed officials and employees---except Council officers and employees.

The City provides basic services to its residents including police and fire protection, planning, zoning, street maintenance and repair, refuse collection, and general administrative services. Warrensville Heights' residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District and the City of Bedford Heights. The City is a member of the Northeast Ohio Public Energy Council (NOPEC) and participates in a program for natural gas and electricity for further benefits to the residents.

The Bedford Municipal Court provides judicial services for the City of Warrensville Heights. The jurisdiction of the court, as established by the Ohio Revised Code, handles cases from 14 different, diverse municipalities.

Economic Condition and Outlook

The City is an inner ring suburb of the City of Cleveland. Primarily a residential community of beautifully maintained neighborhoods, it also has a thriving and engaging business community. Each day approximately 12,415 people come to work in Warrensville Heights (an increase of 24% since 2009) and are responsible for 81.7% of the City's revenue through income tax. The City receives approximately 13 cents from each property tax dollar.

From fiscal 2007 through 2009, the City consistently drew upon its reserves, with General Fund reserves narrowing from \$1.3 million, or 9.1% of revenues in fiscal 2006 to \$270,000, or a very limited 1.9% of General Fund revenues in fiscal 2009. The decline in reserves was attributed to rising personnel costs and large settlements with bargaining units. In 2010, the unreserved fund balance of the General Fund increased to \$2.67M due mainly to the significant increase in income tax revenues, by reducing the workforce by 10.4% (17.5 FTEs), instituting 10 furlough days and 5% healthcare contributions for non-bargaining staff, and various concessions by the bargaining units. Also, the residents passed three (3) renewal levies that continued funding for services provided by the Police and Fire Departments, and for building maintenance.

However, like most other municipalities, the City's Local Government Funds will be reduced by 25% in the State's FY2012 budget, and by 50% in the FY2013 budget...\$1M over the two-year period. The Tangible Personal Property Tax for current expenses will be eliminated in the aforementioned budgets by \$400K. To offset some of the funding losses, the Fire Department applied for a \$1.4M Safer Grant to recall laid off fire fighters. The grant was subsequently awarded in 2011. The Police Department also submitted applications for grants to subsidize shrinking revenue.

Major Initiatives

In May 2009, the electors of the City voted to increase the income tax rate from 2.00% to 2.60%. Revenues from the tax increase will be used for construction of a YMCA recreational center and for various other capital improvement projects. The full benefit of the income tax increase was realized in 2010, 29% increase over 2009. Also, Moody's Financial Services upgraded the City's rating from A-3 to A-1.

Long-Term Financial Planning

The Administration is committed to working with the business community and residents to ensure that the City of Warrensville Heights provides a high quality of life and services. To spur economic development, the City established its first Community Reinvestment Area (CRA) in June 1994 under State law. It has since created two additional CRA's to include more land within the boundaries of the City. This program offers real property tax abatement for construction and expansion of commercial facilities located within a designated area. The City has been able to recruit new commercial companies and retain existing ones as a result of the CRA program. Abatement has been granted up to 50 percent over 15 years. The City shares a percentage of the increased payroll withholding taxes through the abatement period with the school district.

The City continues to make significant progress in its efforts to strengthen its economic base and community development. Commercial and industrial property comprised approximately 55.6% of the City's tax base in 2010. Limited tax base growth is expected going forward as the residential development has been fairly stagnant in recent years.

In 2010, the City's modestly-sized tax base was valued at \$724 million and remains somewhat concentrated as the top ten taxpayers represent 25.1% of assessed valuation. Despite this moderate concentration, property taxes comprise a small percentage of the city's revenues, mitigating the impact that loss of a property taxpayer could have on the city's financial operations. Income tax collections are slightly more diversified as there is only one payer with a greater than 5% share of total income tax revenues. Cuyahoga County's unemployment rate (9.0% in October 2010) is below that of the State's (9.5%), and equal to the nation's rate for the same period.

Redevelopment of two abandoned commercial properties continues to be a primary focus. The City submitted a winning application for Clean Ohio Revitalization Funds and received a grant in the amount of \$1,637,000. Remediation of the site was completed in 2006. With these funds, the environmental hazards were removed and the buildings demolished. The City has agreements with the Cuyahoga County Public Library system to build a 28,000 square foot facility, and with the YMCA to operate a 45,000 square foot recreation/community center on the site. Construction of this project known as the *Town Center* began in April, 2011. Both projects will be completed in the spring of 2012. The City issued \$11.2M in notes/bonds to construct the recreation/community center.

The construction of The Avenue, a ninety-seven (97) bed nursing home in the Emery Road Office Park Complex costing approximately \$8 million, was opened in 2010...along with four (4) other businesses.

The City expects to receive a modest amount of additional revenue beginning in 2011 as member of a Joint Economic Development District (JEDD) with Cleveland and the surrounding areas. The City is expected to benefit from income tax revenue growth due to the construction of a new University Hospital in nearby Beachwood (rated Aaa) within the JEDD, with a payment of \$250,000 expected for 2011.

The City is home to South Pointe Hospital, one of the most technologically advanced hospitals in Northeast Ohio, which is an affiliate of the world renowned Cleveland Clinic Health System. South Pointe Hospital provides quality healthcare to Warrensville Heights' residents as well as to its neighboring communities. It is the City's largest employer at 1,672 employees.

In addition, the following industries still have their headquarters in our 'Friendly City'. They continue to serve a vital role in the City's financial condition and contribute to its stable economic condition:

- Sherwin-Williams Automotive Finishes Corporation's Research and Development Facility and Training Center
- Heinen's Incorporated (a retail food chain) headquarters and warehouse facility
- Henkel Corporation, manufacturers of a broad range of high-performance adhesives, sealants and coatings Marcus Thomas, a leading advertising firm

Due to the economic downturn, construction of the residential development known as Cinema Park has been halted. Rysar Properties began construction of Cinema Park in 2007, consisting of ninety-seven (97) single-family homes on the 21-acre site of the former Miles Drive-In Theatre. Twelve units in the development have already been built. The price of these home ranges from \$175,000 to \$250,000. The developer will pay homage to the property's past by naming model houses after famous movies; and streets after movie stars. The City is participating in this project by offering 75 percent tax abatement for 12 years. It is also issuing notes in anticipation of the levy and collection of special assessments to pay the cost of constructing the infrastructure. When completed, Cinema Park was projected to add approximately \$15 to \$20 million to the City's total residential property value. Currently, the property is in foreclosure.

Awards and Acknowledgements

Award---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 Warrensville Heights for its Comprehensive Annual Financial Report for the year ended December 31, 2009.

In order to be awarded a **‘Certificate of Achievement for Excellence in Financial Reporting’**, a government unit must publish a reader friendly and efficiently organized comprehensive annual financial report which satisfies all program standards. Such a report must also conform to generally accepted accounting principles, and must satisfy all applicable legal requirements respective to the reporting entity.


The Award is valid for only one year. We believe that our report for the year ended December 31, 2010 continues to meet the standards of the Award. Therefore, we are submitting it to GFOA at this time.

Acknowledgments This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to City Council for their enthusiastic support and their granting of funds for this project. Appreciation is also expressed to all City Hall Department Heads for their cooperation and assistance.

Respectfully submitted,

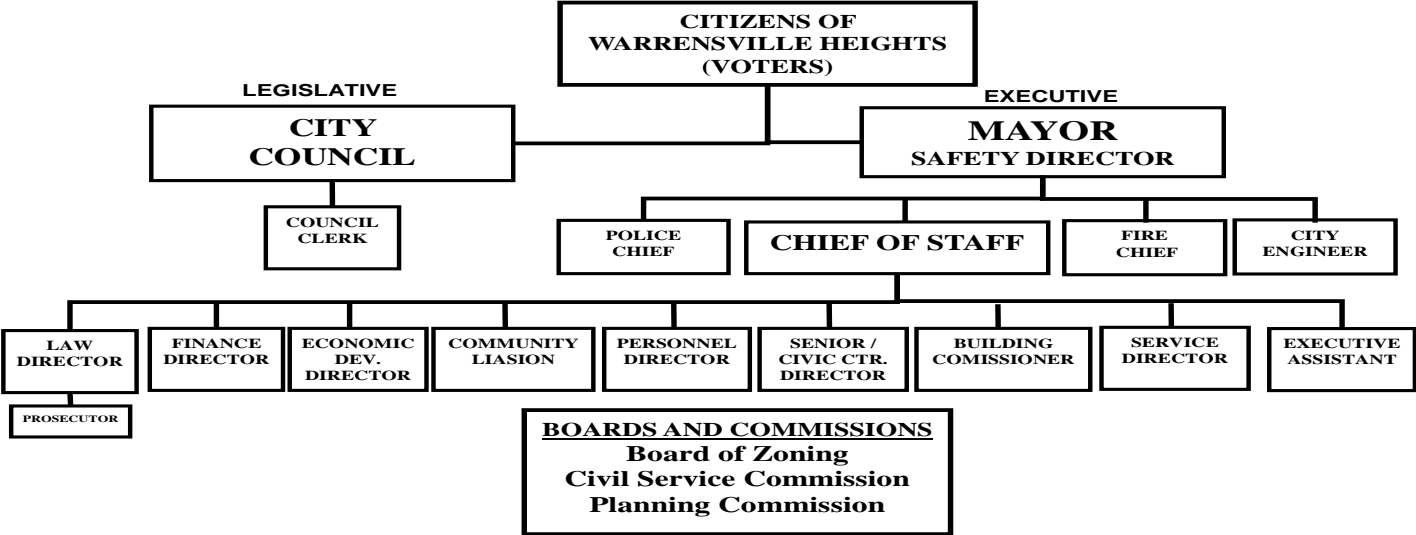
A handwritten signature in black ink that reads "Clinton Hall". The signature is written in a cursive, flowing style.

Clinton Hall
Mayor

A handwritten signature in blue ink that reads "Irene Crowell". The signature is written in a cursive, flowing style.

Irene Crowell
Director of Finance

CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART



The Boards and Commissions are appointed by the Mayor

CITY OF WARRENSVILLE HEIGHTS

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR CLINTON HALL

CITY COUNCIL

Dorise Hagwood, Ward 1

Deborah A. Hill, Ward 2

Elona C. White, Ward 3

Ruby Nelson, Ward 4

Darnell Robertson, Ward 5

Pauline Goode, Ward 6

Kimberly Hodge-Edwards, Ward 7

APPOINTED OFFICIALS

Barbara L. Walker, Chief of Staff

Edward C. Coaxum Jr., Director of Law

Irene Crowell, Interim Director of Finance*

A.C. Williams, Director of Service

William Jelenic, Chief of Police

Stanley Martin, Chief of Fire

Carolyn Patrick, Personnel Director

Bradley Sellers, Economic Development Director

Melvin Lester, Building Commissioner

Linda Gay, Director of Civic and Senior Center

GPD Associates, City Engineer

*On August 31, 2010, Rubin Moultrie retired from
the Director of Finance position

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warrensville Heights
Ohio

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

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



President

Executive Director

Financial Section

Independent Auditors' Report

Members of the City Council
Warrensville Heights, Ohio

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the City Council
Warrensville Heights, Ohio

The management's discussion and analysis information on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cini & Parichi, Inc.

Cleveland, Ohio
August 30, 2011

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) For the Year Ended December 31, 2010

The discussion and analysis of the City of Warrensville Heights' (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2010 by \$1,117,077.
- Total assets increased by \$4,369,340 in 2010 which represents an increase of 20.19 percent from 2009. The increase was due primarily to an increase in cash and cash equivalents and income taxes receivable.
- Total liabilities increased by \$2,044,835 in 2010, which represents an increase of 8.95 percent from 2009. Other liabilities decreased \$1,289,480 due mainly to decreases in accrued wages and intergovernmental payables. Long-term liabilities increased \$3,334,315, primarily due to the issuance of new long-term notes related to the City's community center project.
- In total, net assets of the City increased by \$2,324,505 during 2010. This represents an increase of 192.52 percent from 2009. The main reason for the increase in net assets is due to the City recognizing a full year of income tax revenues at the 2.60 percent rate as compared to the 2.00 percent rate for 2009.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction of the City's basic financial statements. These statements are organized so that readers can understand the City as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole City. They provide both an aggregate view of the City's finances in addition to a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2010

The City as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information, excluding fiduciary funds, on all the City of Warrensville Heights' assets and liabilities, with the difference between the two reported as net assets. This change is important because it serves as a useful indicator of whether the City's financial position is improving or deteriorating. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base, change in the tax law, and the condition of capital assets should also be considered.

In the Statement of Net Assets and the Statement of Activities, all of the City's activities are reported as Governmental Activities, which include all of the City's services including police, fire, administration, and all other departments. The City does not operate any business type activities and has no component units. Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting similar to the accounting methods used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial reports provide detailed information about the City's major funds. The City has established many funds that account for the multitude of services, facilities, and infrastructure provided to our residents.

Governmental Funds

The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of resources available at the end of the year. All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year end available for spending in future periods. The City's funds are reported using the accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the basic services it provides. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2010

reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

Government-wide Financial Analysis – The City as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2010 compared to 2009.

Table 1 - Net Assets

| | Governmental Activities | |
|---|-------------------------|-----------------------|
| | 2010 | 2009 |
| Assets | | |
| Current and Other Assets | \$ 11,285,795 | \$ 7,393,302 |
| Capital Assets | 14,724,181 | 14,247,334 |
| Total Assets | 26,009,976 | 21,640,636 |
| Liabilities | | |
| Other Liabilities | 8,311,676 | 9,601,156 |
| Long-term Liabilities: | | |
| Due Within One year | 1,779,733 | 1,867,757 |
| Due in More Than One Year | 14,801,490 | 11,379,151 |
| Total Liabilities | 24,892,899 | 22,848,064 |
| Net Assets | | |
| Invested in Capital Assets, Net of Debt | (1,790,978) | (2,121,770) |
| Restricted | 2,108,082 | 2,405,479 |
| Unrestricted (Deficit) | 799,973 | (1,491,137) |
| Total Net Assets | \$ 1,117,077 | \$ (1,207,428) |

Total assets increased by \$4,369,340 from 2009 to 2010. Of that increase, the most significant changes were in cash and cash equivalents, which increased by \$3,161,849, and income taxes receivable, which increased by \$341,801. In additions, capital assets increased by \$476,847.

Total liabilities increased by \$2,044,835 in 2010. The increase is primarily due to the increase in long-term notes payable along with an increase judgments payable. The increases were offset by decreases in accrued wages and intergovernmental payables and payments on bonds and capital leases.

Total net assets had a balance of \$1,117,077 at December 31, 2010, which is a significant increase over last year's deficit balance of \$1,207,428. A portion of the City's net assets reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. In 2010, the City had capital assets of \$14,724,181 and related debt of \$16,515,159. The excess of \$1,790,978 of related debt over capital assets reflects the use of note proceeds for road maintenance which is not capitalized. The City uses the capital assets to provide services to citizens; therefore, the assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2010

Table 2 shows the change in net assets for the year ended December 31, 2010 compared to 2009.

Table 2 - Change in Net Assets

| | Governmental Activities | |
|------------------------------------|-------------------------|-----------------------|
| | 2010 | 2009 |
| <u>Revenues</u> | | |
| Program Revenues: | | |
| Charges for Services | \$ 986,140 | \$ 913,993 |
| Operating Grants and Contributions | 852,850 | 548,446 |
| Capital Grants and Contributions | 356,275 | 770,621 |
| Total Program Revenues | 2,195,265 | 2,233,060 |
| General Revenues: | | |
| Property and Other Taxes | 1,806,576 | 1,848,347 |
| Income Taxes | 13,158,561 | 10,857,890 |
| Grants and Entitlements | 1,478,918 | 1,514,445 |
| Investment Income | 1,742 | 2,137 |
| Other | 166,600 | 110,512 |
| Total General Revenues | 16,612,397 | 14,333,331 |
| Total Revenues | 18,807,662 | 16,566,391 |
| <u>Program Expenses</u> | | |
| Security of Persons and Property | | |
| Police and Others | 4,780,991 | 5,097,249 |
| Fire | 3,471,641 | 4,140,298 |
| Public Health Services | 27,952 | 55,903 |
| Leisure Time Activities | 227,379 | 302,387 |
| Community Development | 1,087,614 | 953,234 |
| Basic Utility Services | 1,136,196 | 1,562,976 |
| Transportation | 2,052,226 | 1,773,859 |
| General Government | 3,156,023 | 2,907,654 |
| Interest and Fiscal Charges | 543,135 | 565,318 |
| Total Program Expenses | 16,483,157 | 17,358,878 |
| Increase in Net Assets | 2,324,505 | (792,487) |
| Net Assets, Beginning of Year | (1,207,428) | (414,941) |
| Net Assets, End of Year | \$ 1,117,077 | \$ (1,207,428) |

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2010

Governmental Activities

Several revenue sources fund the governmental activities with the City income tax being the largest contributor. Under the accrual basis of accounting, the City's income tax accounted for \$13,158,561 or 69.96 percent of total revenues. The electorates of the City voted to change the income tax rate from 2.00 percent to 2.60 percent on May 5, 2009, which took effect on July 1, 2009.

The City had a significant increase of \$2,300,671 from revenues generated from income taxes. This increase in income tax revenues is can be attributed to 2010 being the first full year of income tax revenues at the 2.60 percent rate. As stated above, income tax revenues accounted for 69.96 percent of the City's total 2010 revenues of \$18,807,662. Property and other taxes of \$1,806,576 accounted for 9.61 percent of total revenues. Unrestricted grants and entitlements of \$1,478,918 accounted for 7.86 percent of total revenue. All other revenue sources of \$2,363,607 accounted for the remaining 12.57 percent of the City's 2010 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially income taxes.

Security of persons and property, including the Police and Fire departments, accounted for program expenses of \$8,252,632, which is 50.07 percent of total City expenses for 2010. The general government expenses accounted for \$3,156,023, or 19.15 percent of total expenses. The transportation expenses, primarily the Service Department, accounted for \$2,052,226, or 12.45 percent of total expenses.

The police and fire departments continue to provide the public with informative programs in a professional manner. The departments will continue to look for ways to expand our services and develop new public education programs for the community.

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$18,057,464 and expenditures of \$17,186,150 (not including other financing sources and uses). The most significant fund is the General Fund with an unreserved fund balance at year-end of \$2,617,916. In 2010, the fund balance of the General Fund increased by \$2,398,350. This increase is mainly due to a significant increase in income tax revenues and a significant decrease in expenditures when compared to 2009 expenditures. This increase in income tax collections can be attributed to 2010 being the first full year where the City's income tax rate was 2.6 percent as compared to 2.0 percent in previous years.

The City's other major funds are the General Obligation Bond Retirement Fund, the Cinema Park capital projects fund, the Snavelly Project capital projects fund, and the Town Center Project capital projects fund. The General Obligation Bond Retirement fund is used to pay the City's outstanding general obligation bonds and special assessment bonds, and also accounts for property tax and special assessment revenues which help to make it a major fund. The General Obligation Bond Retirement Fund's fund balance decreased by \$104,976 to a fund balance of \$152,856 at December 31, 2010. This decrease in fund balance is mainly due to revenues collected for property taxes and special assessments were lower when compared to 2009 collections. The Cinema Park Fund accounts for note proceeds used to pay the infrastructure costs for the Cinema Park development. The Cinema Park Fund's fund balance had a minor decrease of \$79,711 to a deficit balance of \$2,700,717 at December 31, 2010. The Snavelly Project Fund accounts for note proceeds to pay for the costs of construction for a new development in the City. The Snavelly Project Fund's fund

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2010

balance had an increase of \$429,955 to a deficit balance of \$1,671,547 at December 31, 2010. The Town Center Project Fund accounts for note proceeds to pay for the costs of construction for a new development in the City's town center. The Town Center Project Fund's fund balance had an increase of \$2,460,567 to a balance of \$2,454,623 at December 31, 2010. This significant increase is related to the issuance of notes and the proceeds have not been fully used for the funding of the town center project as of December 31, 2010.

The combined fund balance for all of the City's funds had a balance of \$333,486. On a cash basis, short-term note proceeds appear as fund revenues, but on a modified accrual basis the short-term notes appear as a liability. The negative balance will be eliminated when the notes are retired with long-term debt obligations.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and after a discussion at a Finance Committee meeting, which is open to the public, the budget is adopted by City Council at a regularly held Council meeting at the object level for all other funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund.

The General Fund supports many of our major activities including the Police department, Fire department, and most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Both the original revenue and expenditure budget is designed to be very conservative, requiring additional spending requests to be approved by Council throughout the year. During the course of 2010, the City amended its General Fund budget numerous times in response to departmental needs. The original budgeted revenue amounted to \$15,412,161 and the final budgeted revenue amount was \$16,319,039, for an increase of \$906,878. The increase was due mainly to an increase in income taxes and intergovernmental revenues. Actual revenues of \$15,836,838 were \$482,201 lower than the final budgeted revenues. This decrease is mainly due to actual income tax revenues being less than anticipated.

The final budgeted expenditure amount exceeded the original budget by \$908,443. The increase is due mainly to the labor agreement reached with the Police bargaining units. Actual expenditures of \$14,595,900 were \$1,014,482 lower than the final budgeted expenditures. This variance can be attributed to the City's efforts to control costs in the current economic environment.

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the City had \$14,724,181 invested in land, construction in progress, buildings, land improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure. Table 3 shows 2010 balances of capital assets as compared to 2009.

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2010

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

| | Governmental Activities | |
|-----------------------------|-------------------------|----------------------|
| | 2010 | 2009 |
| Land | \$ 3,133,700 | \$ 3,133,700 |
| Construction-in-progress | 1,042,947 | - |
| Buildings | 1,348,759 | 1,408,136 |
| Land Improvements | 305,206 | 332,422 |
| Machinery and Equipments | 111,066 | 162,175 |
| Furniture and Fixtures | 40,249 | 40,249 |
| Vehicles | 619,859 | 846,243 |
| Infrastructure: | | |
| Roads | 4,754,526 | 4,861,931 |
| Sanitary Sewers | 1,150,239 | 1,184,602 |
| Waterlines | 1,004,924 | 1,032,908 |
| Storm Sewers | 1,212,706 | 1,244,968 |
| Total Capital Assets | \$ 14,724,181 | \$ 14,247,334 |

Capital assets increased by \$476,847 in 2010. The main reason for this increase is due to the City's starting construction on the Community Center project.

The City Engineer maintains a comprehensive listing of all the roads, sewer and waterlines, and bridges and culverts within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. The City has taken an aggressive approach in pursuing funding to assist in the financing of infrastructure projects. See Notes 2 and 10 of the basic financial statements for additional information on capital assets.

Long-Term Obligations

At December 31, 2010, the City had \$16,581,223 in outstanding long-term obligations, of which debt obligations primarily consisted of \$1,054,608 in general obligation bonds and \$12,495,060 in various purpose notes. Table 4 summarizes the long-term obligations outstanding.

Table 4 - Outstanding Long-Term Obligations at December 31

| | Governmental Activities | |
|--|-------------------------|----------------------|
| | 2010 | 2009 |
| General Obligation Bonds | \$ 1,054,608 | \$ 1,437,037 |
| Special Assessment Bonds | 117,533 | 173,673 |
| Bond Anticipation Notes | 12,495,060 | 8,892,000 |
| Compensated Absences | 2,031,073 | 2,116,173 |
| Claims Payable | 232,611 | 288,631 |
| Judgments Payable | 469,327 | - |
| Capital Leases | 181,011 | 339,394 |
| Total Outstanding Long-Term Obligations | \$ 16,581,223 | \$ 13,246,908 |

City of Warrensville Heights, Ohio

Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2010

The general obligation bonds were issued in 1999 and 2003 for the following purposes: improving Sunset Drive, Banbury Circle, Ascot Lane, and certain other streets by paving and resurfacing them; renovating, remodeling and furnishing City Hall; acquiring a recycling packer for the Service Department; refurbishing the culverts on Mill Creek, Longbrook Road, and South Miles Road; and reconstructing the roof at City Hall, Fire Station Number 2, and the Service Garage.

The special assessment bonds were issued in 1988 and 2003 for neighborhood street improvement projects. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor.

The City's overall legal debt margin was \$22,609,150 with an unvoted legal debt margin of \$9,646,816 on December 31, 2010. For more information about the City's long-term obligations and short-term note activity, see Notes 11 and 12 to the basic financial statements.

Current Financial Related Activities

The City continues to struggle with economic issues that are affecting many communities throughout the State of Ohio and the nation. Even though the income tax revenues have increased 29% since 2009, there have been other funding stream reductions ...such as a 25% reduction in the Local Government Fund and immediate elimination of the Tangible Personal Property Tax. To combat the impact of these losses, the City has applied and been awarded Federal funds to maintain staffing levels in the Fire Department. A new health care provider was selected to minimize increase in health care premiums while maintaining a high level of coverage for all employees. Nevertheless, it is still necessary to further reduce the City's non personnel operating expenses. Expenditures are being closely monitored monthly at the department level as well as the Mayoral level. The Mayor encouraged the Directors to operate their departments at a level that will continue City services at a high level.

Contacting the City of Warrensville Heights' Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director Irene Crowell, at the City of Warrensville Heights, 4301 Warrensville Center Road, Warrensville Heights, Ohio 44128, (216) 587-1116, or e-mail to @cityofwarrensville.com.

Basic Financial Statements

City of Warrensville Heights, Ohio

Statement of Net Assets

December 31, 2010

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Equity in Pooled Cash and Cash Equivalents | \$ 4,237,345 |
| Materials and Supplies Inventory | 54,459 |
| Accounts Receivable | 379,092 |
| Intergovernmental Receivable | 814,455 |
| Prepaid Items | 218,674 |
| Income Taxes Receivable | 3,079,179 |
| Property and Other Taxes Receivable | 2,095,013 |
| Special Assessments Receivable | 384,978 |
| Deferred Charges | 22,600 |
| Nondepreciable Capital Assets | 4,176,647 |
| Depreciable Capital Assets | 10,547,534 |
| Total Assets | <u>26,009,976</u> |
| LIABILITIES | |
| Accounts Payable | 165,460 |
| Contracts Payable | 112,639 |
| Accrued Wages | 25,848 |
| Intergovernmental Payable | 674,753 |
| Accrued Interest Payable | 306,994 |
| Retainage Payable | 17,609 |
| Deferred Revenue | 1,349,873 |
| Notes Payable | 5,658,500 |
| Long-term Liabilities: | |
| Due within one year | 1,779,733 |
| Due in more than one year | 14,801,490 |
| Total Liabilities | <u>24,892,899</u> |
| NET ASSETS | |
| Invested in Capital Assets, Net of Related Debt | (1,790,978) |
| Restricted for: | |
| Debt Service | 799,916 |
| Capital Projects | 135,117 |
| Streets | 451,898 |
| Police | 123,898 |
| Fire | 89,282 |
| Building Levy | 130,156 |
| Other Purposes | 377,815 |
| Unrestricted | 799,973 |
| Total Net Assets | <u>\$ 1,117,077</u> |

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Activities

For the Year Ended December 31, 2010

| <u>Functions</u> | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets |
|---|------------------|-------------------------|--|--|--|
| <u>Primary Government:</u> | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental activities: | | | | | |
| Security of Persons and Property: | | | | | |
| Police and Others | \$ 4,780,991 | \$ 204,229 | \$ 323,149 | \$ - | \$ (4,253,613) |
| Fire | 3,471,641 | 392,027 | - | - | (3,079,614) |
| Public Health Services | 27,952 | - | - | - | (27,952) |
| Leisure Time Activities | 227,379 | 21,341 | - | - | (206,038) |
| Community Development | 1,087,614 | 138,768 | 33,917 | 69,100 | (845,829) |
| Basic Utility Services | 1,136,196 | - | - | - | (1,136,196) |
| Transportation | 2,052,226 | 780 | 495,784 | - | (1,555,662) |
| General Government | 3,156,023 | 228,995 | - | 287,175 | (2,639,853) |
| Interest and Fiscal Charges | 543,135 | - | - | - | (543,135) |
| Total Governmental activities | \$ 16,483,157 | \$ 986,140 | \$ 852,850 | \$ 356,275 | (14,287,892) |
| General Revenues: | | | | | |
| Property and Other Local Taxes levied for: | | | | | |
| General Purposes | | | | | 801,710 |
| Debt Service | | | | | 406,829 |
| Special Revenues | | | | | 598,037 |
| Income Taxes levied for: | | | | | |
| General Purposes | | | | | 13,158,561 |
| Grants & Entitlements not restricted to specific programs | | | | | 1,478,918 |
| Investment Income | | | | | 1,742 |
| All Other Revenues | | | | | 166,600 |
| Total General Revenues | | | | | 16,612,397 |
| Change in Net Assets | | | | | 2,324,505 |
| Net Assets - Beginning of Year | | | | | (1,207,428) |
| Net Assets - End of Year | | | | | \$ 1,117,077 |

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Balance Sheet – Governmental Funds

December 31, 2010

| | <u>General Fund</u> | <u>General Obligation Bond Retirement</u> | <u>Cinema Park</u> | <u>Snavelly Project</u> | <u>Town Center Project</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|---|------------------------|-----------------------------|------------------------------------|---|---|
| ASSETS | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 541,153 | \$ 199,810 | \$ 26,825 | \$ 2,286 | \$2,590,844 | \$ 876,427 | \$ 4,237,345 |
| Materials and Supplies Inventory | 54,459 | - | - | - | - | - | 54,459 |
| Accounts Receivable | 354,675 | - | - | - | - | 24,417 | 379,092 |
| Interfund Receivable | 236,694 | - | - | - | - | - | 236,694 |
| Intergovernmental Receivable | 466,225 | 22,445 | - | - | - | 325,785 | 814,455 |
| Prepaid Items | 218,674 | - | - | - | - | - | 218,674 |
| Income Taxes Receivable | 3,079,179 | - | - | - | - | - | 3,079,179 |
| Property and Other Taxes Receivable | 642,209 | 647,748 | - | - | - | 805,056 | 2,095,013 |
| Special Assessments Receivable | - | 384,978 | - | - | - | - | 384,978 |
| Total Assets | <u>\$ 5,593,268</u> | <u>\$ 1,254,981</u> | <u>\$ 26,825</u> | <u>\$ 2,286</u> | <u>\$2,590,844</u> | <u>\$ 2,031,685</u> | <u>\$11,499,889</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ 144,255 | \$ - | \$ - | \$ - | \$ - | \$ 21,205 | \$ 165,460 |
| Accrued Wages | 25,848 | - | - | - | - | - | 25,848 |
| Contracts Payable | - | - | - | - | 112,639 | - | 112,639 |
| Intergovernmental Payable | 638,218 | - | - | - | - | 36,535 | 674,753 |
| Accrued Interest Payable | - | - | 22,542 | 13,833 | - | 14,296 | 50,671 |
| Retainage Payable | - | - | - | - | 17,609 | - | 17,609 |
| Interfund Payable | - | 46,954 | - | - | 5,973 | 183,767 | 236,694 |
| Deferred Revenue | 2,117,038 | 1,055,171 | - | - | - | 1,052,020 | 4,224,229 |
| Notes Payable | - | - | 2,705,000 | 1,660,000 | - | 1,293,500 | 5,658,500 |
| Total Liabilities | <u>2,925,359</u> | <u>1,102,125</u> | <u>2,727,542</u> | <u>1,673,833</u> | <u>136,221</u> | <u>2,601,323</u> | <u>11,166,403</u> |
| Fund Balances: | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 49,993 | - | - | - | 15,015 | 8,933 | 73,941 |
| Unreserved: | | | | | | | |
| Undesignated (Deficits), Reported in: | | | | | | | |
| General Fund | 2,617,916 | - | - | - | - | - | 2,617,916 |
| Special Revenue Funds | - | - | - | - | - | 607,957 | 607,957 |
| Debt Service Funds | - | 152,856 | - | - | - | - | 152,856 |
| Capital Projects Funds | - | - | (2,700,717) | (1,671,547) | 2,439,608 | (1,186,528) | (3,119,184) |
| Total Fund Balances (Deficits) | <u>2,667,909</u> | <u>152,856</u> | <u>(2,700,717)</u> | <u>(1,671,547)</u> | <u>2,454,623</u> | <u>(569,638)</u> | <u>333,486</u> |
| Total Liabilities and Fund Balances | <u>\$ 5,593,268</u> | <u>\$ 1,254,981</u> | <u>\$ 26,825</u> | <u>\$ 2,286</u> | <u>\$2,590,844</u> | <u>\$ 2,031,685</u> | <u>\$11,499,889</u> |

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities December 31, 2010

| | | |
|--|--------------|---------------------|
| Total Governmental Fund Balances | | \$ 333,486 |
| <i>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</i> | | |
| Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds | | 14,724,181 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: | | |
| Property and other taxes | \$ 729,004 | |
| Municipal income taxes | 807,834 | |
| Special assessments | 384,978 | |
| Intergovernmental | 642,107 | |
| Charges for services | 310,433 | |
| Total | 2,874,356 | 2,874,356 |
| In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. | | (256,323) |
| Bond issuance costs will be amortized over the life of the bonds on the Statement of Net Assets. | | 22,600 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds: | | |
| General obligation bonds - net of refunding loss | (1,054,608) | |
| Special assessment bonds | (117,533) | |
| Bond anticipation notes | (12,495,060) | |
| Capital leases | (181,011) | |
| Claims payable | (232,611) | |
| Judgments payable | (469,327) | |
| Compensated absences | (2,031,073) | |
| Total | (16,581,223) | (16,581,223) |
| Net Assets of Governmental Activities | | \$ 1,117,077 |

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds For the Year Ended December 31, 2010

| | General Fund | General Obligation Bond Retirement | Cinema Park | Snavely Project | Town Center Project | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---|-----------------------|-----------------------|---------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | | |
| Property Taxes | \$ 491,573 | \$ 459,555 | \$ - | \$ - | \$ - | \$ 574,793 | \$ 1,525,921 |
| Income Taxes | 12,829,743 | - | - | - | - | - | 12,829,743 |
| Other Taxes | 185,939 | - | - | - | - | - | 185,939 |
| Intergovernmental | 1,324,924 | 44,890 | - | - | - | 809,521 | 2,179,335 |
| Interest | 1,742 | - | - | - | - | - | 1,742 |
| Licenses and Permits | 208,936 | - | - | - | - | 58,334 | 267,270 |
| Fines and Forfeitures | 192,370 | - | - | - | - | - | 192,370 |
| Charges for Services | 344,338 | - | - | - | - | 8,467 | 352,805 |
| Contributions and Donations | 2,050 | - | - | - | - | - | 2,050 |
| Special Assessments | - | 242,138 | - | - | - | - | 242,138 |
| All Other Revenues | 118,547 | - | - | - | - | 159,604 | 278,151 |
| Total Revenues | 15,700,162 | 746,583 | - | - | - | 1,610,719 | 18,057,464 |
| EXPENDITURES | | | | | | | |
| Security of Persons and Property: | | | | | | | |
| Police and Others | 4,177,750 | - | - | - | - | 584,469 | 4,762,219 |
| Fire | 3,238,296 | - | - | - | - | 168,225 | 3,406,521 |
| Public Health | 27,952 | - | - | - | - | - | 27,952 |
| Leisure Time Activities | 178,910 | - | - | - | - | - | 178,910 |
| Community Development | 683,847 | - | - | - | - | 407,898 | 1,091,745 |
| Basic Utility Service | 1,025,838 | - | - | - | - | - | 1,025,838 |
| Transportation | 1,225,175 | - | - | - | - | 552,683 | 1,777,858 |
| General Government | 2,771,942 | - | - | - | - | 13,591 | 2,785,533 |
| Capital Outlay | - | - | 5,280 | 8,016 | 1,042,947 | 162,124 | 1,218,367 |
| Debt Service: | | | | | | | |
| Principal Retirement | - | 450,000 | - | - | - | - | 450,000 |
| Interest and Fiscal Charges | 4,472 | 29,538 | 73,811 | 54,641 | 61,125 | 237,620 | 461,207 |
| Total Expenditures | 13,334,182 | 479,538 | 79,091 | 62,657 | 1,104,072 | 2,126,610 | 17,186,150 |
| Excess of Revenues Over (Under) Expenditures | 2,365,980 | 267,045 | (79,091) | (62,657) | (1,104,072) | (515,891) | 871,314 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Inception of Capital Leases | 27,898 | - | - | - | - | - | 27,898 |
| Notes Issued | 474,500 | - | - | - | 3,790,000 | 8,230,560 | 12,495,060 |
| Current Refundings | (470,000) | - | - | - | (217,000) | (8,205,000) | (8,892,000) |
| Transfers In | - | - | - | 492,612 | - | 41,144 | 533,756 |
| Transfers Out | (28) | (372,021) | (620) | - | (8,361) | (152,726) | (533,756) |
| Total Other Financing Sources (Uses) | 32,370 | (372,021) | (620) | 492,612 | 3,564,639 | (86,022) | 3,630,958 |
| Net Change in Fund Balances | 2,398,350 | (104,976) | (79,711) | 429,955 | 2,460,567 | (601,913) | 4,502,272 |
| Fund Balances (Deficits) - Beginning of Year | 269,559 | 257,832 | (2,621,006) | (2,101,502) | (5,944) | 32,275 | (4,168,786) |
| Fund Balances (Deficits) - End of Year | \$ 2,667,909 | \$ 152,856 | \$ (2,700,717) | \$ (1,671,547) | \$ 2,454,623 | \$ (569,638) | \$ 333,486 |

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2010

Net Change in Fund Balances-Total Governmental Funds \$ 4,502,272

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

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.

| | | | |
|----------------|----|-----------|---------|
| Capital outlay | \$ | 1,070,845 | |
| Depreciation | | (593,998) | |
| Total | | 476,847 | 476,847 |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

| | | | |
|--------------------------|--|---------|---------|
| Property and other taxes | | 94,716 | |
| Municipal income taxes | | 328,818 | |
| Special assessments | | 114,137 | |
| Intergovernmental | | 119,316 | |
| Charges for services | | 93,211 | |
| Total | | 750,198 | 750,198 |

Other financing sources in the Governmental funds that increase long-term liabilities in the Statement of Net Assets.

| | | | |
|-----------------------------|--|--------------|--------------|
| Refunding notes issued | | (12,495,060) | |
| Inception of capital leases | | (27,898) | |
| Total | | (12,522,958) | (12,522,958) |

Repayment of bond, note and capital lease principal is an expenditure in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 9,528,281

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.

| | | | |
|-------------------------------------|--|----------|----------|
| Accrued interest on bonds | | (59,197) | |
| Amortization of bond issuance costs | | (11,300) | |
| Amortization of accounting loss | | (11,431) | |
| Total | | (81,928) | (81,928) |

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

| | | | |
|----------------------|--|-----------|-----------|
| Claims payable | | 56,020 | |
| Judgments payable | | (469,327) | |
| Compensated absences | | 85,100 | |
| Total | | (328,207) | (328,207) |

Change in Net Assets of Governmental Activities \$ 2,324,505

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 457,704 | \$ 485,727 | \$ 491,573 | \$ 5,846 |
| Income Taxes | 12,547,210 | 13,278,681 | 12,816,760 | (461,921) |
| Other Taxes | 209,862 | 222,710 | 225,391 | 2,681 |
| Intergovernmental | 1,320,625 | 1,401,480 | 1,418,349 | 16,869 |
| Interest | 1,622 | 1,721 | 1,742 | 21 |
| Fees, Licenses and Permits | 193,572 | 205,423 | 207,896 | 2,473 |
| Fines and Forfeitures | 237,009 | 251,520 | 193,212 | (58,308) |
| Charges for Services | 334,561 | 355,045 | 359,318 | 4,273 |
| Contributions and Donations | 1,909 | 2,026 | 2,050 | 24 |
| All Other Revenues | 108,087 | 114,706 | 120,547 | 5,841 |
| Total Revenues | 15,412,161 | 16,319,039 | 15,836,838 | (482,201) |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police | 4,365,700 | 4,710,104 | 4,580,475 | 129,629 |
| Fire | 3,314,928 | 3,435,203 | 3,740,672 | (305,469) |
| Public Health Services | 57,000 | 57,000 | 27,952 | 29,048 |
| Leisure Time Activities | 220,429 | 220,429 | 208,551 | 11,878 |
| Community Development | 713,101 | 713,101 | 675,757 | 37,344 |
| Basic Utility Services | 1,384,960 | 1,399,960 | 1,142,432 | 257,528 |
| Transportation | 1,265,151 | 1,335,151 | 1,193,826 | 141,325 |
| General Government | 3,380,670 | 3,739,434 | 3,026,235 | 713,199 |
| Total Expenditures | 14,701,939 | 15,610,382 | 14,595,900 | 1,014,482 |
| Excess of Revenues Over (Under) Expenditures | 710,222 | 708,657 | 1,240,938 | 532,281 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (43,000) | (43,000) | - | 43,000 |
| Total Other Financing Sources (Uses) | (43,000) | (43,000) | - | 43,000 |
| Net Change in Fund Balance | 667,222 | 665,657 | 1,240,938 | 575,281 |
| Fund Balance - Beginning of Year | (551,365) | (551,365) | (551,365) | - |
| Prior Year Encumbrances Appropriated | 74,177 | 74,177 | 74,177 | - |
| Fund Balance - End of Year | \$ 190,034 | \$ 188,469 | \$ 763,750 | \$ 575,281 |

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds December 31, 2010

| | <u>Agency Funds</u> |
|--|-------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$ 354,526 |
| Total Assets | <u>\$ 354,526</u> |
| | |
| Liabilities | |
| Deposits Held and Due to Others | \$ 354,526 |
| Total Liabilities | <u>\$ 354,526</u> |

The notes to the basic financial statements are an integral part of this statement

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2010

Note 1 – Description of the City and Reporting Entity

The City of Warrensville Heights (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 May 6, 1958. Legislative authority is vested in a seven-member Council. Council members are elected for a four year term. The Mayor is elected for a four year term and serves as the City’s chief executive and administrative officer.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City, this includes the agencies and departments that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services. The City’s departments include a public safety department, a public service department, a street maintenance department, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operations of each of these activities and entities are directly controlled by the City Council through the budgetary process.

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; or 3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City is associated with one jointly governed organization. This organization is the First Suburbs Consortium of Northeast Ohio Council of Governments. This organization is presented in Note 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Warrensville Heights have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. The most significant of the City’s accounting policies are described below.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities that are governmental and those that are considered business-type; the City, however, has no business-type activities.

The statement of net assets presents the financial condition of the governmental 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. Direct expenses are those that are specifically associated with a service, program, or department and therefore are 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 function 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 – Summary of Significant Accounting Policies (Continued)

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 all financial resources except those required to be accounted for in another fund. The General Fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.

General Obligation Bond Retirement Fund - The General Obligation Bond Retirement Fund accounts for property tax collections and special assessments revenue which are used to pay the voted general obligation refunding bonds and special assessment bonds principal, interest, and related costs.

Cinema Park Fund - The Cinema Park Fund accounts for note proceeds used to pay the cost of the infrastructure improvements at a housing development project.

Snavely Project Fund - The Snavely Project Fund accounts for note proceeds used to pay for the costs of constructing a development within the City which will consist of new office buildings and housing.

Town Center Project Fund - The Town Center Fund accounts for note proceeds used to pay for the costs of constructing projects within the City's Town Center project.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds are for holding deposits from contractors, for collecting Senior Civic Center rental deposits and for payroll clearing.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 – Summary of Significant Accounting Policies (Continued)

C. 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 (i.e., revenue) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the 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 non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 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.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During the year, the City's investments were limited to STAROhio.

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

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund, the Bureau of Justice Grant, and the Local Law Enforcement Block Grant special revenue funds. Interest revenue credited to the General Fund during 2010 amounted to \$1,742.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. 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.

H. Capital Assets

The City's only capital assets are general 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 governmental-wide statement of net assets but are not reported in the fund financial statements.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

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 back-trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using the 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 one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

| <u>Description</u> | <u>Estimated Lives</u> |
|-------------------------|------------------------|
| Buildings | 50 years |
| Land Improvements | 30 years |
| Machinery and Equipment | 5 to 15 years |
| Furniture and Fixtures | 7 years |
| Vehicles | 5 to 15 years |
| Infrastructure | 75 years |

The City's infrastructure consists of roads, sewers and waterlines, and includes infrastructure acquired prior to December 31, 1980.

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and are probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

L. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances.

M. 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 constitutional provisions or enabling legislation or through external restriction imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net assets reports \$2,108,082 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include various federal and state grant funds.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

M. Net Assets (Continued)

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

N. Internal Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the refunding general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight line method of amortization is not materially different from the effective-interest method.

P. Deferred Loss of Refunding

The difference between the reacquisition price and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old or new debt, whichever is shorter, and is presented net of the refunding general obligation bonds payable on the statement of net assets.

Q. Extraordinary and Special Items

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

R. Estimates

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

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

S. 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 Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level.

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 ordinance 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 ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

Note 3 - Change in Accounting Principles

For fiscal year 2010, the City implemented GASB Statements No. 51, *Accounting and Financial Reporting for Intangible Assets*, No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 improves the quality of financial reporting by reducing inconsistencies that have developed in accounting and financial reporting for intangible assets.

GASB Statement No. 53 improves the quality of financial reporting by requiring governments to measure derivative instruments, with the exception of synthetic guaranteed investment contract that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements.

GASB Statement No. 58 improves the quality of financial reporting by providing more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy.

The implementation of the aforementioned GASB Statements did not affect the presentation of the financial statements of the City.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 4 – Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of December 31, 2010:

| | |
|-----------------------------------|--------------|
| Major Funds: | |
| Cinema Park | \$ 2,700,717 |
| Snavelly Project | 1,671,547 |
| | |
| Nonmajor Funds: | |
| <u>Special Revenue Funds</u> | |
| Police Salary and Equipment | 3,947 |
| Bureau of Justice Grant | 148 |
| Community Development Block Grant | 11,319 |
| Police Hire Grant | 31,946 |
| COPS Hiring Recovery | 44,782 |
| 2007 Nature Works Grant | 19,589 |
| | |
| <u>Capital Projects Funds</u> | |
| Street Improvement | 252,964 |
| Information Technology System | 65,654 |
| Land Acquisition | 30,974 |
| Emery Woods Project | 854,229 |

The deficits in the nonmajor special revenue funds are caused by the recognition of expenditures on the modified accrual basis of accounting. The General Fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur. The deficits in the major and nonmajor capital projects funds are the result of the issuance of anticipation notes which are used to finance projects until bonds are issued. Once the notes are retired or the bonds are issued, the deficits will be eliminated.

B. Compliance

1 - Contrary to Ohio Revised Code Section 5705.10, the City had negative cash balances in the Police Hire Grant and the COPS Hiring Recovery nonmajor special revenue funds, along with the Street Improvement nonmajor capital projects fund in the amounts of \$22,984, \$41,222, and \$50,339, respectively. These negative cash balances indicate that revenues from other sources were used to pay obligations of the funds.

Although this violation was not corrected by year end, management has indicated that cash balances will be closely monitored to eliminate any future violations.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 4 – Accountability and Compliance (Continued)

2 - Contrary to Section 5705.39, Ohio Revised Code, the following fund had appropriations in excess of estimated resources plus beginning balances:

| | Estimated Revenue Plus Beginning Balances | Appropriations | Excess |
|-----------------------------|--|----------------|------------|
| Original Budget | | | |
| <u>Special Revenue</u> | | | |
| Residential Demolition | \$ 104,716 | \$ 105,000 | \$ 284 |
| Final Budget | | | |
| <u>Special Revenue</u> | | | |
| Police Salary and Equipment | \$ 91,745 | \$ 99,000 | \$ 7,255 |
| Residential Demolition | 104,716 | 105,000 | 284 |
| <u>Capital Projects</u> | | | |
| Street Improvement | \$ 332,591 | \$ 471,800 | \$ 139,209 |

Management has indicated that appropriations will be closely monitored to ensure no future violations occur.

3 - Contrary to Section 5705.41(B), Ohio Revised Code, the following fund had actual expenditures in excess of final appropriations at the legal level of budgetary control:

| | Final Appropriations | Actual Expenditures | Variance |
|----------------------------------|-------------------------|------------------------|-------------|
| <u>General Fund</u> | | | |
| Security of Persons and Property | | | |
| Police Department | | | |
| Personal Services | \$ 3,989,734 | \$ 4,027,737 | \$ (38,003) |
| Fire Department | | | |
| Personal Services | 3,128,359 | 3,533,208 | (404,849) |
| Contractual Services | 30,000 | 31,699 | (1,699) |
| Leisure Time Activities | | | |
| Community Activities | | | |
| Materials and Supplies | 21,579 | 22,219 | (640) |
| Community Development | | | |
| Economic Development | | | |
| Personal Services | 104,787 | 111,190 | (6,403) |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 4 – Accountability and Compliance (Continued)

| | <u>Final</u> <u>Appropriations</u> | <u>Actual</u> <u>Expenditures</u> | <u>Variance</u> |
|--|---------------------------------------|--------------------------------------|-----------------|
| <u>General Fund</u> (continued) | | | |
| Building Department | | | |
| Capital Outlay | - | 884 | (884) |
| Basic Utility Services | | | |
| Solid Waste | | | |
| Personal Services | 856,586 | 947,851 | (91,265) |
| Contractual Services | 181,374 | 194,581 | (13,207) |
| Human Resources | | | |
| Capital Outlay | - | 798 | (798) |
| Information Technology | | | |
| Contractual Services | 209,967 | 217,914 | (7,947) |
| Other Government | | | |
| Materials and Supplies | 267,669 | 543,395 | (275,726) |
| <u>Special Revenue Funds</u> | | | |
| Street Construction, Maintenance and Repair Fund | | | |
| Transportation | | | |
| Snow and Ice Removal | | | |
| Materials and Supplies | 19,202 | 179,881 | (160,679) |
| State Highway Fund | | | |
| Transportation | | | |
| Street Maintenance | | | |
| Materials and Supplies | 10,000 | 27,282 | (17,282) |
| Street Lighting Fund | | | |
| Community Development | | | |
| Street Lighting | | | |
| Contractual Services | 245,000 | 247,573 | (2,573) |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 4 – Accountability and Compliance (Continued)

| | Final Appropriations | Actual Expenditures | Variance |
|---|-------------------------|------------------------|-------------|
| <u>Special Revenue Funds</u> (continued) | | | |
| Building Levy Fund | | | |
| General Government | | | |
| Building Levy | | | |
| Materials and Supplies | 3,000 | 4,131 | (1,131) |
| Contractual Services | 5,420 | 9,025 | (3,605) |
| Capital Outlay | 4,000 | 4,566 | (566) |
| Grass Refuse Fund | | | |
| Community Development | | | |
| Building | | | |
| Personal Services | 31,580 | 33,133 | (1,553) |
| Edward Byrne Memorial Justice Assistance Fund | | | |
| Security of Persons and Property | | | |
| Police and Others | | | |
| Personal Services | - | 35,962 | (35,962) |
| <u>General Obligation Bond Retirement Fund</u> | | | |
| Debt Service: | | | |
| Principal - Notes | 14,500,000 | 14,889,000 | (389,000) |
| Interest & Fiscal Charges - G.O. Bonds | 58,000 | 67,355 | (9,355) |
| <u>Capital Projects Funds</u> | | | |
| Town Center Project Fund | | | |
| Debt Service: | | | |
| Principal | - | 3,500,000 | (3,500,000) |
| Interest & Fiscal Charges | - | 57,458 | (57,458) |
| Bond Issuance Costs | - | 45,151 | (45,151) |
| Street Improvement Fund | | | |
| Other Finances Uses: | | | |
| Transfers Out | 60,000 | 210,000 | (150,000) |

Management has indicated that appropriations and corresponding expenditures will be closely monitored to ensure no future violations occur.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

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), the budgetary basis as provided by law 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 Budgetary Basis) and Actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. 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.
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transaction (GAAP).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund are as follows:

| <u>Net Change in Fund Balance</u> | |
|-----------------------------------|---------------------|
| GAAP Basis | \$ 2,398,350 |
| Increase (Decrease) Due to: | |
| Revenue Accruals | (407,760) |
| Beginning Unrecorded Cash | 21,474 |
| Ending Unrecorded Cash | 20,564 |
| Expenditure Accruals | (741,725) |
| Transfers Out | 28 |
| Net Impact of Encumbrances | (49,993) |
| Budgetary Basis | <u>\$ 1,240,938</u> |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 6 – Deposits and Investments

The City follows State statute and classifies held monies 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 the Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations.
6. The State Treasurer's investment pool (STAROhio); and

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 6 – Deposits and Investments (Continued)

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

1. Bonds of the State of Ohio;
2. Bond of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not of principal, interest, or coupon; and,
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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, \$2,794,490 of the City's bank balance of \$5,310,445 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

As of December 31, 2010, the City had the following investment:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in Years) Less than 1</u> |
|------------------------|-------------------|---|
| STAROhio | \$ 30,259 | \$ 30,259 |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 6 - Deposits and Investments (Continued)

Interest Rate Risk - The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk – STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Securities backed by a federal government agency or instrumentality are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2010:

| <u>Investment Issuer</u> | <u>Percentage of Investments</u> |
|--------------------------|--------------------------------------|
| STAROhio | 100.00% |

Note 7 - Receivables

Receivables at December 31, 2010 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year.

Special assessments expected to be collected in more than one year amount to \$55,000 in the General Obligation Bond Retirement Fund. At December 31, 2010, the amount of delinquent special assessments was \$131,331.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 7 – Receivables (Continued)

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by state statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2006. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes at 25 percent of its true value. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2009 is zero percent. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2010, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

| <u>Category</u> | <u>Assessed Value</u> |
|-----------------|-----------------------|
| Real Property | \$ 253,430,180 |
| Public Property | 5,816,510 |
| Total | <u>\$ 259,246,690</u> |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 7 – Receivables (Continued)

A. Property Taxes

Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the General Fund, the General Obligation Bond Retirement Fund, and the Police Salary and Equipment, Fire Salary and Equipment, Street Lighting, Building Levy, Fire Pension and Police Pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

Effective July 1, 2009, the City's income tax rate increased from 2.00 percent to 2.60 percent. This increase was approved by the electorate on May 5, 2009. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their Warrensville Heights City income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the General Fund.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

| | <u>Amounts</u> |
|---|-------------------|
| Local government funds | \$ 431,008 |
| Gasoline tax and auto registration fees | 235,400 |
| Homestead and rollback | 62,716 |
| Public utility reimbursement | 15,498 |
| Permissive tax | 2,120 |
| Miscellaneous grants | <u>67,713</u> |
| Total | <u>\$ 814,455</u> |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 8 - Interfund Transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following:

| Transfers To | Transfers From | | | | | Totals |
|-----------------------------|----------------|------------------------------------|------------------|--------------------------|-----------------------------|------------|
| | General Fund | General Obligation Bond Retirement | Cinema Park Fund | Town Center Project Fund | Nonmajor Governmental Funds | |
| Snavelly Project Fund | \$ - | \$ 372,021 | \$ - | \$ - | \$ 120,591 | \$ 492,612 |
| Nonmajor Governmental Funds | 28 | - | 620 | 8,361 | 32,135 | 41,144 |
| | \$ 28 | \$ 372,021 | \$ 620 | \$ 8,361 | \$ 152,726 | \$ 533,756 |

All transfers during 2010 were made for the annual debt service payments, which included the retirement of notes.

Note 9 – Interfund Balances

Intefund balances at December 31, 2010, consist of the following interfund receivable and payables:

| Interfund Payable | Interfund Receivable |
|---|----------------------|
| | General |
| <i>Major Governmental Funds:</i> | |
| General Obligation Bond Retirement Fund | \$ 46,954 |
| Town Center Project Fund | 5,973 |
| <i>Nonmajor Governmental Funds:</i> | |
| Bureau of Justice Grant | 148 |
| COPS Grant | 21,566 |
| Police Hire Grant | 22,984 |
| COPS Hiring Recovery Grant | 41,222 |
| 2007 Nature Works Grant | 19,589 |
| Community Development Block Grant | 27,919 |
| Street Improvement | 50,339 |
| Total | \$ 236,694 |

The loans to the other nonmajor governmental funds from the General fund were made to cover expenditures until reimbursements are received and/or to eliminate negative cash balances. All of the loans will be repaid in 2011.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 10 – Capital Assets

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

| | Balances 12/31/2009 | Additions | Disposals | Balances 12/31/2010 |
|---|------------------------|-------------|-----------|------------------------|
| Governmental Activities | | | | |
| Nondepreciable Assets: | | | | |
| Land | \$ 3,133,700 | \$ - | \$ - | \$ 3,133,700 |
| Construction in progress | - | 1,042,947 | - | 1,042,947 |
| Total Nondepreciable Assets | 3,133,700 | 1,042,947 | - | 4,176,647 |
| Depreciable Assets: | | | | |
| Buildings | 2,676,708 | - | - | 2,676,708 |
| Land Improvements | 698,004 | - | - | 698,004 |
| Machinery and Equipment | 1,762,566 | 27,898 | - | 1,790,464 |
| Furniture and Fixtures | 78,969 | - | - | 78,969 |
| Vehicles | 4,576,463 | - | - | 4,576,463 |
| Infrastructure: | | | | |
| Streets | 8,068,298 | - | - | 8,068,298 |
| Sewers | 2,583,416 | - | - | 2,583,416 |
| Water Lines | 2,162,689 | - | - | 2,162,689 |
| Storm Sewers | 2,426,227 | - | - | 2,426,227 |
| Total Depreciable Assets | 25,033,340 | 27,898 | - | 25,061,238 |
| Less Accumulated Depreciation | | | | |
| Buildings | (1,268,572) | (59,377) | - | (1,327,949) |
| Land Improvements | (365,582) | (27,216) | - | (392,798) |
| Machinery and Equipment | (1,600,391) | (79,007) | - | (1,679,398) |
| Furniture and Fixtures | (38,720) | - | - | (38,720) |
| Vehicles | (3,730,220) | (226,384) | - | (3,956,604) |
| Infrastructure: | | | | |
| Streets | (3,206,367) | (107,405) | - | (3,313,772) |
| Sewers | (1,398,814) | (34,363) | - | (1,433,177) |
| Water Lines | (1,129,781) | (27,984) | - | (1,157,765) |
| Storm Sewers | (1,181,259) | (32,262) | - | (1,213,521) |
| Total Accumulated Depreciation | (13,919,706) | (593,998) * | - | (14,513,704) |
| Total Depreciable Assets, Net | 11,113,634 | (566,100) | - | 10,547,534 |
| Governmental Activities Capital Assets, Net | \$ 14,247,334 | \$ 476,847 | \$ - | \$ 14,724,181 |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 10 – Capital Assets (Continued)

*Depreciation expense was charged to governmental activities as follows:

| | |
|-----------------------------------|--------------------------|
| Security of Persons and Property: | |
| Police and Others | \$ 100,464 |
| Fire | 99,184 |
| Leisure Time Activities | 48,469 |
| Basic Utility Services | 94,609 |
| Transportation | 202,838 |
| General Government | 48,434 |
| Total Depreciation Expense | <u><u>\$ 593,998</u></u> |

Note 11 – Long-Term Obligations

Original issuance amounts and interest rates of the City's debt issues are as follows:

| Debt Issue | Interest Rate | Original Issue | Year of Maturity |
|---|---------------|----------------|------------------|
| <i>General Obligation Bonds:</i> | | | |
| 2003 Various Purpose Improvement Refunding Bonds | 1.05%-3.125% | \$ 2,131,447 | 2012 |
| Unamortized Loss | n/a | (114,307) | 2012 |
| 1999 Street Improvement | 3.90%-5.40% | 4,155,000 | 2014 |
| <i>Special Assessment Bonds:</i> | | | |
| 2003 Various Purpose Improvement Refunding Bonds | 1.05%-3.125% | 493,553 | 2012 |
| <i>Long-Term Notes:</i> | | | |
| 2010 Bond Anticipation Note | 3.50% | 3,560,000 | 2011 |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 11 – Long-Term Obligations (Continued)

| | Amount Outstanding 12/31/2009 | Additions | Reductions | Amount Outstanding 12/31/2010 | Amount Due In One Year |
|--|-------------------------------------|----------------------|----------------------|-------------------------------------|------------------------------|
| Governmental Activities | | | | | |
| <i>General Obligation Bonds</i> | | | | | |
| 2003 Various Purpose | | | | | |
| Improvement Refunding Bonds | \$ 701,327 | \$ - | \$ 253,860 | \$ 447,467 | \$ 262,467 |
| Unamortized Loss | (34,290) | - | (11,431) | (22,859) | - |
| Total Refunding Bonds | 667,037 | - | 242,429 | 424,608 | 262,467 |
| 1999 Street Improvement | 770,000 | - | 140,000 | 630,000 | 145,000 |
| <i>Total General Obligation Bonds</i> | <u>1,437,037</u> | <u>-</u> | <u>382,429</u> | <u>1,054,608</u> | <u>407,467</u> |
| <i>Special Assessment Bonds with Governmental Commitment</i> | | | | | |
| 2003 Various Purpose | | | | | |
| Improvement Refunding Bonds | 173,673 | - | 56,140 | 117,533 | 62,533 |
| <i>Total Special Assessment Bonds</i> | <u>173,673</u> | <u>-</u> | <u>56,140</u> | <u>117,533</u> | <u>62,533</u> |
| <i>Long-Term Notes</i> | | | | | |
| 2009 Bond Anticipation Note | 2,317,000 | - | 2,317,000 | - | - |
| 2009 Bond Anticipation Note | 5,640,000 | - | 5,640,000 | - | - |
| 2009 Bond Anticipation Note | 935,000 | - | 935,000 | - | - |
| 2010 Bond Anticipation Note | - | 3,560,000 | - | 3,560,000 | - |
| 2010 Bond Anticipation Note | - | 8,935,060 | - | 8,935,060 | - |
| <i>Total Long-Term Notes</i> | <u>8,892,000</u> | <u>12,495,060</u> | <u>8,892,000</u> | <u>12,495,060</u> | <u>-</u> |
| <i>Other Long-Term Obligations</i> | | | | | |
| Compensated Absences | 2,116,173 | 1,136,556 | 1,221,656 | 2,031,073 | 1,143,148 |
| Claims Payable | 288,631 | 39,467 | 95,487 | 232,611 | 37,891 |
| Judgments Payable | - | 486,827 | 17,500 | 469,327 | 17,500 |
| Capital Leases | 339,394 | 27,898 | 186,281 | 181,011 | 111,194 |
| <i>Total Governmental Activities</i> | <u>\$ 13,246,908</u> | <u>\$ 14,185,808</u> | <u>\$ 10,851,493</u> | <u>\$ 16,581,223</u> | <u>\$ 1,779,733</u> |

The voted general obligation and special assessment refunding bonds for various purpose improvements and the street improvement general obligation bonds will be paid with property tax revenue and special assessment revenue from the General Obligation Bond Retirement Fund. The special assessment bonds issued are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The \$2,317,000, various purpose improvement bond anticipation notes issued February 4, 2009 at 3.00 percent outstanding at December 31, 2009, were rolled over into \$9,118,560 (\$183,500 considered short-term) of various purpose improvement bond anticipation notes, issued February 2, 2010 at 3.00 percent and maturing February 2, 2011. As of December 31, 2010, all of the note proceeds were spent.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 11 – Long-Term Obligations (Continued)

The \$5,640,000 various improvement bond anticipation notes issued May 30, 2009 at 3.50 percent and outstanding at December 31, 2009, were rolled over into \$9,118,560 of various purpose improvement bond anticipation notes issued February 2, 2010 at 3.00 percent and maturing February 2, 2011.

The \$935,000 various improvement bond anticipation notes issued May 28, 2009 at 3.50 percent and outstanding at December 31, 2009, were rolled over into \$9,118,560 of various purpose improvement bond anticipation notes issued February 2, 2010 at 3.00 percent and maturing February 2, 2011. Of the \$9,118,560 various purpose improvement bond anticipation notes mentioned, \$183,500 is considered short-term and the remaining 8,935,060 is considered long-term as of December 31, 2010. These notes are backed by the full faith and credit of the City.

The \$3,560,000 town center improvement bond anticipation notes were issued November 22, 2010 at 3.50 percent and maturing March 1, 2011. This note was issued to retire the \$3,500,000 community center improvement bond anticipation notes issued May 6, 2010 at 3.00 percent and maturing November 23, 2010. The \$3,560,000 note is considered long-term as of December 31, 2010. This note is backed by the full faith and credit of the City. As of December 31, 2010, the City has only used \$1,042,947 of the proceeds received from the issuance of this note for capital related activities.

During 2010, the City agreed on a settlement with a former employee. This settlement directed the City to pay the former employee \$52,500 and by doing so will release the City from any future claims. The City paid \$17,500 in 2010 and will pay \$17,500 in 2011 and 2012. The City will use General Fund resources to pay this settlement.

During 2010, the City identified \$434,327 that needs to be paid to the Warrensville City School District (School District). This repayment is for an underpayment of revenue to the School District for 2007 through 2010 related to a revenue sharing program between the City and the School District. As of December 31, 2010, the City has not determined a repayment schedule. Therefore, the entire amount is considered due in more than one year. The City will use General Fund resources to repay this liability.

Compensated absences, claims payable, and capital leases (see Notes 13 and 14 for additional detail on capital leases and claims payable) will be paid from the General Fund.

As of December 31, 2010, the City's overall legal debt margin was \$22,609,150 and the unvoted legal debt margin was \$9,646,816.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 11 – Long-Term Obligations (Continued)

Principal and interest requirements to retire the City’s long-term debt obligations outstanding at December 31, 2010 are as follows:

| | General Obligation Bonds | | Special Assessments Bonds | | Totals |
|-------|-----------------------------|------------|------------------------------|----------|--------------|
| | Principal | Interest | Principal | Interest | |
| 2011 | \$ 407,467 | \$ 43,604 | \$ 62,533 | \$ 7,666 | \$ 521,270 |
| 2012 | 335,000 | 31,660 | 55,000 | 1,760 | 423,420 |
| 2013 | 165,000 | 18,090 | - | - | 183,090 |
| 2014 | 170,000 | 9,180 | - | - | 179,180 |
| Total | \$ 1,077,467 | \$ 102,534 | \$ 117,533 | \$ 9,426 | \$ 1,306,960 |

Note 12 – Note Debt

During 2010, the City issued \$3,500,000 in community center improvement bond anticipation notes on May 6, 2010 at 3.00 percent and maturing November 23, 2010. These notes were retired on November 23, 2010 with the issuance of \$3,560,000 in town center improvement bond anticipation notes on November 22, 2010 at 3.50 percent and maturing March 1, 2011. The notes in the amount of \$3,560,000 outstanding as of December 31, 2010 are considered long-term and are included in Note 11.

The \$5,697,000 various improvement bond anticipation notes issued September 16, 2009 at 2.75 percent and matured September 16, 2010, were rolled over into the \$5,475,000 various improvement notes issued September 9, 2010 at 2.50 percent and maturing September 9, 2011.

\$183,500 of the \$9,118,560 various improvement bond anticipation notes issued on February 3, 2010 at 3.00 percent and maturing February 3, 2011, were considered short-term.

| Types/Issues | Balance 12/31/2009 | Additions | Deletions | Balance 12/31/2010 |
|---------------------------------|-----------------------|---------------------|---------------------|-----------------------|
| 2009 Bond Anticipation Notes | \$ 5,697,000 | \$ - | \$ 5,697,000 | \$ - |
| 2009 Bond Anticipation Notes | 35,000 | - | 35,000 | - |
| 2009 Bond Anticipation Notes | 265,000 | - | 265,000 | - |
| 2010 Bond Anticipation Notes | - | 3,500,000 | 3,500,000 | - |
| 2010 Bond Anticipation Notes | - | 5,475,000 | - | 5,475,000 |
| 2010 Bond Anticipation Notes | - | 183,500 | - | 183,500 |
| Total Governmental Funds | \$ 5,997,000 | \$ 9,158,500 | \$ 9,497,000 | \$ 5,658,500 |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 12 – Note Debt (Continued)

All the notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the funds which received the proceeds. As of December 31, 2010, all of the short-term note proceeds have been expended. The notes will be paid out of the various capital projects funds and the General Fund.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

Note 13 – Capital Leases

During 2010, the City entered into a lease agreement for a leaf blower. The City also has existing leases for various other items. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, *Accounting for Leases*, and have been recorded on the government-wide statements. The machinery, equipment and vehicles have been capitalized in the amount of \$2,387,993, the present value of the minimum lease payments at the inception of the lease.

The assets acquired through capital leases are as follows:

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| <i>Asset:</i> | |
| Machinery and Equipment | \$ 215,985 |
| Vehicles | <u>2,172,008</u> |
| Historical Cost | 2,387,993 |
| Less: Accumulated Depreciation | <u>(1,556,119)</u> |
| Total Book Value as of December 31, 2010 | <u><u>\$ 831,874</u></u> |

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

| <u>Year Ending December 31,</u> | |
|------------------------------------|--------------------------|
| 2011 | \$ 118,009 |
| 2012 | 60,466 |
| 2013 | <u>11,954</u> |
| Total Minimum Lease Payments | \$ 190,429 |
| Less: Amount Representing Interest | <u>(9,418)</u> |
| Present Value of Minimum Lease | <u><u>\$ 181,011</u></u> |

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 13 – Capital Leases (Continued)

Capital lease payments have been presented as part of the General Fund’s program expenditures on the statement of revenues, expenditures and changes in fund balances and principal payments reduce liabilities rather than being an expense on the statement of activities.

Note 14 – Risk Management

A. 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. During 2010, the City contracted with HCC Insurance Company and the Chubb Group of Insurance Companies for various types of insurance as follows:

| Company | Coverage | Amount |
|---------------------------------|---|----------------------------|
| HCC Insurance Company | Comprehensive Municipal Liability Coverage: | |
| | Combined Single Limit (per Occurrence)/Aggregate | \$1,000,000 / \$ 3,000,000 |
| | Property Legal Liability | 50,000 |
| | Premises Medical Payments (per Person) | 10,000 |
| | Employee Benefits Liability (pe Occurrence)/Aggregate | 1,000,000 / 3,000,000 |
| | Ohio Stop Gap | 1,000,000 |
| | Automobile Liability and Physical Damage Coverage: | |
| | Combined Bodily Injury and Property Damage | 1,000,000 |
| | Law Enforcement Liability (per Occurrence) | 1,000,000 |
| | Public Officials Liability (per Occurrence)/Aggregate | 1,000,000 |
| | Electronic Data Processing Systems | 309,920 |
| | Property (Building and Contents) Coverage | 13,313,900 |
| | Inland Marine Coverage | 1,815,814 |
| Chubb Group Insurance Companies | Boiler and Machinery Coverage | 1,000,000 |

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

B. Workers’ Compensation

The City participates in the State Workers’ Compensation retrospective rating and payment plan. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at December 31, 2010, represents an estimate of the liability for unpaid claims costs provided by Bureau of Workers’ Compensation. The claims liability for the Workers’ Compensation retrospective rating and payment system at December 31, 2010, was \$232,611. All of the claims are paid from the General Fund.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 14 – Risk Management (Continued)

B. Workers' Compensation (Continued)

The claims liability reported at December 31, 2010 for workers' compensation is based on the requirements of Governmental 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 adjustment expenses. Changes in claims activity for the years 2009 and 2010 are as follows:

| | Beginning of Year | Claims | Payments | End of Year |
|------|----------------------|------------|------------|----------------|
| 2009 | \$ 274,239 | \$ 117,131 | \$ 102,739 | \$ 288,631 |
| 2010 | 288,631 | 39,467 | 95,487 | 232,611 |

Note 15 - Contingencies

A. Litigation

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

B. Grants

The City received 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 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, 2010.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 16 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional 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 member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2010, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate of 14.00 percent was allocated to fund pension benefits for members of: the Traditional Plan was 8.50 percent from January 1 through February 28, 2010 and 9.00 percent from March 1 through December 31, 2010; the Combined Plan was 9.27 percent from January 1 through February 28, 2010 and 9.77 percent from March 1 through December 31, 2010. The City's required contributions for pension obligations to the Traditional Pension and Combined plans for the years ended December 31, 2010, 2009, and 2008 were \$283,940, \$301,711, and \$261,898, respectively; 83.21 percent has been contributed for 2010 and 100 percent has been contributed for 2009 and 2008.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. 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 E. Town Street, Columbus, Ohio 43215-5164.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 16 – Defined Benefit Pension Plans (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75 percent for police officers and 17.25 percent for firefighters. The City's contributions for pension obligations to OP&F for police and firefighters were \$318,591 and \$358,172 for the year ended December 31, 2010, \$324,726 and \$406,236 for the year ended December 31, 2009, \$352,420 and \$382,312 for the year ended December 31, 2008, respectively; 75.18 percent for police and 76.35 for firefighters has been contributed for 2010 and 100 percent for 2009 and 2008.

Note 17 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - Ohio Public Employees Retirement System (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; and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

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

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

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. The 2010 local government employer contribution rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for local government employers. Active members do not make contributions to the OPEB Plan.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 17 – Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.50 percent from January 1 through February 28, 2010 and 5.00 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's required employer contributions for 2010, 2009, and 2008 which were used to fund post-employment benefits were \$164,474, \$218,802 and \$261,898, respectively. 83.21 percent has been contributed for 2010 and 100 percent has been contributed for 2009 and 2008.

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

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment 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-employment 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 E. Town Street, Columbus, OH 43215-5164.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 17 – Postemployment Benefits (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

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 to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to 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 the 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 for 2010, 2009, and 2008 that were used to fund post-employment benefits were \$168,666 for police and \$140,154 for firefighters, \$171,914 for police and \$158,962 for firefighters, and \$186,575 for police and \$149,600 for firefighters, respectively. 75.18 percent for police and 76.35 for firefighters has been contributed for 2010 and 100 percent for 2009 and 2008

Note 18 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. All City employees earn vacation ranging from two to six weeks based upon length of service.

General administration employees not covered by a collective bargaining agreement earn sick leave of 120 hours annually, without limit on the amount they can accumulate. General administration employees may carry forward a maximum of 336 hours of vacation leave unless the employee's department head certifies to the Mayor that the employee has exceeded the maximum vacation hours allowed as a result of the employee's inability to use vacation leave due to staffing requirements. Upon separation from the City, a maximum of 25 percent of accumulated sick leave up to 190 hours and up to 336 hours of vacation leave shall be paid.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 18 – Compensated Absences (Continued)

Fire department employees earn 168 hours of sick leave annually and may carry forward an unlimited amount. Upon separation from the City, fire department employees will be paid for 37.5 percent of their accumulated sick balance up to 1,080 hours and up to 120 hours of vacation leave shall be paid. The maximum amount of vacation leave that may be carried forward annually is 120 hours.

Police officers earn 120 hours of sick leave per year and may carry forward an unlimited amount of sick leave annually. However, only 480 hours of vacation time may be carried forward annually. Police officers separating from employment will be paid for any unused vacation balance with a maximum of 480 hours. Police officers with at least ten years of continuous City service will be paid 30 percent of their accumulated sick leave balance upon separation from the City, with a maximum of 400 hours.

Police dispatchers earn 120 hours of sick leave annually and may carry forward an unlimited amount; the maximum amount of vacation leave that may be carried forward is 336 hours. Upon separation from employment, dispatchers may be paid for all accumulated vacation leave up to 336 hours; however they are only paid for accumulated sick leave at 30 percent of total or a maximum of 232 hours if separation is by retirement and with at least ten years of continuous service with the City.

Note 19 – Jointly Governed Organization

First Suburbs Consortium of Northeast Ohio Council of Governments – The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Government (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 16 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern including but not limited to, initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions, and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair, and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2010, the City contributed \$3,000 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Note 20 – Subsequent Events

On February 28, 2011, the City issued \$11,200,000 in certificates of participation that will refinance the 2010 general obligation bond anticipation notes in the amount of \$3,560,000 and to provide additional resources for the City's community center project. These certificates of participation were issued with an interest rate of 4.00 percent and will mature February 28, 2012.

City of Warrensville Heights, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2010

Note 20 – Subsequent Events (Continued)

On March 18, 2011, the City was awarded the SAFER Grant from the United States Department of Homeland Security, in the amount of \$1.4 million. This grant will be used to rehire a number of firefighters.

During 2011, the City entered into various lease agreements for copiers, a street sweeper, an ambulance and a fire truck. These lease agreements will be considered capital leases for financial reporting purposes.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specific purposes.

Street Construction, Maintenance and Repair Fund

The Street Construction, Maintenance and Repair Fund accounts for ninety-two and one half percent (92.5%) of the State gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

State Highway Fund

The State Highway Fund accounts for seven and one half percent (7.5%) of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of state highways within the City.

Police Salary and Equipment Fund

The Police Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the police department.

Fire Salary and Equipment Fund

The Fire Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the fire department.

Street Lighting Fund

The Street Lighting Fund accounts for property tax revenue levied to provide street lighting within the City.

Building Levy Fund

The Building Levy Fund accounts for property tax revenue levied for the payment of repairs to City owned buildings.

Law Enforcement Trust Fund

The Law Enforcement Trust Fund accounts for confiscated monies from criminals that are restricted, by State statute, for expenditures that would enhance the police department.

Bureau of Justice Grant Fund

The Bureau of Justice Grant Fund accounts for monies to be expended for safety equipment in the police department.

Fire Pension Fund

The Fire Pension Fund accounts for the accumulation of property taxes levied for the payment of employer's pension contributions.

Police Pension Fund

The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of employer's pension contributions.

DARE Grant Fund

The DARE Grant Fund accounts for grant monies received which are used to educate the public regarding drug abuse and drug abuse prevention.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

Community Development Block Grant Fund

The Community Development Block Grant Fund accounts for revenues received from the federal government and City matching funds and expenditures as prescribed under the Community Development Block Grant Program.

Juvenile Diversion Program Fund

The Juvenile Diversion Program Fund accounts for monies received from Cuyahoga County to be used to establish or expand community policing programs.

Fire Department Child Safety Grant Fund

The Fire Department Child Safety Grant Fund accounts for monies to be used for fire safety programs for children.

EMS Computer Grant Fund

The EMS Computer Grant Fund accounts for monies used for the purchase of computers in the fire department.

Local Law Enforcement Block Grant Fund

The Local Law Enforcement Block Grant Fund accounts for monies used for the purchase of equipment in the police department.

Sidewalk Replacement Fund

The Sidewalk Replacement Fund accounts for monies received from the Cuyahoga County Community Development department for the inspection and improvement of sidewalks within the City.

COPS Grant Fund

The Cops Grant Fund accounts for monies from the Federal government to be used for the purchase of equipment, computer software and other costs associated with police mobile computing.

FEMA Grant Fund

This grant accounts for monies received from the Federal Emergency Management Agency to be expended on personal protective equipment for use by the fire department.

Cleveland Browns Foundation Fund

The Cleveland Browns Foundation Fund accounts for monies to be used for youth crime prevention programs.

CRA Monitoring Fee Fund

The CRA Monitoring Fee Fund accounts for monies received from companies that have a Community Reinvestment Agreement with the City. Funds are to be used exclusively for the purpose of complying with section 3735.671 (D) of the Revised Code.

The Cleveland Foundation Fund

The Cleveland Foundation Fund accounts for monies received from the Cleveland Foundation to be used for a summer and after school family based prevention program within the City.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

Economic Development Stimulus Incentive Grant Fund

The Economic Development Stimulus Incentive Grant Fund accounts for monies received from building permits issued to developers of the Emery Woods Housing Project.

Grass Refuse Fund

The Grass Refuse Fund accounts for monies received from a special assessment to be used for various expenses incurred by the City for upkeep on unkempt lots and/or lawns.

Homeland Security Grant Fund

The Homeland Security Grant Fund accounts for federal grant monies received to provide overtime payments to the service department employees participating in emergency preparedness.

Civic Center Park Restoration Grant Fund

The Civic Center Park Restoration Grant Fund accounts for local grant monies used for the assessment, consultation, and implementation of sewer and drainage requirements; sidewalk repairs and reconstruction; provision of recreation facilities; and rehabilitation of community housing and code enforcement.

G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang-prevention education activities and programming for elementary school students.

Police Hiring Grant Fund

The Police Hiring Grant Fund accounts for Federal Stimulus Funds flow through from the U.S. Department of Justice to the State of Ohio to be used for police retention.

Fire Reporting Grant Fund

The Fire Reporting Grant accounts for revenues received from the State of Ohio's Fire Marshall's office to be used towards computers, printers, and accessories to assist in the department's fire reporting requirements, and provide fire protection to the citizens for the community.

COPS Hiring Recovery Fund

The COPS Hiring Fund accounts for Federal Stimulus Funds from the U.S. Department of Justice to be used for police retention.

2007 NatureWorks Grant Fund

The NatureWorks Grant accounts for revenues received from the Ohio Department of Natural Resources and City's matching funds. The fund expends funds in compliance with the NatureWorks Local Grant Program State/Local Project Agreement, which includes: new playground equipment and various other improvements at the Green Road Civic Center and Park. There was no budgetary information for 2010.

2008 G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang prevention education activities and programming for elementary school students. The 2008 grant is a subsequent grant to the 2007 G.R.E.A.T. Grant.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

Residential Demolition Fund

The Residential Demolition Fund accounts for monies to be used for asbestos remediation and demolition of properties deemed blighted by the City.

Warrensville Heights Occupancy Program Fund

The Warrensville Heights Occupancy Program Fund accounts for fees received to be used for compliance monitoring of companies participating in the program.

Edward Byrne Memorial Justice Assistance Fund

The Edward Byrne Memorial Justice Assistance fund accounts for Federal Stimulus Funds flow through from the U.S. Department of Justice to the City of Cleveland, Ohio to be used for police retention and equipment purchases.

Nonmajor Capital Projects Funds

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

Street Improvement Fund

The Street Improvement Fund accounts for grant monies and note proceeds used for the improvement of streets and curbs within the City.

Building Repair and Improvement Fund

The Building Repair and Improvement Fund accounts for resources to be used for improving and refurbishing City owned buildings.

Information Technology System Fund

The information Technology System Fund accounts for resources to be used for purchasing computer hardware, application software, network telephone systems and other technology system upgrades.

Land Acquisition Fund

The Land Acquisition Fund accounts for resources set aside for future economic growth and development.

Emery Woods Project Fund

The Emery Woods Project Fund accounts for note proceeds used to pay for the costs of constructing a new development in the City which will consist of new houses.

Siren Warning System Fund

The Siren Warning System Fund accounts for monies received from a note issuance to be used for installing sirens throughout the City.

Route 8/Northfield Road Project Fund

The Route 8/Northfield Road Fund accounts for monies received from a note issuance to be used for the City's portion of the Route 8/Northfield Road project.

(Continued)

Combining Statements – Nonmajor Governmental Funds (Continued)

Nonmajor Capital Projects Funds (Continued)

Sidewalk Repair and Replacement Project Fund

The Sidewalk Replacement Grant Fund accounts for monies received from a note issuance and a grant to be used for the City's Sidewalk Replacement program.

Generators Fund

The Generator Fund accounts for monies received from a note issuance to be used for the purchase and installation of a generator at City Hall.

Green Road Park Improvement Fund

The Green Road Improvement Fund Accounts for monies received from a note issuance to be used for the improvement of the Green Road Park.

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City of Warrensville Heights

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2010

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| ASSETS | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 697,833 | \$ 178,594 | \$ 876,427 |
| Accounts Receivable | 24,417 | - | 24,417 |
| Intergovernmental Receivable | 325,785 | - | 325,785 |
| Property Taxes Receivable | 805,056 | - | 805,056 |
| Total Assets | \$ 1,853,091 | \$ 178,594 | \$ 2,031,685 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 21,205 | \$ - | \$ 21,205 |
| Intergovernmental Payable | 36,535 | - | 36,535 |
| Accrued Interest Payable | - | 14,296 | 14,296 |
| Interfund Payable | 133,428 | 50,339 | 183,767 |
| Deferred Revenue | 1,052,020 | - | 1,052,020 |
| Notes Payable | - | 1,293,500 | 1,293,500 |
| Total Liabilities | 1,243,188 | 1,358,135 | 2,601,323 |
| Fund Balances: | | | |
| Reserved for: | | | |
| Encumbrances | 1,946 | 6,987 | 8,933 |
| Unreserved: | | | |
| Undesignated (Deficit), Reported in: | | | |
| Special Revenue Funds | 607,957 | - | 607,957 |
| Capital Projects Funds | - | (1,186,528) | (1,186,528) |
| Total Fund Balances (Deficit) | 609,903 | (1,179,541) | (569,638) |
| Total Liabilities and Fund Balances | \$ 1,853,091 | \$ 178,594 | \$ 2,031,685 |

City of Warrensville Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended December 31, 2010

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| REVENUES | | | |
| Property Taxes | \$ 574,793 | \$ - | \$ 574,793 |
| Intergovernmental | 809,521 | - | 809,521 |
| Licenses and Permits | 58,334 | - | 58,334 |
| Charges for Services | 8,467 | - | 8,467 |
| All Other Revenues | 126,748 | 32,856 | 159,604 |
| Total Revenues | 1,577,863 | 32,856 | 1,610,719 |
| EXPENDITURES | | | |
| Security of Persons and Property: | | | |
| Police and Others | 584,469 | - | 584,469 |
| Fire | 168,225 | - | 168,225 |
| Community Development | 407,898 | - | 407,898 |
| Transportation | 552,683 | - | 552,683 |
| General Government | 13,591 | - | 13,591 |
| Capital Outlay | - | 162,124 | 162,124 |
| Debt Service: | | | |
| Interest and Fiscal Charges | - | 237,620 | 237,620 |
| Total Expenditures | 1,726,866 | 399,744 | 2,126,610 |
| Excess of Revenues Under Expenditures | (149,003) | (366,888) | (515,891) |
| OTHER FINANCING SOURCES (USES) | | | |
| Notes Issued | - | 8,230,560 | 8,230,560 |
| Current Refundings | - | (8,205,000) | (8,205,000) |
| Transfer In | - | 41,144 | 41,144 |
| Transfer Out | - | (152,726) | (152,726) |
| Total Other Financing Sources (Uses) | - | (86,022) | (86,022) |
| Net Change in Fund Balances | (149,003) | (452,910) | (601,913) |
| Fund Balances (Deficit) - Beginning of Year | 758,906 | (726,631) | 32,275 |
| Fund Balances (Deficit) - End of Year | \$ 609,903 | \$ (1,179,541) | \$ (569,638) |

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2010

| | Street Construction, Maintenance and Repair | State Highway | Police Salary and Equipment | Fire Salary and Equipment |
|--|--|--------------------------|--|--|
| ASSETS | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 28,183 | \$ 59,972 | \$ 142 | \$ 6,922 |
| Accounts Receivable | - | - | - | - |
| Intergovernmental Receivable | 207,401 | 30,119 | 2,881 | 2,881 |
| Property Taxes Receivable | - | - | 125,200 | 125,200 |
| Total Assets | \$ 235,584 | \$ 90,091 | \$ 128,223 | \$ 135,003 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Payable | 12,266 | 727 | 4,089 | 4,225 |
| Interfund Payable | - | - | - | - |
| Deferred Revenue | 134,492 | 24,207 | 128,081 | 128,081 |
| Total Liabilities | 146,758 | 24,934 | 132,170 | 132,306 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | 1,946 | - | - | - |
| Unreserved: | | | | |
| Undesignated (Deficits), Reported in: | | | | |
| Special Revenue Funds | 86,880 | 65,157 | (3,947) | 2,697 |
| Total Fund Balances (Deficits) | 88,826 | 65,157 | (3,947) | 2,697 |
| Total Liabilities and Fund Balances | \$ 235,584 | \$ 90,091 | \$ 128,223 | \$ 135,003 |

| Street Lighting | Building Levy | Law Enforcement Trust | Bureau of Justice Grant | Fire Pension | Police Pension | DARE Grant |
|------------------------|----------------------|------------------------------|--------------------------------|---------------------|-----------------------|-------------------|
| \$ 58,854 | \$ 97,638 | \$ 33,401 | \$ - | \$ 5,296 | \$ 7,824 | \$ 19,324 |
| - | - | - | - | - | - | - |
| 9,135 | 2,428 | - | - | 3,367 | 3,367 | - |
| 271,017 | 89,317 | - | - | 97,161 | 97,161 | - |
| <u>\$ 339,006</u> | <u>\$ 189,383</u> | <u>\$ 33,401</u> | <u>\$ -</u> | <u>\$ 105,824</u> | <u>\$ 108,352</u> | <u>\$ 19,324</u> |
| \$ 21,205 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | 148 | - | - | - |
| 280,152 | 91,745 | - | - | 100,528 | 100,528 | - |
| <u>301,357</u> | <u>91,745</u> | <u>-</u> | <u>148</u> | <u>100,528</u> | <u>100,528</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| 37,649 | 97,638 | 33,401 | (148) | 5,296 | 7,824 | 19,324 |
| <u>37,649</u> | <u>97,638</u> | <u>33,401</u> | <u>(148)</u> | <u>5,296</u> | <u>7,824</u> | <u>19,324</u> |
| <u>\$ 339,006</u> | <u>\$ 189,383</u> | <u>\$ 33,401</u> | <u>\$ -</u> | <u>\$ 105,824</u> | <u>\$ 108,352</u> | <u>\$ 19,324</u> |

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2010

| | Community Development Block Grant | Juvenile Diversion Program | Fire Department Child Safety Grant | EMS Computer Grant |
|--|--|---|---|-----------------------------------|
| ASSETS | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 16,600 | \$ 4,325 | \$ 808 | \$ 2,775 |
| Accounts Receivable | - | - | - | - |
| Intergovernmental Receivable | - | - | - | - |
| Property Taxes Receivable | - | - | - | - |
| Total Assets | \$ 16,600 | \$ 4,325 | \$ 808 | \$ 2,775 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Payable | - | 273 | - | - |
| Interfund Payable | 27,919 | - | - | - |
| Deferred Revenue | - | - | - | - |
| Total Liabilities | 27,919 | 273 | - | - |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | - | - | - | - |
| Unreserved: | | | | |
| Undesignated (Deficits), Reported in: | | | | |
| Special Revenue Funds | (11,319) | 4,052 | 808 | 2,775 |
| Total Fund Balances (Deficits) | (11,319) | 4,052 | 808 | 2,775 |
| Total Liabilities and Fund Balances | \$ 16,600 | \$ 4,325 | \$ 808 | \$ 2,775 |

| Local Law Enforcement Block Grant | Sidewalk Replacement | COPS Grant | FEMA Grant | Cleveland Browns Foundation | CRA Monitoring Fee | The Cleveland Foundation |
|--|---------------------------------|-----------------------|-----------------------|--|-----------------------------------|---|
| \$ 21 | \$ 7,104 | \$ 27,949 | \$ 30,521 | \$ 568 | \$ 105,368 | \$ 4,819 |
| - | - | - | - | - | 24,417 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 21</u> | <u>\$ 7,104</u> | <u>\$ 27,949</u> | <u>\$ 30,521</u> | <u>\$ 568</u> | <u>\$ 129,785</u> | <u>\$ 4,819</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | 21,566 | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>21,566</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| 21 | 7,104 | 6,383 | 30,521 | 568 | 129,785 | 4,819 |
| <u>21</u> | <u>7,104</u> | <u>6,383</u> | <u>30,521</u> | <u>568</u> | <u>129,785</u> | <u>4,819</u> |
| <u>\$ 21</u> | <u>\$ 7,104</u> | <u>\$ 27,949</u> | <u>\$ 30,521</u> | <u>\$ 568</u> | <u>\$ 129,785</u> | <u>\$ 4,819</u> |

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2010

| | Economic Development Stimulus Incentive Grant | Grass Refuse | Homeland Security Grant | Civic Center Park Restoration Grant |
|--|--|-------------------------|--|--|
| ASSETS | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 28,150 | \$ 32,383 | \$ 1,999 | \$ 38,808 |
| Accounts Receivable | - | - | - | - |
| Intergovernmental Receivable | - | - | - | - |
| Property Taxes Receivable | - | - | - | - |
| Total Assets | \$ 28,150 | \$ 32,383 | \$ 1,999 | \$ 38,808 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Payable | - | 1,250 | - | - |
| Interfund Payable | - | - | - | - |
| Deferred Revenue | - | - | - | - |
| Total Liabilities | - | 1,250 | - | - |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | - | - | - | - |
| Unreserved: | | | | |
| Undesignated (Deficits), Reported in: | | | | |
| Special Revenue Funds | 28,150 | 31,133 | 1,999 | 38,808 |
| Total Fund Balances (Deficits) | 28,150 | 31,133 | 1,999 | 38,808 |
| Total Liabilities and Fund Balances | \$ 28,150 | \$ 32,383 | \$ 1,999 | \$ 38,808 |

| <u>G.R.E.A.T Grant</u> | <u>Police Hire Grant</u> | <u>Fire Reporting Grant</u> | <u>COPS Hiring Recovery</u> | <u>2007 Nature Works Grant</u> | <u>2008 G.R.E.A.T. Grant</u> | <u>Residential Demolition</u> |
|----------------------------|----------------------------------|-------------------------------------|-------------------------------------|--|--------------------------------------|-----------------------------------|
| \$ 3,668 | \$ - | \$ 188 | \$ - | \$ - | \$ 29,342 | \$ 31 |
| - | - | - | - | - | - | - |
| - | 22,984 | - | 41,222 | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 3,668</u> | <u>\$ 22,984</u> | <u>\$ 188</u> | <u>\$ 41,222</u> | <u>\$ -</u> | <u>\$ 29,342</u> | <u>\$ 31</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 8,962 | - | 3,560 | - | - | - |
| - | 22,984 | - | 41,222 | 19,589 | - | - |
| - | 22,984 | - | 41,222 | - | - | - |
| <u>-</u> | <u>54,930</u> | <u>-</u> | <u>86,004</u> | <u>19,589</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| <u>3,668</u> | <u>(31,946)</u> | <u>188</u> | <u>(44,782)</u> | <u>(19,589)</u> | <u>29,342</u> | <u>31</u> |
| <u>3,668</u> | <u>(31,946)</u> | <u>188</u> | <u>(44,782)</u> | <u>(19,589)</u> | <u>29,342</u> | <u>31</u> |
| <u>\$ 3,668</u> | <u>\$ 22,984</u> | <u>\$ 188</u> | <u>\$ 41,222</u> | <u>\$ -</u> | <u>\$ 29,342</u> | <u>\$ 31</u> |

(Continued)

City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) December 31, 2010

| | Warrensville Heights Occupancy Program | Edward Byrne Memorial Justice Assistance | Nonmajor Special Revenue Funds |
|--|---|---|---|
| ASSETS | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 4,935 | \$ 39,915 | \$ 697,833 |
| Accounts Receivable | - | - | 24,417 |
| Intergovernmental Receivable | - | - | 325,785 |
| Property Taxes Receivable | - | - | 805,056 |
| Total Assets | \$ 4,935 | \$ 39,915 | \$ 1,853,091 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ - | \$ - | \$ 21,205 |
| Intergovernmental Payable | - | 1,183 | 36,535 |
| Interfund Payable | - | - | 133,428 |
| Deferred Revenue | - | - | 1,052,020 |
| Total Liabilities | - | 1,183 | 1,243,188 |
| Fund Balances: | | | |
| Reserved for: | | | |
| Encumbrances | - | - | 1,946 |
| Unreserved: | | | |
| Undesignated (Deficits), Reported in: | | | |
| Special Revenue Funds | 4,935 | 38,732 | 607,957 |
| Total Fund Balances (Deficits) | 4,935 | 38,732 | 609,903 |
| Total Liabilities and Fund Balances | \$ 4,935 | \$ 39,915 | \$ 1,853,091 |

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City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2010

| | Street Construction, Maintenance and Repair | State Highway | Police Salary and Equipment | Fire Salary and Equipment |
|---|--|--------------------------|--|--|
| REVENUES | | | | |
| Property Taxes | \$ - | \$ - | \$ 90,489 | \$ 90,489 |
| Intergovernmental | 438,221 | 64,097 | 5,763 | 5,763 |
| Licenses and Permits | - | - | - | - |
| Charges for Services | - | - | - | - |
| All Other Revenues | - | - | - | - |
| Total Revenues | 438,221 | 64,097 | 96,252 | 96,252 |
| EXPENDITURES | | | | |
| Security of Persons and Property: | | | | |
| Police and Others | - | - | 102,125 | - |
| Fire | - | - | - | 97,225 |
| Community Development | - | - | - | - |
| Transportation | 508,674 | 44,009 | - | - |
| General Government | - | - | - | - |
| Total Expenditures | 508,674 | 44,009 | 102,125 | 97,225 |
| Net Change in Fund Balances | (70,453) | 20,088 | (5,873) | (973) |
| Fund Balances (Deficits) - Beginning of Year | 159,279 | 45,069 | 1,926 | 3,670 |
| Fund Balances (Deficits) - End of Year | \$ 88,826 | \$ 65,157 | \$ (3,947) | \$ 2,697 |

| Street Lighting | Building Levy | Law Enforcement Trust | Bureau of Justice Grant | Fire Pension | Police Pension | DARE Grant |
|------------------------|----------------------|------------------------------|--------------------------------|---------------------|-----------------------|-------------------|
| \$ 192,039 | \$ 63,910 | \$ - | \$ - | \$ 68,933 | \$ 68,933 | \$ - |
| 18,271 | 4,857 | - | - | 6,733 | 6,733 | - |
| - | - | - | - | - | - | - |
| - | - | 7,717 | - | - | - | - |
| - | 13,147 | - | - | - | - | - |
| <u>210,310</u> | <u>81,914</u> | <u>7,717</u> | <u>-</u> | <u>75,666</u> | <u>75,666</u> | <u>-</u> |
| - | - | 7,854 | - | - | 90,000 | - |
| - | - | - | - | 71,000 | - | - |
| 268,778 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 13,591 | - | - | - | - | - |
| <u>268,778</u> | <u>13,591</u> | <u>7,854</u> | <u>-</u> | <u>71,000</u> | <u>90,000</u> | <u>-</u> |
| (58,468) | 68,323 | (137) | - | 4,666 | (14,334) | - |
| 96,117 | 29,315 | 33,538 | (148) | 630 | 22,158 | 19,324 |
| <u>\$ 37,649</u> | <u>\$ 97,638</u> | <u>\$ 33,401</u> | <u>\$ (148)</u> | <u>\$ 5,296</u> | <u>\$ 7,824</u> | <u>\$ 19,324</u> |

(Continued)

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (Continued) For the Year Ended December 31, 2010

| | Community Development Block Grant | Juvenile Diversion Program | Fire Department Child Safety Grant | EMS Computer Grant |
|---|---|----------------------------------|---|--------------------------|
| REVENUES | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 6,800 | - | - |
| Licenses and Permits | - | - | - | - |
| Charges for Services | - | - | - | - |
| All Other Revenues | - | - | - | - |
| Total Revenues | - | 6,800 | - | - |
| EXPENDITURES | | | | |
| Security of Persons and Property: | | | | |
| Police and Others | - | 6,273 | - | - |
| Fire | - | - | - | - |
| Community Development | - | - | - | - |
| Transportation | - | - | - | - |
| General Government | - | - | - | - |
| Total Expenditures | - | 6,273 | - | - |
| Net Change in Fund Balances | - | 527 | - | - |
| Fund Balances (Deficits) - Beginning of Year | (11,319) | 3,525 | 808 | 2,775 |
| Fund Balances (Deficits) - End of Year | \$ (11,319) | \$ 4,052 | \$ 808 | \$ 2,775 |

| Local Law Enforcement Block Grant | Sidewalk Replacement | COPS Grant | FEMA Grant | Cleveland Browns Foundation | CRA Monitoring Fee | The Cleveland Foundation |
|--|---------------------------------|-----------------------|-----------------------|--|-----------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 58,334 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 58,334 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 58,334 | - |
| 21 | 7,104 | 6,383 | 30,521 | 568 | 71,451 | 4,819 |
| <u>\$ 21</u> | <u>\$ 7,104</u> | <u>\$ 6,383</u> | <u>\$ 30,521</u> | <u>\$ 568</u> | <u>\$ 129,785</u> | <u>\$ 4,819</u> |

(Continued)

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (Continued) For the Year Ended December 31, 2010

| | Economic Development Stimulus Incentive Grant | Grass Refuse | Homeland Security Grant | Civic Center Park Restoration Grant |
|---|--|-----------------|-------------------------------|--|
| REVENUES | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - |
| Licenses and Permits | - | - | - | - |
| Charges for Services | - | - | - | - |
| All Other Revenues | - | 8,885 | - | - |
| Total Revenues | - | 8,885 | - | - |
| EXPENDITURES | | | | |
| Security of Persons and Property: | | | | |
| Police and Others | - | - | - | - |
| Fire | - | - | - | - |
| Community Development | - | 34,435 | - | - |
| Transportation | - | - | - | - |
| General Government | - | - | - | - |
| Total Expenditures | - | 34,435 | - | - |
| Net Change in Fund Balances | - | (25,550) | - | - |
| Fund Balances (Deficits) - Beginning of Year | 28,150 | 56,683 | 1,999 | 38,808 |
| Fund Balances (Deficits) - End of Year | \$ 28,150 | \$ 31,133 | \$ 1,999 | \$ 38,808 |

| G.R.E.A.T Grant | Police Hire Grant | Fire Reporting Grant | COPS Hiring Recovery | 2007 Nature Works Grant | 2008 G.R.E.A.T. Grant | Residential Demolition |
|----------------------------|----------------------------------|-------------------------------------|-------------------------------------|--|--------------------------------------|-----------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 174,280 | - | 78,003 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 104,716 |
| - | 174,280 | - | 78,003 | - | - | 104,716 |
| - | 206,226 | - | 122,785 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 104,685 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 206,226 | - | 122,785 | - | - | 104,685 |
| - | (31,946) | - | (44,782) | - | - | 31 |
| 3,668 | - | 188 | - | (19,589) | 29,342 | - |
| \$ 3,668 | \$ (31,946) | \$ 188 | \$ (44,782) | \$ (19,589) | \$ 29,342 | \$ 31 |

(Continued)

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (Continued) For the Year Ended December 31, 2010

| | Warrensville Heights Occupancy Program | Edward Byrne Memorial Justice Assistance | Nonmajor Special Revenue Funds |
|---|---|---|---|
| REVENUES | | | |
| Property Taxes | \$ - | \$ - | \$ 574,793 |
| Intergovernmental | - | - | 809,521 |
| Licenses and Permits | - | - | 58,334 |
| Charges for Services | 750 | - | 8,467 |
| All Other Revenues | - | - | 126,748 |
| Total Revenues | <u>750</u> | <u>-</u> | <u>1,577,863</u> |
| EXPENDITURES | | | |
| Security of Persons and Property: | | | |
| Police and Others | - | 49,206 | 584,469 |
| Fire | - | - | 168,225 |
| Community Development | - | - | 407,898 |
| Transportation | - | - | 552,683 |
| General Government | - | - | 13,591 |
| Total Expenditures | <u>-</u> | <u>49,206</u> | <u>1,726,866</u> |
| Net Change in Fund Balances | 750 | (49,206) | (149,003) |
| Fund Balances (Deficits) - Beginning of Year | 4,185 | 87,938 | 758,906 |
| Fund Balances (Deficits) - End of Year | <u>\$ 4,935</u> | <u>\$ 38,732</u> | <u>\$ 609,903</u> |

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City of Warrensville Heights, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2010

| | Street Improvement | Building Repair and Improvement | Information Technology System | Land Acquisition |
|--|-------------------------------|--|--|-----------------------------|
| ASSETS | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ - | \$ 1,738 | \$ 21,683 | \$ 4,989 |
| Total Assets | \$ - | \$ 1,738 | \$ 21,683 | \$ 4,989 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accrued Interest Payable | \$ 2,625 | \$ - | \$ 2,337 | \$ 963 |
| Interfund Payable | 50,339 | - | - | - |
| Notes Payable | 200,000 | - | 85,000 | 35,000 |
| Total Liabilities | 252,964 | - | 87,337 | 35,963 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | 6,922 | - | - | - |
| Unreserved: | | | | |
| Undesignated, Reported in: | | | | |
| Capital Projects Funds | (259,886) | 1,738 | (65,654) | (30,974) |
| Total Fund Balances (Deficits) | (252,964) | 1,738 | (65,654) | (30,974) |
| Total Liabilities and Fund Balances | \$ - | \$ 1,738 | \$ 21,683 | \$ 4,989 |

| <u>Emery Woods Project</u> | <u>Siren Warning System</u> | <u>Route 8/ Northfield Road Project</u> | <u>Sidewalk Repair and Replacement Project</u> | <u>Generators</u> | <u>Green Road Park Improvement</u> | <u>Nonmajor Capital Projects Funds</u> |
|----------------------------|-----------------------------|---|--|-------------------|------------------------------------|--|
| \$ 127,642 | \$ 457 | \$ 3,841 | \$ 81 | \$ 10,666 | \$ 7,497 | \$ 178,594 |
| <u>\$ 127,642</u> | <u>\$ 457</u> | <u>\$ 3,841</u> | <u>\$ 81</u> | <u>\$ 10,666</u> | <u>\$ 7,497</u> | <u>\$ 178,594</u> |
| \$ 8,371 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,296 |
| - | - | - | - | - | - | 50,339 |
| 973,500 | - | - | - | - | - | 1,293,500 |
| <u>981,871</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,358,135</u> |
| 65 | - | - | - | - | - | 6,987 |
| (854,294) | 457 | 3,841 | 81 | 10,666 | 7,497 | (1,186,528) |
| <u>(854,229)</u> | <u>457</u> | <u>3,841</u> | <u>81</u> | <u>10,666</u> | <u>7,497</u> | <u>(1,179,541)</u> |
| <u>\$ 127,642</u> | <u>\$ 457</u> | <u>\$ 3,841</u> | <u>\$ 81</u> | <u>\$ 10,666</u> | <u>\$ 7,497</u> | <u>\$ 178,594</u> |

City of Warrensville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2010

| | Street Improvement | Building Repair and Improvement | Information Technology System | Land Acquisition |
|--|-----------------------|---------------------------------------|-------------------------------------|---------------------|
| REVENUES | | | | |
| All Other Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| EXPENDITURES | | | | |
| Capital Outlay | 144,910 | - | 11,130 | - |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 61,495 | - | 96,959 | 39,640 |
| Total Expenditures | 206,405 | - | 108,089 | 39,640 |
| Excess of Revenues Under Expenditures | (206,405) | - | (108,089) | (39,640) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Notes Issued | 2,563,300 | - | 3,770,200 | 1,295,300 |
| Current Refundings | (2,549,100) | - | (3,760,000) | (1,290,000) |
| Transfers In | - | - | - | - |
| Transfers Out | (151,042) | - | (578) | (660) |
| Total Other Financing Sources (Uses) | (136,842) | - | 9,622 | 4,640 |
| Net Change in Fund Balances | (343,247) | - | (98,467) | (35,000) |
| Fund Balances (Deficits) - | | | | |
| Beginning of Year | 90,283 | 1,738 | 32,813 | 4,026 |
| Fund Balances (Deficits)- End of Year | \$ (252,964) | \$ 1,738 | \$ (65,654) | \$ (30,974) |

| Emery Woods Project | Siren Warning System | Route 8/ Northfield Road Project | Sidewalk Repair and Replacement Project | Generators | Green Road Park Improvement | Nonmajor Capital Projects Funds |
|----------------------------|-----------------------------|---|--|-------------------|------------------------------------|--|
| \$ 32,856 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 32,856 |
| <u>32,856</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,856</u> |
| 4,084 | - | - | - | - | 2,000 | 162,124 |
| 27,810 | 1,548 | 3,408 | 1,906 | 2,962 | 1,892 | 237,620 |
| <u>31,894</u> | <u>1,548</u> | <u>3,408</u> | <u>1,906</u> | <u>2,962</u> | <u>3,892</u> | <u>399,744</u> |
| <u>962</u> | <u>(1,548)</u> | <u>(3,408)</u> | <u>(1,906)</u> | <u>(2,962)</u> | <u>(3,892)</u> | <u>(366,888)</u> |
| - | 66,500 | 150,560 | 81,500 | 102,000 | 201,200 | 8,230,560 |
| (15,000) | (65,000) | (148,000) | (80,000) | (99,000) | (198,900) | (8,205,000) |
| 39,842 | 48 | 848 | 406 | - | - | 41,144 |
| - | - | - | - | (38) | (408) | (152,726) |
| <u>24,842</u> | <u>1,548</u> | <u>3,408</u> | <u>1,906</u> | <u>2,962</u> | <u>1,892</u> | <u>(86,022)</u> |
| 25,804 | - | - | - | - | (2,000) | (452,910) |
| (880,033) | 457 | 3,841 | 81 | 10,666 | 9,497 | (726,631) |
| <u>\$ (854,229)</u> | <u>\$ 457</u> | <u>\$ 3,841</u> | <u>\$ 81</u> | <u>\$ 10,666</u> | <u>\$ 7,497</u> | <u>\$ (1,179,541)</u> |

Combining Statements – Agency Funds

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of operations.

Developers Deposits Fund

The Developers Deposits Fund accounts for deposits from contractors, held by the City, to insure compliance with various City ordinances regarding development within the City.

Senior Civic Center Rental Fund

The Senior Civic Center Rental Fund accounts for monies received as security deposit for rental of the civic and senior center.

Payroll Clearing Fund

The Payroll Clearing Fund accounts for payroll deductions collected for other governmental units or entities.

City of Warrensville, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended December 31, 2010

| | Beginning Balance <u>12/31/2009</u> | <u>Additions</u> | <u>Deletions</u> | Ending Balance <u>12/31/2010</u> |
|--|---|------------------|------------------|--|
| Developers Deposits Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 211,720</u> | <u>\$ 62,223</u> | <u>\$ 72,387</u> | <u>\$ 201,556</u> |
| Liabilities | | | | |
| Deposits Held and Due to Others | <u>\$ 211,720</u> | <u>\$ 57,663</u> | <u>\$ 67,827</u> | <u>\$ 201,556</u> |
| Senior Civic Center Rental Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 855</u> | <u>\$ 750</u> | <u>\$ 1,400</u> | <u>\$ 205</u> |
| Liabilities | | | | |
| Deposits Held and Due to Others | <u>\$ 855</u> | <u>\$ -</u> | <u>\$ 650</u> | <u>\$ 205</u> |
| Payroll Clearing Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 173,488</u> | <u>\$ -</u> | <u>\$ 20,723</u> | <u>\$ 152,765</u> |
| Liabilities | | | | |
| Deposits Held and Due to Others | <u>\$ 173,488</u> | <u>\$ -</u> | <u>\$ 20,723</u> | <u>\$ 152,765</u> |
| Total - All Agency Funds | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 386,063</u> | <u>\$ 62,973</u> | <u>\$ 94,510</u> | <u>\$ 354,526</u> |
| Liabilities | | | | |
| Deposits Held and Due to Others | <u>\$ 386,063</u> | <u>\$ 57,663</u> | <u>\$ 89,200</u> | <u>\$ 354,526</u> |

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

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 457,704 | \$ 485,727 | \$ 491,573 | \$ 5,846 |
| Income Taxes | 12,547,210 | 13,278,681 | 12,816,760 | (461,921) |
| Other Taxes | 209,862 | 222,710 | 225,391 | 2,681 |
| Intergovernmental | 1,320,625 | 1,401,480 | 1,418,349 | 16,869 |
| Interest | 1,622 | 1,721 | 1,742 | 21 |
| Fees, Licenses and Permits | 193,572 | 205,423 | 207,896 | 2,473 |
| Fines and Forfeitures | 237,009 | 251,520 | 193,212 | (58,308) |
| Charges for Services | 334,561 | 355,045 | 359,318 | 4,273 |
| Contributions and Donations | 1,909 | 2,026 | 2,050 | 24 |
| All Other Revenues | 108,087 | 114,706 | 120,547 | 5,841 |
| Total Revenues | <u>15,412,161</u> | <u>16,319,039</u> | <u>15,836,838</u> | <u>(482,201)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police Department | | | | |
| Personal Services | 3,710,331 | 3,989,734 | 4,027,737 | (38,003) |
| Materials and Supplies | 350,959 | 350,959 | 302,065 | 48,894 |
| Contractual Services | 291,619 | 336,619 | 238,377 | 98,242 |
| Capital Outlay | 12,791 | 32,792 | 12,296 | 20,496 |
| Total Police Department | <u>4,365,700</u> | <u>4,710,104</u> | <u>4,580,475</u> | <u>129,629</u> |
| Fire Department | | | | |
| Personal Services | 3,015,084 | 3,128,359 | 3,533,208 | (404,849) |
| Materials and Supplies | 266,844 | 270,844 | 170,281 | 100,563 |
| Contractual Services | 30,000 | 30,000 | 31,699 | (1,699) |
| Capital Outlay | 3,000 | 6,000 | 5,484 | 516 |
| Total Fire Department | <u>3,314,928</u> | <u>3,435,203</u> | <u>3,740,672</u> | <u>(305,469)</u> |
| Total Security of Persons and Property | <u>7,680,628</u> | <u>8,145,307</u> | <u>8,321,147</u> | <u>(175,840)</u> |
| Public Health Services | | | | |
| Health and Human Services | | | | |
| Contractual Services | <u>57,000</u> | <u>57,000</u> | <u>27,952</u> | <u>29,048</u> |
| Leisure Time Activities | | | | |
| Community Activities | | | | |
| Materials and Supplies | <u>21,579</u> | <u>21,579</u> | <u>22,219</u> | <u>(640)</u> |

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Civic Center | | | | |
| Personal Services | 184,442 | 184,442 | 183,021 | 1,421 |
| Materials and Supplies | 13,208 | 13,208 | 3,311 | 9,897 |
| Contractual Services | 1,200 | 1,200 | - | 1,200 |
| Total Civic Center | <u>198,850</u> | <u>198,850</u> | <u>186,332</u> | <u>12,518</u> |
| Total Leisure Time Activities | <u>220,429</u> | <u>220,429</u> | <u>208,551</u> | <u>11,878</u> |
| Community Development | | | | |
| Economic Development | | | | |
| Personal Services | 104,787 | 104,787 | 111,190 | (6,403) |
| Materials and Supplies | 10,212 | 10,212 | 2,907 | 7,305 |
| Capital Outlay | 2,000 | 2,000 | 474 | 1,526 |
| Total Economic Development | <u>116,999</u> | <u>116,999</u> | <u>114,571</u> | <u>2,428</u> |
| Building Department | | | | |
| Personal Services | 537,327 | 537,327 | 525,228 | 12,099 |
| Materials and Supplies | 41,275 | 41,275 | 20,309 | 20,966 |
| Contractual Services | 17,500 | 17,500 | 14,765 | 2,735 |
| Capital Outlay | - | - | 884 | (884) |
| Total Building Department | <u>596,102</u> | <u>596,102</u> | <u>561,186</u> | <u>34,916</u> |
| Total Community Development | <u>713,101</u> | <u>713,101</u> | <u>675,757</u> | <u>37,344</u> |
| Basic Utility Services | | | | |
| Solid Waste | | | | |
| Personal Services | 856,586 | 856,586 | 947,851 | (91,265) |
| Materials and Supplies | 352,000 | 362,000 | - | 362,000 |
| Contractual Services | 176,374 | 181,374 | 194,581 | (13,207) |
| Total Basic Utility Services | <u>1,384,960</u> | <u>1,399,960</u> | <u>1,142,432</u> | <u>257,528</u> |
| Transportation | | | | |
| Service Department | | | | |
| Personal Services | 871,348 | 871,348 | 808,828 | 62,520 |
| Materials and Supplies | 353,803 | 403,803 | 338,625 | 65,178 |
| Contractual Services | 40,000 | 60,000 | 46,373 | 13,627 |
| Total Transportation | <u>1,265,151</u> | <u>1,335,151</u> | <u>1,193,826</u> | <u>141,325</u> |

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------|------------------|----------------|----------------|---|
| | Original | Final | | |
| General Government | | | | |
| City Council | | | | |
| Personal Services | 155,698 | 166,348 | 163,032 | 3,316 |
| Materials and Supplies | 43,760 | 43,760 | 33,079 | 10,681 |
| Total City Council | <u>199,458</u> | <u>210,108</u> | <u>196,111</u> | <u>13,997</u> |
| Mayor | | | | |
| Personal Services | 285,018 | 300,106 | 298,953 | 1,153 |
| Materials and Supplies | 27,979 | 27,979 | 20,654 | 7,325 |
| Total Mayor | <u>312,997</u> | <u>328,085</u> | <u>319,607</u> | <u>8,478</u> |
| Finance Department | | | | |
| Personal Services | 378,448 | 391,174 | 387,974 | 3,200 |
| Materials and Supplies | 12,340 | 12,640 | 11,740 | 900 |
| Contractual Services | 1,500 | 1,500 | - | 1,500 |
| Capital Outlay | 3,000 | 3,000 | 1,412 | 1,588 |
| Total Finance Department | <u>395,288</u> | <u>408,314</u> | <u>401,126</u> | <u>7,188</u> |
| Income Tax | | | | |
| Personal Services | 21,224 | 21,224 | 18,133 | 3,091 |
| Materials and Supplies | 1,500 | 1,500 | 246 | 1,254 |
| Contractual Services | 745,000 | 855,000 | 409,801 | 445,199 |
| Total Income Tax | <u>767,724</u> | <u>877,724</u> | <u>428,180</u> | <u>449,544</u> |
| Legal | | | | |
| Personal Services | 164,683 | 164,683 | 159,455 | 5,228 |
| Materials and Supplies | 11,260 | 11,260 | 9,084 | 2,176 |
| Contractual Services | 75,000 | 75,000 | 70,584 | 4,416 |
| Total Legal | <u>250,943</u> | <u>250,943</u> | <u>239,123</u> | <u>11,820</u> |
| Human Resources | | | | |
| Personal Services | 124,488 | 124,488 | 120,685 | 3,803 |
| Materials and Supplies | 16,615 | 16,615 | 4,415 | 12,200 |
| Contractual Services | 3,810 | 3,810 | 1,780 | 2,030 |
| Capital Outlay | - | - | 798 | (798) |
| Total Human Resources | <u>144,913</u> | <u>144,913</u> | <u>127,678</u> | <u>17,235</u> |

(continued)

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Board Commissions | | | | |
| Personal Services | 6,320 | 6,320 | 4,656 | 1,664 |
| Materials and Supplies | 2,067 | 2,067 | 846 | 1,221 |
| Total Boards and Commissions | 8,387 | 8,387 | 5,502 | 2,885 |
| Engineering | | | | |
| Contractual Services | 53,868 | 53,868 | 21,395 | 32,473 |
| Information Technology | | | | |
| Contractual Services | 209,967 | 209,967 | 217,914 | (7,947) |
| Capital Outlay | 216 | 216 | 216 | - |
| Total Information Technology | 210,183 | 210,183 | 218,130 | (7,947) |
| Lands and Buildings | | | | |
| Materials and Supplies | 97,834 | 147,834 | 146,579 | 1,255 |
| Contractual Services | 240,718 | 290,718 | 219,893 | 70,825 |
| Capital Outlay | 3,000 | 8,000 | 1,208 | 6,792 |
| Total Lands and Buildings | 341,552 | 446,552 | 367,680 | 78,872 |
| Other Government | | | | |
| Materials and Supplies | 217,669 | 267,669 | 543,395 | (275,726) |
| Contractual Services | 477,688 | 527,688 | 158,308 | 369,380 |
| Capital Outlay | - | 5,000 | - | 5,000 |
| Total Other Government | 695,357 | 800,357 | 701,703 | 98,654 |
| Total General Government | 3,380,670 | 3,739,434 | 3,026,235 | 713,199 |
| Total Expenditures | 14,701,939 | 15,610,382 | 14,595,900 | 1,014,482 |
| Excess of Revenues Over (Under) Expenditures | 710,222 | 708,657 | 1,240,938 | 532,281 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (43,000) | (43,000) | - | 43,000 |
| Total Other Financing Sources (Uses) | (43,000) | (43,000) | - | 43,000 |
| Net Change in Fund Balance | 667,222 | 665,657 | 1,240,938 | 575,281 |
| Fund Balance - Beginning of Year | (551,365) | (551,365) | (551,365) | - |
| Prior Year Encumbrances Appropriated | 74,177 | 74,177 | 74,177 | - |
| Fund Balance - End of Year | \$ 190,034 | \$ 188,469 | \$ 763,750 | \$ 575,281 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Obligation Bond Retirement Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with |
|---|---------------------|---------------------|---------------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 540,000 | \$ 540,000 | \$ 459,555 | \$ (80,445) |
| Intergovernmental | 17,516 | 17,516 | 44,890 | 27,374 |
| Special Assessments | 86,173 | 86,173 | 242,138 | 155,965 |
| Total Revenues | <u>643,689</u> | <u>643,689</u> | <u>746,583</u> | <u>102,894</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal - G.O. Bonds | 485,000 | 485,000 | 450,000 | 35,000 |
| Principal - Notes | 14,500,000 | 14,500,000 | 14,889,000 | (389,000) |
| Interest & Fiscal Charges - G.O. Bonds | 58,000 | 58,000 | 67,355 | (9,355) |
| Interest & Fiscal Charges - Notes | 388,119 | 388,119 | 338,764 | 49,355 |
| Total Expenditures | <u>15,431,119</u> | <u>15,431,119</u> | <u>15,745,119</u> | <u>(314,000)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(14,787,430)</u> | <u>(14,787,430)</u> | <u>(14,998,536)</u> | <u>(211,106)</u> |
| Other Financing Sources | | | | |
| Notes Issued | 14,500,000 | 14,500,000 | 14,593,560 | 93,560 |
| Transfers In | 388,119 | 388,119 | 300,000 | (88,119) |
| Total Other Financing Sources | <u>14,888,119</u> | <u>14,888,119</u> | <u>14,893,560</u> | <u>5,441</u> |
| Net Change in Fund Balance | 100,689 | 100,689 | (104,976) | (205,665) |
| Fund Balance - Beginning of Year | 304,786 | 304,786 | 304,786 | - |
| Fund Balance - End of Year | <u>\$ 405,475</u> | <u>\$ 405,475</u> | <u>\$ 199,810</u> | <u>\$ (205,665)</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Cinema Park Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 49,000 | 49,000 | 22,815 | 26,185 |
| Total Expenditures | 49,000 | 49,000 | 22,815 | 26,185 |
| Net Change in Fund Balance | (49,000) | (49,000) | (22,815) | 26,185 |
| Fund Balance - Beginning of Year | 49,640 | 49,640 | 49,640 | - |
| Fund Balance - End of Year | <u>\$ 640</u> | <u>\$ 640</u> | <u>\$ 26,825</u> | <u>\$ 26,185</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Snavelly Project Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 10,000 | 10,000 | 8,016 | 1,984 |
| Total Expenditures | 10,000 | 10,000 | 8,016 | 1,984 |
| Net Change in Fund Balance | (10,000) | (10,000) | (8,016) | 1,984 |
| Fund Balance - Beginning of Year | 10,302 | 10,302 | 10,302 | - |
| Fund Balance - End of Year | <u>\$ 302</u> | <u>\$ 302</u> | <u>\$ 2,286</u> | <u>\$ 1,984</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Town Center Project Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 20,000 | 3,520,000 | 927,714 | 2,592,286 |
| Debt Service: | | | | |
| Principal | - | - | 3,500,000 | (3,500,000) |
| Interest & Fiscal Charges | - | - | 57,458 | (57,458) |
| Bond Issuance Costs | - | - | 45,151 | (45,151) |
| Total Debt Service | - | - | 3,602,609 | (3,602,609) |
| Total Expenditures | 20,000 | 3,520,000 | 4,530,323 | (1,010,323) |
| Excess of Revenues Over (Under) Expenditures | (20,000) | (3,520,000) | (4,530,323) | (1,010,323) |
| Other Financing Sources | | | | |
| Note Issuance | - | 7,060,683 | 7,060,000 | (683) |
| Premium on Note Issuance | 20,000 | 22,428 | 46,123 | 23,695 |
| Total Other Financing Sources | 20,000 | 7,083,111 | 7,106,123 | 23,012 |
| Net Change in Fund Balance | - | 3,563,111 | 2,575,800 | (987,311) |
| Fund Balance - Beginning of Year | 29 | 29 | 29 | - |
| Fund Balance - End of Year | \$ 29 | \$ 3,563,140 | \$ 2,575,829 | \$ (987,311) |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Construction, Maintenance and Repair Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|-----------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 483,000 | \$ 432,596 | \$ 432,596 | \$ - |
| Total Revenues | <u>483,000</u> | <u>432,596</u> | <u>432,596</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Street Maintenance | | | | |
| Personal Services | 430,000 | 430,000 | 270,000 | 160,000 |
| Materials and Supplies | <u>25,000</u> | <u>25,000</u> | <u>19,246</u> | <u>5,754</u> |
| Total Street Maintenance | <u>455,000</u> | <u>455,000</u> | <u>289,246</u> | <u>165,754</u> |
| Snow and Ice Removal | | | | |
| Materials and Supplies | <u>77,202</u> | <u>19,202</u> | <u>179,881</u> | <u>(160,679)</u> |
| Traffic Control | | | | |
| Materials and Supplies | 6,000 | 6,000 | - | 6,000 |
| Contractual Services | <u>36,125</u> | <u>36,125</u> | <u>29,227</u> | <u>6,898</u> |
| Total Traffic Control | <u>42,125</u> | <u>42,125</u> | <u>29,227</u> | <u>12,898</u> |
| Total Expenditures | <u>574,327</u> | <u>516,327</u> | <u>498,354</u> | <u>17,973</u> |
| Net Change in Fund Balance | (91,327) | (83,731) | (65,758) | 17,973 |
| Fund Balance - Beginning of Year | 88,668 | 88,668 | 88,668 | - |
| Prior Year Encumbrances Appropriated | <u>3,327</u> | <u>3,327</u> | <u>3,327</u> | <u>-</u> |
| Fund Balance - End of Year | <u>\$ 668</u> | <u>\$ 8,264</u> | <u>\$ 26,237</u> | <u>\$ 17,973</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
State Highway Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 46,000 | \$ 63,641 | \$ 63,641 | \$ - |
| Total Revenues | <u>46,000</u> | <u>63,641</u> | <u>63,641</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Street Maintenance | | | | |
| Personal Services | 25,000 | 25,000 | 16,000 | 9,000 |
| Materials and Supplies | 20,000 | 10,000 | 27,282 | (17,282) |
| Total Expenditures | <u>45,000</u> | <u>35,000</u> | <u>43,282</u> | <u>(8,282)</u> |
| Net Change in Fund Balance | 1,000 | 28,641 | 20,359 | (8,282) |
| Fund Balance - Beginning of Year | 39,613 | 39,613 | 39,613 | - |
| Fund Balance - End of Year | <u>\$ 40,613</u> | <u>\$ 68,254</u> | <u>\$ 59,972</u> | <u>\$ (8,282)</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Salary and Equipment Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 84,441 | \$ 84,441 | \$ 90,489 | \$ 6,048 |
| Intergovernmental | 5,378 | 5,378 | 5,763 | 385 |
| Total Revenues | 89,819 | 89,819 | 96,252 | 6,433 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police and Others | | | | |
| Personal Services | 90,000 | 90,000 | 90,000 | - |
| Capital Outlay | - | 9,000 | 8,036 | 964 |
| Total Expenditures | 90,000 | 99,000 | 98,036 | 964 |
| Net Change in Fund Balance | (181) | (9,181) | (1,784) | 7,397 |
| Fund Balance - Beginning of Year | 1,926 | 1,926 | 1,926 | - |
| Fund Balance - End of Year | \$ 1,745 | \$ (7,255) | \$ 142 | \$ 7,397 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Salary and Equipment Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 84,441 | \$ 84,441 | \$ 90,489 | \$ 6,048 |
| Intergovernmental | 5,378 | 5,378 | 5,763 | 385 |
| Total Revenues | 89,819 | 89,819 | 96,252 | 6,433 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Fire | | | | |
| Personal Services | 93,000 | 93,000 | 93,000 | - |
| Total Expenditures | 93,000 | 93,000 | 93,000 | - |
| Net Change in Fund Balance | (3,181) | (3,181) | 3,252 | 6,433 |
| Fund Balance - Beginning of Year | 3,670 | 3,670 | 3,670 | - |
| Fund Balance - End of Year | \$ 489 | \$ 489 | \$ 6,922 | \$ 6,433 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Lighting Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 181,205 | \$ 181,205 | \$ 192,039 | \$ 10,834 |
| Intergovernmental | 17,240 | 17,240 | 18,271 | 1,031 |
| Total Revenues | <u>198,445</u> | <u>198,445</u> | <u>210,310</u> | <u>11,865</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community Development | | | | |
| Street Lighting | | | | |
| Contractual Services | 245,000 | 245,000 | 247,573 | (2,573) |
| Total Expenditures | <u>245,000</u> | <u>245,000</u> | <u>247,573</u> | <u>(2,573)</u> |
| Net Change in Fund Balance | (46,555) | (46,555) | (37,263) | 9,292 |
| Fund Balance - Beginning of Year | 96,117 | 96,117 | 96,117 | - |
| Fund Balance - End of Year | <u>\$ 49,562</u> | <u>\$ 49,562</u> | <u>\$ 58,854</u> | <u>\$ 9,292</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Building Levy Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 50,398 | \$ 50,398 | \$ 63,910 | \$ 13,512 |
| Intergovernmental | 3,830 | 3,830 | 4,857 | 1,027 |
| All Other Revenues | 10,367 | 10,367 | 13,147 | 2,780 |
| Total Revenues | <u>64,595</u> | <u>64,595</u> | <u>81,914</u> | <u>17,319</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Building Levy | | | | |
| Materials and Supplies | 10,000 | 3,000 | 4,131 | (1,131) |
| Contractual Services | 75,420 | 5,420 | 9,025 | (3,605) |
| Capital Outlay | 4,000 | 4,000 | 4,566 | (566) |
| Total Expenditures | <u>89,420</u> | <u>12,420</u> | <u>17,722</u> | <u>(5,302)</u> |
| Net Change in Fund Balance | (24,825) | 52,175 | 64,192 | 12,017 |
| Fund Balance - Beginning of Year | 33,026 | 33,026 | 33,026 | - |
| Prior Year Encumbrances Appropriated | 420 | 420 | 420 | - |
| Fund Balance - End of Year | <u>\$ 8,621</u> | <u>\$ 85,621</u> | <u>\$ 97,638</u> | <u>\$ 12,017</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Trust Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 30,000 | \$ 7,717 | \$ 7,717 | \$ - |
| Total Revenues | <u>30,000</u> | <u>7,717</u> | <u>7,717</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police | | | | |
| Materials and Supplies | 10,000 | 10,000 | 7,854 | 2,146 |
| Capital Outlay | 25,000 | - | - | - |
| Total Expenditures | <u>35,000</u> | <u>10,000</u> | <u>7,854</u> | <u>2,146</u> |
| Net Change in Fund Balance | (5,000) | (2,283) | (137) | 2,146 |
| Fund Balance - Beginning of Year | 33,538 | 33,538 | 33,538 | - |
| Fund Balance - End of Year | <u>\$ 28,538</u> | <u>\$ 31,255</u> | <u>\$ 33,401</u> | <u>\$ 2,146</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Bureau of Justice Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|--------------|-------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental | \$ 5,000 | \$ 5,000 | \$ - | \$ (5,000) |
| Interest | 10 | 10 | - | (10) |
| Total Revenues | <u>5,010</u> | <u>5,010</u> | <u>-</u> | <u>(5,010)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police | | | | |
| Materials and Supplies | 5,000 | 5,000 | - | 5,000 |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | <u>-</u> | <u>5,000</u> |
| Net Change in Fund Balance | 10 | 10 | - | (10) |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance - End of Year | <u>\$ 10</u> | <u>\$ 10</u> | <u>\$ -</u> | <u>\$ (10)</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Pension Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 65,158 | \$ 65,158 | \$ 68,933 | \$ 3,775 |
| Intergovernmental | 6,364 | 6,364 | 6,733 | 369 |
| Total Revenues | <u>71,522</u> | <u>71,522</u> | <u>75,666</u> | <u>4,144</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Fire | | | | |
| Personal Services | 71,000 | 71,000 | 71,000 | - |
| Total Expenditures | <u>71,000</u> | <u>71,000</u> | <u>71,000</u> | <u>-</u> |
| Net Change in Fund Balance | 522 | 522 | 4,666 | 4,144 |
| Fund Balance - Beginning of Year | 630 | 630 | 630 | - |
| Fund Balance - End of Year | <u>\$ 1,152</u> | <u>\$ 1,152</u> | <u>\$ 5,296</u> | <u>\$ 4,144</u> |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Police Pension Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 65,158 | \$ 65,158 | \$ 68,933 | \$ 3,775 |
| Intergovernmental | 6,364 | 6,364 | 6,733 | 369 |
| Total Revenues | <u>71,522</u> | <u>71,522</u> | <u>75,666</u> | <u>4,144</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police | | | | |
| Personal Services | 90,000 | 90,000 | 90,000 | - |
| Total Expenditures | <u>90,000</u> | <u>90,000</u> | <u>90,000</u> | <u>-</u> |
| Net Change in Fund Balance | (18,478) | (18,478) | (14,334) | 4,144 |
| Fund Balance - Beginning of Year | 22,158 | 22,158 | 22,158 | - |
| Fund Balance - End of Year | <u>\$ 3,680</u> | <u>\$ 3,680</u> | <u>\$ 7,824</u> | <u>\$ 4,144</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
DARE Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 6,000 | \$ - | \$ - | \$ - |
| Total Revenues | 6,000 | - | - | - |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police | | | | |
| Personal Services | 12,000 | 12,000 | - | 12,000 |
| Total Expenditures | 12,000 | 12,000 | - | 12,000 |
| Excess of Revenues Over (Under) Expenditures | (6,000) | (12,000) | - | 12,000 |
| Other Financing Sources | | | | |
| Transfers In | 6,000 | 6,000 | - | (6,000) |
| Total Other Financing Sources | 6,000 | 6,000 | - | (6,000) |
| Net Change in Fund Balance | - | (6,000) | - | 6,000 |
| Fund Balance - Beginning of Year | 19,324 | 19,324 | 19,324 | - |
| Fund Balance - End of Year | \$ 19,324 | \$ 13,324 | \$ 19,324 | \$ 6,000 |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Community Development Block Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 16,600 | 16,600 | 16,600 | - |
| Fund Balance - End of Year | \$ 16,600 | \$ 16,600 | \$ 16,600 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Juvenile Diversion Program Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 8,000 | \$ 5,120 | \$ 6,800 | \$ 1,680 |
| Total Revenues | <u>8,000</u> | <u>5,120</u> | <u>6,800</u> | <u>1,680</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police and Others | | | | |
| Personal Services | 8,100 | 8,100 | 6,000 | 2,100 |
| Total Expenditures | <u>8,100</u> | <u>8,100</u> | <u>6,000</u> | <u>2,100</u> |
| Net Change in Fund Balance | (100) | (2,980) | 800 | 3,780 |
| Fund Balance - Beginning of Year | 3,525 | 3,525 | 3,525 | - |
| Fund Balance - End of Year | <u>\$ 3,425</u> | <u>\$ 545</u> | <u>\$ 4,325</u> | <u>\$ 3,780</u> |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Fire Department Child Safety Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|---------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 808 | 808 | 808 | - |
| Fund Balance - End of Year | \$ 808 | \$ 808 | \$ 808 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 EMS Computer Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 2,775 | 2,775 | 2,775 | - |
| Fund Balance - End of Year | \$ 2,775 | \$ 2,775 | \$ 2,775 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Local Law Enforcement Block Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|--------------|--------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 21 | 21 | 21 | - |
| Fund Balance - End of Year | \$ 21 | \$ 21 | \$ 21 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Sidewalk Replacement Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 7,104 | 7,104 | 7,104 | - |
| Fund Balance - End of Year | \$ 7,104 | \$ 7,104 | \$ 7,104 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
COPS Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 27,949 | 27,949 | 27,949 | - |
| Fund Balance - End of Year | \$ 27,949 | \$ 27,949 | \$ 27,949 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
FEMA Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 30,521 | 30,521 | 30,521 | - |
| Fund Balance - End of Year | \$ 30,521 | \$ 30,521 | \$ 30,521 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Cleveland Browns Foundation Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|---------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 568 | 568 | 568 | - |
| Fund Balance - End of Year | \$ 568 | \$ 568 | \$ 568 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
CRA Monitoring Fee Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fees, Licenses and Permits | \$ 20,000 | \$ 2,250 | \$ 33,917 | \$ 31,667 |
| Total Revenues | <u>20,000</u> | <u>2,250</u> | <u>33,917</u> | <u>31,667</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Materials and Supplies | 13,000 | 13,000 | - | 13,000 |
| Total Expenditures | <u>13,000</u> | <u>13,000</u> | <u>-</u> | <u>13,000</u> |
| Net Change in Fund Balance | 7,000 | (10,750) | 33,917 | 44,667 |
| Fund Balance - Beginning of Year | 71,451 | 71,451 | 71,451 | - |
| Fund Balance - End of Year | <u>\$ 78,451</u> | <u>\$ 60,701</u> | <u>\$ 105,368</u> | <u>\$ 44,667</u> |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 The Cleveland Foundation Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 4,819 | 4,819 | 4,819 | - |
| Fund Balance - End of Year | \$ 4,819 | \$ 4,819 | \$ 4,819 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Economic Development Stimulus Incentive Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fees, Licenses and Permits | \$ 35,000 | \$ 35,000 | \$ - | \$ (35,000) |
| Total Revenues | <u>35,000</u> | <u>35,000</u> | <u>-</u> | <u>(35,000)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community Development | | | | |
| Materials and Supplies | 35,000 | 35,000 | - | 35,000 |
| Total Expenditures | <u>35,000</u> | <u>35,000</u> | <u>-</u> | <u>35,000</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 28,150 | 28,150 | 28,150 | - |
| Fund Balance - End of Year | <u>\$ 28,150</u> | <u>\$ 28,150</u> | <u>\$ 28,150</u> | <u>\$ -</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Grass Refuse Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| All Other Revenues | \$ 45,000 | \$ 8,885 | \$ 8,885 | \$ - |
| Total Revenues | <u>45,000</u> | <u>8,885</u> | <u>8,885</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community Development | | | | |
| Building | | | | |
| Personal Services | 38,580 | 31,580 | 33,133 | (1,553) |
| Contractual Services | 19,150 | 52 | 52 | - |
| Total Expenditures | <u>57,730</u> | <u>31,632</u> | <u>33,185</u> | <u>(1,553)</u> |
| Net Change in Fund Balance | (12,730) | (22,747) | (24,300) | (1,553) |
| Fund Balance - Beginning of Year | 56,683 | 56,683 | 56,683 | - |
| Fund Balance - End of Year | <u>\$ 43,953</u> | <u>\$ 33,936</u> | <u>\$ 32,383</u> | <u>\$ (1,553)</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Homeland Security Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 1,999 | 1,999 | 1,999 | - |
| Fund Balance - End of Year | \$ 1,999 | \$ 1,999 | \$ 1,999 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Civic Center Park Restoration Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 38,808 | 38,808 | 38,808 | - |
| Fund Balance - End of Year | \$ 38,808 | \$ 38,808 | \$ 38,808 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 G.R.E.A.T. Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 3,668 | 3,668 | 3,668 | - |
| Fund Balance - End of Year | \$ 3,668 | \$ 3,668 | \$ 3,668 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Police Hiring Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 263,000 | \$ 263,000 | \$ 174,280 | \$ (88,720) |
| Total Revenues | <u>263,000</u> | <u>263,000</u> | <u>174,280</u> | <u>(88,720)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police and Others | | | | |
| Personal Services | 263,000 | 263,000 | 197,264 | 65,736 |
| Total Expenditures | <u>263,000</u> | <u>263,000</u> | <u>197,264</u> | <u>65,736</u> |
| Net Change in Fund Balance | - | - | (22,984) | (22,984) |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance (Deficit) - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (22,984)</u> | <u>\$ (22,984)</u> |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Fire Reporting Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|---------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 188 | 188 | 188 | - |
| Fund Balance - End of Year | \$ 188 | \$ 188 | \$ 188 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
COPS Hiring Recovery Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 179,012 | \$ 179,012 | \$ 78,003 | \$ (101,009) |
| Total Revenues | <u>179,012</u> | <u>179,012</u> | <u>78,003</u> | <u>(101,009)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police and Others | | | | |
| Personal Services | 176,612 | 176,612 | 119,225 | 57,387 |
| Materials and Supplies | 2,400 | 2,400 | - | 2,400 |
| Total Expenditures | <u>179,012</u> | <u>179,012</u> | <u>119,225</u> | <u>59,787</u> |
| Net Change in Fund Balance | - | - | (41,222) | (41,222) |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance (Deficit) - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (41,222)</u> | <u>\$ (41,222)</u> |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 2008 G.R.E.A.T. Works Grant Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 29,342 | 29,342 | 29,342 | - |
| Fund Balance - End of Year | \$ 29,342 | \$ 29,342 | \$ 29,342 | \$ - |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Residential Demolition Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| All Other Revenues | \$ 104,716 | \$ 104,716 | \$ 104,716 | \$ - |
| Total Revenues | <u>104,716</u> | <u>104,716</u> | <u>104,716</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community Development | | | | |
| Economic Development and Assistance | | | | |
| Contractual Services | 105,000 | 105,000 | 104,685 | 315 |
| Total Expenditures | <u>105,000</u> | <u>105,000</u> | <u>104,685</u> | <u>315</u> |
| Net Change in Fund Balance | (284) | (284) | 31 | 315 |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance (Deficit) - End of Year | <u>\$ (284)</u> | <u>\$ (284)</u> | <u>\$ 31</u> | <u>\$ 315</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Warrensville Heights Occupancy Program Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 5,000 | \$ 5,000 | \$ 750 | \$ (4,250) |
| Total Revenues | <u>5,000</u> | <u>5,000</u> | <u>750</u> | <u>(4,250)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community Development | | | | |
| Community Development | | | | |
| Contractual Services | 5,000 | 5,000 | - | 5,000 |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | <u>-</u> | <u>5,000</u> |
| Net Change in Fund Balance | - | - | 750 | 750 |
| Fund Balance - Beginning of Year | 4,185 | 4,185 | 4,185 | - |
| Fund Balance - End of Year | <u>\$ 4,185</u> | <u>\$ 4,185</u> | <u>\$ 4,935</u> | <u>\$ 750</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Edward Byrne Memorial Justice Assistance Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police and Others | | | | |
| Personal Services | - | - | 35,962 | (35,962) |
| Capital Outlay | 12,062 | 12,062 | 12,061 | 1 |
| Total Expenditures | <u>12,062</u> | <u>12,062</u> | <u>48,023</u> | <u>(35,961)</u> |
| Net Change in Fund Balance | (12,062) | (12,062) | (48,023) | (35,961) |
| Fund Balance - Beginning of Year | 87,938 | 87,938 | 87,938 | - |
| Fund Balance - End of Year | <u>\$ 75,876</u> | <u>\$ 75,876</u> | <u>\$ 39,915</u> | <u>\$ (35,961)</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Improvement Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|-------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 261,800 | 409,800 | 177,982 | 231,818 |
| Other Expenses | - | 2,000 | 1,870 | 130 |
| Total Expenditures | 261,800 | 411,800 | 179,852 | 231,948 |
| Excess of Revenues Over (Under) Expenditures | (261,800) | (411,800) | (179,852) | 231,948 |
| Other Financing Sources | | | | |
| Note Issuance | 8,600 | - | - | - |
| Transfers Out | (60,000) | (60,000) | (210,000) | (150,000) |
| Total Other Financing Sources | (51,400) | (60,000) | (210,000) | (150,000) |
| Net Change in Fund Balance | (313,200) | (471,800) | (389,852) | 81,948 |
| Fund Balance - Beginning of Year | 332,591 | 332,591 | 332,591 | - |
| Fund Balance (Deficit) - End of Year | \$ 19,391 | \$ (139,209) | \$ (57,261) | \$ 81,948 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Building Repair and Improvement Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 1,738 | 1,738 | - | 1,738 |
| Total Expenditures | 1,738 | 1,738 | - | 1,738 |
| Net Change in Fund Balance | (1,738) | (1,738) | - | 1,738 |
| Fund Balance - Beginning of Year | 1,738 | 1,738 | 1,738 | - |
| Fund Balance - End of Year | \$ - | \$ - | \$ 1,738 | \$ 1,738 |

City of Warrensville Heights, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Information Technology System Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|------------------|-----------------|------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 15,000 | 15,000 | 11,130 | 3,870 |
| Other Expenses | 15,000 | 15,000 | - | 15,000 |
| Total Expenditures | 30,000 | 30,000 | 11,130 | 18,870 |
| Net Change in Fund Balance | (30,000) | (30,000) | (11,130) | 18,870 |
| Fund Balance - Beginning of Year | 32,813 | 32,813 | 32,813 | - |
| Fund Balance - End of Year | \$ 2,813 | \$ 2,813 | \$ 21,683 | \$ 18,870 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Land Acquisition Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 4,000 | 4,000 | - | 4,000 |
| Total Expenditures | 4,000 | 4,000 | - | 4,000 |
| Excess of Revenues Over (Under) Expenditures | (4,000) | (4,000) | - | 4,000 |
| Other Financing Sources | | | | |
| Note Issuance | 4,000 | - | - | - |
| Transfers Out | (35,000) | (35,000) | (35,000) | - |
| Total Other Financing Sources | (31,000) | (35,000) | (35,000) | - |
| Net Change in Fund Balance | (35,000) | (39,000) | (35,000) | 4,000 |
| Fund Balance - Beginning of Year | 39,989 | 39,989 | 39,989 | - |
| Fund Balance - End of Year | \$ 4,989 | \$ 989 | \$ 4,989 | \$ 4,000 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Emery Woods Project Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| All Other Revenues | \$ 5,600 | \$ 32,856 | \$ 32,856 | \$ - |
| Total Revenues | <u>5,600</u> | <u>32,856</u> | <u>32,856</u> | <u>-</u> |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 85,600 | 85,600 | 4,149 | 81,451 |
| Total Expenditures | <u>85,600</u> | <u>85,600</u> | <u>4,149</u> | <u>81,451</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(80,000)</u> | <u>(52,744)</u> | <u>28,707</u> | <u>81,451</u> |
| Other Financing Sources | | | | |
| Transfers Out | (55,000) | (55,000) | (55,000) | - |
| Total Other Financing Sources | <u>(55,000)</u> | <u>(55,000)</u> | <u>(55,000)</u> | <u>-</u> |
| Net Change in Fund Balance | (135,000) | (107,744) | (26,293) | 81,451 |
| Fund Balance - Beginning of Year | 153,870 | 153,870 | 153,870 | - |
| Fund Balance - End of Year | <u>\$ 18,870</u> | <u>\$ 46,126</u> | <u>\$ 127,577</u> | <u>\$ 81,451</u> |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Siren Warning System Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------|---------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 2,000 | 2,000 | - | 2,000 |
| Total Expenditures | 2,000 | 2,000 | - | 2,000 |
| Excess of Revenues Over (Under) Expenditures | (2,000) | (2,000) | - | 2,000 |
| Other Financing Sources | | | | |
| Note Issuance | 2,000 | 2,000 | - | (2,000) |
| Total Other Financing Sources | 2,000 | 2,000 | - | (2,000) |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 457 | 457 | 457 | - |
| Fund Balance - End of Year | \$ 457 | \$ 457 | \$ 457 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Route 8/Northfield Road Project Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 1,000 | 1,000 | - | 1,000 |
| Total Expenditures | 1,000 | 1,000 | - | 1,000 |
| Excess of Revenues Over (Under) Expenditures | (1,000) | (1,000) | - | 1,000 |
| Other Financing Sources | | | | |
| Note Issuance | 1,000 | - | - | - |
| Total Other Financing Sources | 1,000 | - | - | - |
| Net Change in Fund Balance | - | (1,000) | - | 1,000 |
| Fund Balance - Beginning of Year | 3,841 | 3,841 | 3,841 | - |
| Fund Balance - End of Year | \$ 3,841 | \$ 2,841 | \$ 3,841 | \$ 1,000 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Sidewalk Repair and Replacement Project Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|--------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 3,000 | 3,000 | - | 3,000 |
| Total Expenditures | 3,000 | 3,000 | - | 3,000 |
| Excess of Revenues Over (Under) Expenditures | (3,000) | (3,000) | - | 3,000 |
| Other Financing Sources | | | | |
| Note Issuance | 3,000 | 3,000 | - | (3,000) |
| Total Other Financing Sources | 3,000 | 3,000 | - | (3,000) |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | 81 | 81 | 81 | - |
| Fund Balance - End of Year | \$ 81 | \$ 81 | \$ 81 | \$ - |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Generators Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|-----------------|------------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 3,000 | 3,000 | - | 3,000 |
| Total Expenditures | 3,000 | 3,000 | - | 3,000 |
| Net Change in Fund Balance | (3,000) | (3,000) | - | 3,000 |
| Fund Balance - Beginning of Year | 10,666 | 10,666 | 10,666 | - |
| Fund Balance - End of Year | \$ 7,666 | \$ 7,666 | \$ 10,666 | \$ 3,000 |

City of Warrensville Heights, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Green Road Park Improvement Fund
For The Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 2,000 | 2,000 | 2,000 | - |
| Total Expenditures | 2,000 | 2,000 | 2,000 | - |
| Excess of Revenues Over (Under) Expenditures | (2,000) | (2,000) | (2,000) | - |
| Other Financing Sources | | | | |
| Note Issuance | 2,000 | - | - | - |
| Total Other Financing Sources | 2,000 | - | - | - |
| Net Change in Fund Balance | - | (2,000) | (2,000) | - |
| Fund Balance - Beginning of Year | 9,497 | 9,497 | 9,497 | - |
| Fund Balance - End of Year | \$ 9,497 | \$ 7,497 | \$ 7,497 | \$ - |

Statistical Section

City of Warrensville Heights, Ohio

Statistical Section

This part of City of Warrensville Heights'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–S7 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | S8–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–S17 |
| 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. | S18–S19 |
| 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. | S20–S23 |

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

City of Warrensville Heights, Ohio

Net Assets by Component Accrual Basis of Accounting Last Eight Years

Table 1

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|---------------------|-----------------------|---------------------|-------------------|-------------------|-----------------------|---------------------|--------------------|
| Governmental Activities: | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ (1,790,978) | \$ (2,121,770) | \$ (2,136,804) | \$ (777,382) | \$ (614,457) | \$ 1,893,723 | \$ 1,815,033 | \$3,349,635 |
| Restricted for: | | | | | | | | |
| Capital projects | 135,117 | 857,341 | 490,388 | - | - | 803,927 | 2,229,153 | 52,718 |
| Debt service | 799,916 | 359,660 | 507,624 | 442,118 | - | 8,333 | 522,748 | 885,749 |
| Streets | 451,898 | 555,791 | 500,392 | 535,939 | 552,258 | 275,643 | 223,231 | 202,700 |
| Police | 123,898 | 96,712 | 91,134 | 114,889 | 224,613 | 107,801 | 151,774 | 200,209 |
| Fire | 89,282 | 76,928 | 108,076 | 90,273 | 80,301 | 220,475 | 159,505 | 68,363 |
| Building Levy | 130,156 | 58,305 | 147,560 | - | - | - | - | - |
| Other Purposes | 377,815 | 400,742 | 315,479 | 296,327 | 189,078 | 111,153 | 67,074 | 84,299 |
| Unrestricted (Deficit) | 799,973 | (1,491,137) | (438,790) | (185,216) | (9,958) | (1,638,328) | (2,447,685) | (3,040,172) |
| <i>Total Governmental Activities Net Assets</i> | <u>\$ 1,117,077</u> | <u>\$ (1,207,428)</u> | <u>\$ (414,941)</u> | <u>\$ 516,948</u> | <u>\$ 421,835</u> | <u>\$1,782,727.00</u> | <u>\$ 2,720,833</u> | <u>\$1,803,501</u> |

City of Warrensville Heights, Ohio

Changes in Net Assets Accrual Basis of Accounting Last Eight Years

Table 2

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Program Revenues: | | | | | | | | |
| Governmental Activities | | | | | | | | |
| Charges for Services | | | | | | | | |
| General government | \$ 228,995 | \$ 285,557 | \$ 348,619 | \$ 193,833 | \$ 182,754 | \$ 206,353 | \$ 229,899 | \$ 150,756 |
| Security of Persons and Property: | | | | | | | | |
| Police and Others | 204,229 | 212,881 | 255,246 | 361,456 | 313,492 | 393,133 | 340,291 | 319,549 |
| Fire | 392,027 | 363,966 | 315,518 | 267,729 | 211,625 | 261,603 | 251,186 | 158,352 |
| Public Health Services | - | - | - | 3,857 | 3,057 | 4,312 | 4,218 | 2,312 |
| Leisure time activities | 21,341 | 28,409 | 31,273 | 20,764 | 15,816 | 20,300 | 29,167 | 16,224 |
| Community Development | 138,768 | 19,149 | 28,383 | 64,823 | 51,681 | 81,530 | 53,263 | 26,513 |
| Transportation | 780 | 4,031 | 941 | 252,906 | 103,251 | 135,615 | 139,022 | 149,413 |
| Basic Utility Services | - | - | - | 4,327 | 69,129 | 107,642 | 114,253 | 23,818 |
| Subtotal - Charges for Services | <u>986,140</u> | <u>913,993</u> | <u>979,980</u> | <u>1,169,695</u> | <u>950,805</u> | <u>1,210,488</u> | <u>1,161,299</u> | <u>846,937</u> |
| Operating Grants and Contributions | | | | | | | | |
| General Government | - | 49,740 | 28,250 | 23,278 | 5,600 | - | - | - |
| Security of Persons and Property: | | | | | | | | |
| Police and Others | 323,149 | 17,337 | 160,050 | 24,799 | 62,244 | 61,567 | 114,500 | 156,790 |
| Fire | - | - | 3,000 | 8,399 | 2,500 | 84,303 | 232,682 | 78,811 |
| Public Health Services | - | - | - | - | 2,112 | - | - | - |
| Leisure time activities | - | - | - | - | - | 2,100 | - | 16,720 |
| Community Development | 33,917 | - | - | 290,475 | 388,722 | 218,345 | 225,048 | 286,294 |
| Transportation | 495,784 | 481,369 | 516,508 | 736,232 | 598,391 | 531,359 | 481,407 | 428,710 |
| Subtotal - Operating Grants and Contributions | <u>852,850</u> | <u>548,446</u> | <u>707,808</u> | <u>1,083,183</u> | <u>1,059,569</u> | <u>897,674</u> | <u>1,053,637</u> | <u>967,325</u> |
| Capital Grants and Contributions: | | | | | | | | |
| General government | 287,175 | 278,796 | 76,060 | 324,478 | - | - | - | 45,813 |
| Security of Persons and Property: | | | | | | | | |
| Police and Others | - | 100,000 | - | 15,033 | - | - | - | 77,000 |
| Fire | - | - | - | - | - | - | - | 49,258 |
| Public Health Services | - | - | - | - | - | - | - | 660 |
| Leisure time activities | - | 122,409 | - | - | - | - | - | 4,906 |
| Community Development | 69,100 | 269,416 | 578,433 | - | - | - | - | 15,920 |
| Transportation | - | - | - | - | 384,163 | 244,517 | 975,197 | 274,723 |
| Basic Utility Services | - | - | - | - | - | 85,000 | 106,460 | 6,807 |
| Subtotal - Capital Grants and Contributions | <u>356,275</u> | <u>770,621</u> | <u>654,493</u> | <u>339,511</u> | <u>384,163</u> | <u>329,517</u> | <u>1,081,657</u> | <u>475,087</u> |
| <i>Total Governmental Activities Program Revenues</i> | <u>\$ 2,195,265</u> | <u>\$ 2,233,060</u> | <u>\$ 2,342,281</u> | <u>\$ 2,592,389</u> | <u>\$ 2,394,537</u> | <u>\$ 2,437,679</u> | <u>\$ 3,296,593</u> | <u>\$ 2,289,349</u> |

(Continued)

City of Warrensville Heights, Ohio

Changes in Net Assets (continued) Accrual Basis of Accounting Last Eight Years

Table 2

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Expenses: | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General government | 3,156,023 | 2,907,654 | 3,078,419 | 2,755,794 | 3,233,323 | 2,732,119 | 2,799,313 | 2,721,824 |
| Security of Persons and Property: | | | | | | | | |
| Police and Others | 4,780,991 | 5,097,249 | 6,024,849 | 5,138,945 | 5,708,747 | 5,408,241 | 4,890,454 | 4,653,737 |
| Fire | 3,471,641 | 4,140,298 | 3,685,852 | 3,806,397 | 3,543,673 | 3,810,719 | 3,219,919 | 3,003,340 |
| Public Health Services | 27,952 | 55,903 | 54,833 | 54,834 | 65,802 | 56,006 | 47,829 | 40,420 |
| Leisure time activities | 227,379 | 302,387 | 326,782 | 295,210 | 329,692 | 295,706 | 361,980 | 323,941 |
| Community Development | 1,087,614 | 953,234 | 1,256,777 | 1,122,810 | 1,091,122 | 1,169,496 | 1,066,080 | 960,744 |
| Transportation | 2,052,226 | 1,773,859 | 2,209,178 | 1,966,685 | 2,308,721 | 2,399,454 | 2,384,519 | 3,096,239 |
| Basic Utility Services | 1,136,196 | 1,562,976 | 1,772,473 | 1,489,299 | 1,358,581 | 1,457,364 | 1,355,302 | 499,304 |
| Interest and Fiscal Charges | 543,135 | 565,318 | 627,851 | 704,801 | 549,714 | 544,927 | 421,671 | 378,320 |
| <i>Total Governmental Activities Expense</i> | <u>16,483,157</u> | <u>17,358,878</u> | <u>19,037,014</u> | <u>17,334,775</u> | <u>18,189,375</u> | <u>17,874,032</u> | <u>16,547,067</u> | <u>15,677,869</u> |
| Net (Expense)/Revenue | | | | | | | | |
| Governmental Activities | <u>(14,287,892)</u> | <u>(15,125,818)</u> | <u>(16,694,733)</u> | <u>(14,742,386)</u> | <u>(15,794,838)</u> | <u>(15,436,353)</u> | <u>(13,250,474)</u> | <u>(13,388,520)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | | |
| Governmental Activities | | | | | | | | |
| Property and Other Local Taxes Levied For: | | | | | | | | |
| General Purposes | 801,710 | 664,309 | 1,053,510 | 1,028,599 | 1,236,022 | 1,061,074 | 1,106,842 | 957,923 |
| Debt Service | 406,829 | 573,336 | 662,896 | 724,197 | 553,998 | 547,017 | 496,018 | 512,457 |
| Other Purposes | 598,037 | 610,702 | 711,090 | 783,059 | 712,565 | 667,078 | 631,777 | 681,792 |
| Municipal Income Taxes Levied For: | | | | | | | | |
| General Purposes | 13,158,561 | 10,857,890 | 11,735,849 | 10,658,860 | 10,625,219 | 10,318,081 | 10,527,562 | 9,860,864 |
| Grants and Entitlements not Restricted to | | | | | | | | |
| Specific Programs | 1,478,918 | 1,514,445 | 1,418,423 | 1,430,120 | 1,073,104 | 1,456,018 | 1,117,195 | 1,258,968 |
| Investment earnings | 1,742 | 2,137 | 40,642 | 166,362 | 173,564 | 126,112 | 37,376 | 60,835 |
| Gain on Sale of Capital Assets | - | - | - | 354 | - | - | - | - |
| Miscellaneous | 166,600 | 110,512 | 140,434 | 45,948 | 59,474 | 322,867 | 251,036 | 301,129 |
| <i>Total Governmental Activities</i> | <u>16,612,397</u> | <u>14,333,331</u> | <u>15,762,844</u> | <u>14,837,499</u> | <u>14,433,946</u> | <u>14,498,247</u> | <u>14,167,806</u> | <u>13,633,968</u> |
| Change in net assets | | | | | | | | |
| Governmental Activities | <u>\$ 2,324,505</u> | <u>\$ (792,487)</u> | <u>\$ (931,889)</u> | <u>\$ 95,113</u> | <u>\$ (1,360,892)</u> | <u>\$ (938,106)</u> | <u>\$ 917,332</u> | <u>\$ 245,448</u> |

City of Warrensville Heights, Ohio

Fund Balances, Governmental Funds Modified Accrual Basis of Accounting Last Ten Years

Table 3

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|--------------------|----------------------|----------------------|----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 49,993 | \$ 48,312 | \$ 52,875 | \$ 68,891 | \$ 92,809 | \$ - | \$ 2,278 | \$ 35,480 | \$ 125,335 | \$ 122,433 |
| Unreserved | 2,617,916 | 221,247 | 600,550 | 577,945 | 1,073,732 | 1,243,030 | 915,727 | 932,055 | 866,760 | 1,692,364 |
| Total General Fund | <u>2,667,909</u> | <u>269,559</u> | <u>653,425</u> | <u>646,836</u> | <u>1,166,541</u> | <u>1,243,030</u> | <u>918,005</u> | <u>967,535</u> | <u>992,095</u> | <u>1,814,797</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 23,948 | 3,747 | 29,442 | 8,980 | 28,436 | 172,879 | 19,412 | 150,024 | 638,341 | 328,480 |
| Unreserved, Undesignated, Reported in: | | | | | | | | | | |
| Special Revenue funds | 607,957 | 755,159 | 441,210 | 566,702 | 698,309 | 357,868 | 242,907 | 191,374 | 257,086 | 246,522 |
| Debt Service funds | 152,856 | 257,832 | (22,889) | 66,393 | 69,298 | 164,888 | 149,615 | 216,163 | 7,462 | (256,651) |
| Capital Project funds | (3,119,184) | (5,455,083) | (4,442,972) | (2,727,398) | (2,217,021) | 2,253,502 | (3,878,347) | 2,094,931 | 138,855 | 127,427 |
| Total All Other Governmental Funds | <u>(2,334,423)</u> | <u>(4,438,345)</u> | <u>(3,995,209)</u> | <u>(2,085,323)</u> | <u>(1,420,978)</u> | <u>2,949,137</u> | <u>(3,466,413)</u> | <u>2,652,492</u> | <u>1,041,744</u> | <u>445,778</u> |
| Total Governmental Funds | <u>\$ 333,486</u> | <u>\$(4,168,786)</u> | <u>\$(3,341,784)</u> | <u>\$(1,438,487)</u> | <u>\$(254,437)</u> | <u>\$4,192,167</u> | <u>\$(2,548,408)</u> | <u>\$3,620,027</u> | <u>\$2,033,839</u> | <u>\$2,260,575</u> |

City of Warrensville Heights, Ohio

Changes in Fund Balances, Governmental Funds Modified Basis of Accounting Last Ten Years

Table 4

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Revenues | | | | | | | | | | |
| Property and Other Taxes | \$ 1,711,860 | \$ 1,799,439 | \$ 2,377,955 | \$ 2,326,090 | \$ 2,444,893 | \$ 2,258,293 | \$ 2,400,560 | \$ 2,139,615 | \$ 2,411,677 | \$ 2,154,716 |
| Income Taxes | 12,829,743 | 11,099,006 | 11,934,424 | 10,739,288 | 10,568,048 | 10,369,292 | 10,388,957 | 9,997,534 | 8,513,212 | 8,761,300 |
| Special Assessments | 242,138 | 690,621 | 446,947 | 382,781 | 475,297 | 236,742 | 150,739 | 231,652 | 180,708 | 255,733 |
| Intergovernmental | 2,179,335 | 2,424,082 | 2,208,652 | 2,321,745 | 2,211,419 | 2,436,351 | 3,404,790 | 2,216,899 | 2,267,868 | 2,292,583 |
| Interest | 1,742 | 2,137 | 40,642 | 166,362 | 173,564 | 126,112 | 37,376 | 60,835 | 29,272 | 120,970 |
| Fees, Licenses and Permits | 267,270 | 265,502 | 362,746 | 356,550 | 430,681 | 437,052 | 530,536 | 162,383 | 704,382 | 360,992 |
| Fines and Forfeitures | 192,370 | 209,213 | 246,287 | 296,926 | 283,167 | 259,304 | 313,302 | 319,506 | - | - |
| Rentals | - | - | - | - | - | 10,045 | - | - | - | - |
| Charges for Services | 352,805 | 425,150 | 514,392 | 295,782 | 334,341 | 340,695 | 349,355 | 402,595 | 349,637 | 298,424 |
| Contributions and Donations | 2,050 | 7,350 | - | - | - | 85,010 | - | - | - | - |
| Other | 278,151 | 119,100 | 213,860 | 45,948 | 59,474 | 322,867 | 251,036 | 301,129 | 407,474 | 487,409 |
| <i>Total Revenues</i> | <u>18,057,464</u> | <u>17,041,600</u> | <u>18,345,905</u> | <u>16,931,472</u> | <u>16,980,884</u> | <u>16,881,763</u> | <u>17,826,651</u> | <u>15,832,148</u> | <u>14,864,230</u> | <u>14,732,127</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 2,785,533 | 2,779,632 | 2,947,051 | 2,619,985 | 2,726,545 | 2,495,624 | 2,503,986 | 2,741,396 | 2,069,131 | 3,728,788 |
| Security of Persons and Property: | | | | | | | | | 7,922,500 | 7,110,172 |
| Police and Others | 4,762,219 | 4,968,400 | 5,826,037 | 5,048,633 | 4,809,157 | 4,797,841 | 5,014,605 | 4,580,861 | n/a | n/a |
| Fire | 3,406,521 | 4,049,393 | 3,726,265 | 3,510,938 | 3,200,162 | 3,239,053 | 3,562,045 | 2,802,671 | n/a | n/a |
| Public Health Services | 27,952 | 55,903 | 54,392 | 54,392 | 50,615 | 50,615 | 46,838 | 39,132 | 44,572 | 88,496 |
| Leisure Time Activities | 178,910 | 288,646 | 301,870 | 278,762 | 261,904 | 238,295 | 330,820 | 293,508 | 382,752 | 155,833 |
| Community Development | 1,091,745 | 949,103 | 1,267,359 | 1,153,715 | 918,719 | 1,058,386 | 1,058,781 | 946,701 | 853,923 | 1,008,714 |
| Transportation | 1,777,858 | 1,889,374 | 1,593,785 | 2,130,634 | 1,812,967 | 2,060,585 | 1,874,273 | 2,939,556 | 3,109,339 | 507,441 |
| Basic Utility Services | 1,025,838 | 1,310,451 | 1,677,865 | 1,427,767 | 1,144,734 | 1,263,610 | 1,346,571 | 338,356 | 71,193 | 1,236,255 |
| Capital Outlay | 1,218,367 | 392,590 | 760,435 | 1,552,707 | 2,404,728 | 2,572,219 | 2,924,756 | 3,220,808 | 1,591,406 | 695,966 |
| Debt Service: | | | | | | | | | | |
| Principal retirement | 450,000 | 938,478 | 730,000 | 899,393 | 970,136 | 959,466 | 7,383,810 | 2,577,462 | 645,000 | 740,000 |
| Interest and fiscal charges | 461,207 | 525,906 | 610,612 | 755,494 | 598,501 | 351,231 | 427,176 | 342,161 | 376,150 | 416,929 |
| Bond Issuance Costs | - | - | - | - | - | - | - | 113,000 | - | - |
| <i>Total Expenditures</i> | <u>17,186,150</u> | <u>18,147,876</u> | <u>19,495,671</u> | <u>19,432,420</u> | <u>18,898,168</u> | <u>19,086,925</u> | <u>26,473,661</u> | <u>20,935,612</u> | <u>17,065,966</u> | <u>15,688,594</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>871,314</u> | <u>(1,106,276)</u> | <u>(1,149,766)</u> | <u>(2,500,948)</u> | <u>(1,917,284)</u> | <u>(2,205,162)</u> | <u>(8,647,010)</u> | <u>(5,103,464)</u> | <u>(2,201,736)</u> | <u>(956,467)</u> |

(Continued)

City of Warrensville Heights, Ohio

Changes in Fund Balances, Governmental Funds (continued) Modified Basis of Accounting Last Ten Years

Table 4

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| Other Financing Sources (Uses) | | | | | | | | | | |
| Sale of Capital Assets | \$ - | \$ 1,960 | \$ - | \$ 1,673 | \$ - | \$ - | \$ 12,052 | \$ 15,475 | \$ - | \$ 2,630 |
| Inception of Capital Lease | 27,898 | 203,314 | 30,469 | 198,225 | 10,680 | 146,041 | 171,523 | 80,459 | - | - |
| Bond Anticipation Notes Issued | - | - | - | - | - | - | 2,295,000 | 6,475,000 | - | - |
| Refunding Notes Issued | 12,495,060 | 8,892,000 | 8,818,000 | 9,602,000 | 6,580,000 | 11,025,000 | - | - | - | - |
| General Obligation Bonds Issued | - | - | - | - | - | - | - | 2,625,000 | 1,975,000 | - |
| Notes Premium | - | - | - | - | - | 69,696 | - | - | - | - |
| Current Refunding | (8,892,000) | (8,818,000) | (9,602,000) | (8,485,000) | (9,120,000) | (2,295,000) | - | - | - | - |
| Payment to Refunded Bond Escrow Agent | - | - | - | - | - | - | - | (2,506,282) | - | - |
| Transfers In | 533,756 | 173,704 | 130,640 | 506,397 | 1,479,263 | 1,157,274 | 6,620,665 | 13,000 | 275,286 | 675,332 |
| Transfers Out | (533,756) | (173,704) | (130,640) | (506,397) | (1,479,263) | (1,157,274) | (6,620,665) | (13,000) | (275,286) | (675,332) |
| Advances In | - | - | - | - | - | - | - | - | 33,604 | - |
| Advances Out | - | - | - | - | - | - | - | - | (33,604) | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>3,630,958</u> | <u>279,274</u> | <u>(753,531)</u> | <u>1,316,898</u> | <u>(2,529,320)</u> | <u>8,945,737</u> | <u>2,478,575</u> | <u>6,689,652</u> | <u>1,975,000</u> | <u>2,630</u> |
| <i>Net Change in Fund Balances</i> | <u>\$ 4,502,272</u> | <u>\$ (827,002)</u> | <u>\$(1,903,297)</u> | <u>\$(1,184,050)</u> | <u>\$(4,446,604)</u> | <u>\$ 6,740,575</u> | <u>\$(6,168,435)</u> | <u>\$ 1,586,188</u> | <u>\$ (226,736)</u> | <u>\$ (953,837)</u> |
| Debt service as a percentage of noncapital expenditures | 5.65% | 8.31% | 7.00% | 9.47% | 9.39% | 7.94% | 33.17% | 17.12% | 6.60% | 7.72% |

City of Warrensville Heights, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Table 5

| Collection Year | Real Property | | | Tangible Personal Property | |
|--------------------|------------------------------|-----------------------------|------------------------------|----------------------------|------------------------------|
| | Assessed Value | | Estimated Actual Value | Public Utility | |
| | Residential/ Agricultural | Commercial Industrial/PU | | Assessed Value | Estimated Actual Value |
| 2010 | \$ 115,592,130 | \$ 137,838,050 | \$ 724,086,229 | \$ 5,816,510 | \$ 6,609,670 |
| 2009 | 121,729,160 | 136,218,930 | 736,994,543 | 5,346,390 | 6,075,443 |
| 2008 | 121,100,670 | 136,965,560 | 737,332,086 | 5,098,070 | 5,793,261 |
| 2007 | 121,171,620 | 143,841,240 | 757,179,600 | 747,885 | 5,983,080 |
| 2006 | 121,805,680 | 139,133,100 | 745,539,371 | 2,792,947 | 14,895,716 |
| 2005 | 103,386,585 | 113,790,495 | 620,505,943 | 12,772,240 | 14,513,909 |
| 2004 | 104,986,970 | 108,882,400 | 611,055,343 | 12,828,990 | 14,578,398 |
| 2003 | 102,192,535 | 108,387,635 | 601,657,629 | 13,379,180 | 15,203,614 |
| 2002 | 94,087,620 | 101,313,100 | 558,287,771 | 11,690,000 | 13,284,091 |
| 2001 | 94,193,600 | 96,719,160 | 545,465,029 | 13,150,000 | 14,943,182 |

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

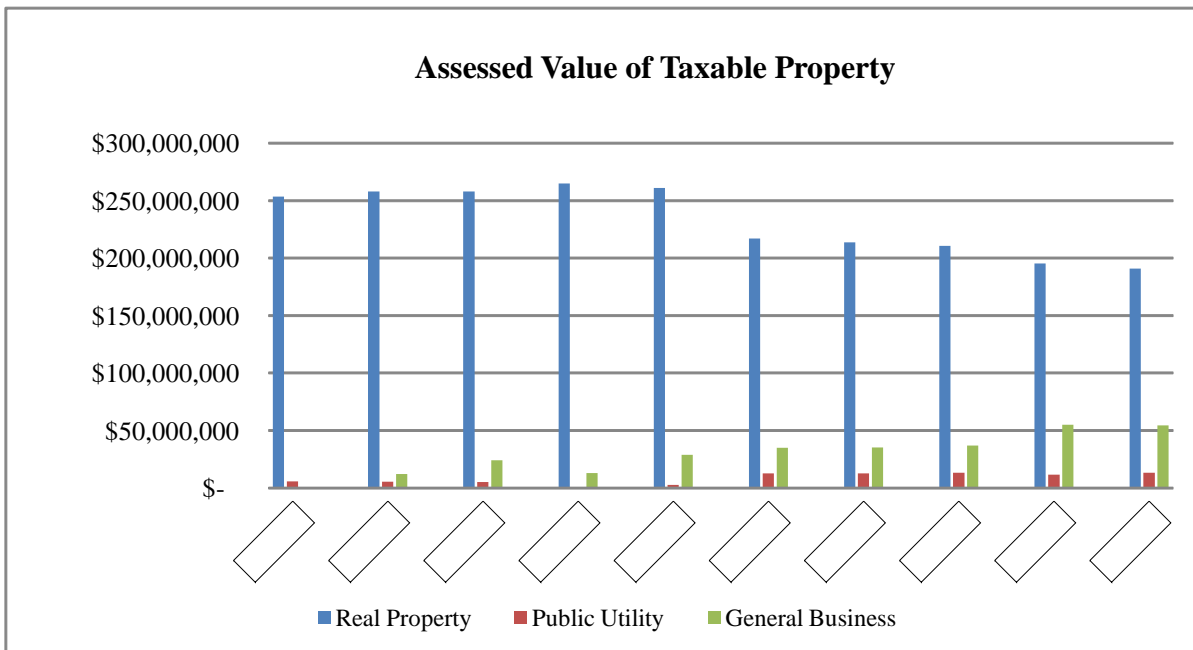
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax started being phased out beginning in 2006. For collection year 2007, both types of general business tangible personal property were assessed at 12.5 percent. The percentage will be 6.25 percent for 2008, and zero for subsequent collection years.

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

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property

| General Business | | Total | | | Weighted Average Tax Rate |
|------------------|------------------------|----------------|------------------------|--------|---------------------------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio | |
| \$ - | \$ - | \$259,246,690 | \$ 730,695,899 | 35.48% | \$ 6.2367 |
| 12,215,192 | - | 275,509,672 | 743,069,986 | 37.08 | 6.3675 |
| 24,039,677 | 384,634,832 | 287,203,977 | 1,127,760,179 | 25.47 | 6.7987 |
| 13,016,219 | 104,129,752 | 278,776,964 | 867,292,432 | 32.14 | 8.7894 |
| 28,901,882 | 154,143,371 | 292,633,609 | 914,578,458 | 32.00 | 8.9083 |
| 35,108,650 | 140,434,600 | 265,057,970 | 775,454,452 | 34.18 | 9.2033 |
| 35,229,342 | 140,917,368 | 261,927,702 | 766,551,109 | 34.17 | 9.1402 |
| 36,972,668 | 147,890,672 | 260,932,018 | 764,751,915 | 34.12 | 9.2981 |
| 55,035,241 | 220,140,964 | 262,125,961 | 791,712,826 | 33.11 | 9.6896 |
| 54,383,385 | 217,533,540 | 258,446,145 | 777,941,751 | 33.22 | 9.1509 |



City of Warrensville Heights, Ohio

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

Last Ten Years

Table 6

| Collection Year | City of Warrensville Heights | | | | Warrensville Heights School District | Orange City School District | Cuyahoga County | Special (2) Taxing Districts | Total Tax Levy |
|-----------------|------------------------------|-------------------|--------------|------------|--------------------------------------|-----------------------------|-----------------|------------------------------|----------------|
| | General Fund | Special (1) Funds | Debt Service | Total Levy | | | | | |
| 2010 | \$ 3.60 | \$ 4.10 | \$ 2.00 | \$ 9.70 | \$ 89.50 | \$ 86.10 | \$ 13.32 | \$ 7.58 | \$ 206.20 |
| 2009 | 3.60 | 4.10 | 2.00 | 9.70 | 90.10 | 86.00 | 13.32 | 7.28 | 206.40 |
| 2008 | 3.30 | 4.10 | 2.30 | 9.70 | 90.10 | 86.00 | 13.32 | 7.28 | 206.40 |
| 2007 | 6.80 | 4.10 | 2.30 | 13.20 | 90.10 | 86.10 | 13.42 | 6.78 | 209.60 |
| 2006 | 6.80 | 4.10 | 2.30 | 13.20 | 89.60 | 86.10 | 13.52 | 6.78 | 209.20 |
| 2005 | 6.80 | 4.10 | 2.30 | 13.20 | 89.40 | 86.10 | 13.52 | 6.78 | 209.00 |
| 2004 | 6.80 | 4.10 | 2.30 | 13.20 | 80.30 | 81.10 | 13.52 | 5.88 | 194.00 |
| 2003 | 6.80 | 4.10 | 2.30 | 13.20 | 80.30 | 81.10 | 11.72 | 5.88 | 192.20 |
| 2002 | 6.80 | 4.10 | 2.30 | 13.20 | 79.80 | 81.10 | 11.72 | 5.88 | 191.70 |
| 2001 | 6.80 | 4.10 | 2.30 | 13.20 | 79.80 | 81.10 | 11.72 | 5.88 | 191.70 |

Source: County Auditor

- (1) Policy Levy, Fire Levy, Street Lighting, Building Levy, Fire Pension, and Police Pension special revenue funds
- (2) Cleveland Metro Parks, Cuyahoga County Library, Cuyahoga Community College and Cleveland-Cuyahoga Port Authority

City of Warrensville Heights, Ohio

Property Tax Levies And Collections

Last Ten Years

Table 7

| Collection Year | Total Tax Levy | Current Tax Collections (1) | Percent of Current Tax Collections To Tax Levy | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Tax Levy | Accumulated Outstanding Delinquent Taxes | Percent of Delinquent Taxes to Total Tax Levy |
|--------------------|-------------------|-----------------------------------|---|----------------------------------|-----------------------------|---|---|--|
| 2010 | \$1,690,295 | \$ 1,487,774 | 88.02% | \$ 111,273 | \$ 1,599,047 | 94.60% | \$ 692,722 | 40.98% |
| 2009 | 1,709,587 | 1,528,821 | 89.43 | 103,153 | 1,631,974 | 95.46 | 634,288 | 37.10 |
| 2008 | 2,242,841 | 2,007,496 | 89.51 | 158,913 | 2,166,409 | 96.59 | 584,743 | 26.07 |
| 2007 | 2,144,001 | 1,915,149 | 89.33 | 110,223 | 2,025,372 | 94.47 | 433,791 | 20.23 |
| 2006 | 2,199,723 | 3,465,835 | 157.56 | 196,497 | 3,662,332 | 166.49 | 327,207 | 14.87 |
| 2005 | 2,712,282 | 2,152,970 | 79.38 | 123,932 | 2,276,902 | 83.95 | 425,420 | 15.68 |
| 2004 | 2,741,976 | 2,209,096 | 80.57 | 150,782 | 2,359,878 | 86.06 | 345,986 | 12.62 |
| 2003 | 2,670,825 | 2,157,433 | 80.78 | 157,680 | 2,315,113 | 86.68 | 349,299 | 13.08 |
| 2002 | 2,680,951 | 2,166,735 | 80.82 | 153,220 | 2,319,955 | 86.53 | 348,565 | 13.00 |
| 2001 | 2,586,531 | 2,092,813 | 80.91 | 131,693 | 2,224,506 | 86.00 | 347,548 | 13.44 |

Source: Cuyahoga County Auditor

(1) State reimbursement of rollback and homestead exemptions is included

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

City of Warrensville Heights, Ohio

Principal Taxpayers - Real Estate Tax

2010 and 2003

Table 8

| | 2010 | |
|-------------------------------------|---|--|
| Name of Taxpayer | Real Property Assessed Valuation (1) | Percentage of Real Assessed Valuation |
| JLP- Harvard Park LLC | \$ 13,009,150 | 5.13% |
| Cleveland East Hotel | 10,510,710 | 4.15% |
| Meridia Health System | 7,131,530 | 2.81% |
| Highlands Woods NS | 6,346,600 | 2.50% |
| Granada Apartments | 6,329,100 | 2.50% |
| Clarkwood Apartments, LTD | 5,540,850 | 2.19% |
| Cleveland Electric Illuminating Co. | 5,185,370 | 2.05% |
| Overlook Court, LP | 4,086,580 | 1.61% |
| Sherwin-Williams Automotive | 3,133,550 | 1.24% |
| Heinens, Inc. | 2,438,880 | 0.96% |
| Total | \$ 63,712,320 | 25.14% |
| Total Assessed Valuation | \$ 253,430,180 | |
| | 2003 | |
| Name of Taxpayer | Real Property Assessed Valuation (1) | Percentage of Real Assessed Valuation |
| Alltel Ohio Limited Partnership | \$ 5,409,460 | 2.57% |
| Heinens, Inc. | 2,570,380 | 1.22% |
| Clarkwood Apartments, LTD | 4,883,310 | 2.32% |
| Dalebridge Renaissance, LTD | 4,561,210 | 2.17% |
| Cleveland Illuminating Company | 4,149,500 | 1.97% |
| Sherwin-Williams | 2,854,500 | 1.36% |
| Granada Apartments Company | 2,771,060 | 1.32% |
| Highland Business Park LLC. | 2,071,580 | 0.98% |
| Total | \$ 29,271,000 | 13.91% |
| Total Assessed Valuation | \$ 210,580,170 | |

Source: Cuyahoga County Auditor

(1) Excludes Public Utilities

Information prior to 2003 is not available

City of Warrensville Heights, Ohio

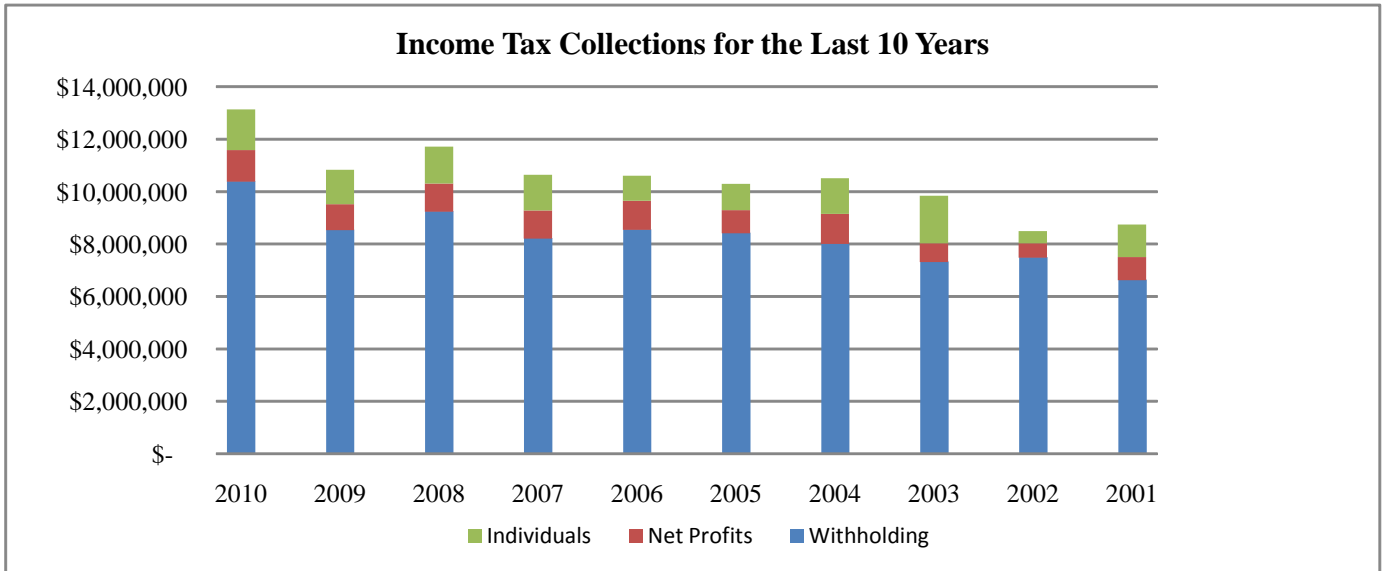
Income Tax Revenue Base Collections

Last Ten Years

Table 9

| Tax Year (1) | Tax Rate (2) | Total Tax Collected (3) | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes from Net Profits | Percentage of Taxes from Net Profit | Taxes From Individuals | Percentage of Taxes from Individuals |
|--------------|--------------|-------------------------|------------------------|--------------------------------------|------------------------|-------------------------------------|------------------------|--------------------------------------|
| 2010 | 2.60% | \$13,158,561 | \$10,405,766 | 79.08% | \$ 1,199,094 | 9.11% | \$ 1,553,701 | 11.81% |
| 2009 | 2.60 | 10,857,890 | 8,551,674 | 78.76 | 993,497 | 9.15 | 1,312,719 | 12.09 |
| 2008 | 2.00 | 11,735,849 | 9,257,333 | 78.88 | 1,065,149 | 9.08 | 1,413,367 | 12.04 |
| 2007 | 2.00 | 10,658,860 | 8,229,196 | 77.21 | 1,075,261 | 10.09 | 1,354,403 | 12.71 |
| 2006 | 2.00 | 10,625,219 | 8,567,114 | 80.63 | 1,100,773 | 10.36 | 957,332 | 9.01 |
| 2005 | 2.00 | 10,318,081 | 8,431,976 | 81.72 | 888,228 | 8.61 | 997,877 | 9.67 |
| 2004 | 2.00 | 10,527,562 | 8,025,091 | 76.23 | 1,143,457 | 10.86 | 1,359,014 | 12.91 |
| 2003 | 2.00 | 9,860,864 | 7,339,861 | 74.43 | 711,895 | 7.22 | 1,809,108 | 18.35 |
| 2002 | 2.00 | 8,513,212 | 7,499,399 | 88.09 | 553,584 | 6.50 | 460,229 | 5.41 |
| 2001 | 1.75 | 8,761,300 | 6,638,177 | 75.77 | 889,080 | 10.15 | 1,234,043 | 14.09 |

- (1) Effective January 1, 2002, the City's Electors voted to increase the City's income tax rate from 1.75% to 2.00%. Effective July 1, 2009, the City's Electors voted to increase the City's income tax rate from 2.00% to 2.60%.
- (2) The City is statutorily prohibited from presenting individual taxpayers.
- (3) 2003 through 2010 are on a full accrual basis. 2001 through 2002 are on a modified accrual basis.



City of Warrensville Heights, Ohio

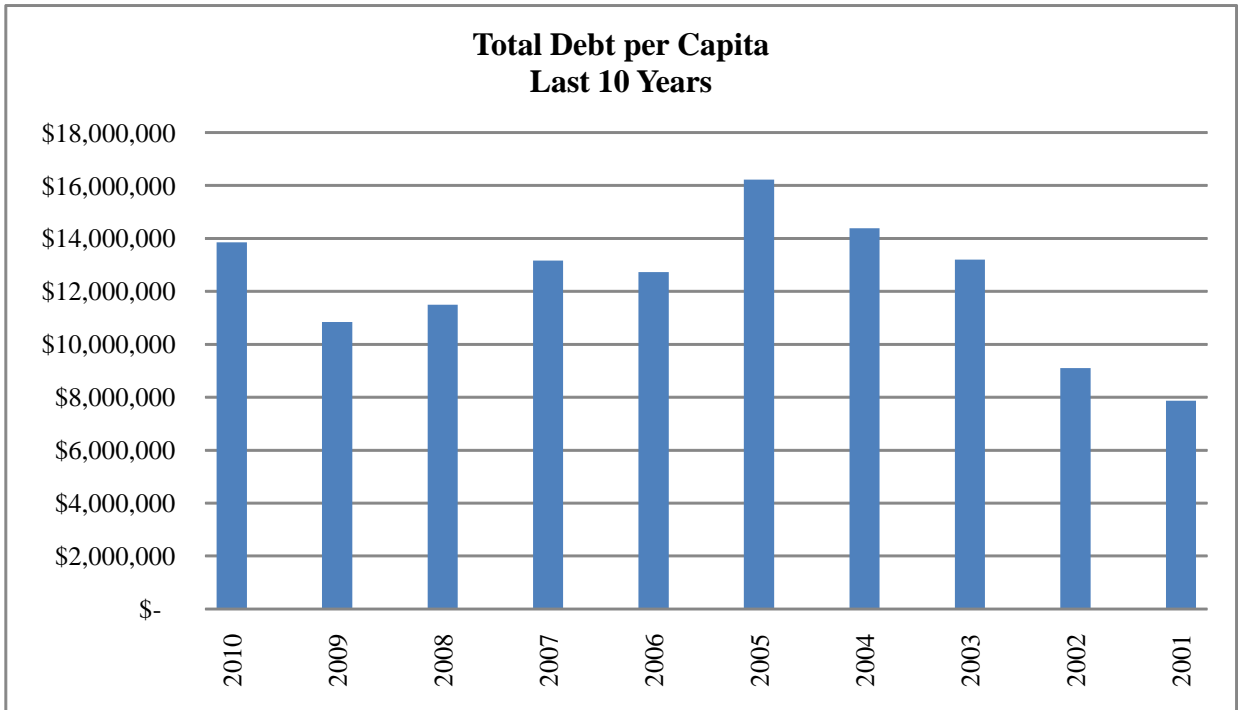
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

Table 10

| Fiscal Year | Governmental Activities | | | | Total Debt | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|--------------------------|-----------------|----------------|---------------|-------------------------------|------------|
| | General Obligation Bonds | Special Assessment Bonds | Long-Term Notes | Capital Leases | | | |
| 2010 | \$ 1,054,608 | \$ 117,533 | \$ 12,495,060 | \$ 181,011 | \$ 13,848,212 | 5.49% | \$ 1,023 |
| 2009 | 1,437,037 | 173,673 | 8,892,000 | 339,394 | 10,842,104 | 3.86 | 718 |
| 2008 | 2,110,162 | 229,117 | 8,818,000 | 334,558 | 11,491,837 | 4.09 | 761 |
| 2007 | 2,758,983 | 298,865 | 9,602,000 | 499,401 | 13,159,249 | 4.68 | 871 |
| 2006 | 3,378,500 | 362,917 | 8,485,000 | 505,569 | 12,731,986 | 4.53 | 843 |
| 2005 | 3,978,714 | 456,272 | 11,025,000 | 760,025 | 16,220,011 | 5.77 | 1,074 |
| 2004 | 4,564,624 | 548,931 | 8,385,000 | 883,450 | 14,382,005 | 5.11 | 952 |
| 2003 | 5,098,571 | 683,553 | 6,475,000 | 940,737 | 13,197,861 | 4.69 | 874 |
| 2002 | 4,853,546 | 1,171,446 | 1,975,000 | 1,095,431 | 9,095,423 | 3.23 | 602 |
| 2001 | 5,379,819 | 1,290,181 | - | 1,198,536 | 7,868,536 | 2.80 | 521 |

Note: Population and Personal Income data are presented on page S19.



City of Warrensville Heights, Ohio

Ratio of General Obligation Bonded Debt to Estimated Actual Value of Taxable Property and Bonded Debt Per Capita Last Ten Years

Table 11

| Year | Population (1) | Estimated Actual Value of Taxable Property | Bonded Debt (3) | Ratio of Bonded Debt to Estimated Actual Value of Taxable Property | Bonded Debt Per Capita |
|------|----------------|---|--------------------|---|------------------------------|
| 2010 | 13,542 b | \$ 730,695,899 | \$ 1,054,608 | 0.14% | \$ 77.88 |
| 2009 | 15,109 a | 743,069,986 | 1,437,037 | 0.19 | 95.11 |
| 2008 | 15,109 a | 1,127,760,179 | 2,110,162 | 0.19 | 139.66 |
| 2007 | 15,109 a | 867,292,432 | 2,758,983 | 0.32 | 182.61 |
| 2006 | 15,109 a | 914,578,458 | 3,378,500 | 0.37 | 223.61 |
| 2005 | 15,109 a | 775,454,452 | 3,978,914 | 0.51 | 263.35 |
| 2004 | 15,109 a | 766,551,109 | 4,564,624 | 0.60 | 302.11 |
| 2003 | 15,109 a | 764,751,915 | 5,098,571 | 0.67 | 337.45 |
| 2002 | 15,109 a | 791,712,826 | 4,846,084 | 0.61 | 320.74 |
| 2001 | 15,109 a | 777,941,751 | 5,347,900 | 0.69 | 353.95 |

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Warrensville Heights, Ohio

Legal Debt Margin

Last Ten Years

Table 12

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Assessed Property Value | \$ 259,246,690 | \$ 275,509,672 | \$ 287,203,977 | \$ 278,776,964 | \$ 292,633,609 | \$ 265,057,970 | \$ 261,927,702 | \$ 260,932,018 | \$ 262,125,961 | \$ 258,446,145 |
| Overall Legal Debt Limit (10 1/2 % of Assessed Valuation) | \$ 27,220,902 | \$ 28,928,516 | \$ 30,156,418 | \$ 29,271,581 | \$ 30,726,529 | \$ 27,831,087 | \$ 27,502,409 | \$ 27,397,862 | \$ 27,523,226 | \$ 27,136,845 |
| Debt Outstanding | | | | | | | | | | |
| General Obligation Bonds | 1,054,608 | 1,437,037 | 2,110,162 | 2,758,983 | 3,378,500 | 4,058,728 | 4,656,069 | 5,201,447 | 4,853,546 | 5,379,819 |
| Special Assessment Bonds | 117,533 | 173,673 | 229,117 | 298,865 | 362,917 | 456,272 | 548,931 | 683,553 | 1,171,446 | 1,290,180 |
| Bond Anticipation Notes | 18,153,560 | 14,889,000 | 14,323,000 | 12,726,000 | 12,479,000 | 11,025,000 | 8,385,000 | 6,475,000 | 1,975,000 | - |
| Total Gross Indebtedness | 19,325,701 | 16,499,710 | 16,662,279 | 15,783,848 | 16,220,417 | 15,540,000 | 13,590,000 | 12,360,000 | 7,999,992 | 6,669,999 |
| Less: | | | | | | | | | | |
| Notes issued in anticipation of the levy or collection of municipal income taxes | (9,118,560) | (9,192,000) | (8,654,500) | (7,976,000) | (9,218,000) | (8,155,000) | (7,785,000) | (3,605,000) | (1,975,000) | - |
| Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion) | (5,442,533) | (5,870,673) | (5,897,617) | (4,037,500) | (2,825,215) | (3,876,272) | (1,148,931) | (3,553,553) | (1,171,446) | (1,290,180) |
| General Obligation Bond Retirement Fund Balance | (152,856) | (257,832) | - | - | (69,298) | (164,888) | (149,615) | (216,163) | (7,462) | (64,764) |
| Total Net Debt Applicable to Debt Limit | 4,611,752 | 1,179,205 | 2,110,162 | 3,770,348 | 4,107,904 | 3,343,840 | 4,506,454 | 4,985,284 | 4,846,084 | 5,315,055 |
| Legal Debt Margin Within 10 1/2% Limitations | \$ 22,609,150 | \$ 27,749,311 | \$ 28,046,256 | \$ 25,501,233 | \$ 26,618,625 | \$ 24,487,247 | \$ 22,995,955 | \$ 22,412,578 | \$ 22,677,142 | \$ 21,821,790 |
| Legal Debt Margin as a Percentage of the Debt Limit | 83.06% | 95.92% | 93.00% | 87.12% | 86.63% | 87.99% | 83.61% | 81.80% | 82.39% | 80.41% |
| Unvoted Debt Limitation (5 1/2% of Assessed Valuation) | \$ 14,258,568 | \$ 15,153,032 | \$ 15,796,219 | \$ 15,332,733 | \$ 16,094,848 | \$ 14,578,188 | \$ 14,406,024 | \$ 14,351,261 | \$ 14,416,928 | \$ 14,214,538 |
| Total Gross Indebtedness | 19,325,701 | 16,499,710 | 16,662,279 | 15,783,848 | 16,220,417 | 15,540,000 | 13,590,000 | 12,360,000 | 7,999,992 | 6,669,999 |
| Less: | | | | | | | | | | |
| Bonds and notes issued in anticipation of the levy or collection of municipal income taxes | (9,118,560) | (9,192,000) | (8,654,500) | (7,976,000) | (9,218,000) | (8,155,000) | (7,785,000) | (3,605,000) | (1,975,000) | - |
| Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding City's portion) | (5,442,533) | (5,870,673) | (5,897,617) | (4,037,500) | (2,825,215) | (3,876,272) | (1,148,931) | (3,553,553) | (1,171,446) | (1,290,180) |
| General Obligation Bond Retirement Fund Balance | (152,856) | (257,832) | - | - | (69,298) | (164,888) | (149,615) | (216,163) | (7,462) | (64,764) |
| Net Debt Within 5 1/2% Limitations | 4,611,752 | 1,179,205 | 2,110,162 | 3,770,348 | 4,107,904 | 3,343,840 | 4,506,454 | 4,985,284 | 4,846,084 | 5,315,048 |
| Unvoted Legal Debt Margin Within 5 1/2% Limitations | \$ 9,646,816 | \$ 13,973,827 | \$ 13,686,057 | \$ 11,562,385 | \$ 11,986,944 | \$ 11,234,348 | \$ 9,899,570 | \$ 9,365,977 | \$ 9,570,844 | \$ 8,899,490 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 67.66% | 92.22% | 86.64% | 75.41% | 74.48% | 77.06% | 68.72% | 65.26% | 66.39% | 62.61% |

Source: City Financial Records

City of Warrensville Heights, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2010

Table 13

| Jurisdiction | Governmental Activities Debt Outstanding | Percentage Applicable to City (1) | Amount Applicable to City of Warrensville Heights |
|---|--|---|---|
| Direct Debt: | | | |
| City of Warrensville Heights | | | |
| General Obligation Bond | \$ 1,054,608 | 100.00% | \$ 1,054,608 |
| Special Assessment Bonds | 117,533 | 100.00% | 117,533 |
| Capital Leases | 181,011 | 100.00% | 181,011 |
| General Obligation Notes | 18,153,560 | 100.00% | 18,153,560 |
| <i>Total Direct Debt</i> | 19,506,712 | | 19,506,712 |
| Overlapping Debt: | | | |
| Warrensville Heights City School District | 18,935,000 | 66.65% | 12,620,913 |
| Orange Local School District | 22,721,219 | 0.73% | 165,772 |
| Cuyahoga County | 319,446,948 | 0.90% | 2,871,465 |
| Regional Transit Authority (RTA) | 152,760,000 | 0.90% | 1,373,139 |
| <i>Total Overlapping Debt</i> | 513,863,167 | | 17,031,289 |
| Total Direct and Overlapping Debt | \$ 533,369,879 | | \$ 36,538,001 |

Source: County Auditor

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

City of Warrensville Heights, Ohio

Principal Employers

Current Year and Five Years Ago

Table 14

| 2010 (1) | | |
|---|-----------|---|
| Employer | Employees | Percentage of Total City Employment |
| Cleveland Clinic Foundation | 1,672 | 13.47% |
| Warrensville Heights Board of Education | 476 | 3.83% |
| Heinen's, Inc. | 350 | 2.82% |
| University Hospital Health System | 343 | 2.76% |
| Sherwin-Williams Co. | 336 | 2.71% |
| Regency Hospital of North Cent. | 333 | 2.68% |
| City of Warrensville Heights | 167 | 1.35% |
| Henkel Corporation | 154 | 1.24% |
| Horizon, Inc. | 136 | 1.10% |
| General Electric Co. | 117 | 0.94% |
| Total | 4,084 | 32.90% |
| Total Employment within the City | 12,415 | |
| 2005 (2) | | |
| Employer | Employees | |
| Meridia South Pointe Hospital | 1,800 | N/A |
| Warrensville Heights Board of Education | 569 | N/A |
| Heinen's, Inc. | 507 | N/A |
| Smart Choice Marketing Inc. | 364 | N/A |
| Sherwin-Williams Automotive Finishes Corp | 271 | N/A |
| LLA Corp | 269 | N/A |
| University Hospital Home Care Services | 229 | N/A |
| City of Warrensville Heights | 225 | N/A |
| BJ's Wholesale Club | 215 | N/A |
| Littles Sisters of the Poor | 202 | N/A |
| Total | 4,651 | |
| Total Employment within the City | N/A | |

Source: (1) City of Cleveland Central Collection Agency
 (2) 2005 was the earliest year with available information
 N/A - Information not available

City of Warrensville Heights, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 15

| <u>Year</u> | <u>Population (1)</u> | <u>Total Personal Income (5)</u> | <u>Personal Income Per Capita (1)</u> | <u>Median Household Income (1)</u> | <u>Median Age (1)</u> | <u>Educational Attainment: Bachelor's Degree or Higher (1)</u> | <u>School Enrollment (2)</u> | <u>Cuyahoga County, Ohio Unemployment Rate (3)</u> | <u>Average Sales Price of Residential Property (4)</u> | <u>Total Assessed Property Value (4)</u> |
|-------------|-----------------------|----------------------------------|---------------------------------------|------------------------------------|-----------------------|--|------------------------------|--|--|--|
| 2010 | 13,542 b | \$252,030,162 | \$ 18,611 a | \$ 37,204 a | 39.2 a | 16.40% a | 2,145 | 8.6% | \$ 99,265 | \$ 259,246,690 |
| 2009 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,273 | 8.9 | 99,265 | 275,509,672 |
| 2008 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,321 | 7.1 | 99,265 | 287,203,977 |
| 2007 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,536 | 6.1 | 99,265 | 278,776,964 |
| 2006 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,700 | 5.7 | 94,699 | 292,633,609 |
| 2005 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,864 | 5.7 | 89,838 | 265,057,970 |
| 2004 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,783 | 6.2 | 89,838 | 261,927,702 |
| 2003 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,876 | 6.4 | 89,838 | 260,932,018 |
| 2002 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 2,841 | 6.7 | 77,063 | 262,125,961 |
| 2001 | 15,109 a | 281,193,599 | 18,611 a | 37,204 a | 37.7 a | 16.40 a | 3,024 | 4.6 | 70,700 | 258,446,145 |

- Sources:
- (1) U. S. Bureau of Census, Census of Population
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census
 - (2) Ohio Department of Education for Warrensville Heights City School District
 - (3) U. S. Bureau of Labor Statistics
 - (4) U. S. Bureau of Census, Census of Population
 - (5) Total Personal Income is calculated by multiplying Population times Personal Income per Capita

City of Warrensville Heights, Ohio

Operating Indicators by Function/Program

Last Nine Years (1)

Table 16

| Function/Program | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | | | | | | | | | |
| <i>Council and Clerk</i> | | | | | | | | | |
| Number of Ordinances Passed | 114 | 96 | 155 | 171 | 178 | 211 | 177 | 174 | 116 |
| Number of Resolutions Passed | 59 | 62 | 51 | 64 | 57 | 88 | 88 | 51 | 90 |
| <i>Finance Department</i> | | | | | | | | | |
| Number of checks/vouchers issued | 2,369 | 2,874 | 3,087 | 3,145 | 3,075 | 2,881 | 3,104 | 829 | n/a |
| Amount of checks written | \$6,535,315 | \$5,958,169 | \$8,867,036 | \$12,106,582 | \$10,439,805 | \$12,162,486 | \$12,336,381 | n/a | n/a |
| General Fund Interest earnings for fiscal year (cash basis) | \$1,742 | \$2,136 | \$40,625 | \$156,973 | \$173,560 | \$119,692 | \$37,030 | \$55,476 | n/a |
| Number of receipts issued | 3,466 | 3,289 | 3,267 | 3,806 | 4,098 | 4,200 | 4,125 | 4,075 | n/a |
| Number of Budget Adjustments issued | 61 | 10 | 10 | 82 | 162 | 201 | 152 | 22 | n/a |
| Agency Ratings - Moody's Financial Services | A-1 | A-3 | A-3 | A-3 | A-3 | A-3 | A-3 | A-3 | A-3 |
| Helath Insurance Costs vs General Fund Expenditures (cash basis) | 11.70% | 11.88% | 9.74% | 10.80% | 9.71% | 10.36% | 9.78% | 8.80% | n/a |
| General Fund Receipts (cash basis) | \$15,908,238 | \$13,450,411 | \$15,259,941 | \$14,178,286 | \$14,224,242 | \$14,078,484 | \$14,042,599 | \$13,111,055 | \$10,389,010 |
| General Fund Expenditures (cash basis) | \$14,680,884 | \$14,432,160 | \$15,764,972 | \$14,415,510 | \$13,916,892 | \$13,937,358 | \$13,635,555 | \$13,256,165 | \$12,615,868 |
| General Fund Cash Balances | \$541,153 | \$0 | \$0 | \$259,541 | \$694,777 | \$424,384 | \$368,460 | (\$29,396) | \$65,113 |
| <i>Building Department Indicators</i> | | | | | | | | | |
| Construction Permits Issued | 631 | 470 | 631 | 213 | 820 | 1,026 | 624 | 580 | 605 |
| Estimated Value of Construction | \$8,335,467 | \$18,350,887 | \$11,450,970 | 11,625,337 | 13,677,990 | 15,254,686 | 40,106,403 | 3,028,904 | 5,666,550 |
| Number of plumbing and electrical permits issued | 202 | 276 | 258 | 693 | 601 | 1,024 | 558 | 300 | 275 |
| Amount of Revenue generated from permits | \$186,986 | \$271,735 | \$237,736 | \$313,340 | \$238,583 | \$131,497 | \$285,295 | \$48,709 | \$125,350 |
| Number of contract registrations issued | 346 | 287 | 354 | 700 | 454 | 486 | 485 | 337 | 350 |
| Number of rental inspections performed | 833 | 254 | 544 | 414 | 662 | 500 | 550 | 455 | 350 |
| Number of point of sale inspections | 1,234 | 37 | 192 | 403 | 600 | 400 | 350 | 415 | 300 |
| <i>Security of Persons and Property:</i> | | | | | | | | | |
| <i>Police</i> | | | | | | | | | |
| Total Calls for Services | 15,312 | 15,905 | 15,918 | 15,492 | 13,244 | 14,358 | 12,207 | n/a | n/a |
| Number of traffic citations issued | 2,138 | 2,420 | 1,965 | 1,935 | 2,137 | 2,934 | n/a | 3,652 | 4,125 |
| Number of parking citations issued | 1,114 | 1,262 | 1,580 | 1,900 | 1,631 | 1,813 | n/a | 2,080 | 1,748 |
| Number of criminal arrests | 589 | 551 | 867 | 1,027 | 894 | 965 | 1,057 | 966 | 844 |
| Number of accident reports completed | 731 | 570 | 763 | 784 | 683 | 797 | 841 | 873 | 838 |
| Part 1 Offenses (major offenses) | 546 | n/a | 633 | 614 | 535 | 455 | 485 | 647 | 610 |
| DUI Arrests | 9 | 23 | 17 | 21 | 10 | 31 | 17 | 20 | 26 |
| Prisoners | 117 | 1,094 | 1,000 | 965 | 896 | 974 | 1,195 | 1,268 | 1,194 |
| Prisoner meal costs | \$437 | \$10,829 | \$15,706 | \$29,816 | \$18,552 | \$17,017 | \$14,998 | \$17,198 | \$15,782 |
| Motor Vehicle Accidents | 731 | 668 | 763 | 784 | 683 | 797 | 841 | 873 | 838 |
| Property damage accidents | 640 | 570 | 665 | 682 | 598 | 688 | 720 | 766 | 729 |
| Fatalities from Motor Vehicle Accidents | 1 | 1 | 1 | 1 | 1 | 2 | 3 | 2 | 2 |
| Gasoline costs of fleet | \$36,539 | \$44,100 | \$89,170 | \$53,701 | \$74,767 | \$40,538 | \$47,570 | n/a | n/a |
| Community Diversion Program Youths | 23 | 32 | 40 | 25 | 29 | 30 | 18 | 35 | 63 |
| Community Diversion Program - community service hours | 640 | 530 | 728 | 806 | 494 | 576 | 747 | 1,386 | n/a |
| <i>Fire</i> | | | | | | | | | |
| EMS calls | 1,678 | 1,765 | 1,869 | 1,991 | 1,775 | 1,757 | 1,722 | 1,885 | 1,683 |
| Ambulance Billing Collections (net) | \$380,413 | \$383,958 | \$378,967 | \$205,810 | \$282,057 | \$301,030 | \$294,356 | \$282,868 | n/a |
| Fire Calls | 94 | 84 | 807 | 316 | 278 | 289 | 265 | 302 | 302 |
| Fires with Loss | 16 | 84 | 46 | 37 | 24 | 32 | 40 | 42 | n/a |
| Fires with Losses exceeding \$10K | 9 | 12 | 9 | 16 | 4 | 9 | 7 | 8 | n/a |
| Fire Losses \$ | \$613,250 | \$320,000 | \$590,100 | \$883,920 | \$170,940 | \$574,600 | \$281,180 | \$514,010 | n/a |
| Fire Safety Inspections | 247 | 217 | 257 | 265 | 257 | 236 | 195 | 145 | n/a |
| Number of times Mutual Aid given to Fire and EMS | 44 | 56 | 44 | 75 | 72 | 89 | 100 | 113 | n/a |
| Number of times Mutual Aid received for Fire and EMS | 105 | 19 | 12 | 12 | 14 | 10 | 13 | 5 | 7 |

(Continued)

City of Warrensville Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Nine Years (1)

Table 16

| Function/Program | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Basic Utility Services | | | | | | | | | |
| Refuse disposal per year (in tons) | 4,209 | 4,405 | 4,450 | 4,862 | 5,912 | 5,222 | 5,422 | 5,790 | 5,459 |
| Refuse disposal costs per year (calendar year) | \$163,936 | \$137,499 | \$169,966 | \$231,743 | \$236,377 | \$228,596 | \$222,154 | \$234,364 | \$167,943 |
| Annual recycling tonnage (excluding leaf, and compost items) | 868 | 71 | 777 | 733 | 696 | 692 | 625 | 642 | 622 |
| Percentage of waste recycled | 23.00% | 15.46% | 15.21% | 13.57% | 10.53% | 11.70% | 10.34% | 9.98% | 10.26% |
| Transportation | | | | | | | | | |
| Street Repair (Curbs, aprons, berms, asphalt) (hours) | 824 | 766 | 803 | 905 | 812 | 864 | 880 | 886 | 820 |
| Guardrail Repair (hours) | 132 | 120 | 144 | 120 | 180 | 198 | 174 | 162 | 158 |
| Paint Striping (hours) | 205 | 220 | 326 | 366 | 324 | 390 | 406 | 356 | 412 |
| Street Sweeper (hours) | 726 | 794 | 805 | 841 | 880 | 896 | 810 | 856 | 802 |
| Cold Patch (hours) | 824 | 802 | 872 | 883 | 808 | 816 | 820 | 810 | 860 |
| Snow & Ice Removal overtime hours | - | - | - | - | - | - | 3,652 | 4,458 | 4,088 |
| Landscaping Stump-Chipper service (hours) | 826 | 782 | 799 | 847 | 804 | 813 | 867 | 913 | 895 |
| Holiday Lights Setup (hours) | 88 | 80 | 96 | 88 | 76 | 80 | 88 | 84 | 86 |
| Sign Department (hours) | 263 | 246 | 316 | 294 | 304 | 346 | 285 | 357 | 326 |
| Number of Trees Planted per year | 3 | 2 | 10 | 26 | 6 | 3 | 7 | 27 | 4 |
| Tons of Snow Melting Salt Purchased (Nov - Mar) | 4,991 | 6,346 | 7,100 | 5,391 | 3,413 | 4,435 | 3,408 | 3,627 | 2,518 |
| Cost of Salt Purchased | \$230,055 | \$132,674 | \$180,461 | \$177,783 | \$104,967 | \$141,218 | \$112,640 | \$119,920 | \$80,080 |

Source: Information for operating indicators was obtained from the various departments within the City.

(1) Information prior to 2002 not available.

City of Warrensville Heights, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 17

| Function/program: | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government: | | | | | | | | | | |
| Square Footage Occupied | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 20,365 | 20,365 |
| Administrative Vehicles | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Inspection Vehicles | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 5 | 5 | 4 |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square Footage of Building | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 |
| Vehicles | 32 | 36 | 32 | 32 | 26 | 26 | 24 | 24 | 24 | 24 |
| Fire: | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square Footage of Building | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 |
| Vehicles | 11 | 11 | 12 | 12 | 12 | 11 | 11 | 11 | 11 | 11 |
| Public Works: | | | | | | | | | | |
| Square Footage of Building | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 |
| Vehicles | 40 | 40 | 39 | 39 | 37 | 37 | 37 | 35 | 35 | 35 |
| Streets (miles) | 52 | 52 | 52 | 52 | 52 | 51 | 51 | 51 | 51 | 51 |
| Recreation: | | | | | | | | | | |
| Number of Parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |

Source: City's capital asset records

City of Warrensville Heights, Ohio

Full-Time Equivalent City Governmental Employees by Function/Program

Last Nine Years (1)

Table 18

| Function/Program | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government: | | | | | | | | | |
| Council | 8.00 | 8.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Executive Administration | 4.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 4.00 |
| Finance | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 7.00 | 7.00 | 7.00 |
| Tax | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.50 |
| Law | 1.50 | 1.50 | 1.00 | 1.00 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Personnel | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Planning | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Civil Service | 2.00 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Security of Persons and Property | | | | | | | | | |
| Police | 33.00 | 36.00 | 36.00 | 36.00 | 36.00 | 34.00 | 38.00 | 40.00 | 39.00 |
| Police- Auxiliary/Guards | 3.50 | 3.50 | 3.50 | 3.50 | 4.00 | 4.00 | 4.00 | 4.50 | 4.00 |
| Police - Dispatchers/Office/Other | 10.00 | 11.00 | 11.00 | 11.00 | 11.00 | 9.00 | 8.00 | 8.00 | 14.00 |
| Police- Jailers | 0.50 | 0.50 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Police - Animal Wardens | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Fire | 28.00 | 35.00 | 35.00 | 35.00 | 35.00 | 33.00 | 34.00 | 36.00 | 32.00 |
| Fire - Secretary - Other | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Leisure Time Activities | | | | | | | | | |
| Senior and Civic Center | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 7.00 | 7.00 |
| Community Activities | - | - | 0.50 | 0.50 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Community Development | | | | | | | | | |
| Building | 10.00 | 10.00 | 10.00 | 10.00 | 9.00 | 8.00 | 9.00 | 8.50 | 8.50 |
| Economic Development | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Transportation | | | | | | | | | |
| Service | 30.00 | 38.00 | 41.00 | 41.00 | 39.00 | 37.00 | 43.00 | 45.00 | 49.00 |
| Totals | <u>148.50</u> | <u>168.00</u> | <u>172.50</u> | <u>172.50</u> | <u>170.00</u> | <u>162.00</u> | <u>176.00</u> | <u>185.00</u> | <u>188.00</u> |

Source City Payroll Department Payrol Register

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available.

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City of Warrensville Heights, Ohio

December 31, 2010

City of Warrensville Heights, Ohio

For The Year Ended December 31, 2010

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

Members of the City Council
Warrensville Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Ohio (the “City”) as of and for the year ended December 31, 2010, which collectively comprise the City’s basic financial statements and have issued our report thereon dated August 30, 2011, wherein we noted the City adopted *GASB Statement No.’s 51, 53, and 58*, as disclosed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness: 2010-001.

Members of the City Council
Warrensville Heights, Ohio

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2010-002 through 2010-005.

We noted certain matters that we reported to management of the City in a separate letter dated August 30, 2011.

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

This report is intended solely for the information and use of the management, City Council, others within the entity, and the Auditor of State's Office and is not intended to be and should not be used by anyone other than these specified parties.

Cimini & Panichi, Inc.

Cleveland, Ohio
August 30, 2011

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2010

1. Summary of Auditors' Results

| | |
|--|-------------|
| Type of Financial Statement Opinion | Unqualified |
| Were there any material control weaknesses reported at the financial statement level (GAGAS)? | Yes |
| Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| Was there any material noncompliance reported at the financial statement level (GAGAS)? | Yes |

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

2010-001 – Material weakness

A review of the City's informal policies and procedures pertaining to the accounting and record keeping of leave time disclosed the following weaknesses:

- Formal policies and procedures have not been established for processing the various types of leave.
- Formal policies have not been established for review and approval of the compensated absences tracking spreadsheet. Also, we noted certain pay rates that did not agree to the Council approved payroll ordinance or collective bargaining agreements and beginning balances did not appear to be updated.
- During our testing of compensated absences, we noted multiple instances of employees taking time off without proper approval being obtained.
- Untimely entry of manual leave records into the City's computerized payroll system.

Inaccurate leave balances could result in material misstatements in the financial statements or in the City paying employees for time not earned or making excess payments at the time of retirement or separation. We recommend that management create and implement formal policies and procedures addressing the review, approval and timely processing of compensated absences balances.

2010-002 – Material noncompliance

Ohio Revised Code Section 5705.10 states that money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2010

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

2010-002 – Material noncompliance (continued)

The following funds had deficit cash balances at December 31, 2010:

| | | | |
|---------------------------------|--|----|--------|
| Nonmajor Special Revenue Funds: | | | |
| Police Hire Grant Fund | | \$ | 22,984 |
| COPS Hiring Recovery Fund | | | 41,222 |
| Nonmajor Capital Projects Fund: | | | |
| Street Improvement Fund | | | 50,339 |

2010-003 – Material noncompliance

Per ORC Section 5705.39 the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The following funds had original appropriations in excess of estimated resources plus carryover balances:

| | <u>Estimated Resources Plus Carryover Balances</u> | <u>Original Appropriations</u> | <u>Excess</u> |
|------------------------------|--|------------------------------------|---------------|
| <i>Special Revenue Fund:</i> | | | |
| Residential Demolition | \$ 104,716 | \$ 105,000 | \$ 284 |

The following funds had final appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39 of the ORC:

| | <u>Estimated Resources Plus Carryover Balances</u> | <u>Final Appropriations</u> | <u>Excess</u> |
|-------------------------------|--|---------------------------------|---------------|
| <i>Special Revenue Fund:</i> | | | |
| Residential Demolition | \$ 104,716 | \$ 105,000 | \$ 284 |
| Police Salary and Equipment | 91,745 | 99,000 | 7,255 |
| <i>Capital Projects Fund:</i> | | | |
| Street Improvement | 332,591 | 471,800 | 139,209 |

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2010

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

2010-004 – Material noncompliance

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2010, the City had expenditures plus encumbrances in excess of appropriations as follows:

| <u>Funds</u> | <u>Excess</u> |
|----------------------------------|---------------|
| General Fund | |
| Security of Persons and Property | |
| Police Department | |
| Personal Services | \$ (38,003) |
| Fire Department | |
| Personal Services | (404,849) |
| Contractual Services | (1,699) |
| Leisure Time Activities | |
| Community Activities | |
| Materials and Supplies | (640) |
| Community Development | |
| Economic Development | |
| Personal Services | (5,403) |
| Building Department | |
| Capital Outlay | (884) |
| Basic Utility Services | |
| Solid Waste | |
| Personal Services | (91,265) |
| Contractual Services | (13,207) |
| General Government | |
| Human Resources | |
| Capital Outlay | (798) |
| Information Technology | |
| Contractual Services | (7,947) |
| Other Government | |
| Materials and Supplies | (275,726) |

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2010

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

2010-004 – Material noncompliance (continued)

Special Revenue Funds

Street Construction, Maintenance and Repair Fund

Transportation

Snow and Ice Removal

Capital Outlay

(160,679)

State Highway Fund

Transportation

Street Maintenance

Materials and Supplies

(17,282)

Street Lighting Fund

Community Development

Street Lighting

Contractual Services

(2,573)

Building Levy Fund

General Government

Building Levy

Material and Supplies

(1,131)

Contractual Services

(3,605)

Capital Outlay

(566)

Grass Refuse Fund

Community Development

Building

Personal Services

(1,553)

Edward Byrne Memorial Justice Assistance Fund

Security of Persons and Property

Police and Others

Personal Services

(35,962)

General Obligation Bond Retirement Fund

Debt Service:

Principal – Notes

(389,000)

Interest & Fiscal Charges – G.O. Bonds

(9,335)

City of Warrensville Heights, Ohio

Schedule of Findings

December 31, 2010

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

2010-004 – Material noncompliance (continued)

| | |
|---------------------------|-------------|
| Capital Projects Funds | |
| Town Center Project Fund | |
| Debt Service | |
| Principal | (3,500,000) |
| Interest & Fiscal Charges | (57,458) |
| Bond Issuance Costs | (45,151) |
| Street Improvement Fund | |
| Other Financing Uses | |
| Transfers Out | (150,000) |

2010-005 – Material noncompliance

The Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of a deficiency in receipts will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed 1) the amount contained in the certificate of estimated resources; 2) the most recently amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation; and 3) actual resources which is the beginning unencumbered fund balance plus actual receipts. Ciuni & Panichi, Inc. noted several funds where appropriations materially exceeded actual resources. We recommend the City decrease appropriations when the amount of actual resources is expected to be less than appropriations due to a deficiency in receipts.

City of Warrensville Heights

Schedule of Prior Audit Findings

December 31, 2010

| Finding No. | Finding Summary | Fully Corrected | Explanation |
|-------------|---|-----------------|--|
| 2009-001 | <p>A review of the City's informal policies and procedures pertaining to the accounting and record keeping of leave time disclosed the following weaknesses:</p> <ul style="list-style-type: none"> - Formal policies and procedures have not been established for processing the various types of leave. - Formal policies have not been established for review and approval of the compensated absences tracking spreadsheet. Also, we noted certain pay rates that did not agree to the Council approved payroll ordinance or collective bargaining agreements and beginning balances did not appear to be updated. - During our testing of compensated absences, we noted multiple instances of employees taking time off without proper approval being obtained. - Untimely entry of manual leave records into the City's computerized payroll system. | No | The City has a material weakness again in 2010. |
| 2009-002 | Based on the testing performed over the City's payroll cycle, it was noted that the City does not consistently review and approve each payroll report | Yes | The City has corrected this material weakness. |
| 2009-003 | <p>The following funds had deficit cash balances at December 31, 2009:</p> <p style="padding-left: 40px;">Major Fund: General Fund</p> | No | The City has material noncompliance again in 2010. |
| 2009-004 | <p>Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.</p> <p>At December 31, 2009, the City had numerous funds with expenditures plus encumbrances in excess of appropriations.</p> | No | The City has material noncompliance again in 2010. |

City of Warrensville Heights

Schedule of Prior Audit Findings

December 31, 2010

| | | | |
|----------|---|----|--|
| 2009-005 | The Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of a deficiency in receipts will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed 1) the amount contained in the certificate of estimated resources; 2) the most recently amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation; and 3) actual resources which is the beginning unencumbered fund balance plus actual receipts. Ciuni & Panichi, Inc. noted several funds where appropriations materially exceeded actual resources. | No | The City has material noncompliance again in 2010. |
|----------|---|----|--|

City of Warrensville Heights

4301 Warrensville Center Road
Warrensville Heights, Ohio 44128
(216) 587-6508

Response to Findings Associated With
Audit Conducted In Accordance With
Government Auditing Standards
For The Year Ended December 31, 2010

| Finding Number | Planned Correction Action | Anticipated Completion Date | Responsible Contact Person |
|----------------|---|-----------------------------|------------------------------------|
| 2010-001 | Management will create and implement written policies and procedures relating to the compensated absences reporting and approval process and attempt to develop a more efficient method of tracking and reporting compensated absences. | N/A | Irene Crowell, Finance Director |
| 2010-002 | Management will monitor fund balances and properly advance funds to cover deficit fund balances, if necessary. | N/A | Irene Crowell, Finance Director |
| 2010-003 | Management will monitor estimated revenues and appropriations, and amend if necessary. | N/A | Irene Crowell, Finance Director |
| 2010-004 | Management will monitor expenditures and encumbrances and amend appropriations, if necessary. | N/A | Irene Crowell, Finance Director |
| 2010-005 | Management will monitor actual revenues and appropriations, and request a reduced certificate if necessary. | N/A | Irene Crowell, Finance Director |

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Dave Yost • Auditor of State

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 8, 2012**