

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2012**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

Members of City Council  
City of Cleveland Heights  
40 Severance Circle  
Cleveland Heights, Ohio 44118

We have reviewed the *Independent Auditor's Report* of the City of Cleveland Heights, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Cleveland 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

October 1, 2013

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**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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TABLE OF CONTENTS

	<u>PAGE</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3-5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Status of Prior Findings and Recommendations	9

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**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**

To the Members of City Council  
City of Cleveland Heights, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Cleveland Heights, Ohio's basic financial statements, and have issued our report thereon dated June 20, 2013, wherein we noted that the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated its December 31, 2011 Net Position of governmental activities due to understatement of special assessment receivable.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item number **2012-001** that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **City of Cleveland Heights, Ohio's Response to Findings**

The City of Cleveland Heights, Ohio's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Cleveland Heights, Ohio's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of This Report**

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



James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 20, 2013



**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133**

To the Members of City Council  
City of Cleveland Heights, Ohio

**Report on Compliance for Each Major Federal Program**

We have audited the City of Cleveland Heights, Cuyahoga County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Cleveland Heights, Ohio's major federal programs for the year ended December 31, 2012. The City of Cleveland Heights, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Cleveland Heights, Ohio's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cleveland Heights, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Cleveland Heights, Ohio's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the City of Cleveland Heights, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

## **Report on Internal Control Over Compliance**

Management of the City of Cleveland Heights, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Cleveland Heights, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland Heights, Ohio's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Ohio, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Cleveland Heights, Ohio's basic financial statements. We issued our report thereon dated June 20, 2013, which contained unmodified opinions on those financial statements. Our opinion also explained that the City of Cleveland Heights, Ohio, adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated its December 31, 2011 Net Position of governmental activities due to an understatement of special assessment receivable. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 20, 2013

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>Federal Grantor/        Pass-Through Grantor/        Program Title</b>	<b>Federal        CFDA        Number</b>	<b>Pass-Through        Entity Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Direct Program:</i>			
Community Development Block Grant	14.218	N/A	\$ 2,533,647
Homeless Prevention and Rapid RE-Housing Program - ARRA	14.257	N/A	<u>71,164</u>
Sub-Total Direct Programs			<u>2,604,811</u>
<i>Passed through the Ohio Department of Development</i>			
Neighborhood Stabilization Program	14.228	N/A	720,927
<i>Passed through Cuyahoga County Housing Consortium</i>			
HOME Investment Partnership Program	14.239	M-05-DC-390216	310,116
<i>Passed through Cuyahoga Department of Development</i>			
Lead Safe Cuyahoga Program	14.900	LHC-OHLHB0373-07	<u>170,797</u>
Sub-Total Passed through Programs			<u>1,201,840</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>3,806,651</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Passed through Ohio Department of Aging and the Western Reserve        Area Agency on Aging:</i>			
Title III-B of the Older Americans Act	93.044	N/A	<u>24,902</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>24,902</u>
<b><u>U.S. Department of Transportation</u></b>			
<i>Passed through Greater Cleveland Regional Transit Authority</i>			
Federal Transit Formula Grant	20.507	OH-90-X640	<u>93,500</u>
<b>Total U.S. Department of Transportation</b>			<u>93,500</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,925,053</u>

See notes to the Schedule of Expenditures of Federal Awards

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

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**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) reports the City of Cleveland Heights' (the City's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE 2: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

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

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2012 is as follows:

Beginning loans receivable balance as of January 1, 2012	\$ 1,477,356
Loans made	553,691
Loan principal repaid	<u>(138,293)</u>
Ending loans receivable balance as of December 31, 2012	1,892,754
Cash balance on hand in the revolving loan fund as of December 31, 2012	0
Total value of revolving loan fund portion of the CDBG 14.218 Program	1,892,754
Other grants administered through the 14.218 Program	<u>2,533,647</u>
Total CDBG 14.218 Program	<u>\$ 4,426,401</u>

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 DECEMBER 31, 2012**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2012(i)	Type of Financial Statement Opinion	Unmodified
2012(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2012(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
2012(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2012(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2012(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2012(v)	Type of Major Programs' Compliance Opinions	Unmodified
2012(vi)	Are there any reportable findings under .510?	No
2012(vii)	Major Programs (list):  Community Development Block Grant - CFDA #14.218	
2012(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2012(ix)	Low Risk Auditee?	No

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
OMB CIRCULAR A-133 & .505  
DECEMBER 31, 2012**

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2. **FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED  
IN ACCORDANCE WITH GAGAS**

**Item Number 2012-001 - Significant Deficiency - Special Assessment Receivable**

Statement of Condition/Criteria

Financial reporting is essential to ensure that the information provided to the reader of the financial statements is complete and accurate. During our audit, we noted the City's special assessments receivables in the General Bond Retirement Fund was understated by \$1,860,000 at December 31, 2011. This resulted in an increase in beginning net position of the governmental activities of the financial statement of the City.

Cause/Effect

The City incorrectly recorded special assessments receivables and charges for services, which resulted in errors on the financial statements.

Recommendation

We recommend that the City implement controls and procedures related to financial reporting that will enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes timely.

**City's Response**

The City will implement the necessary procedures that will enable management to identify, prevent, detect and correct potential misstatements to the financial statements and footnotes.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain.</b>
2011-001	Proper Certification of Funds	No	Re-Issued as management comment

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.





# Sustainability

# CAFR



Comprehensive Annual Financial Report 2012



CLEVELAND HEIGHTS, OHIO



CLEVELAND HEIGHTS, OHIO



# Introductory Section

In May 2012, Cleveland Heights City Council passed the Sustainable Zoning Code amendments. These amendments provide residents with a framework to incorporate sustainable practices into their daily lives through projects that are completed at their homes - from gardening to laundry to energy reduction and creation to permeable driveways, to the way we travel around town.



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# Comprehensive Annual Financial Report

for the fiscal year ended  
December 31, 2012

# CAFR

Prepared by  
The Department of Finance  
Tom Raguz, Director  
Sharron McMichael, Assistant Director

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**City of Cleveland Heights, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2012*  
*Table of Contents*

	<i>Page</i>
<b>I. Introductory Section</b>	
Title Page .....	i
Table of Contents .....	ii
Letter of Transmittal .....	vi
List of Principal Officials.....	xiii
Organizational Chart - City.....	xiv
Organizational Chart - Department of Finance.....	xv
GFOA Certificate of Achievement .....	xvi
 <b>II. Financial Section</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual: General Fund .....	22
Statement of Fund Net Position - Proprietary Funds .....	23
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	24
Statement of Cash Flows - Proprietary Funds .....	25
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	27

Notes to the Basic Financial Statements .....	28
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions .....	62
Combining Balance Sheet - Nonmajor Governmental Funds .....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	66
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	71
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds .....	78
Combining Statement - Fiduciary Funds:	
Fund Descriptions .....	80
Combining Statement of Changes in Assets and Liabilities Agency Funds .....	81
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund .....	83
General Bond Retirement Fund .....	90
Water Fund .....	91
Sewer Fund .....	93
Nonmajor Funds:	
Street Construction, Maintenance and Repair Fund .....	94
Foundation Grants Fund .....	95
Communication System Fund .....	96
Public Building Maintenance Fund .....	97
Law Enforcement Trust Fund .....	98
Drug Law Enforcement Fund .....	99
Community Development Block Grant Fund .....	100
Home Program Fund .....	102
Cain Park Operating Fund .....	103
Public Right of Way Fund .....	104
Indigent Driver's Alcohol Treatment Fund .....	105
Municipal Court Clerk Computerization Fund .....	106
DUI Enforcement and Education Fund .....	107
Municipal Court Special Projects Fund .....	108
Lead Safe Cuyahoga Fund .....	109



Neighborhood Stabilization Program Fund.....	110
Homelessness Prevention Fund.....	111
Street Lighting Fund.....	112
Tree Fund.....	113
Police Pension Fund.....	114
Fire Pension Fund.....	115
Off-Street Parking Fund.....	116
Ambulance Services Fund.....	117
Cedar Lee Parking Facility Fund.....	118
Office on Aging Donations Fund.....	119
Youth Recreation Donations Fund.....	120
Police Memorial Trust Fund.....	121
Earned Benefits Fund.....	122
Police Facility Improvement Fund.....	123
Recreation Facility Improvement Fund.....	124
Capital Improvements Fund.....	125
Economic Development Fund.....	126
City Hall Maintenance Fund.....	127
Ring Road Construction Fund.....	128

### III. Statistical Section

Contents.....	S1
Net Position by Component - Last Ten Years.....	S2
Changes in Net Position - Last Ten Years.....	S4
Fund Balances, Governmental Funds - Last Ten Years.....	S8
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S10
Property Tax Rates – Direct and Overlapping Governments - Last Ten Collection Years.....	S12
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years.....	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Principal Taxpayers – 2012 and 2003.....	S17
Income Tax Revenue Base and Collections - Last Ten Years.....	S18
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Years.....	S19
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years.....	S20
Legal Debt Margin - Last Ten Years.....	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S24
Principal Employers - 2012 and 2006.....	S25

Demographic and Economic Statistics- Last Ten Years .....	S26
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Years .....	S28
Operating Indicators by Function/Program - Last Ten Years .....	S30
Capital Asset Statistics by Function/Program - Last Ten Years .....	S34



June 20, 2013

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

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

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

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

#### CITY ORGANIZATION

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

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

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

## ECONOMIC CONDITIONS

The City continued to benefit due to its proximity to the major cultural, educational, and medical facilities in northeastern Ohio. These facilities include the University Circle area comprised of Case Western Reserve University and its associated University Hospitals, Severance Hall for the Performing Arts which also serves as resident base to the internationally-acclaimed Cleveland Symphony Orchestra, and the Cleveland Clinic, a world-renowned medical research and treatment facility. In addition, the City is strategically located to facilitate efficient and quick access to the downtown Cleveland business district, sports facilities for the Cleveland Indians major league baseball team, the Cleveland Cavaliers professional basketball team, the Cleveland Browns professional football team, the Great Lakes Science Center, and the National Rock and Roll Hall of Fame. As a result, the City's unemployment rate in April 2013 was 5.2 percent as compared to a Cuyahoga County rate of 8.3 percent, a State of Ohio rate of 7.0 percent, and a national rate of 7.5 percent.

The City of Cleveland Heights has felt the effects of the same economic downturn that stalled the economy of the State of Ohio and the nation as a whole in the earlier years of this decade. The City is optimistic that the next few years will bring closure to this period of downturn. The City is currently budgeting 2013 using the same conservative approach of the past few years. The State of Ohio intends to continue reducing financial support to cities. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources. Expenditures are being closely monitored at the department level as well as the City Manager level. City Council reviews the budget and financial status of the City on a regular basis.

2012 income tax collections remained relatively strong and accounted for almost 53 percent of all general fund revenues (modified accrual basis).

## MAJOR INITIATIVES

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

Cain Park, the municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Orchestral, dance, and theatrical performances produced during 2012 included: Counting Crows, Fiona Apple, Hotel California, Macy Gray, The Musical Theater Project and Long Road. The Cain Park Arts Festival was again well attended in 2012 and is recognized as one of the best such events in the United States.

Taylor Road (Euclid Heights Boulevard to the East Cleveland Line) was resurfaced at a cost of \$3,964,850 and was administered by the Ohio Department of Transportation. The Northeast Ohio Areawide Coordinating Agency (NOACA) provided 80 percent of the funding for this project, Ohio Public Works provided a grant for 10 percent of the project, and Cuyahoga County committed \$250,000 towards this project. The City share was approximately \$146,500.

There were various road resurfacing and surface treatment projects completed during the year at a cost of \$1,687,857.

Middlehurst water line and road restoration was completed for a total cost of \$166,539 of which \$75,800 was Community Development Block Grant funds. The Denison Pool demolition and park enhancements were completed at a cost of \$219,000.

## PLANNED DEVELOPMENT PROJECTS FOR 2013

Resurfacing and surface treatment of approximately 31 streets as well as Monticello Boulevard. Phase II and Mayfield Road resurfacing are some of the projects to be started and/or completed in 2013.

## CITY UTILITIES

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

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

## COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2012, the City received \$2.312 million in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services, and fair housing.

## CITY SERVICES

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

In addition to the basic services just described, the City continues to offer superior recreational facilities for its residents. The City operates a total of six municipal parks, which include one swimming pool and the usual sports, playground, and picnic facilities. In addition, the expansion of the Recreation Pavilion into a full-service Community Center was completed in 2001. The Olympic-size ice rink at the Community Center provides the City with two ice rinks. Other features of the Community Center are a

Senior Activity Center, a field house and fitness center. The field house has two high school-size side-by-side courts with wooden floors, bleachers, scoreboards, glass backboards and the flexibility to accommodate basketball and volleyball as well as other programs. It also includes a four-lane elevated track with a rubberized surface and length of 180 yards. The fitness center features Nautilus exercise machines, aerobic, elliptical, and step machines along with a variety of bikes. There is also a cardio theater system and an aerobics room. The Community Center also contains child care facilities and meeting and general recreation rooms.

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

In keeping with its primarily residential character, the City operates an urban forestry department which is funded mainly through an annual special assessment on all properties. With the addition of new equipment and manpower, the department was able to concentrate on removing and replanting Cleveland Heights' aging urban forest. During 2012, the Forestry Division planted 275 trees, (size 2.5" caliper) and removed 380 hazardous trees and trimmed 505 trees. The trimming and removal of hazardous trees resulted in 160 loads of wood chips and 65 loads of logs. The Forestry Division responded to numerous storm damage and tree related emergencies as well as assisting the Streets Division during large snow storms. Forestry Division also provided Christmas Tree chipping throughout the City. The City received its 34<sup>th</sup> Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

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

## FINANCIAL CONDITION

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

### Government-Wide Financial Statements

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

## Fund Financial Statements

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

## Statement of Budgetary Comparisons

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

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

## INTERNAL ACCOUNTING AND REPORTING CONTROL

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

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

## INDEPENDENT AUDIT

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The accounting firm of James G. Zupka, CPA, Inc. rendered an opinion on the City's financial statements as of December 31, 2012, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

#### CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last twenty-eight consecutive years (fiscal years ended December 31, 1984 through December 31, 2011). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

#### ACKNOWLEDGMENTS

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

#### POSTSCRIPT

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

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

To maintain our housing stock at optimum value.

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

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



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

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

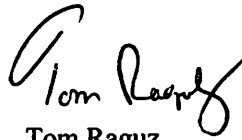
To assure a high return to our residents on every tax dollar.”

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

Respectfully submitted,



Susanna Niermann O'Neil  
Acting City Manager



Tom Raguz  
Director of Finance

**CITY OF CLEVELAND HEIGHTS, OHIO**

**PRINCIPAL OFFICIALS  
DECEMBER 31, 2012**

***ELECTED OFFICIALS***

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Mayor .....	Edward J. Kelley
Vice Mayor .....	Dennis R. Wilcox
Council Member .....	Bonita W. Caplan
Council Member .....	Cheryl L. Stephens
Council Member .....	Mary Dunbar
Council Member .....	Jason S. Stein
Council Member .....	Janine R. Boyd
Municipal Judge.....	A. Deane Buchanon

***APPOINTED OFFICIALS***

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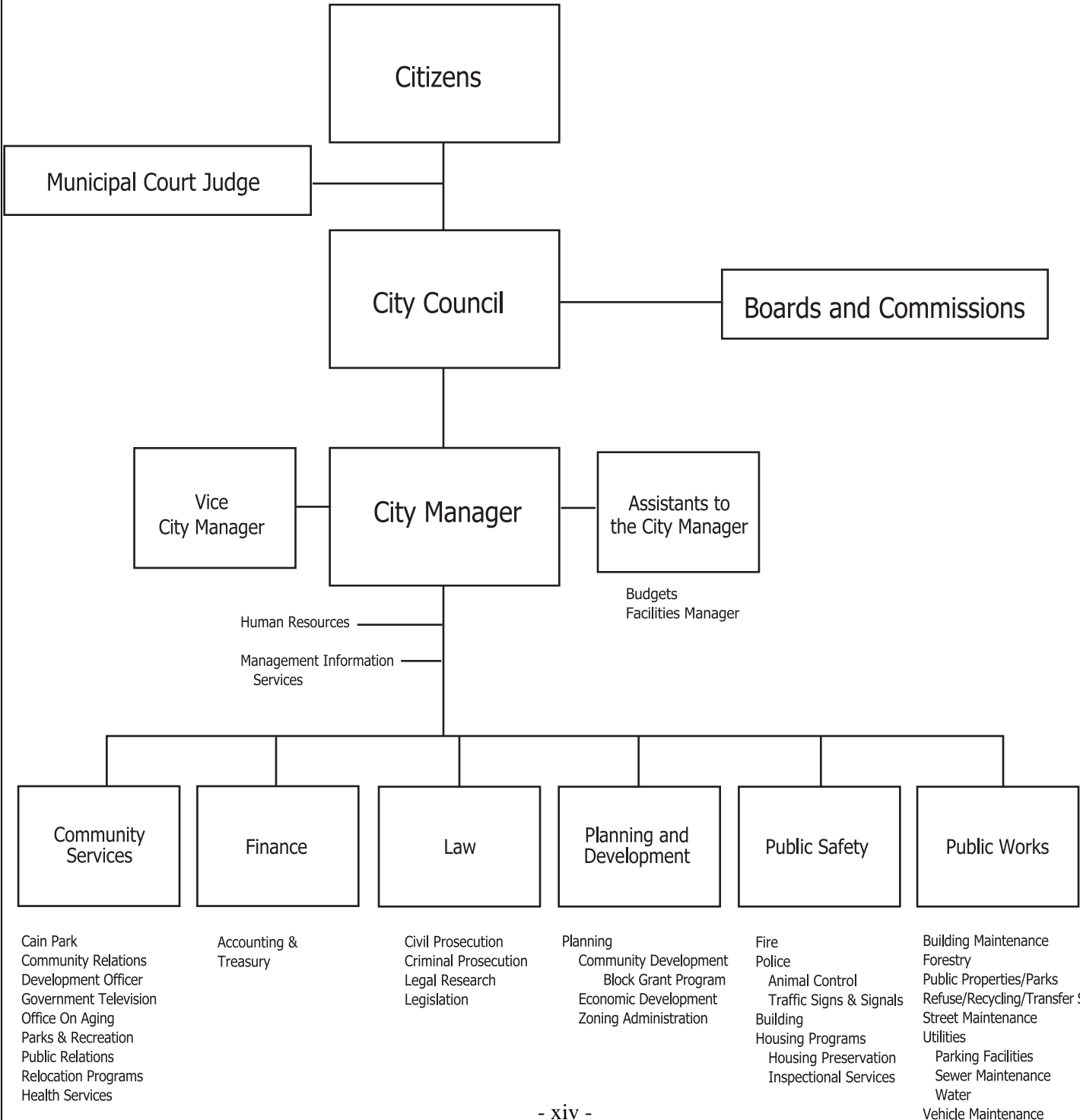
City Manager .....	Robert C. Downey*
Vice City Manager/ Director of Community Services .....	Susanna Niermann O’Neil
Assistant to the City Manager.....	Eddie L. Carter
Director of Finance .....	Tom Raguz
Assistant Director of Finance.....	Sharron McCrory
Director of Law.....	John H. Gibbon
First Assistant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

\*Robert C. Downey was City Manager until April 13, 2012. Susanna Niermann O’Neil is the acting City Manager effective April 16, 2012.



# CLEVELAND HEIGHTS

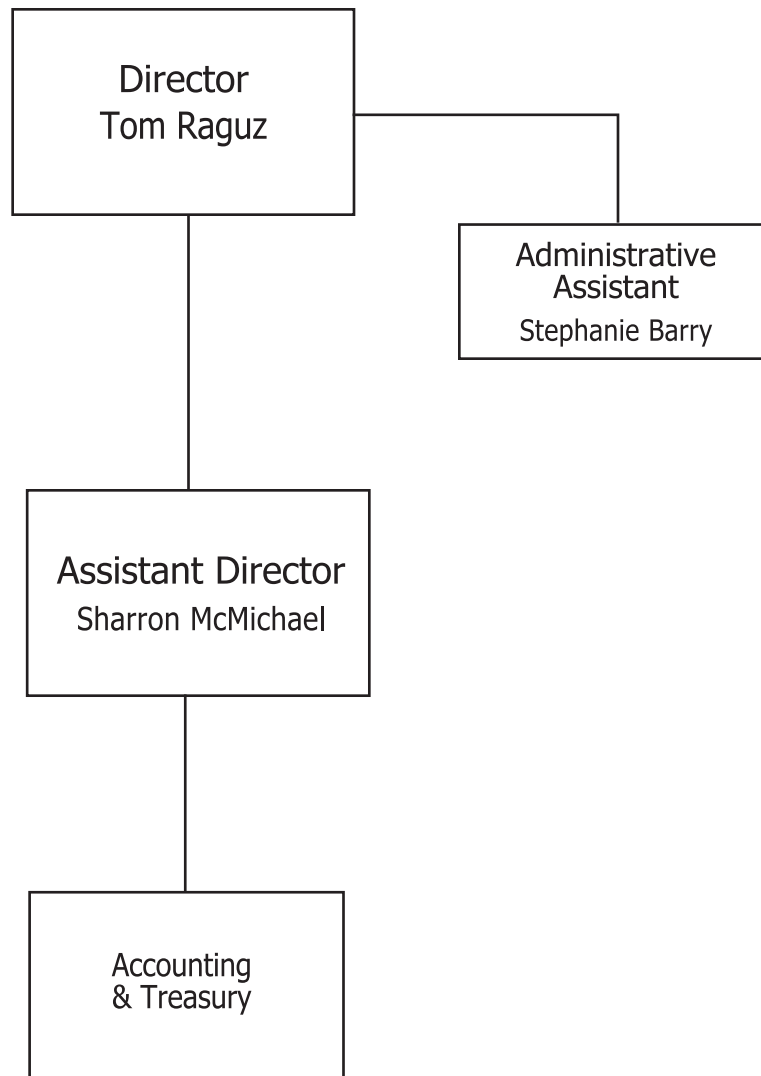
## CITY ORGANIZATION AS OF DECEMBER 31, 2012





# CLEVELAND HEIGHTS

## DEPARTMENT OF FINANCE ORGANIZATION AS OF DECEMBER 31, 2012



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cleveland Heights  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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



*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director

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# Financial Section

From edible gardens sprinkled throughout our neighborhoods to seasoned community gardens and newly sprouting chicken coops and farmers' markets, healthy, locally-produced food is on our minds. The Sustainable Zoning Code amendments set the table, so to speak, for all this to happen. Community gardens, which have a strong foundation in Cleveland Heights, are conditionally permitted in the city, as are farmers' markets, which provide another access to locally grown food for our residents.



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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council  
City of Cleveland Heights, Ohio

The Honorable David Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Ohio, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As described in Note 3 to the financial statements, during 2012 the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated its December 31, 2011 Net Position of governmental activities due to an understatement of special assessment receivable. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cleveland Heights, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2013, on our consideration of the City of Cleveland Heights, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cleveland Heights, Ohio's internal control over financial reporting and compliance.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 20, 2013

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

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The discussion and analysis of the City of Cleveland Heights's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key Financial highlights for 2012 are as follows:

- Overall, governmental activities revenues of \$64.4 million exceeded the expenses which came in at \$56.6 million consequently increasing the net position by \$6.9 million for the year 2012. The total net position was \$96.7 million compared to \$89.8 million for the previous year.
- Total governmental liabilities decreased by \$1,354,485, which is attributed mainly to paying down on long-term debt obligations.
- The City is committed to providing the Citizens of Cleveland Heights with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

### **Overview of the Financial Statements**

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

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

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

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

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

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Both of the government-wide financial statements distinguish functions of the City of Cleveland Heights that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cleveland Heights include general government, public safety, public health services, transportation, community development, sanitation, culture and recreation, and interest and fiscal charges. The business-type activities include water and sewer.

The government-wide financial statements can be found starting on page 15 of this report.

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

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

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

The City of Cleveland Heights maintains 36 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund and general bond retirement fund, which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

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

**Proprietary Funds** The City of Cleveland Heights maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its hospitalization of health related employee benefits. Because this fund predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations which are both considered major funds.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

**Notes to the Basic Financial Statements** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28 through 61 of this report.

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found on pages 62 through 128 of this report.

### **Government-Wide Financial Analysis**

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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

**The City of Cleveland Heights as a Whole**

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

**NET POSITION**

TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$50,567,506	\$48,180,573	\$4,421,133	\$4,307,592	\$54,988,639	\$52,488,165
Capital Assets, Net	84,258,062	81,330,999	22,935,942	23,095,078	107,194,004	104,426,077
<i>Total Assets</i>	<i>134,825,568</i>	<i>129,511,572</i>	<i>27,357,075</i>	<i>27,402,670</i>	<i>162,182,643</i>	<i>156,914,242</i>
Deferred Outflows of Resources	512,920	605,175	0	0	512,920	605,175
Current and Other Liabilities	5,871,460	5,049,918	1,949,302	1,013,516	7,820,762	6,063,434
Long-Term Liabilities:						
Due within One Year	4,800,859	5,217,328	371,801	309,176	5,172,660	5,526,504
Due in More than One Year	18,762,880	20,522,438	1,631,983	1,735,805	20,394,863	22,258,243
<i>Total Liabilities</i>	<i>29,435,199</i>	<i>30,789,684</i>	<i>3,953,086</i>	<i>3,058,497</i>	<i>33,388,285</i>	<i>33,848,181</i>
Deferred Inflows of Resources	9,141,581	9,492,321	0	0	9,141,581	9,492,321
Net Investment in Capital Assets	66,164,102	61,261,817	21,386,384	21,461,778	87,550,486	82,723,595
Restricted for:						
Capital Projects	1,583,170	994,098	0	0	1,583,170	994,098
Debt Service	5,461,154	5,815,343	0	0	5,461,154	5,815,343
Other Purposes	8,970,257	7,974,275	0	0	8,970,257	7,974,275
Unrestricted	14,583,025	13,789,209	2,017,605	2,882,395	16,600,630	16,671,604
<i>Total Net Position</i>	<i>\$96,761,708</i>	<i>\$89,834,742</i>	<i>\$23,403,989</i>	<i>\$24,344,173</i>	<i>\$120,165,697</i>	<i>\$114,178,915</i>

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

Total assets in governmental activities increased by \$5,313,996 from 2011 to 2012 as a result of the increase in capital assets and income tax receivables. The City completed a resurfacing project for Taylor Road in 2012. The City's total liabilities in governmental activities decreased by \$1,354,485 as long-term debt was repaid.

Our total net position of the City's governmental activities increased \$6,926,966 (7.7 percent) during the current year due to revenues exceeding expenses. In order to further understand what makes up the changes in net position for the current year, the following table 2 gives readers further details regarding the results of activities for the current year.



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

**CHANGES IN NET POSITION**  
**TABLE 2**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$12,358,047	\$12,259,889	\$13,194,811	\$11,710,515	\$25,552,858	\$23,970,404
Operating Grants and Contributions	5,657,962	4,953,832	0	0	5,657,962	4,953,832
Capital Grants and Contributions	3,877,741	0	0	0	3,877,741	0
<b>Total Program Revenues</b>	<b>21,893,750</b>	<b>17,213,721</b>	<b>13,194,811</b>	<b>11,710,515</b>	<b>35,088,561</b>	<b>28,924,236</b>
<b>General Revenues:</b>						
Property Taxes	9,964,319	10,296,446	0	0	9,964,319	10,296,446
Municipal Income Taxes	24,772,161	24,162,250	0	0	24,772,161	24,162,250
Admissions Taxes	107,516	273,716	0	0	107,516	273,716
Grants and Entitlements	4,418,417	4,919,000	0	0	4,418,417	4,919,000
Franchise Taxes	588,325	565,476	0	0	588,325	565,476
Payment in Lieu of Taxes	1,150,000	141,241	0	0	1,150,000	141,241
Investment Income	45,811	127,999	0	0	45,811	127,999
Gain on Sale of Capital Assets	103,497	0	0	0	103,497	0
Miscellaneous	1,318,978	1,694,674	2,354	22,685	1,321,332	1,717,359
<b>Total General Revenues</b>	<b>42,469,024</b>	<b>42,180,802</b>	<b>2,354</b>	<b>22,685</b>	<b>42,471,378</b>	<b>42,203,487</b>
<b>Total Revenues</b>	<b>64,362,774</b>	<b>59,394,523</b>	<b>13,197,165</b>	<b>11,733,200</b>	<b>77,559,939</b>	<b>71,127,723</b>
<b>Program Expenses</b>						
General Government	16,048,638	15,240,828	0	0	16,048,638	15,240,828
Public Safety	21,239,342	19,139,951	0	0	21,239,342	19,139,951
Public Health Services	363,703	342,507	0	0	363,703	342,507
Transportation	5,718,551	5,620,385	0	0	5,718,551	5,620,385
Community Development	6,347,777	6,330,335	0	0	6,347,777	6,330,335
Sanitation	2,670,357	2,470,427	0	0	2,670,357	2,470,427
Culture and Recreation	3,385,120	3,466,238	0	0	3,385,120	3,466,238
Interest and Fiscal Charges	798,771	1,159,987	0	0	798,771	1,159,987
Water	0	0	13,213,185	10,800,301	13,213,185	10,800,301
Sewer	0	0	1,787,713	2,217,378	1,787,713	2,217,378
<b>Total Program Expenses</b>	<b>56,572,259</b>	<b>53,770,658</b>	<b>15,000,898</b>	<b>13,017,679</b>	<b>71,573,157</b>	<b>66,788,337</b>
<b>Increase (Decrease) in Net Position Before Transfers</b>	<b>7,790,515</b>	<b>5,623,865</b>	<b>(1,803,733)</b>	<b>(1,284,479)</b>	<b>5,986,782</b>	<b>4,339,386</b>
Transfers	(863,549)	14,385	863,549	(14,385)	0	0
<b>Change in Net Position</b>	<b>6,926,966</b>	<b>5,638,250</b>	<b>(940,184)</b>	<b>(1,298,864)</b>	<b>5,986,782</b>	<b>4,339,386</b>
<b>Net Position Beginning of Year</b>	<b>89,834,742</b>	<b>84,196,492</b>	<b>24,344,173</b>	<b>25,643,037</b>	<b>114,178,915</b>	<b>109,839,529</b>
<b>Net Position End of Year</b>	<b>\$96,761,708</b>	<b>\$89,834,742</b>	<b>\$23,403,989</b>	<b>\$24,344,173</b>	<b>\$120,165,697</b>	<b>\$114,178,915</b>

**Governmental Activities**

Governmental activities increased the City's net position by \$6,926,966 during 2012, as compared to \$5,638,250 during 2011. Total revenues increased by \$4,968,251, primarily due to the City receiving a capital contribution from the State for the resurfacing of Taylor Road. Program expenses increased by \$2,801,601, primarily due to increases in salaries.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2.0 percent for 2012. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 50 percent credit to a maximum of one-half of one percent of income earned outside the City.

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

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The income tax revenue for 2012 was \$24,772,161, an increase of \$609,911 or 2.52 percent from 2011. The increase was due to the local economy which sustained and even increased employment levels due to the nature of their business. Of the \$42,469,024 in total general revenues, income tax accounted for 58.33 percent, as compared to 57.28 percent of the total during 2011. Property taxes for 2012 were \$9,964,319, a \$332,127 decrease from 2011. The decrease was due to the general devaluation of properties within the entire northeast region as well as in Cuyahoga County.

Charges for services increased for 2012 by \$98,158 (.80 percent) due to an increase in parking meter charges.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. During 2012, the City received \$4.4 million in grants and entitlements primarily for street and housing projects compared to \$4.9 million received in 2011. The decrease was attributable primarily to a decrease in local government funding during 2012.

During 2012, the City received a one-time payment in lieu of taxes from the sale of a building.

The largest program function for the City for 2012 is public safety, with program expenses of \$21,239,342 as compared to \$19,139,951 in 2011, an increase of 10.97 percent. This was due to an increase in salary expenditures. The next largest program is general government which accounts for the basic operations of the City including council, city manager, finance, income tax department, law, service administration, municipal court, among other services. General government expenses of \$16,048,638 increased by \$807,810, as compared to \$15,240,828 for 2011.

The next largest program expense for 2012 is community development, with program expenses of \$6,347,777 as compared to \$6,330,335 in 2011, an increase of only .28 percent. Contributing factors to this included decreases in contractual amounts paid for rubbish collection and snow removal including the cost of salt purchases.

Transportation expenses increased by \$98,166 or 1.75 percent during 2012 due to more costs for road maintenance projects compared to the preceding year. Culture and recreation decreased by \$81,118 mainly due to less projects related to recreation facility.

As can be seen on the table 2, all programs have a heavy reliance on general revenues, with 65.98 percent of total 2012 revenues coming from general revenues.

While public safety is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police fines and forfeitures.

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

***Business-Type Activities and Enterprise Funds***

The Business-Type activities of the City, which include the City's water and sewer operations, decreased the City's net position by \$940,184 during 2012, as compared to a decrease of net position of \$1,298,864 during 2011. The decrease in net position in business-type activities is mainly due to an increase in water expenditures.

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

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Program expenses exceeded program revenues in the amount of \$1,803,733 (before transfers) for the water and sewer operations in 2012. This is due to increased contributions required for the improved maintenance program for water and sewers through the water and sewer administrations.

### **Financial Analysis of the Government's Funds**

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

#### **Governmental Funds**

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of the current year, the City of Cleveland Heights's governmental funds reported combined ending fund balances of \$16,186,097. Nonspendable fund balance of \$446,219 includes inventory. Fund balance in the amount of \$8,109,130 is restricted for road improvements, police and fire department operations. Fund balance in the amount of \$1,186,778 is committed to ambulance services, Police Facility improvement and Ring road construction. Assigned fund balance includes \$4,624,798 for future earned benefits, economic development and capital improvements. Unassigned fund balances of \$1,819,172 represents all balances not previously classified.

All governmental funds had total revenues of \$58,839,382 and expenditures of \$58,059,191. Both revenues and expenditures increased from the previous year. The increase in revenues was attributable to an increase in municipal income tax revenues. The increase in expenditures was due to an increase in public safety and general government expenditures.

#### **General Fund**

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$6,498,819, of which \$380,439 was nonspendable because of inventory, \$2,960,821 was assigned to future severance payments and purchases on order, and \$3,157,559 was unassigned for financial reporting purposes. Total fund balance of the City's general fund decreased by \$1,525,842, mainly due to an increase in transfers to other governmental and business-type funds, compared to the prior year. The City's management monitors the budget on a monthly basis to keep it in line with current expenditures.

#### **General Bond Retirement Fund**

The bond retirement debt service fund accounts for resources used for the retirement of long-term debt. At the end of the current year, total fund balance was \$1,817,733, which was a decrease from the prior year mainly due to a transfer to the capital improvement fund for debt payments.

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

***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2012 the City amended its general fund budget on various occasions. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of our major activities such as our police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$35,580,655 and final budgeted revenues were \$40,420,953 while actual revenues were at \$43,185,699. Original general fund budgeted expenditures were \$38,280,780, and the final amended budget was \$39,012,942. Actual general fund expenditures were \$39,106,607 or \$93,665 more than budgeted expenditure. The City will monitor spending more closely to ensure the expenditures are in line with the budget.

**Capital Assets and Debt Administration**

***Capital Assets***

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

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$5,294,746	\$5,304,746	\$0	\$0
Construction in Progress	2,410,176	2,035,422	91,161	62,985
Land Improvements	1,356,585	1,355,385	0	0
Buildings and Improvments	36,800,684	38,097,656	109,958	116,342
Machinery & Equipment	6,581,325	6,124,870	514,317	700,296
Intangible Assets	32,707	32,707	0	0
Infrastructure:				
Streets and Sidewalks	30,576,680	27,366,047	0	0
Off-street Parking Lots	1,205,159	1,014,166	0	0
Water Lines	0	0	14,494,441	14,295,356
Sanitary Sewers Lines	0	0	5,594,973	5,717,396
Storm Sewer Lines	0	0	2,131,092	2,202,703
<b>Total</b>	<b><u><u>\$84,258,062</u></u></b>	<b><u><u>\$81,330,999</u></u></b>	<b><u><u>\$22,935,942</u></u></b>	<b><u><u>\$23,095,078</u></u></b>

The most significant increases in governmental capital assets came in streets and sidewalks, which increased \$3,210,633 during 2012 largely due to the completion of the Taylor Road street construction project administered by the Ohio Department of Transportation. Total capital assets for business-type activities decreased compared to 2011, due to current year depreciation outpacing current year additions.

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

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

**Debt**

The City's outstanding debt is comprised of general obligation bonds, special assessment bonds, notes payable, and OPWC and OWDA loans.

**OUTSTANDING DEBT**

TABLE 4

	Governmental Activities		Business - Type Activities	
	2012	2011	2012	2011
General Obligation Bonds	\$12,462,539	\$14,326,306	\$0	\$0
Special Assessment Bonds	2,613,206	2,703,837	0	0
Short-Term Notes	2,126,000	1,703,000	0	0
OPWC Loans	1,286,753	1,307,256	995,417	1,043,867
OWDA Loans	0	0	554,141	589,433
<b>Total</b>	<b>\$18,488,498</b>	<b>\$20,040,399</b>	<b>\$1,549,558</b>	<b>\$1,633,300</b>

The general obligation bonds are composed of (1) 1999 Pension Fund Refunding Bonds; (2) 2001 Off-Street Refunding Bonds (which was fully retired during 2012), (3) 2001 Recreational Facilities; (4) 2008 Recreational Facilities Refunding Bonds; and (5) 2008 Cedar Lee Parking Deck Bonds.

The special assessment bonds consist of the 2004 Ring Road improvements. The principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer from the specific property owners who primarily benefited from the project.

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

The Ohio Public Works Commission loans are being paid semi-annually from the several projects: 2001 Taylor Road rehabilitation, 2005 Coventry Road rehabilitation, 2006 Lee Road rehabilitation, 2010 Monticello Boulevard rehabilitation and 2006 Meadowbrook Boulevard rehabilitation. These programs are funded by property taxes for various infrastructure projects being financed through the Ohio Public Works program.

The Ohio Water Development loans represent loans for 2007 sewer rehabilitation and 2010 waterline replacement projects. These loans are paid from the customers charges in the water and sewer proprietary funds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$80,384,317 at December 31, 2012.

Additional information concerning the City's debt can be found in Notes 18 and 19 to the basic financial statements.

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

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**Current Financial Related Activities**

The City of Cleveland Heights maintained a Standard and Poor's Aa2 rating for 2012.

The Administration and City Council developed a master plan for the acquisition of equipment and the building or upgrading of City facilities. As a result, we have seen a remarkable increase in our capital assets over that period of time and the expansion of all City services. The 2012 year is no different as the City completed the street and other infrastructure improvements.

**Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information contact Finance Director Tom Raguz, City of Cleveland Heights, 40 Severance Circle, Cleveland Heights, Ohio 44118, telephone 216-291-3900, or email [traguz@clvhts.com](mailto:traguz@clvhts.com).

**City of Cleveland Heights, Ohio**

*Statement of Net Position*

December 31, 2012

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$15,152,869	\$769,757	\$15,922,626
Materials and Supplies Inventory	446,219	24,691	470,910
Accrued Interest Receivable	31,798	0	31,798
Accounts Receivable	1,249,809	3,618,631	4,868,440
Internal Balances	(8,054)	8,054	0
Intergovernmental Receivable	2,059,011	0	2,059,011
Municipal Income Taxes Receivable	13,662,013	0	13,662,013
Property Taxes Receivable	10,971,316	0	10,971,316
Special Assessments Receivable	4,820,681	0	4,820,681
Notes Receivable	1,931,232	0	1,931,232
Assets Held For Resale	250,612	0	250,612
Nondepreciable Capital Assets	7,704,922	91,161	7,796,083
Depreciable Capital Assets, Net	76,553,140	22,844,781	99,397,921
<i>Total Assets</i>	<u>134,825,568</u>	<u>27,357,075</u>	<u>162,182,643</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	512,920	0	512,920
<b>Liabilities</b>			
Accounts Payable	1,224,267	40,629	1,264,896
Contracts Payable	44,730	150,444	195,174
Accrued Wages	600,399	48,550	648,949
Matured Compensated Absences	114,694	0	114,694
Retainage Payable	0	6,662	6,662
Accrued Interest Payable	62,438	0	62,438
Intergovernmental Payable	1,412,659	1,703,017	3,115,676
Claims Payable	286,273	0	286,273
Notes Payable	2,126,000	0	2,126,000
Long-Term Liabilities:			
Due Within One Year	4,800,859	371,801	5,172,660
Due In More Than One Year	18,762,880	1,631,983	20,394,863
<i>Total Liabilities</i>	<u>29,435,199</u>	<u>3,953,086</u>	<u>33,388,285</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	9,141,581	0	9,141,581
<b>Net Position</b>			
Net Investment in Capital Assets	66,164,102	21,386,384	87,550,486
Restricted for:			
Capital Projects	1,583,170	0	1,583,170
Debt Service	5,461,154	0	5,461,154
Road Improvements	1,202,565	0	1,202,565
Community Development	1,821,016	0	1,821,016
Municipal Court Special Projects	1,508,766	0	1,508,766
Street Lighting	1,869,477	0	1,869,477
Public Safety	1,984,888	0	1,984,888
Other Purposes	583,545	0	583,545
Unrestricted	14,583,025	2,017,605	16,600,630
<i>Total Net Position</i>	<u>\$96,761,708</u>	<u>\$23,403,989</u>	<u>\$120,165,697</u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2012

	Expenses	Program Revenues		
		Charges for-Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$16,048,638	\$3,896,511	\$7,440	\$0
Public Safety	21,239,342	5,078,988	526,528	0
Public Health Services	363,703	61,303	4,908	0
Transportation	5,718,551	589,434	2,002,968	3,800,623
Community Development	6,347,777	1,320,804	3,082,418	0
Sanitation	2,670,357	429,204	0	0
Culture and Recreation	3,385,120	981,803	33,700	77,118
Interest and Fiscal Charges	798,771	0	0	0
<i>Total Governmental Activities</i>	<u>56,572,259</u>	<u>12,358,047</u>	<u>5,657,962</u>	<u>3,877,741</u>
<b>Business-Type Activities</b>				
Water	13,213,185	11,466,957	0	0
Sewer	1,787,713	1,727,854	0	0
<i>Total Business-Type Activities</i>	<u>15,000,898</u>	<u>13,194,811</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$71,573,157</u>	<u>\$25,552,858</u>	<u>\$5,657,962</u>	<u>\$3,877,741</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Police Pension

Fire Pension

Debt Service

Capital Outlay

Municipal Income Taxes Levied for:

General Purposes

Admissions Taxes

Grants and Entitlements not Restricted  
to Specific Programs

Franchise Taxes

Payment in Lieu of Taxes

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues Before Transfers*

Transfers

*Total General Revenues and Transfers*

*Change in Net Position*

*Net Position Beginning of Year (Restated - See Note 3)*

*Net Position End of Year*

See accompanying notes to the basic financial statements



Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$12,144,687)	\$0	(\$12,144,687)
(15,633,826)	0	(15,633,826)
(297,492)	0	(297,492)
674,474	0	674,474
(1,944,555)	0	(1,944,555)
(2,241,153)	0	(2,241,153)
(2,292,499)	0	(2,292,499)
(798,771)	0	(798,771)
(34,678,509)	0	(34,678,509)
0	(1,746,228)	(1,746,228)
0	(59,859)	(59,859)
0	(1,806,087)	(1,806,087)
(34,678,509)	(1,806,087)	(36,484,596)
6,720,122	0	6,720,122
231,728	0	231,728
231,728	0	231,728
2,240,041	0	2,240,041
540,700	0	540,700
24,772,161	0	24,772,161
107,516	0	107,516
4,418,417	0	4,418,417
588,325	0	588,325
1,150,000	0	1,150,000
45,811	0	45,811
103,497	0	103,497
1,318,978	2,354	1,321,332
42,469,024	2,354	42,471,378
(863,549)	863,549	0
41,605,475	865,903	42,471,378
6,926,966	(940,184)	5,986,782
89,834,742	24,344,173	114,178,915
<u>\$96,761,708</u>	<u>\$23,403,989</u>	<u>\$120,165,697</u>

**City of Cleveland Heights, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2012*

	General	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$4,484,146	\$3,174,322	\$7,494,401	\$15,152,869
Materials and Supplies Inventory	380,439	0	65,780	446,219
Accrued Interest Receivable	31,798	0	0	31,798
Accounts Receivable	431,862	0	817,947	1,249,809
Interfund Receivable	70,934	0	0	70,934
Intergovernmental Receivable	1,097,204	164,691	797,116	2,059,011
Municipal Income Taxes Receivable	13,662,013	0	0	13,662,013
Property Taxes Receivable	7,351,834	2,520,931	1,098,551	10,971,316
Special Assessments Receivable	0	1,805,000	3,015,681	4,820,681
Notes Receivable	0	0	1,931,232	1,931,232
Assets Held For Resale	0	0	250,612	250,612
<i>Total Assets</i>	<u>\$27,510,230</u>	<u>\$7,664,944</u>	<u>\$15,471,320</u>	<u>\$50,646,494</u>
<b>Liabilities</b>				
Accounts Payable	\$824,330	\$0	\$399,937	\$1,224,267
Contracts Payable	3,802	0	40,928	44,730
Accrued Wages	512,060	0	88,339	600,399
Interfund Payable	254,985	0	110,276	365,261
Intergovernmental Payable	554,027	0	858,632	1,412,659
Matured Compensated Absences Payable	114,694	0	0	114,694
Accrued Interest Payable	0	5,589	3,206	8,795
Notes Payable	0	1,351,000	775,000	2,126,000
<i>Total Liabilities</i>	<u>2,263,898</u>	<u>1,356,589</u>	<u>2,276,318</u>	<u>5,896,805</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	6,117,827	2,109,595	914,159	9,141,581
Unavailable revenue	12,629,686	2,381,027	4,411,298	19,422,011
<i>Total Deferred Inflows of Resources</i>	<u>18,747,513</u>	<u>4,490,622</u>	<u>5,325,457</u>	<u>28,563,592</u>
<b>Fund Balances</b>				
Nonspendable	380,439	0	65,780	446,219
Restricted	0	1,817,733	6,291,397	8,109,130
Committed	0	0	1,186,778	1,186,778
Assigned	2,960,821	0	1,663,977	4,624,798
Unassigned (Deficit)	3,157,559	0	(1,338,387)	1,819,172
<i>Total Fund Balances</i>	<u>6,498,819</u>	<u>1,817,733</u>	<u>7,869,545</u>	<u>16,186,097</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$27,510,230</u>	<u>\$7,664,944</u>	<u>\$15,471,320</u>	<u>\$50,646,494</u>

See accompanying notes to the basic financial statements

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

<b>Total Governmental Fund Balances</b>		\$16,186,097
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		84,258,062
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Charges for Services	956,832	
Delinquent Property Taxes	1,829,735	
Municipal Income Tax	10,215,918	
Intergovernmental	1,598,845	
Special Assessments	4,820,681	
Total	19,422,011	19,422,011
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(53,643)
Deferred Outflows of Resources represent deferred charges on refunding which are not reported in the funds.		512,920
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(12,462,539)	
Special Assessment Bonds	(2,613,206)	
OPWC Loans	(1,286,753)	
Capital Lease Obligation Payable	(283,615)	
Retrospective Workers' Compensation	(748,582)	
Compensated Absences Payable	(6,169,044)	
Total	(23,563,739)	(23,563,739)
 <i>Net Position of Governmental Activities</i>		 \$96,761,708

See accompanying notes to the basic financial statements

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

	General	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$6,680,907	\$2,226,969	\$998,296	\$9,906,172
Municipal Income Taxes	23,022,254	0	0	23,022,254
Admissions Taxes	107,516	0	0	107,516
Charges for Services	2,612,680	0	2,544,162	5,156,842
Licenses, Permits and Fees	1,915,963	0	41,749	1,957,712
Fines and Forfeitures	2,526,405	0	411,137	2,937,542
Intergovernmental	4,581,538	329,381	5,691,685	10,602,604
Special Assessments	0	141,410	1,841,392	1,982,802
Interest	45,780	0	31	45,811
Rentals	29,466	0	21,010	50,476
Contributions and Donations	0	0	12,348	12,348
Franchise Taxes	588,325	0	0	588,325
Payment in Lieu of Taxes	1,150,000	0	0	1,150,000
Miscellaneous	281,859	841	1,036,278	1,318,978
<i>Total Revenues</i>	<u>43,542,693</u>	<u>2,698,601</u>	<u>12,598,088</u>	<u>58,839,382</u>
<b>Expenditures</b>				
Current:				
General Government	13,979,127	1,702	1,373,455	15,354,284
Public Safety	15,796,557	0	4,999,587	20,796,144
Public Health Services	343,455	0	18,648	362,103
Transportation	3,307,632	0	1,855,148	5,162,780
Community Development	2,856,359	0	3,306,723	6,163,082
Sanitation	2,417,960	0	0	2,417,960
Culture and Recreation	1,854,829	0	773,977	2,628,806
Capital Outlay	0	0	2,330,729	2,330,729
Debt Service:				
Principal Retirement	87,728	1,925,000	81,781	2,094,509
Interest and Fiscal Charges	7,662	733,375	7,757	748,794
<i>Total Expenditures</i>	<u>40,651,309</u>	<u>2,660,077</u>	<u>14,747,805</u>	<u>58,059,191</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,891,384</u>	<u>38,524</u>	<u>(2,149,717)</u>	<u>780,191</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	25,200	0	103,497	128,697
OPWC Loan Issued	0	0	24,540	24,540
Transfers In	17,026	0	3,965,668	3,982,694
Transfers Out	(4,459,452)	(353,490)	(33,301)	(4,846,243)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,417,226)</u>	<u>(353,490)</u>	<u>4,060,404</u>	<u>(710,312)</u>
<i>Net Change in Fund Balances</i>	(1,525,842)	(314,966)	1,910,687	69,879
<i>Fund Balances Beginning of Year</i>	<u>8,024,661</u>	<u>2,132,699</u>	<u>5,958,858</u>	<u>16,116,218</u>
<i>Fund Balances End of Year</i>	<u>\$6,498,819</u>	<u>\$1,817,733</u>	<u>\$7,869,545</u>	<u>\$16,186,097</u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2012*

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**Net Change in Fund Balances - Total Governmental Funds** \$69,879

*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 capital assets additions exceeded depreciation in the current period.

Capital Asset Additions		
Capital Outlay	3,715,930	
Capital Contribution	3,800,623	
Current Year Depreciation	<u>(4,434,148)</u>	
Total		3,082,405

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (155,342)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.

Delinquent Property Taxes	58,147	
Municipal Income Taxes	1,749,907	
Intergovernmental	(461,455)	
Special Assessments	(12,286)	
Charges for Services	<u>284,959</u>	
Total		1,619,272

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bonds	1,835,000	
Special Assessment Bonds	90,000	
OPWC Loans Payable	45,043	
Capital Leases	<u>124,466</u>	
Total		2,094,509

OPWC loans issued in the governmental funds increase long-term liabilities in the statement of net position. (24,540)

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	12,880	
Amortization of Bond Premium	29,398	
Amortization of Loss on Refunding	<u>(92,255)</u>	
Total		(49,977)

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

Compensated Absences	75,136	
Retrospective Workers' Compensation	<u>1,524</u>	
Total		76,660

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 214,100

*Change in Net Position of Governmental Activities* \$6,926,966

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$7,216,546	\$7,216,546	\$6,680,907	(\$535,639)
Municipal Income Taxes	18,935,260	22,423,933	22,419,053	(4,880)
Admissions Taxes	88,941	107,542	107,516	(26)
Charges for Services	2,206,685	2,613,249	2,612,680	(569)
Licenses, Permits and Fees	1,617,880	1,915,962	1,915,545	(417)
Fines and Forfeitures	2,120,495	2,511,179	2,510,633	(546)
Intergovernmental	1,599,093	1,599,093	4,820,222	3,221,129
Interest	78,973	93,523	93,503	(20)
Rentals	24,887	29,472	29,466	(6)
Franchise Taxes	500,000	500,000	586,023	86,023
Payment in Lieu of Taxes	971,297	1,150,250	1,150,000	(250)
Miscellaneous	220,598	260,206	260,151	(55)
<i>Total Revenues</i>	35,580,655	40,420,955	43,185,699	2,764,744
<b>Expenditures</b>				
Current:				
General Government	13,089,855	13,246,286	13,364,209	(117,923)
Public Safety	15,157,310	15,380,832	15,382,087	(1,255)
Public Health Services	345,705	340,060	338,415	1,645
Transportation	3,307,100	3,373,620	3,373,633	(13)
Community Development	2,137,660	2,492,762	2,478,885	13,877
Sanitation	2,208,340	2,373,187	2,368,666	4,521
Culture and Recreation	2,034,815	1,806,195	1,800,712	5,483
<i>Total Expenditures</i>	38,280,785	39,012,942	39,106,607	(93,665)
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,700,130)	1,408,013	4,079,092	2,671,079
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	25,200	25,200	25,200	0
Advances In	43,800	43,800	43,800	0
Advances Out	0	0	(70,934)	(70,934)
Transfers Out	(2,449,800)	(5,129,145)	(4,953,292)	175,853
<i>Total Other Financing Sources (Uses)</i>	(2,380,800)	(5,060,145)	(4,955,226)	104,919
<i>Net Change in Fund Balance</i>	(5,080,930)	(3,652,132)	(876,134)	2,775,998
<i>Fund Balance Beginning of Year</i>	4,832,990	4,832,990	4,832,990	0
Unexpended Prior Year Encumbrances	21,361	21,361	21,361	0
<i>Fund Balance (Deficit) End of Year</i>	(\$226,579)	\$1,202,219	\$3,978,217	\$2,775,998

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**

*Statement of Fund Net Position*

*Proprietary Funds*

*December 31, 2012*

	Business Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities - Internal Service Fund
<b>Assets</b>				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$151,541	\$618,216	\$769,757	\$0
Materials and Supplies Inventory	22,201	2,490	24,691	0
Accounts Receivable	3,256,768	361,863	3,618,631	0
Interfund Receivable	8,054	0	8,054	286,273
<i>Total Current Assets</i>	<u>3,438,564</u>	<u>982,569</u>	<u>4,421,133</u>	<u>286,273</u>
<i>Noncurrent Assets</i>				
Nondepreciable Capital Assets	91,161	0	91,161	0
Depreciable Capital Assets, Net	15,018,653	7,826,128	22,844,781	0
<i>Total Noncurrent Assets</i>	<u>15,109,814</u>	<u>7,826,128</u>	<u>22,935,942</u>	<u>0</u>
<i>Total Assets</i>	<u>18,548,378</u>	<u>8,808,697</u>	<u>27,357,075</u>	<u>286,273</u>
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	35,765	4,864	40,629	0
Contracts Payable	46,830	103,614	150,444	0
Claims Payable	0	0	0	286,273
Accrued Wages	29,130	19,420	48,550	0
Retainage Payable	6,662	0	6,662	0
Intergovernmental Payable	1,682,631	20,386	1,703,017	0
Compensated Absences Payable	153,837	84,332	238,169	0
OPWC Loans	65,416	31,484	96,900	0
OWDA Loans	10,485	26,247	36,732	0
<i>Total Current Liabilities</i>	<u>2,030,756</u>	<u>290,347</u>	<u>2,321,103</u>	<u>286,273</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>				
Compensated Absences Payable	153,790	62,267	216,057	0
OPWC Loan Payable	544,606	353,911	898,517	0
OWDA Loan Payable	245,281	272,128	517,409	0
<i>Total Long-Term Liabilities</i>	<u>943,677</u>	<u>688,306</u>	<u>1,631,983</u>	<u>0</u>
<i>Total Liabilities</i>	<u>2,974,433</u>	<u>978,653</u>	<u>3,953,086</u>	<u>286,273</u>
<b>Net Position</b>				
Net Investment in Capital Assets	14,244,026	7,142,358	21,386,384	0
Unrestricted	1,329,919	687,686	2,017,605	0
<i>Total Net Position</i>	<u>\$15,573,945</u>	<u>\$7,830,044</u>	<u>\$23,403,989</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

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

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Sewer	Total	
<b>Operating Revenues</b>				
Charges for Services	\$11,437,439	\$1,727,854	\$13,165,293	\$5,444,664
Tap-In-Fees	29,518	0	29,518	0
Miscellaneous	1,605	749	2,354	0
<i>Total Operating Revenues</i>	<u>11,468,562</u>	<u>1,728,603</u>	<u>13,197,165</u>	<u>5,444,664</u>
<b>Operating Expenses</b>				
Personal Services	3,015,080	980,492	3,995,572	0
Other Than Personal Services	9,720,259	574,384	10,294,643	670,369
Non-Governmental	51,223	817	52,040	0
Depreciation	416,509	218,945	635,454	0
Claims	0	0	0	4,560,195
<i>Total Operating Expenses</i>	<u>13,203,071</u>	<u>1,774,638</u>	<u>14,977,709</u>	<u>5,230,564</u>
<i>Operating Income (Loss)</i>	(1,734,509)	(46,035)	(1,780,544)	214,100
<b>Non-Operating Expenses</b>				
Interest and Fiscal Charges	(10,114)	(13,075)	(23,189)	0
<i>Income (Loss) Before Transfers</i>	(1,744,623)	(59,110)	(1,803,733)	214,100
Transfers In	879,986	0	879,986	0
Transfers Out	(9,573)	(6,864)	(16,437)	0
<i>Change in Net Position</i>	(874,210)	(65,974)	(940,184)	214,100
<i>Net Position (Deficit) Beginning of Year</i>	<u>16,448,155</u>	<u>7,896,018</u>	<u>24,344,173</u>	<u>(214,100)</u>
<i>Net Position End of Year</i>	<u>\$15,573,945</u>	<u>\$7,830,044</u>	<u>\$23,403,989</u>	<u>\$0</u>

See accompanying notes to the basic financial statements



**City of Cleveland Heights, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2012

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Sewer	Total	
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$10,901,237	\$1,667,837	\$12,569,074	5,158,391
Cash Received from Other Operating Sources	1,605	749	2,354	0
Cash Received from Tap-In Fees	29,518	0	29,518	0
Cash Payments to Suppliers for Goods and Services	(10,662,615)	(490,998)	(11,153,613)	(670,369)
Cash Payments for Claims	0	0	0	(4,488,022)
Cash Payments for Employee Services and Benefits	(1,273,887)	(952,690)	(2,226,577)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	(1,004,142)	224,898	(779,244)	0
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfer In	879,986	0	879,986	0
Transfer Out	(9,573)	(6,864)	(16,437)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	870,413	(6,864)	863,549	0
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of Capital Assets	(476,318)	0	(476,318)	0
Principal Paid on OPWC Loans	(32,708)	(15,742)	(48,450)	0
Principal Paid on OWDA Loans	(10,094)	(25,198)	(35,292)	0
Interest Paid on OWDA Loans	(10,114)	(13,075)	(23,189)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	(529,234)	(54,015)	(583,249)	0
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(662,963)	164,019	(498,944)	0
<i>Cash and Cash Equivalents Beginning of Year</i>	814,504	454,197	1,268,701	0
<i>Cash and Cash Equivalents End of Year</i>	\$151,541	\$618,216	\$769,757	\$0

(continued)

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

	<u>Business Type Activities - Enterprise Funds</u>			Governmental
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	Activities - Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) for Operating Activities</b>				
<i>Operating Income (Loss)</i>	(\$1,734,509)	(\$46,035)	(\$1,780,544)	\$214,100
Adjustments:				
Depreciation	416,509	218,945	635,454	0
(Increase)/Decrease in Assets:				
Accounts Receivable	(540,158)	(60,017)	(600,175)	0
Materials and Supplies Inventory	(10,943)	43	(10,900)	0
Interfund Receivable	(1,410)	0	(1,410)	(286,273)
Increase/(Decrease) in Liabilities:				
Accounts Payable	19,095	(6,304)	12,791	0
Contracts Payable	46,830	95,275	142,105	0
Accrued Wages	12,376	6,226	18,602	0
Compensated Absences	30,608	11,937	42,545	0
Retainage Payable	6,662	0	6,662	0
Intergovernmental Payable	750,798	4,828	755,626	0
Claims Payable	0	0	0	72,173
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$1,004,142)</u>	<u>\$224,898</u>	<u>(\$779,244)</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2012*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	<u><u>\$861,280</u></u>
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**Liabilities**

Deposits Held and Due to Others	<u><u>\$861,280</u></u>
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See accompanying notes to the basic financial statements

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

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**Note 1 – Reporting Entity**

The City of Cleveland Heights (the City) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter since August 9, 1921. The current Charter provides for a Council/Manager form of government.

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 City of Cleveland Heights's primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a firefighting force, and a street maintenance and sanitation force, refuse collection, recreation programs, municipal court, public health, community development, public improvements, water and sewer services, and general administrative services.

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

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

The City is associated with one jointly governed organization, the First Suburbs Consortium of Northeast Ohio Council of Governments. This organization is presented in Note 22 to the basic financial statements.

**Note 2 – Summary of Significant Accounting Policies**

The financial statements of the City of Cleveland Heights have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

***Basis of Presentation***

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

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

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

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

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

**Fund Accounting**

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

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

**General Fund** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Cleveland Heights and/or the general laws of Ohio.

**General Bond Retirement Fund** The general bond retirement fund accounts for property taxes and special assessments restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

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

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

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

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

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***Water Fund*** The water fund accounts for the provision of water service to the residents and commercial users located within the City.

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

***Internal Service Fund*** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund reports on the hospitalization benefits for employee hospital/medical, prescription and dental plans.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own program. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City only utilizes the agency fund type. The City's primary agency funds account for the municipal court, NEORS/First Suburbs sales tax and construction deposits.

***Measurement Focus***

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

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

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

***Basis of Accounting***

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

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

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

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

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

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

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

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

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

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

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***Budgetary Data***

All funds, except agency funds, are legally required to be budgeted and appropriated. Budgetary information for the internal service fund is not reported because the City does not maintain budgetary records for internal service funds. 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 City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by Council at the department level for personal services, capital outlay, other than personal services, and non-governmental expenditures for all funds. The City Manager or Assistant to the City Manager is authorized to transfer budgeted amounts within each fund (between departments), as long as the total amount appropriated by City Council is at the legal level of control.

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

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

***Pooled Cash and Cash Equivalents***

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

During 2012, investments were limited to STAR Ohio, municipal bonds, school district bonds, federal home loan bank bonds, Ohio Water Department Authority loans, federal farm credit bank notes, federal national mortgage association notes, Central Ohio solid waste notes and university bonds. Investments are reported at fair value, which is based on quoted market price or current share.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2012.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2012 was \$45,780, which includes \$33,593 assigned from other City funds.

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



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

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***Materials and Supplies Inventory***

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

***Assets Held for Resale***

Assets held for resale represent homes purchased and repaired to be sold under the Neighborhood Stabilization Program for development purposes.

***Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). The City maintains a capitalization threshold of five 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

Description	Estimated Lives
Land Improvements	30-50 years
Building and Improvements	30-50 years
Machinery and Equipment	3-20 years
Intangible Assets	10 years
Infrastructure	15 -100 years

City's infrastructure consists of streets and sidewalks, off-street parking lots and water, sanitary sewer and storm sewer lines and includes infrastructure acquired prior to December 31, 1980.

***Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as interfund receivables/payables. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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

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***Compensated Absences***

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments came due each period upon the occurrence of employee retirements. These amounts are recorded in the account "matured compensated absences payable" in the general fund.

***Accrued Liabilities and Long-term Obligations***

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

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

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes property acquired for resale, unless the use of the proceeds from the sale of those properties is restricted, committed, or assigned.

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

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

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State Statute authorizes the Finance Director to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include street maintenance and repair, municipal court clerk computerization, and public safety.

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

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

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sewer services and the hospitalization program. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

***Interfund Activity***

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

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

***Bond Premiums***

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

***Deferred Charge on Refunding***

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

***Estimates***

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

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

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**Note 3 – Changes in Accounting Principles and Restatement of Net Position**

***Changes in Accounting Principles***

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

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

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

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the City’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

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

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The implementation of this statement resulted in the removal of the amortization of bond issuance costs and restatement of City’s financial statements.

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

***Restatement of Net Position***

The implementation of GASB No. 65 resulted in the decrease of net position at December 31, 2011 by \$255,885. It was also determined that special assessments receivable was understated by \$1,860,000 at December 31, 2011. These adjustments increased net position at December 31, 2011 by \$1,604,115 from \$88,230,627 ,to \$89,834,742.

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

**Note 4 – Accountability and Compliance**

***Accountability***

At December 31, 2012, the following funds had deficit fund balances.

Fund Description	Amounts
<b><i>Special Revenue Funds:</i></b>	
Communications System	\$49,875
Home Program	12,878
Police Pension	287,199
Fire Pension	377,929
Off-Street Parking	45,085
<b><i>Capital Projects Funds:</i></b>	
Capital Improvements	499,641

The deficit fund balances in the special revenue funds are the result of expenditures on the modified accrual basis of accounting which are substantially greater than expenditures recognized on the cash basis. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

The capital improvements capital projects fund's deficit is the result of the issuance of short-term bond anticipation notes which are used to finance the project until the bonds are issued. Once the notes are retired or the bonds issued, the deficit will be eliminated.

***Compliance***

The following accounts had expenditures plus encumbrances in excess of appropriations, contrary to Ohio Revised Code Section 5705.41.

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<b><i>General Fund</i></b>			
General Government			
City Manager			
Personal Services	\$512,000	\$513,520	(\$1,520)
Finance Department			
Personal Services	400,080	401,305	(1,225)
Public Properties and Park Maintenance			
Personal Services	1,382,030	1,387,785	(5,755)
Administrative Support			
Other than Personal Services	646,550	654,689	(8,139)
Hospitalization Insurance			
Personal Services	4,128,000	4,255,003	(127,003)
Public Safety			
Fire Department			
Personal Services	5,536,500	5,547,382	(10,882)

*(continued)*

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

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<b>General Fund</b> (continued)			
Transportation			
Street Maintenance			
Personal Services	\$1,083,620	\$1,086,932	(\$3,312)
Culture and Recreation			
Swimming Pools			
Personal Services	229,990	235,932	(5,942)
Advances Out	0	70,934	(70,934)
<b>Communications System</b>			
Public Safety			
Communication System Operating			
Personal Services	572,078	576,857	(4,779)
<b>Drug Law Enforcement</b>			
Public Safety			
Legislative and Executive			
Personal Services	52,937	54,846	(1,909)
<b>CDBG</b>			
Community Development			
Housing Preservation			
Personal Services	202,000	208,447	(6,447)
Transfer Out	0	34,273	(34,273)
<b>Home Program</b>			
Community Development			
Home Administration			
Other than Personal Services	275,150	292,149	(16,999)
<b>Lead Safe Cuyahoga</b>			
Community Development			
LEAD Safe Cuyahoga			
Personal Services	5,000	6,113	(1,113)
<b>Neighborhood Stabilization Program</b>			
Community Development			
Neighborhood Stabilization			
Other than Personal Services	16,300	41,201	(24,901)
<b>Tree</b>			
Community Development			
Tree			
Personal Services	642,500	652,152	(9,652)
<b>Economic Development</b>			
Community Development			
Planning			
Personal Services	94,025	95,358	(1,333)

Although these budgetary violations were not corrected by year end, management has indicated that appropriations will be closely monitored to prevent future violations.

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

The following funds had original appropriations in excess of original estimated resources plus carryover balances as reported on the Official Certificate of Estimated Resources at December 31, 2012

Fund	Estimated Resources Plus Carryover Balances	Appropriations	Variance
General Fund	\$40,504,006	\$40,730,585	(\$226,579)
Cain Park Operating	650,190	652,225	(2,035)
Police Pension	913,847	981,500	(67,653)
Fire Pension	1,239,847	1,250,000	(10,153)
Capital Improvements	544,806	706,900	(162,094)
Water	11,183,855	11,498,413	(314,558)

These budgetary violations were corrected by year end.

**Note 5 – Fund Balances**

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

Fund Balances	General	General Bond Retirement	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Inventory	\$380,439	\$0	\$65,780	\$446,219
<u>Restricted for:</u>				
Road improvements	0	0	736,185	736,185
Drug and Law Enforcement	0	0	320,515	320,515
Community Development	0	0	1,821,016	1,821,016
Environmental Protection	0	0	32,630	32,630
Municipal Court Computerization and Special Projects	0	0	1,938,827	1,938,827
Public Right of Way	0	0	14,457	14,457
Lead Safe Cuyahoga	0	0	2,182	2,182
Neighborhood Stabilization Program	0	0	516,539	516,539
Street Maintenance	0	0	187,922	187,922
Aging and Youth Recreation	0	0	51,387	51,387
Police Memorial	0	0	608	608
Recreational Facility Improvements	0	0	669,129	669,129
Debt service payments	0	1,817,733	0	1,817,733
<i>Total Restricted</i>	\$0	\$1,817,733	\$6,291,397	\$8,109,130

*(continued)*



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

Fund Balances	General	General Bond Retirement	Other Governmental Funds	Total
<u>Committed to:</u>				
Public Building Maintenance	\$0	\$0	\$7,504	\$7,504
Cain Park	0	0	956	956
Ambulance Services	0	0	633,102	633,102
Police Facility Improvement	0	0	28,295	28,295
Ring Road Construction	0	0	516,921	516,921
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>1,186,778</u>	<u>1,186,778</u>
<u>Assigned to:</u>				
2013 Appropriations	2,886,492	0	0	2,886,492
City Hall Maintenance	0	0	36,508	36,508
Economic Development	0	0	1,627,469	1,627,469
Other Purposes	74,329	0	0	74,329
<i>Total Assigned</i>	<u>2,960,821</u>	<u>0</u>	<u>1,663,977</u>	<u>4,624,798</u>
Unassigned (Deficit)	<u>3,157,559</u>	<u>0</u>	<u>(1,338,387)</u>	<u>1,819,172</u>
Total Fund Balances	<u>\$6,498,819</u>	<u>\$1,817,733</u>	<u>\$7,869,545</u>	<u>\$16,186,097</u>

**Note 6 – Budgetary Basis of Accounting**

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP).
- (d) Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP).
- (e) Investments are reported at fair value (GAAP) rather than cost (budget basis).
- (f) Unrecorded cash which consists of cash on hand that is not reported by the City on the operating statements (budget basis), but is reported on the GAAP basis operating statement.

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

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

	General
GAAP Basis	(\$1,525,842)
Net Adjustment for Revenue Accruals	(21,337)
Beginning Fair Value Adjustment for Investments	16,594
Ending Fair Value Adjustment for Investments	(4,879)
Beginning Unrecorded Cash	169,156
Ending Unrecorded Cash	(22,688)
Net Adjustment for Expenditure Accruals	664,137
Excess of revenues and other financing sources over expenditures and other uses:	
Earned Benefits	218,372
Advances In	43,800
Advances Out	(70,934)
Encumbrances	(342,513)
Budget Basis	(\$876,134)

**Note 7 – Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;

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

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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

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

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

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

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

**Deposits**

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$579,797 of the City's bank balance of \$2,318,933 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 credit 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 uninsured deposits being secured.

**Investments**

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

	Fair Value	Maturity	Percentage of Total Investments
STAR Ohio	\$6,283,557	Average 55.4 Days	44.46 %
Municipal Bonds	4,742,594	Less than One Year	33.56
University Bonds	312,624	Less than One Year	2.21
School District Municipal Bonds	789,477	Less than One Year	5.59
Federal Home Loan Bank Bonds	1,003,259	Less than One Year	7.10
Ohio Water Department Authority	250,093	Less than One Year	1.77
Federal Farm Credit Bank	250,032	Less than Five Years	1.77
Federal National Mortgage Association Notes	250,058	Less than Five Years	1.77
Central Ohio Solid Waste Notes	250,478	Less than One Year	1.77
<b>Total Portfolio</b>	<b>\$14,132,172</b>		

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

**Credit Risk** Federal home loan bank bonds, federal national mortgage association notes, and federal farm credit bank notes are registered and carry a rating of AA+ by Standard and Poor's. STAR Ohio is registered and carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer.

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

**Note 8 – Interfund Balances and Transfers**

***Interfund Balances***

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

<u>Interfund Payable</u>	<u>Interfund Receivable</u>			
	General	Water Fund	Internal Service	Totals
<b>Major Funds</b>				
General Fund	\$0	\$7,967	\$247,018	\$254,985
<b>Other Governmental Funds</b>				
Foundation Grants	7,084	0	0	7,084
Communications System	0	0	4,646	4,646
Drug Law Enforcement	0	0	811	811
CDBG	12,611	0	2,776	15,387
Home Program	51,239	0	0	51,239
Municipal Court Clerk Computerization	0	0	441	441
Municipal Court Special Projects	0	0	743	743
Neighborhood Stabilization Program	0	87	200	287
Tree	0	0	4,234	4,234
Police Pension	0	0	9,405	9,405
Fire Pension	0	0	12,866	12,866
Economic Development	0	0	779	779
Off-Street Parking	0	0	1,200	1,200
Ambulance Services	0	0	1,154	1,154
<i>Total Other Governmental Funds</i>	<u>70,934</u>	<u>87</u>	<u>39,255</u>	<u>110,276</u>
<i>Total Governmental Activities</i>	<u>\$70,934</u>	<u>\$8,054</u>	<u>\$286,273</u>	<u>\$365,261</u>

Interfund balances at December 31, 2012, consisted of a general fund advance of \$70,934 to nonmajor special revenue funds due to the timing of the receipt of grant monies. All advances are expected to be repaid within one year. The general fund and the neighborhood stabilization program fund also paid the water enterprise fund for the City water usage. The general fund and other governmental funds paid the internal service fund for health insurance premiums.

***Interfund Transfers***

At December 31, 2012 interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>					Total
	General	General	Other	Business-Type		
		Bond Retirement	Governmental Funds	Water	Sewer	
<b>Major Funds:</b>						
General Fund	\$0	\$0	\$589	\$9,573	\$6,864	\$17,026
<b>Other Governmental Funds:</b>						
Communications System	404,348	0	0	0	0	404,348
Cain Park Operating	89,199	0	0	0	0	89,199
Street Lighting	16,633	0	0	0	0	16,633
Tree	17,712	0	0	0	0	17,712
Police Pension	798,819	0	4,712	0	0	803,531

*(continued)*

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

<b>Transfers To</b>	<b>Transfers From</b>					Total
	General	General	Other	Business-Type		
		Bond Retirement	Governmental Funds	Water	Sewer	
Fire Pension	\$1,102,755	\$0	\$28,000	\$0	\$0	\$1,130,755
Capital Improvement	0	353,490	0	0	0	353,490
Economic Development	1,150,000	0	0	0	0	1,150,000
Total Other Governmental Funds	<u>3,579,466</u>	<u>353,490</u>	<u>32,712</u>	<u>0</u>	<u>0</u>	<u>3,965,668</u>
Total Governmental Funds	3,579,466	353,490	33,301	9,573	6,864	3,982,694
<b>Business-Type:</b>						
Water	<u>879,986</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>879,986</u>
Total	<u><u>\$4,459,452</u></u>	<u><u>\$353,490</u></u>	<u><u>\$33,301</u></u>	<u><u>\$9,573</u></u>	<u><u>\$6,864</u></u>	<u><u>\$4,862,680</u></u>

The general fund transfers to the other governmental funds were made to provide additional resources for capital improvements and current operations. Transfers from other governmental funds to the general fund were for funds contribution for pension liabilities from fire personnel wages and for the “sick leave buy back” as required by City ordinance or labor union contracts that were charged to general fund. Transfers from enterprise funds to general fund were for contributions for earned benefits paid from the general fund.

**Note 9 – Receivables**

Receivables at December 31, 2012, consisted primarily of municipal income taxes, property and other local taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, notes receivable, accrued interest on investments, and accounts (billings for water and utility services).

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

Special assessments expected to be collected in more than one year amount to \$4,730,681 in the tree and street lighting special revenue funds and the general bond retirement fund. At December 31, 2012, the amount of delinquent special assessments was \$1,170,478.

Notes expected to be collected in more than one year amount to \$1,754,578 and \$36,314 in the community development block grant and home program special revenue funds, respectively. At December 31, 2012 there were no delinquent loans.

**Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

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

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

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2012 was \$13.00 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2012 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$716,045,780
Other Real Estate	136,988,860
Public Utility Property	<u>12,266,160</u>
Total Assessed Valuation	<u><u>\$865,300,800</u></u>

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

***Income Taxes***

The City levies an income tax of 2 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 50 percent of the tax paid to another municipality, to a maximum of one-half of one percent of income earned outside the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of 3 percent. Taxes collected by RITA in one month are remitted to the City between the first and tenth business days of the following month. Income tax revenue is credited to the general fund.

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

***Intergovernmental Receivables***

A summary of the principal items of intergovernmental receivables follows:

	Amount
<b>Governmental Activities</b>	
Homestead and Rollback	\$732,591
Local Government	548,206
Gas Excise Tax	424,250
Auto Registration	293,943
Estate tax	47,374
Admission Tax	7,551
CDBG Grant	5,096
	\$2,059,011
<i>Total Intergovernmental Receivables</i>	

**Note 10 – Capital Assets**

A summary of changes in capital assets during 2012 follows:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<b>Governmental Activities</b>				
<i>Nondepreciable Capital Assets</i>				
Land	\$5,304,746	\$0	(\$10,000)	\$5,294,746
Construction in Progress	2,035,422	2,161,886	(1,787,132)	2,410,176
<i>Total Nondepreciable Capital Assets</i>	7,340,168	2,161,886	(1,797,132)	7,704,922
<i>Depreciable Capital Assets</i>				
Land Improvements	2,045,014	125,374	0	2,170,388
Building and Improvements	63,357,287	62,699	(268,610)	63,151,376
Machinery and Equipment	21,017,399	1,768,973	(779,768)	22,006,604
Intangible Assets	32,707	0	0	32,707
Infrastructure				
Streets and Sidewalks	41,548,009	4,942,221	0	46,490,230
Off-Street Parking	2,604,360	242,532	0	2,846,892
<i>Total Depreciable Capital Assets</i>	130,604,776	7,141,799	(1,048,378)	136,698,197
<i>Less Accumulated Depreciation</i>				
Land Improvements	(689,629)	(124,174)	0	(813,803)
Building and Improvements	(25,259,631)	(1,322,310)	231,249	(26,350,692)
Machinery and Equipment	(14,892,529)	(1,204,537)	671,787	(15,425,279)
Infrastructure				
Streets and Sidewalks	(14,181,962)	(1,731,588)	0	(15,913,550)
Off-Street Parking	(1,590,194)	(51,539)	0	(1,641,733)
<i>Total Accumulated Depreciation</i>	(56,613,945)	(4,434,148)	903,036	(60,145,057)
<i>Total Depreciable Capital Assets, Net</i>	73,990,831	2,707,651	(145,342)	76,553,140
<i>Total Governmental Capital Assets, Net</i>	\$81,330,999	\$4,869,537	(\$1,942,474)	\$84,258,062



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

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<b>Business-Type Activities</b>				
<i>Nondepreciable Capital Assets</i>				
Construction in Progress	\$62,985	\$127,290	(\$99,114)	\$91,161
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	148,238	0	0	148,238
Machinery and Equipment	4,472,175	0	(17,274)	4,454,901
Infrastructure				
Water Lines	17,792,909	448,142	0	18,241,051
Sanitary Sewer Lines	7,283,724	0	0	7,283,724
Storm Sewer Lines	2,941,631	0	0	2,941,631
<i>Total Depreciable Capital Assets</i>	<u>32,638,677</u>	<u>448,142</u>	<u>(17,274)</u>	<u>33,069,545</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(31,896)	(6,384)	0	(38,280)
Machinery and Equipment	(3,771,879)	(185,979)	17,274	(3,940,584)
Infrastructure				
Water Lines	(3,497,553)	(249,057)	0	(3,746,610)
Sanitary Sewer Lines	(1,566,328)	(122,423)	0	(1,688,751)
Storm Sewer Lines	(738,928)	(71,611)	0	(810,539)
<i>Total Accumulated Depreciation</i>	<u>(9,606,584)</u>	<u>(635,454)</u>	<u>17,274</u>	<u>(10,224,764)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>23,032,093</u>	<u>(187,312)</u>	<u>0</u>	<u>22,844,781</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$23,095,078</u>	<u>(\$60,022)</u>	<u>(\$99,114)</u>	<u>\$22,935,942</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$811,090
Public Safety	627,830
Transportation	1,974,501
Community Development	111,475
Sanitation	257,753
Culture and Recreation	651,499
Total	<u>\$4,434,148</u>

## Note 11 – Significant Commitments

### *Contractual Commitments*

At December 31, 2012, the City had \$79,482 in significant contractual commitments which consisted of several construction projects: 2012 street resurfacing, 2012 surface treatment program, and Middlehurst Road waterline replacement.

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

**Encumbrances**

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

Governmental Funds:		Proprietary Funds:	
General fund	\$342,513	Water	\$143,106
Other Governmental Funds	<u>731,462</u>	Sewer	<u>78,397</u>
Total Governmental Funds	<u><u>\$1,073,975</u></u>	Total	<u><u>\$221,503</u></u>

**Note 12 – Risk Management**

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

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$89,025,000	\$50,000
General Liability	11,000,000	100,000
Automobile Liability	11,000,000	100,000
Public Officials Liability	11,000,000	100,000
Police Professional Liability	11,000,000	100,000

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

The City has elected to provide employee hospital/medical, prescription and dental benefits through a partially self insured program. The City established a hospitalization internal service fund to account for and finance the cost of this program. The City has stop loss coverage at \$125,000 per family, per year, and a calculated aggregate maximum for the 2012 plan year of \$5,914,062.

The claims liability of \$286,273 as estimated by the third party administrator and reported in the hospitalization internal service fund at December 31, 2012, is based on the requirements of GASB Statement No. 30 which requires 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 claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund claims liability amount in 2011 and 2012 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$25,078	\$4,289,436	\$4,100,414	\$214,100
2012	214,100	4,560,195	4,488,022	286,273

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

The City participates in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the 2012 claims paid by the Bureau of Workers' Compensation, the City will reimburse the State for claims paid on the City's behalf. The payable is reclassified from claims payable to intergovernmental payable. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured in 2012. The minimum premium portion of intergovernmental payable is \$334,728. The maintenance of these benefits is accounted for in the general fund. Claims of \$748,582 have been accrued as a liability at December 31, 2012 based on an estimate provided by Comp Management, Inc., the City's third party administrator. Changes in the claims liability amount for workers' compensation in 2011 and 2012 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$867,482	\$326,226	\$443,602	\$750,106
2012	750,106	492,462	493,986	748,582

**Note 13 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2012, member and employer contribution rates were consistent across all three plans.

The City's 2012 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

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

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The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$1,526,356, \$1,497,894, and \$2,435,579, respectively. For 2012, 96.69 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$4,108 made by the City and \$2,934 made by plan members.

***Ohio Police and Fire Pension Fund***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$677,557 and \$964,586 for the year ended December 31, 2012, \$647,753 and \$990,204 for the year ended December 31, 2011, and \$1,033,414 and \$1,344,350 for the year ended December 31, 2010, respectively. For 2012, 96.89 percent for police and 97.60 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

**Note 14 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

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

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$610,542, \$601,976, and \$881,475, respectively. For 2012, 96.69 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Ohio Police and Fire Pension Fund***

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available of OP&F's website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$358,707 and \$377,447 for the year ended December 31, 2012, \$342,928 and \$387,471 for the year ended December 31, 2011, and \$357,561 and \$377,762 for the year ended December 31, 2010. For 2012, 96.89 percent has been contributed for police and 97.60 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

### **Note 15 – Compensated Absences**

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

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. An employee with five or more consecutive years of service is entitled to payment to a maximum of 750 hours for accumulated sick leave.

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

**Note 16– Solid Waste**

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

**Note 17 – Contingent Liabilities**

*Litigation*

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

*Federal and State Grants*

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2012.

**Note 18 – Long-term Obligations**

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities:</b>				
<b>General Obligation Bonds</b>				
Pension Fund Refunding	1999	2013	3.05 - 4.50 %	\$2,000,000
Off-Street Refunding	2001	2012	3.3 - 4.4	2,385,000
Recreational Facilities	2001	2017	3.3 - 4.9	4,000,000
Recreational Facilities Refunding	2008	2017	3.0 - 5.0	8,695,000
Cedar Lee Parking Deck	2008	2028	3.0 - 4.75	6,355,000
<b>Special Assessment Bonds</b>				
Ring Road Improvement	2004	2029	2.5 - 5.0	3,200,000

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities:</b>				
<b>OPWC Loans</b>				
Taylor Road Rehabilitation	2001	2021	0	\$132,780
Coventry Road Rehabilitation	2005	2025	0	369,741
Lee Road Rehabilitation	2006	2029	0	39,852
Meadowbrook Boulevard	2006	2026	0	1,837,103
Monticello Boulevard	2010	2031	0	248,880
Monticello Boulevard	2012	2034	0	640,800
<b>Business-Type Activities</b>				
<b>OPWC Loans</b>				
Cedar Road - Water	2000	2020	0	940,876
Cedar Road - Sewer	2000	2020	0	170,407
Meadowbrook Boulevard Rehabilitation - Water	2006	2022	0	367,421
Meadowbrook Boulevard Rehabilitation - Sewer	2006	2022	0	459,276
<b>OWDA Loans</b>				
OWDA Loan - Sewer	2007	2022	4.12	425,071
OWDA Loan - Water Line	2010	2030	3.84	280,298

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

	Balance 12/31/2011	Increase	Decrease	Balance 12/31/2012	Amounts Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
1999 Pension Fund Refunding Bonds	\$340,000	\$0	\$165,000	\$175,000	\$175,000
2001 Off-Street Refunding Bonds	240,000	0	240,000	0	0
2001 Recreational Facilities Bonds	1,770,000	0	265,000	1,505,000	275,000
2008 Recreational Facilities Refunding Bonds	6,035,000	0	920,000	5,115,000	945,000
Unamortized Premium	183,802	0	28,020	155,782	
2008 Cedar Lee Parking Deck Bonds	5,740,000	0	245,000	5,495,000	255,000
Unamortized Premium	17,504	0	747	16,757	0
<i>Total General Obligation Bonds</i>	<u>14,326,306</u>	<u>0</u>	<u>1,863,767</u>	<u>12,462,539</u>	<u>1,650,000</u>
<b>Special Assessment Bonds</b>					
2004 Ring Road Improvement	2,685,000	0	90,000	2,595,000	90,000
Unamortized Premium	18,837	0	631	18,206	0
<i>Total Special Assessment Bonds</i>	<u>\$2,703,837</u>	<u>\$0</u>	<u>\$90,631</u>	<u>\$2,613,206</u>	<u>\$90,000</u>



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

	Balance 12/31/2011	Increase	Decrease	Balance 12/31/2012	Amounts Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
<b>OPWC Loans</b>					
2001 Taylor Road Rehabilitation	\$63,071	\$0	\$3,320	\$59,751	\$6,640
2005 Coventry Road Rehabilitation	240,332	0	9,244	231,088	18,488
2006 Lee Road Rehabilitation	34,871	0	997	33,874	1,994
2006 Meadowbrook Boulevard	732,546	0	25,260	707,286	50,520
2010 Monticello Boulevard - Phase I	236,436	0	6,222	230,214	12,444
2012 Monticello Boulevard - Phase II	0	24,540	0	24,540	0
<i>Total OPWC Loans</i>	<u>1,307,256</u>	<u>24,540</u>	<u>45,043</u>	<u>1,286,753</u>	<u>90,086</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	6,244,180	2,404,281	2,479,417	6,169,044	2,453,322
Workers' Compensation Liability	750,106	492,462	493,986	748,582	427,672
Capital Leases	408,081	0	124,466	283,615	89,779
<i>Total Other Long-Term Obligations</i>	<u>7,402,367</u>	<u>2,896,743</u>	<u>3,097,869</u>	<u>7,201,241</u>	<u>2,970,773</u>
Total Governmental Long-Term Liabilities	<u>\$25,739,766</u>	<u>\$2,921,283</u>	<u>\$5,097,310</u>	<u>\$23,563,739</u>	<u>\$4,800,859</u>
	Balance 12/31/2011	Increase	Decrease	Balance 12/31/2012	Amounts Due in One Year
<b>Business-Type Activities</b>					
<b>OPWC Loans</b>					
Cedar Road - Water	\$376,350	\$0	\$23,522	\$352,828	\$47,044
Cedar Road - Sewer	68,163	0	4,260	63,903	8,520
Meadowbrook Boulevard Rehabilitaiton - Water	266,380	0	9,186	257,194	18,372
Meadowbrook Boulevard Rehabilitaiton - Sewer	332,974	0	11,482	321,492	22,964
<i>Total OPWC Loans</i>	<u>1,043,867</u>	<u>0</u>	<u>48,450</u>	<u>995,417</u>	<u>96,900</u>
<b>OWDA Loans</b>					
OWDA Loan - Demington Sewer	323,573	0	25,198	298,375	26,247
OWDA Loan - Runnymede Water Line	265,860	0	10,094	255,766	10,485
<i>Total OWDA Loans</i>	<u>589,433</u>	<u>0</u>	<u>35,292</u>	<u>554,141</u>	<u>36,732</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences	411,681	244,728	202,183	454,226	238,169
Total Business-Type Activities Long-term Liabilities	<u>\$2,044,981</u>	<u>\$244,728</u>	<u>\$285,925</u>	<u>\$2,003,784</u>	<u>\$371,801</u>

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

In 1999, the City issued general obligation refunding bonds in the amount of \$2,000,000. The general obligation bonds were issued for the purpose of refunding the 1973 unfunded pension liability in order to take advantage of lower interest rates. The bonds were issued for a 13-year period with final maturity at December 1, 2013. The bonds will be retired from the general bond retirement fund.

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

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In 2001, the City issued general obligation refunding bonds in the amount of \$2,385,000. The general obligation bonds were issued for the purpose of refunding the 1992 Off-Street Parking Facility Improvement bonds in order to take advantage of lower interest rates. The bonds were issued for a twenty-year period with final maturity at December 1, 2012. The bonds will be retired from the general bond retirement fund.

In 2001, the City issued general obligation refunding bonds in the amount of \$4,000,000. The general obligation bonds were issued for the purpose of refunding the 1992 Recreational Facilities Improvement bonds in order to take advantage of lower interest rates. The bonds were issued for a twelve-year period with final maturity at December 1, 2017. The bonds will be retired from the general bond retirement fund.

In 2008, the City issued general obligation refunding bonds in the amount of \$8,695,000. The general obligation bonds were issued for the purpose of refunding the 1997 Recreational Facilities Improvement bonds in order to take advantage of lower interest rates. The bonds were issued for a twenty-year period with final maturity at December 1, 2017. The bonds will be retired from the general bond retirement fund.

In 2008, the City defeased the 1997 Recreational Facilities Improvement bonds in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2012, \$5,115,000 of the defeased bonds are still outstanding.

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

**Other long-term obligations** Capital leases will be paid from the general fund and tree special revenue fund. Compensated absences will be paid from the general, water and sewer funds. The workers' compensation liability will be paid from the general fund. The OPWC loans in the governmental activities will be paid semiannually from street construction and maintenance special revenue fund. The loans are interest free.

The OPWC and OWDA loans in business-type activities will be paid semiannually from water and sewer funds. In the event that the water and sewer funds would fail to pay the OPWC and OWDA loans, payment would be made by any general tax revenues collected in the general, bond retirement or capital projects funds.

A line of credit has been established with Ohio Public Works Commission in the amount of \$640,800 for street repairs, however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The City has received \$24,540 in proceeds.

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

The City's overall legal debt margin was \$80,384,317 and the unvoted legal debt margin was \$37,119,277 at December 31, 2012. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2012, are as follows:

Governmental Activities					
Year	General Obligation Bonds		Special Assessment Bonds		OPWC
	Principal	Interest	Principal	Interest	Loans
2013	\$1,650,000	\$525,744	\$90,000	\$117,972	\$90,086
2014	1,530,000	464,130	95,000	114,598	90,086
2015	1,585,000	407,445	100,000	110,797	90,086
2016	1,655,000	340,084	100,000	106,797	90,086
2017	1,730,000	266,764	105,000	102,797	90,086
2018-2022	1,640,000	789,608	600,000	445,433	443,781
2023-2027	2,035,000	401,175	745,000	300,581	320,484
2028-2032	465,000	65,313	760,000	67,500	47,518
<b>Total</b>	<b>\$12,290,000</b>	<b>\$3,260,263</b>	<b>\$2,595,000</b>	<b>\$1,366,475</b>	<b>\$1,262,213</b>

Business-Type Activities			
Year	OPWC	OWDA Loans	
	Loans	Principal	Interest
2013	\$96,900	\$36,732	\$21,748
2014	96,899	38,231	20,248
2015	96,899	39,792	18,688
2016	96,899	41,415	17,064
2017	96,899	43,105	15,373
2018-2022	345,585	224,265	48,996
2023-2027	165,336	82,868	18,166
2028-2031	0	47,733	2,784
<b>Total</b>	<b>\$995,417</b>	<b>\$554,141</b>	<b>\$163,067</b>

**Note 19 - Notes Payable**

Changes in the City's note activity for the year ended December 31, 2012, were as follows:

	Outstanding 12/31/2011	Additions	(Reductions)	Outstanding 12/31/2012
<i>General Obligation</i>				
<i>Bond Retirement Fund:</i>				
Street Improvements	\$304,000	\$228,000	(\$304,000)	\$228,000
Monticello Boulevard and Taylor Road	517,000	444,000	(517,000)	444,000
Motorized Equipment	532,000	679,000	(532,000)	679,000
<i>Total General Obligation</i>				
<i>Bond Retirement Fund</i>	\$1,353,000	\$1,351,000	(\$1,353,000)	\$1,351,000

(continued)

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

	Outstanding 12/31/2011	Additions	(Reductions)	Outstanding 12/31/2012
<i>Capital Improvements Fund:</i>				
Police Motor Vehicles	\$350,000	\$0	(\$350,000)	\$0
Motorized Equipment	0	665,000	0	665,000
Computer Equipment	0	110,000	0	110,000
<i>Total Capital Improvements Fund</i>	<u>350,000</u>	<u>775,000</u>	<u>(350,000)</u>	<u>775,000</u>
<i>Total Governmental Activities</i>	<u>\$1,703,000</u>	<u>\$2,126,000</u>	<u>(\$1,703,000)</u>	<u>\$2,126,000</u>

In 2012, the City paid the \$1,353,000 various purpose note and reissued \$1,351,000. The 2011 \$350,000 police and motor vehicles note was paid off in 2012. Also in 2012, the City issued \$775,000 in notes for the purchase of motorized and computer equipment. The notes have an interest rate of 1.0 percent and mature on August 1, 2013. All note proceeds have been fully expended.

All notes are backed by the full faith and credit of the City of Cleveland Heights and mature within one year. The note liabilities are reflected in the funds which received the proceeds.

**Note 20 - Capital Leases**

During previous years, the City entered into several lease agreements for machinery and equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital asset acquired by lease currently being paid have been capitalized and depreciated as follows as of December 31, 2012:

	<u>Amounts</u>
Equipment	\$450,000
Less Accumulated Depreciation	(180,000)
Current Book Value	<u>\$270,000</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2012.

Year Ending December 30,	Governmental Activities
2013	\$95,390
2014	95,390
2015	<u>103,324</u>
Total	294,104
Less: Amount Representing Interest	<u>(10,489)</u>
Present Value of Net Minimum Lease Payments	<u>\$283,615</u>

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

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**Note 21 – Assets Held For Resale**

Assets held for resale represent homes purchased and repaired to be resold under the Community Development Block Grant Program (CDBG) and Neighborhood Stabilization Program. During 2012, the City sold six homes. As of December 31, 2012, the City has three homes remaining, one CDBG and two NSP homes, which are being held for resale.

**Note 22 – Jointly Governed Organization**

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

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2012, the City contributed \$1,500 for membership to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, OH 44118.

## *Combining and Individual Fund Statements and Schedules*

### *Fund Descriptions - Nonmajor Governmental Funds*

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#### *Nonmajor Special Revenue Funds*

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

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

***Foundation Grants Fund*** - To account for and report grants received from various non-profit organizations restricted for community development and public health purposes.

***Communications System Fund*** - To account for and report charges for services committed to the operations of the fire department dispatch office serving Cleveland Heights and neighboring community.

***Public Building Maintenance Fund*** - To account for and report committed rental income for placement of communication towers.

***Law Enforcement Trust Fund*** - To account for and report fines from seizures from criminals by law enforcement officials in the course of their work restricted for expenditures that would enhance the police department.

***Drug Law Enforcement Fund*** - To account for and report fines obtained from confiscated property from criminal offenses restricted for drug law enforcement purposes.

***Community Development Block Grant Fund*** - To account for and report restricted Federal grant monies for expenditures as prescribed under the Community Development Block Grant Program.

***EPA Brownfield Grant Fund*** - To account for and report the federal EPA Brownfield grant restricted for expenditures allowable under the grant agreement. This fund did not have any budgetary activity in 2012, therefore, budgetary information is not provided.

***Home Program Fund*** - To account for and report restricted grants available through the Cuyahoga Housing Consortium restricted for the Home Investment Partnership Program.

***Cain Park Operating Fund*** - To account for and report charges for services committed to the operation and maintenance of the Cain Park Summer Theater.

***Public Right of Way Fund*** - To account for and report restricted fees received from public or private service providers restricted for the use of the public right of way.

***Indigent Driver's Alcohol Treatment Fund*** - To account for and report the City's portion of fines collected by the State of Ohio restricted for the cost of an alcohol and other drug addiction treatment program for those unable to pay for such attendance.

***Municipal Court Clerk Computerization Fund*** - To account for and report fees charged in all civil and/or criminal traffic convictions restricted for court computer-related expenditures.

(continued)

*Fund Descriptions - Nonmajor Governmental Funds (continued)*

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*Nonmajor Special Revenue Funds (continued)*

***DUI Enforcement and Education Fund*** - To account for and report the City's portion of court fines collected on all D.U.I. cases and restricted by State statute for expenditures that would promote education about driving while intoxicated.

***Municipal Court Special Projects Fund*** - To account for and report costs charged in all civil and/or criminal traffic convictions restricted for court identified projects.

***Lead Safe Cuyahoga Fund*** - To account for and report grants received from Cuyahoga County restricted for costs related to testing paint for lead content and remediation of the identified areas.

***Neighborhood Stabilization Program Fund*** - To account for and report grants restricted to address the City's foreclosed homes crisis and stabilize neighborhoods.

***Homelessness Prevention Fund*** - To account for and report grants restricted for assisting individuals and families who are currently in housing but are at risk of becoming homeless and need temporary rent or utility assistance and programming and administrative costs associated with the implementation of these activities.

***Street Lighting Fund*** - To account for and report restricted special assessments for the payment street lighting expenditures within the City.

***Tree Fund*** - To account for and report restricted special assessments for the payment of the cost of maintenance trees on the public right-of-way.

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

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

***Off-Street Parking Fund*** - To account for and report meter and permit charges for parking in municipal lots restricted for the cost of maintaining such lots.

***Ambulance Services Fund*** - To account for and report ambulance charges committed to pre-hospital life support services.

***Cedar Lee Parking Facility Fund*** - To account for and report meter and permit charges for parking restricted for Cedar Lee parking deck.

***Office on Aging Donations Fund*** - To account for and report the Martin bequest and other donations restricted for their related expenditures.

***Youth Recreation Donation Fund*** - To account for and report restricted donations for the youth recreation program.

***Police Memorial Trust Fund*** - To account for and report private donations restricted for the purpose of establishing a police memorial to honor officers that have been killed in the line of duty.

(continued)

*Fund Descriptions - Nonmajor Governmental Funds (continued)*

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*Nonmajor Special Revenue Funds (continued)*

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

*Nonmajor Capital Projects Funds*

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

***Police Facility Improvement Fund*** - To account for and report administrative fees collected by police department committed to the maintenance, repair, rehabilitation and improvement of the City's police department buildings and facilities outside of City Hall.

***Recreation Facility Improvement Fund*** - To account for and report restricted property taxes for the improvement and maintenance of the City's parks, recreation and cultural facilities.

***Capital Improvements Fund*** - To account for and report note proceeds restricted for the annual purchase of capital equipment and certain capital improvements.

***Economic Development Fund*** - To account for and report miscellaneous monies assigned to transactions to the economic development of the City.

***City Hall Maintenance Fund*** - To account for and report rentals revenues assigned to the costs of major maintenance and repair of City Hall.

***Ring Road Construction Fund*** - To account for and report transfers and other revenues committed to the reconstruction of Severance Ring Road.



**City of Cleveland Heights, Ohio**

*Combining Balance Sheet*

*Nonmajor Governmental Funds*

*December 31, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,190,550	\$3,303,851	\$7,494,401
Materials and Supplies Inventory	65,780	0	65,780
Accounts Receivable	817,947	0	817,947
Intergovernmental Receivable	757,363	39,753	797,116
Property Taxes Receivable	507,024	591,527	1,098,551
Special Assessments Receivable	3,015,681	0	3,015,681
Notes Receivable	1,931,232	0	1,931,232
Assets Held for Resale	250,612	0	250,612
<i>Total Assets</i>	<u>\$11,536,189</u>	<u>\$3,935,131</u>	<u>\$15,471,320</u>
<b>Liabilities</b>			
Accounts Payable	\$260,291	\$139,646	\$399,937
Contracts Payable	40,928	0	40,928
Accrued Wages	86,639	1,700	88,339
Interfund Payable	109,497	779	110,276
Intergovernmental Payable	853,793	4,839	858,632
Accrued Interest Payable	0	3,206	3,206
Notes Payable	0	775,000	775,000
<i>Total Liabilities</i>	<u>1,351,148</u>	<u>925,170</u>	<u>2,276,318</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	421,920	492,239	914,159
Unavailable Revenue	4,272,257	139,041	4,411,298
<i>Deferred Inflows of Resources</i>	<u>4,694,177</u>	<u>631,280</u>	<u>5,325,457</u>
<b>Fund Balances</b>			
Nonspendable	65,780	0	65,780
Restricted	5,622,268	669,129	6,291,397
Committed	641,562	545,216	1,186,778
Assigned	0	1,663,977	1,663,977
Unassigned (Deficit)	(838,746)	(499,641)	(1,338,387)
<i>Total Fund Balances</i>	<u>5,490,864</u>	<u>2,378,681</u>	<u>7,869,545</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$11,536,189</u>	<u>\$3,935,131</u>	<u>\$15,471,320</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property Taxes	\$460,752	\$537,544	\$998,296
Charges for Services	2,544,162	0	2,544,162
Licenses, Permits and Fees	13,489	28,260	41,749
Fines and Forfeitures	411,137	0	411,137
Intergovernmental	5,612,179	79,506	5,691,685
Special Assessments	1,841,392	0	1,841,392
Interest	31	0	31
Rentals	0	21,010	21,010
Contributions and Donations	12,348	0	12,348
Miscellaneous	376,252	660,026	1,036,278
<i>Total Revenues</i>	<u>11,271,742</u>	<u>1,326,346</u>	<u>12,598,088</u>
<b>Expenditures</b>			
Current:			
General Government	1,373,455	0	1,373,455
Public Safety	4,999,587	0	4,999,587
Public Health Services	18,648	0	18,648
Transportation	1,855,148	0	1,855,148
Community Development	3,306,723	0	3,306,723
Culture and Recreation	773,977	0	773,977
Capital Outlay	0	2,330,729	2,330,729
Debt Service:			
Principal Retirement	81,781	0	81,781
Interest and Fiscal Charges	1,061	6,696	7,757
<i>Total Expenditures</i>	<u>12,410,380</u>	<u>2,337,425</u>	<u>14,747,805</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,138,638)</u>	<u>(1,011,079)</u>	<u>(2,149,717)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	103,497	0	103,497
OPWC Loan Issued	24,540	0	24,540
Transfers In	2,462,178	1,503,490	3,965,668
Transfers Out	(33,301)	0	(33,301)
<i>Total Other Financing Sources (Uses)</i>	<u>2,556,914</u>	<u>1,503,490</u>	<u>4,060,404</u>
<i>Net Change in Fund Balances</i>	1,418,276	492,411	1,910,687
<i>Fund Balances Beginning of Year</i>	<u>4,072,588</u>	<u>1,886,270</u>	<u>5,958,858</u>
<i>Fund Balances End of Year</i>	<u><u>\$5,490,864</u></u>	<u><u>\$2,378,681</u></u>	<u><u>\$7,869,545</u></u>

**City of Cleveland Heights, Ohio**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*December 31, 2012*

	Street Construction, Maintenance and Repair	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
<b>Assets</b>						
Equity in Pooled Cash and						
Cash Equivalents	\$504,463	\$36,716	\$6,021	\$10,567	\$49,468	\$79,710
Materials and Supplies Inventory	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	718,193	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Notes Receivable	0	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,222,656</u>	<u>\$36,716</u>	<u>\$6,021</u>	<u>\$10,567</u>	<u>\$49,468</u>	<u>\$79,710</u>
<b>Liabilities</b>						
Accounts Payable	\$16,502	\$0	\$29,696	\$3,063	\$6,500	\$2,108
Contracts Payable	3,589	0	0	0	0	0
Accrued Wages	0	0	10,306	0	0	2,324
Interfund Payable	0	7,084	4,646	0	0	811
Intergovernmental Payable	0	0	11,248	0	0	2,024
<i>Total Liabilities</i>	<u>20,091</u>	<u>7,084</u>	<u>55,896</u>	<u>3,063</u>	<u>6,500</u>	<u>7,267</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	466,380	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>466,380</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	0
Restricted	736,185	29,632	0	0	42,968	72,443
Committed	0	0	0	7,504	0	0
Unassigned (Deficit)	0	0	(49,875)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>736,185</u>	<u>29,632</u>	<u>(49,875)</u>	<u>7,504</u>	<u>42,968</u>	<u>72,443</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$1,222,656</u>	<u>\$36,716</u>	<u>\$6,021</u>	<u>\$10,567</u>	<u>\$49,468</u>	<u>\$79,710</u>

(continued)

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

	Community Development Block Grant	EPA Brownfield Grant	Home Program	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment
<b>Assets</b>						
Equity in Pooled Cash and						
Cash Equivalents	\$3,055	\$2,998	\$0	\$2,499	\$14,542	\$133,374
Materials and Supplies Inventory	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	5,096	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Notes Receivable	1,892,871	0	38,361	0	0	0
Assets Held for Resale	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,901,022</u>	<u>\$2,998</u>	<u>\$38,361</u>	<u>\$2,499</u>	<u>\$14,542</u>	<u>\$133,374</u>
<b>Liabilities</b>						
Accounts Payable	\$31,264	\$0	\$0	\$179	\$85	\$0
Contracts Payable	17,192	0	0	0	0	0
Accrued Wages	6,424	0	0	829	0	0
Interfund Payable	15,387	0	51,239	0	0	0
Intergovernmental Payable	9,739	0	0	535	0	0
<i>Total Liabilities</i>	<u>80,006</u>	<u>0</u>	<u>51,239</u>	<u>1,543</u>	<u>85</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	0
Restricted	1,821,016	2,998	0	0	14,457	133,374
Committed	0	0	0	956	0	0
Unassigned (Deficit)	0	0	(12,878)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,821,016</u>	<u>2,998</u>	<u>(12,878)</u>	<u>956</u>	<u>14,457</u>	<u>133,374</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$1,901,022</u>	<u>\$2,998</u>	<u>\$38,361</u>	<u>\$2,499</u>	<u>\$14,542</u>	<u>\$133,374</u>

Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting	Tree	Police Pension
\$450,176	\$71,730	\$1,512,919	\$2,264	\$273,450	\$228,830	\$51,354	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	17,037
0	0	0	0	0	0	0	253,512
0	0	0	0	0	1,708,986	1,306,695	0
0	0	0	0	0	0	0	0
0	0	0	0	250,612	0	0	0
<u>\$450,176</u>	<u>\$71,730</u>	<u>\$1,512,919</u>	<u>\$2,264</u>	<u>\$524,062</u>	<u>\$1,937,816</u>	<u>\$1,358,049</u>	<u>\$270,549</u>
\$0	\$0	\$4	\$0	\$653	\$68,339	\$96	\$0
13,697	0	0	0	6,450	0	0	0
803	0	1,621	0	0	0	9,345	21,051
441	0	743	0	287	0	4,234	9,405
5,174	0	1,785	82	133	0	10,248	256,743
<u>20,115</u>	<u>0</u>	<u>4,153</u>	<u>82</u>	<u>7,523</u>	<u>68,339</u>	<u>23,923</u>	<u>287,199</u>
0	0	0	0	0	0	0	210,960
0	0	0	0	0	1,708,986	1,306,695	59,589
0	0	0	0	0	1,708,986	1,306,695	270,549
0	0	0	0	0	0	0	0
430,061	71,730	1,508,766	2,182	516,539	160,491	27,431	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	(287,199)
<u>430,061</u>	<u>71,730</u>	<u>1,508,766</u>	<u>2,182</u>	<u>516,539</u>	<u>160,491</u>	<u>27,431</u>	<u>(287,199)</u>
<u>\$450,176</u>	<u>\$71,730</u>	<u>\$1,512,919</u>	<u>\$2,264</u>	<u>\$524,062</u>	<u>\$1,937,816</u>	<u>\$1,358,049</u>	<u>\$270,549</u>

(continued)

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

	Fire Pension	Off-Street Parking	Ambulance Services	Office on Aging Donations	Youth Recreation Donation	Police Memorial Trust	Total Nonmajor Special Revenue Funds
<b>Assets</b>							
Equity in Pooled Cash and							
Cash Equivalents	\$0	\$117,483	\$586,936	\$46,593	\$4,794	\$608	\$4,190,550
Materials and Supplies Inventory	0	65,780	0	0	0	0	65,780
Accounts Receivable	0	0	817,947	0	0	0	817,947
Intergovernmental Receivable	17,037	0	0	0	0	0	757,363
Property Taxes Receivable	253,512	0	0	0	0	0	507,024
Special Assessments Receivable	0	0	0	0	0	0	3,015,681
Notes Receivable	0	0	0	0	0	0	1,931,232
Assets Held for Resale	0	0	0	0	0	0	250,612
<i>Total Assets</i>	<u>\$270,549</u>	<u>\$183,263</u>	<u>\$1,404,883</u>	<u>\$46,593</u>	<u>\$4,794</u>	<u>\$608</u>	<u>\$11,536,189</u>
<b>Liabilities</b>							
Accounts Payable	\$0	\$8,709	\$93,093	\$0	\$0	\$0	\$260,291
Contracts Payable	0	0	0	0	0	0	40,928
Accrued Wages	29,158	2,594	2,184	0	0	0	86,639
Interfund Payable	12,866	1,200	1,154	0	0	0	109,497
Intergovernmental Payable	335,905	215,845	4,332	0	0	0	853,793
<i>Total Liabilities</i>	<u>377,929</u>	<u>228,348</u>	<u>100,763</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,351,148</u>
<b>Deferred Inflows of Resources</b>							
Property Taxes	210,960	0	0	0	0	0	421,920
Unavailable Revenue	59,589	0	671,018	0	0	0	4,272,257
<i>Total Deferred Inflows of Resources</i>	<u>270,549</u>	<u>0</u>	<u>671,018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,694,177</u>
<b>Fund Balances</b>							
Nonspendable	0	65,780	0	0	0	0	65,780
Restricted	0	0	0	46,593	4,794	608	5,622,268
Committed	0	0	633,102	0	0	0	641,562
Unassigned (Deficit)	(377,929)	(110,865)	0	0	0	0	(838,746)
<i>Total Fund Balances (Deficit)</i>	<u>(377,929)</u>	<u>(45,085)</u>	<u>633,102</u>	<u>46,593</u>	<u>4,794</u>	<u>608</u>	<u>5,490,864</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$270,549</u>	<u>\$183,263</u>	<u>\$1,404,883</u>	<u>\$46,593</u>	<u>\$4,794</u>	<u>\$608</u>	<u>\$11,536,189</u>

**City of Cleveland Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2012*

	Street Construction, Maintenance and Repair	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
<b>Revenues</b>						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	58,812	21,948
Intergovernmental	1,967,489	59,693	340,631	0	0	106,532
Special Assessments	0	0	0	0	0	0
Interest	31	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	66,711	4,052	0	0	0	0
<i>Total Revenues</i>	<u>2,034,231</u>	<u>63,745</u>	<u>340,631</u>	<u>0</u>	<u>58,812</u>	<u>128,480</u>
<b>Expenditures</b>						
Current:						
General Government	0	0	0	24,707	0	0
Public Safety	0	0	779,423	0	26,694	154,281
Public Health Services	0	0	0	0	0	0
Transportation	1,855,148	0	0	0	0	0
Community Development	0	58,401	0	0	0	0
Culture and Recreation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	45,043	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,900,191</u>	<u>58,401</u>	<u>779,423</u>	<u>24,707</u>	<u>26,694</u>	<u>154,281</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>134,040</u>	<u>5,344</u>	<u>(438,792)</u>	<u>(24,707)</u>	<u>32,118</u>	<u>(25,801)</u>
<b>Other Financing Sources</b>						
Sale of Capital Assets	0	0	0	0	0	0
OPWC Loan Issued	24,540	0	0	0	0	0
Transfers In	0	0	404,348	0	0	0
Transfers Out	0	0	0	0	0	(4,712)
<i>Total Other Financing Sources (Uses)</i>	<u>24,540</u>	<u>0</u>	<u>404,348</u>	<u>0</u>	<u>0</u>	<u>(4,712)</u>
<i>Net Change in Fund Balances</i>	158,580	5,344	(34,444)	(24,707)	32,118	(30,513)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>577,605</u>	<u>24,288</u>	<u>(15,431)</u>	<u>32,211</u>	<u>10,850</u>	<u>102,956</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$736,185</u>	<u>\$29,632</u>	<u>(\$49,875)</u>	<u>\$7,504</u>	<u>\$42,968</u>	<u>\$72,443</u>

(continued)

**City of Cleveland Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2012*

	Community Development Block Grant	EPA Brownfield Grant	Home Program	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment
<b>Revenues</b>						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	651,088	0	0
Licenses, Permits and Fees	0	0	0	0	13,339	0
Fines and Forfeitures	0	0	0	0	0	22,618
Intergovernmental	2,152,531	0	256,830	33,700	0	0
Special Assessments	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	208,548	0	0	5,065	0	0
<i>Total Revenues</i>	<u>2,361,079</u>	<u>0</u>	<u>256,830</u>	<u>689,853</u>	<u>13,339</u>	<u>22,618</u>
<b>Expenditures</b>						
Current:						
General Government	0	0	0	0	13,627	0
Public Safety	0	0	0	0	0	0
Public Health Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Community Development	1,841,248	0	301,611	0	0	0
Culture and Recreation	0	0	0	773,977	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,841,248</u>	<u>0</u>	<u>301,611</u>	<u>773,977</u>	<u>13,627</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>519,831</u>	<u>0</u>	<u>(44,781)</u>	<u>(84,124)</u>	<u>(288)</u>	<u>22,618</u>
<b>Other Financing Sources</b>						
Sale of Capital Assets	0	0	0	0	0	0
OPWC Loan Issued	0	0	0	0	0	0
Transfers In	0	0	0	89,199	0	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>89,199</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	519,831	0	(44,781)	5,075	(288)	22,618
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,301,185</u>	<u>2,998</u>	<u>31,903</u>	<u>(4,119)</u>	<u>14,745</u>	<u>110,756</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,821,016</u>	<u>\$2,998</u>	<u>(\$12,878)</u>	<u>\$956</u>	<u>\$14,457</u>	<u>\$133,374</u>



Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Homelessness Prevention	Street Lighting
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
119,733	5,040	182,986	0	0	0	0
0	0	0	145,429	397,484	70,451	0
0	0	0	0	0	0	1,043,831
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	38
<u>119,733</u>	<u>5,040</u>	<u>182,986</u>	<u>145,429</u>	<u>397,484</u>	<u>70,451</u>	<u>1,043,869</u>
193,049	0	109,102	0	0	0	0
0	0	0	0	0	0	832,798
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	152,867	2,578	70,020	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>193,049</u>	<u>0</u>	<u>109,102</u>	<u>152,867</u>	<u>2,578</u>	<u>70,020</u>	<u>832,798</u>
<u>(73,316)</u>	<u>5,040</u>	<u>73,884</u>	<u>(7,438)</u>	<u>394,906</u>	<u>431</u>	<u>211,071</u>
0	0	0	0	103,497	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	16,633
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,497</u>	<u>0</u>	<u>16,633</u>
<u>(73,316)</u>	<u>5,040</u>	<u>73,884</u>	<u>(7,438)</u>	<u>498,403</u>	<u>431</u>	<u>227,704</u>
<u>503,377</u>	<u>66,690</u>	<u>1,434,882</u>	<u>9,620</u>	<u>18,136</u>	<u>(431)</u>	<u>(67,213)</u>
<u>\$430,061</u>	<u>\$71,730</u>	<u>\$1,508,766</u>	<u>\$2,182</u>	<u>\$516,539</u>	<u>\$0</u>	<u>\$160,491</u>

(continued)

**City of Cleveland Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2012*

	Tree	Police Pension	Fire Pension	Off-Street Parking	Ambulance Services	Cedar Lee Parking Facility
<b>Revenues</b>						
Property Taxes	\$0	\$230,376	\$230,376	\$0	\$0	\$0
Charges for Services	0	0	0	1,004,277	888,797	0
Licenses, Permits and Fees	150	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	0	34,074	34,074	0	13,261	0
Special Assessments	797,561	0	0	0	0	0
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	450	0	0	91,388	0	0
<i>Total Revenues</i>	<u>798,161</u>	<u>264,450</u>	<u>264,450</u>	<u>1,095,665</u>	<u>902,058</u>	<u>0</u>
<b>Expenditures</b>						
Current:						
General Government	0	0	0	1,028,078	0	52
Public Safety	0	1,060,288	1,376,245	0	769,858	0
Public Health Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Community Development	879,998	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	36,738	0	0	0	0	0
Interest and Fiscal Charges	1,061	0	0	0	0	0
<i>Total Expenditures</i>	<u>917,797</u>	<u>1,060,288</u>	<u>1,376,245</u>	<u>1,028,078</u>	<u>769,858</u>	<u>52</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(119,636)</u>	<u>(795,838)</u>	<u>(1,111,795)</u>	<u>67,587</u>	<u>132,200</u>	<u>(52)</u>
<b>Other Financing Sources</b>						
Sale of Capital Assets	0	0	0	0	0	0
OPWC Loan Issued	0	0	0	0	0	0
Transfers In	17,712	803,531	1,130,755	0	0	0
Transfers Out	(589)	0	0	0	(28,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>17,123</u>	<u>803,531</u>	<u>1,130,755</u>	<u>0</u>	<u>(28,000)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(102,513)</u>	<u>7,693</u>	<u>18,960</u>	<u>67,587</u>	<u>104,200</u>	<u>(52)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>129,944</u>	<u>(294,892)</u>	<u>(396,889)</u>	<u>(112,672)</u>	<u>528,902</u>	<u>52</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$27,431</u>	<u>(\$287,199)</u>	<u>(\$377,929)</u>	<u>(\$45,085)</u>	<u>\$633,102</u>	<u>\$0</u>

Office on Aging Donations	Youth Recreation Donation	Police Memorial Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$460,752
0	0	0	2,544,162
0	0	0	13,489
0	0	0	411,137
0	0	0	5,612,179
0	0	0	1,841,392
0	0	0	31
4,908	7,440	0	12,348
0	0	0	376,252
4,908	7,440	0	11,271,742
0	4,840	0	1,373,455
0	0	0	4,999,587
18,648	0	0	18,648
0	0	0	1,855,148
0	0	0	3,306,723
0	0	0	773,977
0	0	0	81,781
0	0	0	1,061
18,648	4,840	0	12,410,380
(13,740)	2,600	0	(1,138,638)
0	0	0	103,497
0	0	0	24,540
0	0	0	2,462,178
0	0	0	(33,301)
0	0	0	2,556,914
(13,740)	2,600	0	1,418,276
60,333	2,194	608	4,072,588
\$46,593	\$4,794	\$608	\$5,490,864

**City of Cleveland Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2012*

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$30,399	\$747,553	\$336,834	\$1,635,636
Intergovernmental Receivable	0	39,753	0	0
Property Taxes Receivable	0	591,527	0	0
<i>Total Assets</i>	<u>\$30,399</u>	<u>\$1,378,833</u>	<u>\$336,834</u>	<u>\$1,635,636</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$78,424	\$58,269	\$2,953
Accrued Wages	0	0	0	1,700
Intergovernmental Payable	2,104	0	0	2,735
Interfund Payable	0	0	0	779
Accrued Interest Payable	0	0	3,206	0
Notes Payable	0	0	775,000	0
<i>Total Liabilities</i>	<u>2,104</u>	<u>78,424</u>	<u>836,475</u>	<u>8,167</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	492,239	0	0
Unavailable Revenue	0	139,041	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>631,280</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	0	669,129	0	0
Committed	28,295	0	0	0
Assigned	0	0	0	1,627,469
Unassigned (Deficit)	0	0	(499,641)	0
<i>Total Fund Balances</i>	<u>28,295</u>	<u>669,129</u>	<u>(499,641)</u>	<u>1,627,469</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$30,399</u>	<u>\$1,378,833</u>	<u>\$336,834</u>	<u>\$1,635,636</u>

<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$36,508	\$516,921	\$3,303,851
0	0	39,753
<u>0</u>	<u>0</u>	<u>591,527</u>
<u>\$36,508</u>	<u>\$516,921</u>	<u>\$3,935,131</u>
\$0	\$0	\$139,646
0	0	1,700
0	0	4,839
0	0	779
0	0	3,206
<u>0</u>	<u>0</u>	<u>775,000</u>
<u>0</u>	<u>0</u>	<u>925,170</u>
0	0	492,239
<u>0</u>	<u>0</u>	<u>139,041</u>
<u>0</u>	<u>0</u>	<u>631,280</u>
0	0	669,129
0	516,921	545,216
36,508	0	1,663,977
<u>0</u>	<u>0</u>	<u>(499,641)</u>
<u>36,508</u>	<u>516,921</u>	<u>2,378,681</u>
<u>\$36,508</u>	<u>\$516,921</u>	<u>\$3,935,131</u>

**City of Cleveland Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2012*

	Police Facility Improvement	Recreation Facility Improvement	Capital Improvements	Economic Development
<b>Revenues</b>				
Property Taxes	\$0	\$537,544	\$0	\$0
Licenses, Permits and Fees	28,260	0	0	0
Intergovernmental	0	79,506	0	0
Rentals	0	0	0	0
Miscellaneous	0	0	0	660,026
<i>Total Revenues</i>	<u>28,260</u>	<u>617,050</u>	<u>0</u>	<u>660,026</u>
<b>Expenditures</b>				
Capital Outlay	22,204	776,026	948,141	419,169
Debt Service:				
Interest and Fiscal Charges	0	0	6,696	0
<i>Total Expenditures</i>	<u>22,204</u>	<u>776,026</u>	<u>954,837</u>	<u>419,169</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	6,056	(158,976)	(954,837)	240,857
<b>Other Financing Sources</b>				
Transfers In	0	0	353,490	1,150,000
<i>Net Change in Fund Balances</i>	6,056	(158,976)	(601,347)	1,390,857
<i>Fund Balances Beginning of Year</i>	<u>22,239</u>	<u>828,105</u>	<u>101,706</u>	<u>236,612</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$28,295</u>	<u>\$669,129</u>	<u>(\$499,641)</u>	<u>\$1,627,469</u>

City Hall Maintenance	Ring Road Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$537,544
0	0	28,260
0	0	79,506
21,010	0	21,010
0	0	660,026
<u>21,010</u>	<u>0</u>	<u>1,326,346</u>
2,324	162,865	2,330,729
0	0	6,696
<u>2,324</u>	<u>162,865</u>	<u>2,337,425</u>
18,686	(162,865)	(1,011,079)
0	0	1,503,490
18,686	(162,865)	492,411
<u>17,822</u>	<u>679,786</u>	<u>1,886,270</u>
<u>\$36,508</u>	<u>\$516,921</u>	<u>\$2,378,681</u>

## ***Fund Descriptions - Fiduciary Funds***

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### ***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

### ***Agency Funds***

***First Suburbs Consortium Fund*** - to account for staffing and other expenses of the Consortium office which is located in Cleveland Heights City Hall. The costs are shared by the twelve communities which make up and support the Consortium and its economic development initiative.

***Municipal Court Fund*** - to account for assets received and disbursed by the Cleveland Heights Municipal Court pursuant to the laws of State of Ohio.

***Construction Deposits Fund*** - to account for the receipts of refundable construction deposits required for the issuance of certain building permits.

***Sales Tax Fund*** - to account for any sales tax collected by the City and due to the State Department of Taxation.

***Miscellaneous Fund*** - to account for miscellaneous receipts received in an agency capacity by the City.

***Northeast Ohio Regional Sewer District (NEORS) Fund*** - to account for the financial transactions associated with the City acting as a billing agent for the Northeast Ohio Regional Sewer District.



**City of Cleveland Heights, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
For the Year Ended December 31, 2012

	Balance 12/31/11	Additions	Reductions	Balance 12/31/12
<b><i>First Suburbs Consortium</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$50,766	\$43,049	\$53,970	\$39,845
<b>Liabilities</b>				
Deposits Held and Due to Others	\$50,766	\$43,049	\$53,970	\$39,845
<b><i>Municipal Court</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$353,090	\$3,614,777	\$3,690,018	\$277,849
<b>Liabilities</b>				
Deposits Held and Due to Others	\$353,090	\$3,614,777	\$3,690,018	\$277,849
<b><i>Construction Deposits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$131,159	\$0	\$0	\$131,159
<b>Liabilities</b>				
Deposits Held and Due to Others	\$131,159	\$0	\$0	\$131,159
<b><i>Sales Tax</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$544	\$3,244	\$3,301	\$487
<b>Liabilities</b>				
Deposits Held and Due to Others	\$544	\$3,244	\$3,301	\$487
<b><i>Miscellaneous</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$813,873	\$230,582	\$740,945	\$303,510
<b>Liabilities</b>				
Deposits Held and Due to Others	\$813,873	\$230,582	\$740,945	\$303,510
<b><i>NEORS</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$102,918	\$7,433,580	\$7,428,068	\$108,430
<b>Liabilities</b>				
Deposits Held and Due to Others	\$102,918	\$7,433,580	\$7,428,068	\$108,430
<b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,452,350	\$11,325,232	\$11,916,302	\$861,280
<b>Liabilities</b>				
Deposits Held and Due to Others	\$1,452,350	\$11,325,232	\$11,916,302	\$861,280

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

**Budget (Non-GAAP Basis) and Actual**

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$7,216,546	\$7,216,546	\$6,680,907	(\$535,639)
Municipal Income Taxes	18,935,260	22,423,933	22,419,053	(4,880)
Admissions Taxes	88,941	107,542	107,516	(26)
Charges for Services	2,206,685	2,613,249	2,612,680	(569)
Licenses, Permits and Fees	1,617,880	1,915,962	1,915,545	(417)
Fines and Forfeitures	2,120,495	2,511,179	2,510,633	(546)
Intergovernmental	1,599,093	1,599,093	4,820,222	3,221,129
Interest	78,973	93,523	93,503	(20)
Rentals	24,887	29,472	29,466	(6)
Franchise Taxes	500,000	500,000	586,023	86,023
Payment in Lieu of Taxes	971,297	1,150,250	1,150,000	(250)
Miscellaneous	220,598	260,206	260,151	(55)
<b>Total Revenues</b>	<b>35,580,655</b>	<b>40,420,955</b>	<b>43,185,699</b>	<b>2,764,744</b>
<b>Expenditures</b>				
Current:				
General Government				
City Council				
Personal Services	77,810	74,810	74,744	66
Other than Personal Services	10,300	8,300	7,265	1,035
<b>Total City Council</b>	<b>88,110</b>	<b>83,110</b>	<b>82,009</b>	<b>1,101</b>
City Manager				
Personal Services	547,835	512,000	513,520	(1,520)
Other than Personal Services	18,050	32,050	31,287	763
Non-Governmental	0	746	745	1
<b>Total City Manager</b>	<b>565,885</b>	<b>544,796</b>	<b>545,552</b>	<b>(756)</b>
Management Information System				
Personal Services	258,110	256,110	255,518	592
Other than Personal Services	44,800	41,900	38,984	2,916
Capital Outlay	25,000	25,900	25,810	90
Non-Governmental	0	546	546	0
<b>Total Management Information System</b>	<b>327,910</b>	<b>324,456</b>	<b>320,858</b>	<b>3,598</b>
Central Services				
Personal Services	69,150	70,150	70,118	32
Other than Personal Services	8,455	44,955	44,878	77
Capital Outlay	19,800	0	0	0
<b>Total Central Services</b>	<b>97,405</b>	<b>115,105</b>	<b>114,996</b>	<b>109</b>
Civil Service Commission				
Personal Services	2,500	1,500	1,351	149
Other than Personal Services	14,050	2,050	1,300	750
<b>Total Civil Service Commission</b>	<b>\$16,550</b>	<b>\$3,550</b>	<b>\$2,651</b>	<b>\$899</b>

(continued)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Finance Department				
Personal Services	\$417,705	\$400,080	\$401,305	(\$1,225)
Other than Personal Services	110,625	110,550	108,561	1,989
Capital Outlay	1,000	200	138	62
Non-Governmental	0	14,410	14,407	3
Total Finance Department	529,330	525,240	524,411	829
Income Tax Department				
Other than Personal Services	705,000	957,641	957,640	1
Non-Governmental	0	3,864	3,864	0
Total Income Tax Department	705,000	961,505	961,504	1
Law Department				
Personal Services	481,200	465,200	464,371	829
Other than Personal Services	196,100	225,100	222,722	2,378
Non-Governmental	0	165	164	1
Total Law Department	677,300	690,465	687,257	3,208
Service Administration				
Personal Services	326,700	335,200	334,545	655
Other than Personal Services	5,275	4,260	4,230	30
Capital Outlay	0	1,015	0	1,015
Non-Governmental	0	563	563	0
Total Service Administration	331,975	341,038	339,338	1,700
Capital Projects				
Personal Services	79,080	0	0	0
Other than Personal Services	2,575	425	425	0
Capital Outlay	18,000	23,591	23,520	71
Total Capital Projects	99,655	24,016	23,945	71
Public Properties and Park Maintenance				
Personal Services	1,320,030	1,382,030	1,387,785	(5,755)
Other than Personal Services	1,100,850	950,730	944,729	6,001
Capital Outlay	95,500	159,120	159,009	111
Non-Governmental	0	1,175	1,172	3
Total Public Properties and Park Maintenance	2,516,380	2,493,055	2,492,695	360
Community Service Administration				
Personal Services	265,570	289,070	288,472	598
Other than Personal Services	1,700	1,700	1,077	623
Non-Governmental	0	410	409	1
Total Community Service Administration	\$267,270	\$291,180	\$289,958	\$1,222

(continued)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
County Auditor				
Other than Personal Services:				
Elections Expense	\$36,000	\$21,090	\$21,088	\$2
Auditor and Treasurer Fees	180,000	205,500	205,332	168
Delinquent Land Advertising	1,000	1,230	1,227	3
State Examiner Fees	1,000	0	0	0
DTAN Repayment	119,000	0	0	0
DTAN Fees	45,000	0	0	0
Collector's Salary	500	0	0	0
Total County Auditor	382,500	227,820	227,647	173
Municipal Court				
Personal Services	1,003,615	964,615	962,612	2,003
Other than Personal Services	182,950	143,950	142,224	1,726
Non-Governmental	120	120	73	47
Total Municipal Court	1,186,685	1,108,685	1,104,909	3,776
Administrative Support				
Personal Services	520,000	731,020	730,154	866
Other than Personal Services	646,550	646,550	654,689	(8,139)
Capital Outlay	3,350	3,350	3,349	1
Non-Governmental	0	1,042	982	60
Total Administrative Support	1,169,900	1,381,962	1,389,174	(7,212)
Hospitalization Insurance				
Personal Services	4,128,000	4,128,000	4,255,003	(127,003)
Zagara TIF Settlement Expense				
Other than Personal Services	0	2,303	2,302	1
<i>Total General Government</i>	13,089,855	13,246,286	13,364,209	(117,923)
Public Safety				
Police Department				
Personal Services	7,976,270	8,041,270	8,041,186	84
Other than Personal Services	531,400	534,156	533,919	237
Capital Outlay	238,000	275,192	275,052	140
Non-Governmental	1,000	1,965	1,961	4
Total Police Department	8,746,670	8,852,583	8,852,118	465
Police Academy				
Personal Services	4,250	4,765	4,764	1
Other than Personal Services	84,650	81,250	80,799	451
Capital Outlay	4,000	4,000	3,955	45
Non-Governmental	0	2,370	2,370	0
Total Police Academy	\$92,900	\$92,385	\$91,888	\$497

(continued)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Police Motor Vehicle Maintenance				
Personal Services	\$223,210	\$215,210	\$213,834	\$1,376
Other than Personal Services	105,800	95,000	94,680	320
Capital Outlay	3,500	6,300	5,501	799
<b>Total Police Motor Vehicle Maintenance</b>	<b>332,510</b>	<b>316,510</b>	<b>314,015</b>	<b>2,495</b>
Traffic Signs and Signals				
Personal Services	53,720	55,475	55,117	358
Other than Personal Services	92,700	101,000	100,875	125
Capital Outlay	12,000	12,000	8,013	3,987
Non-Governmental	0	119	118	1
<b>Total Traffic Signs and Signals</b>	<b>158,420</b>	<b>168,594</b>	<b>164,123</b>	<b>4,471</b>
Animal Protection Unit				
Personal Services	62,930	65,315	65,084	231
Other than Personal Services	27,600	29,100	28,896	204
<b>Total Animal Protection Unit</b>	<b>90,530</b>	<b>94,415</b>	<b>93,980</b>	<b>435</b>
Fire Department				
Personal Services	5,411,790	5,536,500	5,547,382	(10,882)
Other than Personal Services	239,350	204,975	204,727	248
Capital Outlay	1,500	15,075	15,029	46
Non-Governmental	0	100	99	1
<b>Total Fire Department</b>	<b>5,652,640</b>	<b>5,756,650</b>	<b>5,767,237</b>	<b>(10,587)</b>
Fire Prevention Bureau				
Personal Services	79,720	96,775	96,377	398
Other than Personal Services	3,920	2,920	2,349	571
<b>Total Fire Prevention Bureau</b>	<b>83,640</b>	<b>99,695</b>	<b>98,726</b>	<b>969</b>
<b>Total Public Safety</b>	<b>15,157,310</b>	<b>15,380,832</b>	<b>15,382,087</b>	<b>(1,255)</b>
Public Health Services				
Office on Aging				
Personal Services	132,455	136,355	135,702	653
Other than Personal Services	22,700	21,700	21,436	264
Non-Governmental	300	0	0	0
<b>Total Office on Aging</b>	<b>155,455</b>	<b>158,055</b>	<b>157,138</b>	<b>917</b>
Health and Vital Statistics				
Other than Personal Services	190,000	182,000	181,277	723
Commission on Aging				
Other than Personal Services	250	5	0	5
<b>Total Public Health Services</b>	<b>\$345,705</b>	<b>\$340,060</b>	<b>\$338,415</b>	<b>\$1,645</b>

(continued)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation				
Parking Meters				
Personal Services	\$34,605	\$29,105	\$28,229	\$876
Other than Personal Services	1,950	950	727	223
Total Parking Meters	36,555	30,055	28,956	1,099
Vehicle Maintenance				
Personal Services	527,175	530,175	529,231	944
Other than Personal Services	1,292,650	1,445,555	1,445,366	189
Capital Outlay	8,500	11,916	11,705	211
Total Vehicle Maintenance	1,828,325	1,987,646	1,986,302	1,344
Street Maintenance				
Personal Services	1,153,620	1,083,620	1,086,932	(3,312)
Other than Personal Services	288,600	256,070	255,216	854
Capital Outlay	0	14,515	14,514	1
Non-Governmental	0	1,714	1,713	1
Total Street Maintenance	1,442,220	1,355,919	1,358,375	(2,456)
<i>Total Transportation</i>	3,307,100	3,373,620	3,373,633	(13)
Community Development				
Community Relations				
Personal Services	124,650	127,055	127,029	26
Other than Personal Services	22,680	12,000	11,164	836
Total Community Relations	147,330	139,055	138,193	862
Public Relations				
Personal Services	161,655	164,155	163,941	214
Other than Personal Services	110,300	109,418	105,227	4,191
Non-Governmental	0	247	247	0
Total Public Relations	271,955	273,820	269,415	4,405
Planning Department				
Personal Services	272,520	239,520	238,984	536
Other than Personal Services	21,025	37,214	35,261	1,953
Capital Outlay	1,250	3,811	3,800	11
Non-Governmental	0	255	253	2
Total Planning Department	294,795	280,800	278,298	2,502
Planning Commission				
Personal Services	6,300	5,800	5,793	7
Other than Personal Services	2,800	2,350	2,313	37
Non-Governmental	50	150	150	0
Total Planning Commission	\$9,150	\$8,300	\$8,256	\$44

(continued)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Board of Zoning Appeals				
Personal Services	\$5,775	\$5,675	\$5,493	\$182
Other than Personal Services	2,900	2,740	2,537	203
Non-Governmental	50	310	240	70
<b>Total Board of Zoning Appeals</b>	<b>8,725</b>	<b>8,725</b>	<b>8,270</b>	<b>455</b>
Special Improvement Districts				
Other than Personal Services	298,000	332,180	332,179	1
Building Department				
Personal Services	369,405	394,105	393,917	188
Other than Personal Services	38,100	28,600	26,833	1,767
Non-Governmental	100	120	116	4
<b>Total Building Department</b>	<b>407,605</b>	<b>422,825</b>	<b>420,866</b>	<b>1,959</b>
Housing Inspections				
Personal Services	504,500	520,250	519,147	1,103
Other than Personal Services	44,300	38,600	38,587	13
Non-Governmental	2,000	2,100	2,022	78
<b>Total Housing Inspections</b>	<b>550,800</b>	<b>560,950</b>	<b>559,756</b>	<b>1,194</b>
Landmark Commission				
Other than Personal Services	1,000	15,800	15,296	504
Local Programming				
Personal Services	98,800	99,800	98,901	899
Other than Personal Services	45,500	42,191	41,139	1,052
Capital Outlay	4,000	308,316	308,316	0
<b>Total Local Programming</b>	<b>148,300</b>	<b>450,307</b>	<b>448,356</b>	<b>1,951</b>
<b>Total Community Development</b>	<b>2,137,660</b>	<b>2,492,762</b>	<b>2,478,885</b>	<b>13,877</b>
Sanitation				
Refuse Collection and Transfer Station				
Personal Services	1,651,440	1,646,440	1,644,042	2,398
Other than Personal Services	556,900	709,376	707,256	2,120
Capital Outlay	0	14,921	14,921	0
Non-Governmental	0	2,450	2,447	3
<b>Total Sanitation</b>	<b>2,208,340</b>	<b>2,373,187</b>	<b>2,368,666</b>	<b>4,521</b>
Culture and Recreation				
Recreation Administration				
Personal Services	181,230	183,930	183,899	31
Other than Personal Services	36,900	30,900	30,001	899
Non-Governmental	0	295	291	4
<b>Total Recreation Administration</b>	<b>\$218,130</b>	<b>\$215,125</b>	<b>\$214,191</b>	<b>\$934</b>

(continued)



**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Swimming Pools				
Personal Services	\$253,990	\$229,990	\$235,932	(\$5,942)
Other than Personal Services	33,525	32,525	31,869	656
Non-Governmental	700	200	188	12
<b>Total Swimming Pools</b>	<b>288,215</b>	<b>262,715</b>	<b>267,989</b>	<b>(5,274)</b>
Ice Programs				
Personal Services	221,720	213,220	210,236	2,984
Other than Personal Services	32,550	26,050	24,961	1,089
Non-Governmental	1,000	200	153	47
<b>Total Ice Programs</b>	<b>255,270</b>	<b>239,470</b>	<b>235,350</b>	<b>4,120</b>
General Recreation Programs				
Personal Services	174,810	167,310	168,066	(756)
Other than Personal Services	22,435	19,185	18,167	1,018
Non-Governmental	2,500	1,650	1,624	26
<b>Total General Recreation Programs</b>	<b>199,745</b>	<b>188,145</b>	<b>187,857</b>	<b>288</b>
Sports Programs				
Personal Services	89,250	84,500	83,604	896
Other than Personal Services	124,695	117,180	117,173	7
Non-Governmental	5,000	1,900	1,809	91
<b>Total Sports Programs</b>	<b>218,945</b>	<b>203,580</b>	<b>202,586</b>	<b>994</b>
Community Center				
Personal Services	284,210	262,710	262,281	429
Other than Personal Services	568,800	433,800	429,836	3,964
Non-Governmental	1,500	650	622	28
<b>Total Community Center</b>	<b>854,510</b>	<b>697,160</b>	<b>692,739</b>	<b>4,421</b>
<b>Total Culture and Recreation</b>	<b>2,034,815</b>	<b>1,806,195</b>	<b>1,800,712</b>	<b>5,483</b>
<b>Total Expenditures</b>	<b>38,280,785</b>	<b>39,012,942</b>	<b>39,106,607</b>	<b>(93,665)</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(2,700,130)</i>	<i>1,408,013</i>	<i>4,079,092</i>	<i>2,671,079</i>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	25,200	25,200	25,200	0
Advances In	43,800	43,800	43,800	0
Advances Out	0	0	(70,934)	(70,934)
Transfers Out	(2,449,800)	(5,129,145)	(4,953,292)	175,853
<b>Total Other Financing Sources (Uses)</b>	<b>(2,380,800)</b>	<b>(5,060,145)</b>	<b>(4,955,226)</b>	<b>104,919</b>
<b>Net Change in Fund Balance</b>	<b>(5,080,930)</b>	<b>(3,652,132)</b>	<b>(876,134)</b>	<b>2,775,998</b>
<b>Fund Balance Beginning of Year</b>	<b>4,832,990</b>	<b>4,832,990</b>	<b>4,832,990</b>	<b>0</b>
Unexpended Prior Year Encumbrances	21,361	21,361	21,361	0
<b>Fund Balance (Deficit) End of Year</b>	<b>(\$226,579)</b>	<b>\$1,202,219</b>	<b>\$3,978,217</b>	<b>\$2,775,998</b>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Bond Retirement Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$1,320,221	\$1,320,221	\$2,226,969	\$906,748
Intergovernmental	195,268	195,268	329,381	134,113
Special Assessments	83,833	83,833	141,410	57,577
Miscellaneous	499	499	841	342
<i>Total Revenues</i>	<u>1,599,821</u>	<u>1,599,821</u>	<u>2,698,601</u>	<u>1,098,780</u>
<b>Expenditures</b>				
Current:				
Debt Service:				
Principal Retirement	4,276,262	3,646,262	3,628,000	18,262
Interest and Fiscal Charges	731,276	731,276	731,276	0
Issuance Costs	9,762	9,762	9,762	0
<i>Total Expenditures</i>	<u>5,017,300</u>	<u>4,387,300</u>	<u>4,369,038</u>	<u>18,262</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,417,479)</u>	<u>(2,787,479)</u>	<u>(1,670,437)</u>	<u>1,117,042</u>
<b>Other Financing Sources</b>				
General Obligation Notes Issued	800,917	800,917	1,351,000	550,083
Notes Premium	4,778	4,778	8,060	3,282
<i>Total Other Financing Sources</i>	<u>805,695</u>	<u>805,695</u>	<u>1,359,060</u>	<u>553,365</u>
<i>Net Change in Fund Balance</i>	(2,611,784)	(1,981,784)	(311,377)	1,670,407
<i>Fund Balance Beginning of Year</i>	<u>3,485,699</u>	<u>3,485,699</u>	<u>3,485,699</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$873,915</u></u>	<u><u>\$1,503,915</u></u>	<u><u>\$3,174,322</u></u>	<u><u>\$1,670,407</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$9,664,275	\$10,895,381	\$10,901,237	\$5,856
Tap-In Fees	27,076	29,502	29,518	16
Miscellaneous	1,472	1,604	1,605	1
<i>Total Revenues</i>	<u>9,692,823</u>	<u>10,926,487</u>	<u>10,932,360</u>	<u>5,873</u>
<b>Expenses</b>				
Personal Services				
Water Administration	376,560	388,040	386,372	1,668
Water Distribution	820,200	886,900	887,515	(615)
Total Personal Services	<u>1,196,760</u>	<u>1,274,940</u>	<u>1,273,887</u>	<u>1,053</u>
Other than Personal Services				
Water Administration	665,350	238,000	249,498	(11,498)
Water Distribution	160,450	231,232	228,568	2,664
Water Supply	8,792,794	10,145,424	10,145,415	9
Total Other than Personal Services	<u>9,618,594</u>	<u>10,614,656</u>	<u>10,623,481</u>	<u>(8,825)</u>
Capital Outlay				
Water Administration	1,000	4,250	4,250	0
Water Distribution	250,000	131,925	131,833	92
Water Supply	312,206	307,206	307,206	0
Total Capital Outlay	<u>563,206</u>	<u>443,381</u>	<u>443,289</u>	<u>92</u>
Non-Governmental				
Water Administration	30,000	17,000	16,862	138
Water Distribution	15,000	34,867	34,361	506
Total Non-Governmental	<u>45,000</u>	<u>51,867</u>	<u>51,223</u>	<u>644</u>
Debt Service				
Principal Retirement	74,853	74,853	75,510	(657)
Interest	0	0	10,114	(10,114)
Total Debt Service	<u>74,853</u>	<u>74,853</u>	<u>85,624</u>	<u>(10,771)</u>
<i>Total Expenses</i>	<u>11,498,413</u>	<u>12,459,697</u>	<u>12,477,504</u>	<u>(17,807)</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(\$1,805,590)	(\$1,533,210)	(\$1,545,144)	(\$11,934)

(continued)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund (continued)*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Transfers In	\$807,177	\$879,513	\$879,986	\$473
Transfers Out	0	(9,573)	(9,573)	0
<i>Net Change in Fund Equity</i>	(998,413)	(663,270)	(674,731)	(11,461)
<i>Fund Equity Beginning of Year</i>	667,211	667,211	667,211	0
Unexpended Prior Year Encumbrances	16,644	16,644	16,644	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$314,558)</u>	<u>\$20,585</u>	<u>\$9,124</u>	<u>(\$11,461)</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$1,699,237	\$1,699,237	\$1,667,837	(\$31,400)
Miscellaneous	763	763	749	(14)
<i>Total Revenues</i>	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,668,586</u>	<u>(31,414)</u>
<b>Expenses</b>				
Personal Services				
Sewer Maintenance	880,000	953,030	952,690	340
Other than Personal Services				
Sewer Maintenance	650,000	455,258	453,361	1,897
Water Administration	57,500	53,500	53,478	22
Total Other than Personal Services	<u>707,500</u>	<u>508,758</u>	<u>506,839</u>	<u>1,919</u>
Non-Governmental				
Sewer Maintenance	0	817	817	0
Debt Service				
Principal Retirement	56,090	56,090	56,682	(592)
Interest and Fiscal Charges	13,075	13,075	13,075	0
<i>Total Expenses</i>	<u>1,656,665</u>	<u>1,531,770</u>	<u>1,530,103</u>	<u>1,667</u>
<i>Excess of Revenues Over Expenses before Transfers</i>	43,335	168,230	138,483	(29,747)
Transfers Out	0	(6,864)	(6,864)	0
<i>Net Change in Fund Equity</i>	43,335	161,366	131,619	(29,747)
<i>Fund Equity Beginning of Year</i>	405,654	405,654	405,654	0
Unexpended Prior Year Encumbrances	2,546	2,546	2,546	0
<i>Fund Equity End of Year</i>	<u><u>\$451,535</u></u>	<u><u>\$569,566</u></u>	<u><u>\$539,819</u></u>	<u><u>(\$29,747)</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Construction, Maintenance and Repair Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$1,523,352	\$2,033,888	\$1,951,143	(\$82,745)
Interest	24	32	31	(1)
Miscellaneous	52,084	69,540	66,711	(2,829)
<i>Total Revenues</i>	<u>1,575,460</u>	<u>2,103,460</u>	<u>2,017,885</u>	<u>(85,575)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other than Personal Services	0	11,202	2,346	8,856
Capital Outlay	1,709,917	2,074,691	2,074,686	5
Total Transportation	1,709,917	2,085,893	2,077,032	8,861
Debt Service:				
Principal Retirement	90,083	90,083	90,083	0
<i>Total Expenditures</i>	<u>1,800,000</u>	<u>2,175,976</u>	<u>2,167,115</u>	<u>8,861</u>
<i>Excess of Revenues Under Expenditures</i>	(224,540)	(72,516)	(149,230)	(76,714)
<b>Other Financing Sources</b>				
OPWC Loan Issued	24,540	24,540	24,540	0
<i>Net Change in Fund Balance</i>	(200,000)	(47,976)	(124,690)	(76,714)
<i>Fund Balance Beginning of Year</i>	48,388	48,388	48,388	0
Unexpended Prior Year Encumbrances	244,696	244,696	244,696	0
<i>Fund Balance End of Year</i>	<u>\$93,084</u>	<u>\$245,108</u>	<u>\$168,394</u>	<u>(\$76,714)</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Foundation Grants Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$68,360	\$68,360	\$59,693	(\$8,667)
Interest	4,640	4,640	4,052	(588)
<i>Total Revenues</i>	<u>73,000</u>	<u>73,000</u>	<u>63,745</u>	<u>(9,255)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Foundation Grants:				
Other Than Personal Services	75,000	75,000	75,000	0
Capital Outlay	18,500	18,500	18,500	0
<i>Total Expenditures</i>	<u>93,500</u>	<u>93,500</u>	<u>93,500</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(20,500)	(20,500)	(29,755)	(9,255)
<b>Other Financing Sources</b>				
Advances In	0	0	7,084	7,084
<i>Net Change in Fund Balance</i>	(20,500)	(20,500)	(22,671)	(2,171)
<i>Fund Balance Beginning of Year</i>	20,793	20,793	20,793	0
Unexpended Prior Year Encumbrances	1,879	1,879	1,879	0
<i>Fund Balance End of Year</i>	<u>\$2,172</u>	<u>\$2,172</u>	<u>\$1</u>	<u>(\$2,171)</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Communications System Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$327,518	\$338,492	\$340,631	\$2,139
<b>Expenditures</b>				
Current:				
Public Safety:				
Communications System:				
Personal Services	558,600	572,078	576,857	(4,779)
Other than Personal Services	109,200	127,645	127,636	9
Capital Outlay	48,500	40,200	40,102	98
<i>Total Expenditures</i>	<u>716,300</u>	<u>739,923</u>	<u>744,595</u>	<u>(4,672)</u>
<i>Excess of Revenues Under Expenditures</i>	(388,782)	(401,431)	(403,964)	(2,533)
<b>Other Financing Sources</b>				
Transfers In	388,782	401,808	404,348	2,540
<i>Net Change in Fund Balance</i>	0	377	384	7
<i>Fund Balance Beginning of Year</i>	4,043	4,043	4,043	0
Unexpended Prior Year Encumbrances	184	184	184	0
<i>Fund Balance End of Year</i>	<u>\$4,227</u>	<u>\$4,604</u>	<u>\$4,611</u>	<u>\$7</u>



**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Building Maintenance Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Rentals	\$21,000	\$21,000	\$0	(\$21,000)
<b>Expenditures</b>				
Current:				
General Government:				
Public Building Maintenance:				
Other than Personal Services	<u>27,650</u>	<u>29,661</u>	<u>29,647</u>	<u>14</u>
<i>Net Change in Fund Balance</i>	(6,650)	(8,661)	(29,647)	(20,986)
<i>Fund Balance Beginning of Year</i>	33,479	33,479	33,479	0
Unexpended Prior Year Encumbrances	<u>6,650</u>	<u>6,650</u>	<u>6,650</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,479</u></u>	<u><u>\$31,468</u></u>	<u><u>\$10,482</u></u>	<u><u>(\$20,986)</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Trust Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$7,000	\$59,000	\$58,812	(\$188)
<b>Expenditures</b>				
Current:				
Public Safety:				
Law Enforcement:				
Other than Personal Services	12,500	53,663	29,840	23,823
Capital Outlay	0	14,559	6,500	8,059
<i>Total Expenditures</i>	<u>12,500</u>	<u>68,222</u>	<u>36,340</u>	<u>31,882</u>
<i>Net Change in Fund Balance</i>	(5,500)	(9,222)	22,472	31,694
<i>Fund Balance Beginning of Year</i>	<u>9,411</u>	<u>9,411</u>	<u>9,411</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,911</u>	<u>\$189</u>	<u>\$31,883</u>	<u>\$31,694</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Law Enforcement Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$17,083	\$17,083	\$21,948	\$4,865
Intergovernmental	82,917	82,917	106,532	23,615
<i>Total Revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>128,480</u>	<u>28,480</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Drug Law Enforcement:				
Personal Services	50,000	52,937	54,846	(1,909)
Other than Personal Services	109,780	112,227	90,811	21,416
Capital Outlay	41,000	67,909	51,498	16,411
<i>Total Expenditures</i>	<u>200,780</u>	<u>233,073</u>	<u>197,155</u>	<u>35,918</u>
<i>Excess of Revenues Under Expenditures</i>	(100,780)	(133,073)	(68,675)	64,398
<b>Other Financing Uses</b>				
Transfers Out	0	(4,712)	(4,712)	0
<i>Net Change in Fund Balance</i>	(100,780)	(137,785)	(73,387)	64,398
<i>Fund Balance Beginning of Year</i>	<u>153,097</u>	<u>153,097</u>	<u>153,097</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$52,317</u></u>	<u><u>\$15,312</u></u>	<u><u>\$79,710</u></u>	<u><u>\$64,398</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$1,642,881	\$2,434,202	\$2,312,488	(\$121,714)
Miscellaneous	148,161	219,524	208,548	(10,976)
<i>Total Revenues</i>	<u>1,791,042</u>	<u>2,653,726</u>	<u>2,521,036</u>	<u>(132,690)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Financial Administration				
Personal Services	14,500	16,735	9,429	7,306
Administrative Contracts				
Other than Personal Services	120,000	100,000	95,490	4,510
Commercial Area Improvements				
Other than Personal Services	4,000	39,536	39,192	344
Water Improvement Projects				
Capital Outlay	175,000	315,000	313,854	1,146
CDBG - Office on Aging				
Personal Services	45,000	49,653	43,913	5,740
CDBG - Contingency				
Other than Personal Services	25,000	6,448	0	6,448
LDC - Economic Development				
Personal Services	64,500	54,454	54,564	(110)
Other than Personal Services	70,000	670,000	624,468	45,532
Total LDC - Economic Development	<u>134,500</u>	<u>724,454</u>	<u>679,032</u>	<u>45,422</u>
Section 108 - Loan Guarantee				
Other than Personal Services	75,000	84,208	72,621	11,587
CDBG Administration				
Personal Services	85,000	102,661	66,469	36,192
Other than Personal Services	85,000	70,295	41,754	28,541
Capital Outlay	500	12	0	12
Total CDBG Administration	<u>170,500</u>	<u>172,968</u>	<u>108,223</u>	<u>64,745</u>
CDBG - Public Works				
Capital Outlay	160,000	465,000	446,686	18,314
CDBG - Home Repair Resources Center				
Other than Personal Services	170,000	190,000	187,850	2,150
CDBG - Condo Conversion				
Other than Personal Services	\$0	\$3,693	\$2,640	\$1,053

(continued)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Development Block Grant Fund (continued)  
For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Housing Preservation				
Personal Services	\$215,000	\$202,000	\$208,447	(\$6,447)
Other than Personal Services	150,000	177,000	177,404	(404)
Capital Outlay	1,000	851	831	20
<b>Total Housing Preservation</b>	<b>366,000</b>	<b>379,851</b>	<b>386,682</b>	<b>(6,831)</b>
CDBG - Code Enforcement				
Personal Services	60,000	65,394	62,536	2,858
CDBG - Neighborhood Relations				
Personal Services	50,000	48,371	47,727	644
CDBG - Program Income				
Other than Personal Services	150,000	5,000	3,716	1,284
CDBG - Recovery Fund				
Other than Personal Services	2	2	2	0
<b>Total Expenditures</b>	<b>1,719,502</b>	<b>2,666,313</b>	<b>2,499,593</b>	<b>166,720</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>71,540</i>	<i>(12,587)</i>	<i>21,443</i>	<i>34,030</i>
<b>Other Financing Sources (Uses)</b>				
Advances In	8,959	13,275	12,611	(664)
Transfers Out	0	0	(34,273)	(34,273)
<b>Total Other Financing Sources (Uses)</b>	<b>8,959</b>	<b>13,275</b>	<b>(21,662)</b>	<b>(34,937)</b>
<b>Net Change in Fund Balance</b>	<b>80,499</b>	<b>688</b>	<b>(219)</b>	<b>(907)</b>
<b>Fund Balance Beginning of Year</b>	<b>3,274</b>	<b>3,274</b>	<b>3,274</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$83,773</b>	<b>\$3,962</b>	<b>\$3,055</b>	<b>(\$907)</b>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Home Program Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$98,761	\$260,761	\$258,877	(\$1,884)
<b>Expenditures</b>				
Current:				
Community Development:				
Home Administration				
Personal Services	0	16,156	9,462	6,694
Other than Personal Services	137,240	275,150	292,149	(16,999)
Total Home Administration	137,240	291,306	301,611	(10,305)
Home - Program Income				
Other than Personal Services	11,663	11,663	0	11,663
<i>Total Expenditures</i>	148,903	302,969	301,611	1,358
<i>Excess of Revenues Under Expenditures</i>	(50,142)	(42,208)	(42,734)	(526)
<b>Other Financing Sources (Uses)</b>				
Advances In	51,239	51,239	51,239	0
Advances Out	0	(8,505)	(8,505)	0
<i>Total Other Financing Sources (Uses)</i>	51,239	42,734	42,734	0
<i>Net Change in Fund Balance</i>	1,097	526	0	(526)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$1,097	\$526	\$0	(\$526)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cain Park Operating Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$543,234	\$654,576	\$651,088	(\$3,488)
Intergovernmental	28,118	33,881	33,700	(181)
Miscellaneous	4,226	5,092	5,065	(27)
<i>Total Revenues</i>	<u>575,578</u>	<u>693,549</u>	<u>689,853</u>	<u>(3,696)</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation:				
Cain Park Recreation				
Personal Services	133,925	150,696	150,877	(181)
Other than Personal Services	413,450	524,619	522,769	1,850
Non-Governmental	0	602	602	0
Total Cain Park Recreation	<u>547,375</u>	<u>675,917</u>	<u>674,248</u>	<u>1,669</u>
Cain Park Arts Festival				
Personal Services	18,475	18,739	17,175	1,564
Other than Personal Services	12,500	13,629	13,607	22
Total Cain Park Arts Festival	<u>30,975</u>	<u>32,368</u>	<u>30,782</u>	<u>1,586</u>
Cain Park Arts Theater				
Personal Services	31,175	26,674	26,604	70
Other than Personal Services	42,700	47,781	47,607	174
Total Cain Park Arts Theater	<u>73,875</u>	<u>74,455</u>	<u>74,211</u>	<u>244</u>
<i>Total Expenditures</i>	<u>652,225</u>	<u>782,740</u>	<u>779,241</u>	<u>3,499</u>
<i>Excess of Revenues Under Expenditures</i>	(76,647)	(89,191)	(89,388)	(197)
<b>Other Financing Sources</b>				
Transfers In	74,423	89,677	89,199	(478)
<i>Net Change in Fund Balance</i>	(2,224)	486	(189)	(675)
<i>Fund Balance Beginning of Year</i>	189	189	189	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$2,035)</u>	<u>\$675</u>	<u>\$0</u>	<u>(\$675)</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Right of Way Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses, Permits and Fees	\$12,500	\$12,500	\$13,339	\$839
<b>Expenditures</b>				
Current:				
General Government:				
Public Right of Way				
Other than Personal Services	12,000	13,800	13,542	258
<i>Net Change in Fund Balance</i>	500	(1,300)	(203)	1,097
<i>Fund Balance Beginning of Year</i>	14,745	14,745	14,745	0
<i>Fund Balance End of Year</i>	\$15,245	\$13,445	\$14,542	\$1,097



**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Driver's Alcohol Treatment Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$25,000	\$25,000	\$22,618	(\$2,382)
<b>Expenditures</b>				
Current:				
General Government:				
Indigent DUI Treatment				
Other than Personal Services	14,000	14,000	0	14,000
<i>Net Change in Fund Balance</i>	11,000	11,000	22,618	11,618
<i>Fund Balance Beginning of Year</i>	110,756	110,756	110,756	0
<i>Fund Balance End of Year</i>	<u>\$121,756</u>	<u>\$121,756</u>	<u>\$133,374</u>	<u>\$11,618</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Clerk Computerization Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$135,000	\$135,000	\$119,733	(\$15,267)
<b>Expenditures</b>				
Current:				
General Government:				
Court Computer				
Personal Services	107,180	107,180	102,830	4,350
Other than Personal Services	71,990	74,990	27,845	47,145
Capital Outlay	152,000	149,000	49,471	99,529
<i>Total Expenditures</i>	<u>331,170</u>	<u>331,170</u>	<u>180,146</u>	<u>151,024</u>
<i>Net Change in Fund Balance</i>	(196,170)	(196,170)	(60,413)	135,757
<i>Fund Balance Beginning of Year</i>	<u>510,589</u>	<u>510,589</u>	<u>510,589</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$314,419</u></u>	<u><u>\$314,419</u></u>	<u><u>\$450,176</u></u>	<u><u>\$135,757</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*DUI Enforcement and Education Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$3,000	\$3,000	\$5,040	\$2,040
<b>Expenditures</b>				
Current:				
General Government:				
DUI Enforcement Education				
Other than Personal Services	10,000	10,000	0	10,000
<i>Net Change in Fund Balance</i>	(7,000)	(7,000)	5,040	12,040
<i>Fund Balance Beginning of Year (Restated)</i>	66,690	66,690	66,690	0
<i>Fund Balance End of Year</i>	<u>\$59,690</u>	<u>\$59,690</u>	<u>\$71,730</u>	<u>\$12,040</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Special Projects Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$200,000	\$200,000	\$178,153	(\$21,847)
<b>Expenditures</b>				
Current:				
General Government:				
Court Special Projects				
Personal Services	72,700	80,700	80,086	614
Other than Personal Services	72,408	58,500	6,125	52,375
Capital Outlay	103,761	100,000	16,548	83,452
<i>Total Expenditures</i>	248,869	239,200	102,759	136,441
<i>Net Change in Fund Balance</i>	(48,869)	(39,200)	75,394	114,594
<i>Fund Balance Beginning of Year</i>	1,412,197	1,412,197	1,412,197	0
<i>Fund Balance End of Year</i>	<u>\$1,363,328</u>	<u>\$1,372,997</u>	<u>\$1,487,591</u>	<u>\$114,594</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Lead Safe Cuyahoga Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$158,250	\$158,250	\$145,429	(\$12,821)
<b>Expenditures</b>				
Current:				
Community Development:				
LEAD Safe Cuyahoga				
Personal Services	5,000	5,000	6,113	(1,113)
Other than Personal Services	148,800	180,000	164,637	15,363
<i>Total Expenditures</i>	<u>153,800</u>	<u>185,000</u>	<u>170,750</u>	<u>14,250</u>
<i>Net Change in Fund Balance</i>	4,450	(26,750)	(25,321)	1,429
<i>Fund Balance Beginning of Year</i>	<u>27,585</u>	<u>27,585</u>	<u>27,585</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$32,035</u></u>	<u><u>\$835</u></u>	<u><u>\$2,264</u></u>	<u><u>\$1,429</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Neighborhood Stabilization Program Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$662,800	\$662,800	\$397,484	(\$265,316)
<b>Expenditures</b>				
Current:				
Community Development:				
Neighborhood Stabilization				
Personal Services	105,705	55,005	55,327	(322)
Other than Personal Services	36,260	16,300	41,201	(24,901)
Capital Outlay	700	344,450	313,987	30,463
Total Neighborhood Stabilization	<u>142,665</u>	<u>415,755</u>	<u>410,515</u>	<u>5,240</u>
NSP Program Income				
Other than Personal Services	0	17,745	17,741	4
Capital Outlay	0	68,565	68,563	2
Total NSP Program Income	<u>0</u>	<u>86,310</u>	<u>86,304</u>	<u>6</u>
NSP Program 3				
Other than Personal Services	<u>0</u>	<u>224,432</u>	<u>224,432</u>	<u>0</u>
<i>Total Expenditures</i>	<u>142,665</u>	<u>726,497</u>	<u>721,251</u>	<u>5,246</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	520,135	(63,697)	(323,767)	(260,070)
<b>Other Financing Sources</b>				
Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>532,000</u>	<u>532,000</u>
<i>Net Change in Fund Balance</i>	520,135	(63,697)	208,233	271,930
<i>Fund Balance Beginning of Year</i>	<u>65,217</u>	<u>65,217</u>	<u>65,217</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$585,352</u>	<u>\$1,520</u>	<u>\$273,450</u>	<u>\$271,930</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Homelessness Prevention Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$71,170	\$71,170	\$71,164	(\$6)
<b>Expenditures</b>				
Current:				
Community Development:				
Homelessness Prevention				
Personal Services	6,960	7,249	7,334	(85)
Other than Personal Services	58,960	63,919	62,894	1,025
<i>Total Expenditures</i>	<u>65,920</u>	<u>71,168</u>	<u>70,228</u>	<u>940</u>
<i>Excess of Revenues Over Expenditures</i>	5,250	2	936	934
<b>Other Financing Uses</b>				
Advances Out	0	0	(1,022)	(1,022)
<i>Net Change in Fund Balance</i>	5,250	2	(86)	(88)
<i>Fund Balance Beginning of Year</i>	<u>86</u>	<u>86</u>	<u>86</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,336</u></u>	<u><u>\$88</u></u>	<u><u>\$0</u></u>	<u><u>(\$88)</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Lighting Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special Assessments	\$1,059,961	\$1,059,961	\$1,043,831	(\$16,130)
Miscellaneous	39	39	38	(1)
<i>Total Revenues</i>	<u>1,060,000</u>	<u>1,060,000</u>	<u>1,043,869</u>	<u>(16,131)</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Street Lighting				
Other than Personal Services	<u>1,055,000</u>	<u>835,000</u>	<u>831,672</u>	<u>3,328</u>
<i>Excess of Revenues Over Expenditures</i>	5,000	225,000	212,197	(12,803)
<b>Other Financing Sources</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>16,633</u>	<u>16,633</u>
<i>Net Change in Fund Balance</i>	5,000	225,000	228,830	3,830
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,000</u></u>	<u><u>\$225,000</u></u>	<u><u>\$228,830</u></u>	<u><u>\$3,830</u></u>



**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tree Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses, Permits and Fees	\$154	\$154	\$150	(\$4)
Special Assessments	819,384	819,384	797,561	(21,823)
Miscellaneous	462	462	450	(12)
<i>Total Revenues</i>	<u>820,000</u>	<u>820,000</u>	<u>798,161</u>	<u>(21,839)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Tree				
Personal Services	605,000	642,500	652,152	(9,652)
Other than Personal Services	244,250	192,005	189,646	2,359
Capital Outlay	75,110	70,084	44,438	25,646
<i>Total Expenditures</i>	<u>924,360</u>	<u>904,589</u>	<u>886,236</u>	<u>18,353</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(104,360)</u>	<u>(84,589)</u>	<u>(88,075)</u>	<u>(3,486)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	17,712	17,712
Transfers Out	0	(589)	(589)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(589)</u>	<u>17,123</u>	<u>17,712</u>
<i>Net Change in Fund Balance</i>	(104,360)	(85,178)	(70,952)	14,226
<i>Fund Balance Beginning of Year</i>	122,118	122,118	122,118	0
Unexpended Prior Year Encumbrances	21	21	21	0
<i>Fund Balance End of Year</i>	<u>\$17,779</u>	<u>\$36,961</u>	<u>\$51,187</u>	<u>\$14,226</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$197,127	\$230,390	\$230,376	(\$14)
Intergovernmental	29,157	34,076	34,074	(2)
<i>Total Revenues</i>	226,284	264,466	264,450	(16)
<b>Expenditures</b>				
Public Safety:				
Police Pension				
Personal Services	981,500	1,067,985	1,067,981	4
<i>Excess of Revenues Under Expenditures</i>	(755,216)	(803,519)	(803,531)	(12)
<b>Other Financing Sources</b>				
Transfers In	687,563	803,581	803,531	(50)
<i>Net Change in Fund Balance</i>	(67,653)	62	0	(62)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$67,653)</u>	<u>\$62</u>	<u>\$0</u>	<u>(\$62)</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$204,723	\$230,383	\$230,376	(\$7)
Intergovernmental	30,280	34,075	34,074	(1)
<i>Total Revenues</i>	235,003	264,458	264,450	(8)
<b>Expenditures</b>				
Public Safety:				
Fire Pension				
Personal Services	1,250,000	1,395,205	1,395,205	0
<i>Excess of Revenues Under Expenditures</i>	(1,014,997)	(1,130,747)	(1,130,755)	(8)
<b>Other Financing Sources</b>				
Transfers In	1,004,844	1,130,789	1,130,755	(34)
<i>Net Change in Fund Balance</i>	(10,153)	42	0	(42)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$10,153)	\$42	\$0	(\$42)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Off-Street Parking Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$898,453	\$917,705	\$1,006,876	\$89,171
Miscellaneous	81,547	83,295	91,388	8,093
<i>Total Revenues</i>	<u>980,000</u>	<u>1,001,000</u>	<u>1,098,264</u>	<u>97,264</u>
<b>Expenditures</b>				
Current:				
General Government:				
Off-Street Parking				
Personal Services	165,000	250,500	246,811	3,689
Other than Personal Services	841,200	766,655	765,178	1,477
Capital Outlay	0	16,650	16,650	0
Non-Governmental	5,000	3,000	2,942	58
<i>Total Expenditures</i>	<u>1,011,200</u>	<u>1,036,805</u>	<u>1,031,581</u>	<u>5,224</u>
<i>Net Change in Fund Balance</i>	(31,200)	(35,805)	66,683	102,488
<i>Fund Balance Beginning of Year</i>	<u>37,789</u>	<u>37,789</u>	<u>37,789</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,589</u>	<u>\$1,984</u>	<u>\$104,472</u>	<u>\$102,488</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ambulance Services Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$605,266	\$605,266	\$824,581	\$219,315
Intergovernmental	9,734	9,734	13,261	3,527
<i>Total Revenues</i>	<u>615,000</u>	<u>615,000</u>	<u>837,842</u>	<u>222,842</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Ambulance Services				
Personal Services	155,000	172,500	167,053	5,447
Other than Personal Services	238,250	250,475	248,089	2,386
Capital Outlay	150,000	97,695	97,694	1
<i>Total Expenditures</i>	<u>543,250</u>	<u>520,670</u>	<u>512,836</u>	<u>7,834</u>
<i>Excess of Revenues Over Expenditures</i>	71,750	94,330	325,006	230,676
<b>Other Financing Uses</b>				
Transfers Out	(22,500)	(28,000)	(28,000)	0
<i>Net Change in Fund Balance</i>	49,250	66,330	297,006	230,676
<i>Fund Balance Beginning of Year</i>	99,285	99,285	99,285	0
Unexpended Prior Year Encumbrances	14,121	14,121	14,121	0
<i>Fund Balance End of Year</i>	<u>\$162,656</u>	<u>\$179,736</u>	<u>\$410,412</u>	<u>\$230,676</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cedar Lee Parking Facility Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
General Government:				
Parking				
Other than Personal Services	<u>20</u>	<u>20</u>	<u>20</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>20</u>	<u>20</u>	<u>20</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Office on Aging Donations Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Contributions and Donations	\$5,000	\$5,000	\$4,908	(\$92)
<b>Expenditures</b>				
Public Health Services:				
Office on Aging Computer Center				
Other than Personal Services	2,700	2,025	0	2,025
Capital Outlay	3,000	11,700	10,200	1,500
Total Office on Aging Computer Center	5,700	13,725	10,200	3,525
Office on Aging				
Other than Personal Services	5,000	8,875	8,506	369
<i>Total Expenditures</i>	10,700	22,600	18,706	3,894
<i>Net Change in Fund Balance</i>	(5,700)	(17,600)	(13,798)	3,802
<i>Fund Balance Beginning of Year</i>	60,333	60,333	60,333	0
<i>Fund Balance End of Year</i>	\$54,633	\$42,733	\$46,535	\$3,802

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Youth Recreation Donation Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Contributions and Donations	\$2,500	\$2,650	\$7,440	\$4,790
<b>Expenditures</b>				
General Government:				
Youth Donations				
Other than Personal Services	1,000	4,840	4,840	0
<i>Net Change in Fund Balance</i>	1,500	(2,190)	2,600	4,790
<i>Fund Balance Beginning of Year</i>	2,194	2,194	2,194	0
<i>Fund Balance End of Year</i>	<u>\$3,694</u>	<u>\$4</u>	<u>\$4,794</u>	<u>\$4,790</u>



**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Memorial Trust Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Contributions and Donations	\$500	\$500	\$0	(\$500)
<b>Expenditures</b>				
General Government:				
Police Trust				
Other than Personal Services	<u>608</u>	<u>608</u>	<u>0</u>	<u>608</u>
<i>Net Change in Fund Balance</i>	(108)	(108)	0	108
<i>Fund Balance Beginning of Year</i>	<u>608</u>	<u>608</u>	<u>608</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$500</u></u>	<u><u>\$500</u></u>	<u><u>\$608</u></u>	<u><u>\$108</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Earned Benefits Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
	\$0	\$0	\$0	\$0
<b>Revenues</b>				
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	99,487	230,198	230,184	14
Public Safety:				
Personal Services	161,004	372,547	372,527	20
Public Health Services:				
Personal Services	313	725	725	0
Transportation:				
Personal Services	10,100	23,371	23,370	1
Community Development:				
Personal Services	4,723	10,928	10,928	0
Sanitation:				
Personal Services	20,031	46,351	46,348	3
Culture and Recreation:				
Personal Services	4,342	10,049	10,049	0
<i>Total Expenditures</i>	300,000	694,169	694,131	38
<i>Excess of Revenues Under Expenditures</i>	(300,000)	(694,169)	(694,131)	38
<b>Other Financing Sources</b>				
Transfer In	375,000	511,000	510,866	(134)
<i>Net Change in Fund Balance</i>	75,000	(183,169)	(183,265)	(96)
<i>Fund Balance Beginning of Year</i>	183,265	183,265	183,265	0
<i>Fund Balance End of Year</i>	\$258,265	\$96	\$0	(\$96)

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Facility Improvement Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses, Permits and Fees	\$23,000	\$23,000	\$28,260	\$5,260
<b>Expenditures</b>				
Current:				
Public Safety:				
Police Facility Improvement				
Other than Personal Services	24,000	26,233	23,270	2,963
Capital Outlay	3,600	1,367	0	1,367
<i>Total Expenditures</i>	<u>27,600</u>	<u>27,600</u>	<u>23,270</u>	<u>4,330</u>
<i>Net Change in Fund Balance</i>	(4,600)	(4,600)	4,990	9,590
<i>Fund Balance Beginning of Year</i>	<u>25,409</u>	<u>25,409</u>	<u>25,409</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$20,809</u></u>	<u><u>\$20,809</u></u>	<u><u>\$30,399</u></u>	<u><u>\$9,590</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Recreation Facility Improvement Fund  
For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$505,827	\$505,827	\$537,544	\$31,717
Intergovernmental	74,815	74,815	79,506	4,691
<i>Total Revenues</i>	<u>580,642</u>	<u>580,642</u>	<u>617,050</u>	<u>36,408</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation:				
Recreation Facility Improvement				
Other than Personal Services	218,450	387,947	386,965	982
Capital Outlay	515,896	406,921	406,918	3
<i>Total Expenditures</i>	<u>734,346</u>	<u>794,868</u>	<u>793,883</u>	<u>985</u>
<i>Net Change in Fund Balance</i>	(153,704)	(214,226)	(176,833)	37,393
<i>Fund Balance Beginning of Year</i>	836,273	836,273	836,273	0
Unexpended Prior Year Encumbrances	6,234	6,234	6,234	0
<i>Fund Balance End of Year</i>	<u>\$688,803</u>	<u>\$628,281</u>	<u>\$665,674</u>	<u>\$37,393</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Recreation Facility Improvement				
Other than Personal Services	0	14,469	14,392	77
Capital Outlay	706,900	732,858	732,853	5
<i>Total Expenditures</i>	706,900	747,327	747,245	82
<i>Excess of Revenues Under Expenditures</i>	(706,900)	(747,327)	(747,245)	82
<b>Other Financing Sources</b>				
General Obligation Notes Issued	397,623	599,417	775,000	175,583
Premium on Notes	2,377	3,583	4,633	1,050
<i>Total Other Financing Sources</i>	400,000	603,000	779,633	176,633
<i>Net Change in Fund Balance</i>	(306,900)	(144,327)	32,388	176,715
<i>Fund Balance Beginning of Year</i>	144,806	144,806	144,806	0
<i>Fund Balance (Deficit) End of Year</i>	(\$162,094)	\$479	\$177,194	\$176,715

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Economic Development Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Miscellaneous	\$44	\$660,041	\$660,026	(\$15)
<b>Expenditures</b>				
Current:				
Community Development:				
Recreation Facility Improvement				
Personal Services	67,500	94,025	95,358	(1,333)
Other than Personal Services	26,000	259,000	242,371	16,629
Total Community Development	93,500	353,025	337,729	15,296
Capital Outlay	0	86,325	86,324	1
<i>Total Expenditures</i>	93,500	439,350	424,053	15,297
<i>Excess of Revenues Over (Under) Expenditures</i>	(93,456)	220,691	235,973	15,282
<b>Other Financing Sources</b>				
Transfers In	10,956	1,153,756	1,150,000	(3,756)
<i>Net Change in Fund Balance</i>	(82,500)	1,374,447	1,385,973	11,526
<i>Fund Balance Beginning of Year</i>	249,663	249,663	249,663	0
<i>Fund Balance End of Year</i>	\$167,163	\$1,624,110	\$1,635,636	\$11,526

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*City Hall Maintenance Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Rentals	\$13,300	\$13,300	\$21,010	\$7,710
<b>Expenditures</b>				
Current:				
General Government:				
Recreation Facility Improvement				
Other than Personal Services	15,000	15,000	11,157	3,843
<i>Net Change in Fund Balance</i>	(1,700)	(1,700)	9,853	11,553
<i>Fund Balance Beginning of Year</i>	21,805	21,805	21,805	0
<i>Fund Balance End of Year</i>	\$20,105	\$20,105	\$31,658	\$11,553

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ring Road Construction Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Ring Road Construction				
Other than Personal Services	15,000	22,193	21,915	278
Capital Outlay	90,000	140,950	140,950	0
<i>Total Expenditures</i>	105,000	163,143	162,865	278
<i>Net Change in Fund Balance</i>	(105,000)	(163,143)	(162,865)	278
<i>Fund Balance Beginning of Year</i>	679,786	679,786	679,786	0
<i>Fund Balance End of Year</i>	\$574,786	\$516,643	\$516,921	\$278





# Statistical Section

Cleveland Heights received an honorable mention from the League of American Bicyclists for our City's efforts to make our community bicycle-friendly. The City works with the Cleveland Heights Bicycle Coalition to encourage bicycling as a sustainable and healthy alternative to driving. The City coordinated with the Coalition on the installation of sharrows on several major streets. The Coalition, University Circle and Cleveland Heights are working on a plan to improve bicycle connectivity between Cleveland Heights and University Circle.



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## Statistical Section

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

<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	S12 – S18
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<b><i>Debt Capacity</i></b> .....	S19 - S24
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.	
<b><i>Economic and Demographic Information</i></b> .....	S25 – S29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b><i>Operating Information</i></b> .....	S30 - S35
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**City of Cleveland Heights, Ohio**

*Net Position by Component*

*Last Ten Years*

*(accrual basis of accounting)*

	<u>2012</u>	<u>2011 (1)</u>	<u>2010 (1)</u>	<u>2009</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$66,164,102	\$61,261,817	\$60,655,783	\$52,671,861
Restricted	16,014,581	14,783,716	10,212,831	10,039,038
Unrestricted	<u>14,583,025</u>	<u>13,789,209</u>	<u>11,467,878</u>	<u>8,480,557</u>
<i>Total Governmental Activities Net Position</i>	<u>96,761,708</u>	<u>89,834,742</u>	<u>82,336,492</u>	<u>71,191,456</u>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	21,386,384	21,461,778	21,995,967	29,105,885
Unrestricted	<u>2,017,605</u>	<u>2,882,395</u>	<u>3,647,070</u>	<u>3,246,059</u>
<i>Total Business-Type Activities Net Position</i>	<u>23,403,989</u>	<u>24,344,173</u>	<u>25,643,037</u>	<u>32,351,944</u>
<b>Primary government</b>				
Net Investment in Capital Assets	87,550,486	82,723,595	82,651,750	81,777,746
Restricted	16,014,581	14,783,716	10,212,831	10,039,038
Unrestricted	<u>16,600,630</u>	<u>16,671,604</u>	<u>15,114,948</u>	<u>11,726,616</u>
<i>Total Primary Government Net Position</i>	<u>\$120,165,697</u>	<u>\$114,178,915</u>	<u>\$107,979,529</u>	<u>\$103,543,400</u>

(1) The City implemented GASB Statement 54 in 2011, causing the classification of net position to change.

2008	2007	2006	2005	2004	2003
\$49,880,927	\$47,989,231	\$46,423,601	\$45,120,294	\$44,538,645	\$45,405,726
9,455,828	9,333,918	8,445,051	7,816,228	7,226,734	10,002,899
8,228,404	6,636,083	4,855,068	4,434,530	5,602,167	(2,600,603)
<u>67,565,159</u>	<u>63,959,232</u>	<u>59,723,720</u>	<u>57,371,052</u>	<u>57,367,546</u>	<u>52,808,022</u>
29,365,271	29,324,738	29,185,731	29,521,445	28,494,702	28,549,980
3,309,986	4,224,348	3,345,378	2,254,038	5,019,373	5,738,795
<u>32,675,257</u>	<u>33,549,086</u>	<u>32,531,109</u>	<u>31,775,483</u>	<u>33,514,075</u>	<u>34,288,775</u>
79,246,198	77,313,969	75,609,332	74,641,739	73,033,347	73,955,706
9,455,828	9,333,918	8,445,051	7,816,228	7,226,734	10,002,899
11,538,390	10,860,431	8,200,446	6,688,568	10,621,540	3,138,192
<u>\$100,240,416</u>	<u>\$97,508,318</u>	<u>\$92,254,829</u>	<u>\$89,146,535</u>	<u>\$90,881,621</u>	<u>\$87,096,797</u>

**City of Cleveland Heights, Ohio**

*Changes in Net Position*

*Last Ten Years (1)*

*(accrual basis of accounting)*

	2012	2011	2010	2009
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$3,896,511	\$5,173,902	\$5,899,281	\$5,426,842
Public Safety	5,078,988	4,063,337	2,787,809	641,586
Public Health Services	61,303	60,043	1,320	1,140
Transportation	589,434	575,647	4,324	40,283
Community Development	1,320,804	1,264,852	1,682,112	824,958
Sanitation	429,204	394,745	1,522,649	1,456,358
Culture and Recreation	981,803	727,363	1,721,728	1,700,627
Operating Grants and Contributions	5,657,962	4,953,832	2,913,883	2,321,296
Capital Grants and Contributions	3,877,741	0	2,493,496	413,457
<i>Total Governmental Activities Program Revenues</i>	<u>21,893,750</u>	<u>17,213,721</u>	<u>19,026,602</u>	<u>12,826,547</u>
Business-Type Activities:				
Charges for Services:				
Water	11,466,957	10,125,904	0	0
Sewer	1,727,854	1,584,611	0	0
Utilities	0	0	12,746,117	13,772,780
Operating Grants and Contributions	0	0	0	4,990
Capital Grants and Contributions	0	0	547,852	111,469
<i>Total Business-Type Activities Program Revenues</i>	<u>13,194,811</u>	<u>11,710,515</u>	<u>13,293,969</u>	<u>13,889,239</u>
<i>Total Primary Government Program Revenues</i>	<u>35,088,561</u>	<u>28,924,236</u>	<u>32,320,571</u>	<u>26,715,786</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	16,048,638	15,240,828	16,283,136	14,221,696
Public Safety	21,239,342	19,139,951	19,266,592	17,365,410
Public Health Services	363,703	342,507	360,546	374,224
Transportation	5,718,551	5,620,385	6,755,636	4,608,968
Community Development	6,347,777	6,330,335	7,154,037	5,754,860
Sanitation	2,670,357	2,470,427	2,396,825	2,328,083
Culture and Recreation	3,385,120	3,466,238	3,562,465	3,721,292
Interest and Fiscal Charges	798,771	1,159,987	96,930	635,984
<i>Total Governmental Activities Expenses</i>	<u>56,572,259</u>	<u>53,770,658</u>	<u>55,876,167</u>	<u>49,010,517</u>
Business-Type Activities:				
Water	13,213,185	10,800,301	0	0
Sewer	1,787,713	2,217,378	0	0
Utilities	0	0	12,374,470	14,806,270
<i>Total Business-Type Activities Expenses</i>	<u>15,000,898</u>	<u>13,017,679</u>	<u>12,374,470</u>	<u>14,806,270</u>
<i>Total Primary Government Expenses</i>	<u>\$71,573,157</u>	<u>\$66,788,337</u>	<u>\$68,250,637</u>	<u>\$63,816,787</u>

2008	2007	2006	2005	2004	2003
\$5,167,813	\$4,347,482	\$4,426,901	\$4,708,959	\$3,461,016	\$3,757,832
1,117,854	2,913,059	989,133	826,386	822,387	1,023,035
875	1,580	6,671	6,706	5,540	0
0	0	33,259	268,275	2,240,332	295,005
1,232,524	2,365,009	588,919	459,862	2,566,510	1,341,973
640,906	978,584	747,719	722,498	477,887	596,220
1,801,819	2,050,639	2,265,814	2,150,561	1,893,288	1,755,186
2,471,445	3,474,217	1,969,005	1,643,794	2,722,219	1,877,803
506,820	273,750	338,000	0	212,217	815,829
12,940,056	16,404,320	11,365,421	10,787,041	14,401,396	11,462,883
0	0	0	0	0	0
0	0	0	0	0	0
13,039,119	13,389,917	12,442,554	11,250,891	11,042,968	11,220,301
0	5,975	149,934	620,142	98,295	105,420
0	0	0	0	0	153,510
13,039,119	13,395,892	12,592,488	11,871,033	11,141,263	11,479,231
25,979,175	29,800,212	23,957,909	22,658,074	25,542,659	22,942,114
12,147,129	11,941,290	15,103,153	15,619,750	13,527,660	13,763,275
18,628,409	19,723,818	18,782,355	18,031,294	18,367,866	17,671,151
418,430	426,606	435,206	447,114	454,038	460,421
6,881,110	7,052,660	3,054,535	3,345,499	4,917,119	2,064,177
6,368,068	6,453,726	6,842,251	5,930,750	7,739,951	7,912,186
3,439,963	3,002,530	3,067,667	2,756,181	3,009,859	2,976,704
3,947,966	4,259,479	4,106,053	3,899,948	3,774,060	3,812,176
815,057	969,947	753,647	1,279,516	1,260,115	1,371,232
52,646,132	53,830,056	52,144,867	51,310,052	53,050,668	50,031,322
0	0	0	0	0	0
0	0	0	0	0	0
14,336,588	13,501,152	13,161,806	13,675,740	11,945,541	12,524,544
14,336,588	13,501,152	13,161,806	13,675,740	11,945,541	12,524,544
\$66,982,720	\$67,331,208	\$65,306,673	\$64,985,792	\$64,996,209	\$62,555,866

(continued)

**City of Cleveland Heights, Ohio**

*Changes in Net Position (continued)*

*Last Ten Years (1)*

*(accrual basis of accounting)*

	2012	2011	2010	2009
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$34,678,509)	(\$36,556,937)	(\$36,849,565)	(\$36,183,970)
Business-Type Activities	(1,806,087)	(1,307,164)	919,499	(917,031)
<i>Total Primary Government Net Expense</i>	<u>(36,484,596)</u>	<u>(37,864,101)</u>	<u>(35,930,066)</u>	<u>(37,101,001)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	6,720,122	6,955,676	7,865,388	7,236,862
Other Purposes	463,456	477,254	482,529	514,132
Debt Service	2,240,041	2,306,722	2,332,232	3,570,713
Capital Outlay	540,700	556,794	485,169	0
Municipal Income Taxes Levied For:				
General Purposes	24,772,161	24,162,250	20,202,521	19,994,781
Admissions Taxes	107,516	273,716	0	0
Grants and Entitlements not Restricted to Specific Programs	4,418,417	4,919,000	7,521,076	7,829,289
Franchise Taxes	588,325	565,476	0	0
Payment in Lieu of Taxes	1,150,000	141,241	0	0
Investment Earnings	45,811	127,999	169,445	112,881
Gain (Loss) on Sale of Capital Assets	103,497	0	0	0
Miscellaneous	1,318,978	1,694,674	1,295,993	1,054,747
Transfers	(863,549)	14,385	0	(503,138)
<i>Total Governmental Activities</i>	<u>41,605,475</u>	<u>42,195,187</u>	<u>40,354,353</u>	<u>39,810,267</u>
Business-Type Activities:				
Investment Earnings	0	0	4,085	21,561
Gain (Loss) on Sale of Capital Assets	0	0	0	0
Miscellaneous	2,354	22,685	7,757	69,019
Transfers	863,549	(14,385)	0	503,138
<i>Total Business-Type Activities</i>	<u>865,903</u>	<u>8,300</u>	<u>11,842</u>	<u>593,718</u>
<i>Total Primary Government</i>	<u>42,471,378</u>	<u>42,203,487</u>	<u>40,366,195</u>	<u>40,403,985</u>
<b>Change in Net Position</b>				
Governmental Activities	6,926,966	5,638,250	3,504,788	3,626,297
Business-Type Activities	(940,184)	(1,298,864)	931,341	(323,313)
<i>Total Primary Government Change in Net Position</i>	<u>\$5,986,782</u>	<u>\$4,339,386</u>	<u>\$4,436,129</u>	<u>\$3,302,984</u>

(1) Business-Type Activities funds are presented together under "utilities" from 2003 - 2010.



2008	2007	2006	2005	2004	2003
(\$39,706,076)	(\$37,425,736)	(\$40,779,446)	(\$40,523,011)	(\$38,649,272)	(\$38,568,439)
(1,297,469)	(105,260)	(569,318)	(1,804,707)	(804,278)	(1,045,313)
(41,003,545)	(37,530,996)	(41,348,764)	(42,327,718)	(39,453,550)	(39,613,752)
7,076,452	8,216,507	6,713,918	6,462,966	10,954,701	5,279,179
515,736	531,102	489,038	472,622	481,968	410,382
3,610,165	3,806,226	3,496,022	3,913,630	389,310	4,727,127
0	0	0	0	0	0
21,877,327	21,869,012	23,073,254	21,015,495	21,883,632	20,418,119
0	0	0	0	0	0
8,310,262	6,607,694	8,431,052	7,468,935	6,473,704	7,506,950
0	0	0	0	0	0
0	0	0	0	0	0
416,225	668,428	672,273	372,478	196,901	313,444
0	0	0	0	(67,252)	29,509
1,789,096	717,745	727,929	1,113,746	1,100,189	1,260,931
(283,260)	(755,466)	(590,172)	(128,847)	4,888	4,261
43,312,003	41,661,248	43,013,314	40,691,025	41,418,041	39,949,902
86,224	351,419	415,954	74,039	33,633	68,751
0	0	0	0	(2,167)	13,650
54,156	16,352	37,837	68,462	3,000	21,020
283,260	755,466	590,172	128,847	(4,888)	(4,261)
423,640	1,123,237	1,043,963	271,348	29,578	99,160
43,735,643	42,784,485	44,057,277	40,962,373	41,447,619	40,049,062
3,605,927	4,235,512	2,233,868	168,014	2,768,769	1,381,463
(873,829)	1,017,977	474,645	(1,533,359)	(774,700)	(946,153)
\$2,732,098	\$5,253,489	\$2,708,513	(\$1,365,345)	\$1,994,069	\$435,310

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

	2012	2011 (1)	2010	2009
<b>General Fund</b>				
Reserved	\$0	\$0	\$0	\$524,144
Unreserved	0	0	0	5,282,107
Nonspendable	\$380,439	\$282,323	\$329,078	0
Assigned	2,960,821	4,978,336	358,103	0
Unassigned	3,157,559	2,764,002	7,740,531	0
<i>Total General Fund</i>	<u>6,498,819</u>	<u>8,024,661</u>	<u>8,427,712</u>	<u>5,806,251</u>
<b>All Other Governmental Funds</b>				
Reserved	0	0	0	2,135,795
Unreserved:				
Undesignated, Reported in:				
Special Revenue funds	0	0	0	3,078,106
Debt Service funds	0	0	0	3,642,458
Capital Projects funds (Deficit)	0	0	0	1,764,568
Nonspendable	65,780	95,526	1,608,483	0
Restricted	8,109,130	7,363,926	9,003,123	0
Committed	1,186,778	1,263,138	1,225,246	0
Assigned	1,663,977	356,140	1,409,066	0
Unassigned (Deficit)	(1,338,387)	(987,173)	(2,301,471)	0
<i>Total All Other Governmental Funds</i>	<u>9,687,278</u>	<u>8,091,557</u>	<u>10,944,447</u>	<u>10,620,927</u>
<i>Total Governmental Funds</i>	<u>\$16,186,097</u>	<u>\$16,116,218</u>	<u>\$19,372,159</u>	<u>\$16,427,178</u>

Note: During 2011, the City implemented GASB 54.

2008	2007	2006	2005	2004	2003
\$566,116	\$504,536	\$434,892	\$235,383	\$221,631	\$261,183
3,369,353	3,239,649	4,547,592	3,522,250	3,621,791	3,215,530
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,935,469	3,744,185	4,982,484	3,757,633	3,843,422	3,476,713
2,315,658	1,830,706	2,063,226	2,249,303	2,965,651	2,385,227
2,846,750	2,828,052	1,721,695	811,709	1,767,319	1,731,121
3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	3,276,721
719,201	586,408	571,406	171,120	(1,405,019)	(4,389,548)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
9,186,212	8,114,711	7,008,660	6,492,294	6,532,453	3,003,521
\$13,121,681	\$11,858,896	\$11,991,144	\$10,249,927	\$10,375,875	\$6,480,234

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

	2012	2011	2010	2009	2008
<b>Revenues</b>					
Property Taxes	\$9,906,172	\$10,040,053	\$10,576,318	\$11,123,154	\$11,223,599
Municipal Income Taxes	23,022,254	19,359,768	20,623,037	20,282,703	21,826,496
Admissions Taxes	107,516	273,716	0	0	0
Charges for Services	5,156,842	4,909,865	3,571,709	3,535,575	2,895,109
Licenses, Permits and Fees	1,957,712	1,664,970	1,865,516	1,845,466	1,721,725
Fines and Forfeitures	2,937,542	2,789,862	2,956,629	3,062,880	2,994,955
Intergovernmental	10,602,604	9,983,844	12,879,753	10,780,543	11,248,160
Special Assessments	1,982,802	1,939,289	1,451,905	1,504,940	1,525,849
Interest	45,811	127,999	169,445	112,881	416,354
Rentals	50,476	54,571	0	0	0
Contributions and Donations	12,348	15,880	0	0	0
Franchise Taxes	588,325	565,476	0	0	0
Payment in Lieu of Taxes	1,150,000	141,241	0	0	0
Miscellaneous	1,318,978	1,694,674	2,530,200	2,533,055	3,551,511
<i>Total Revenues</i>	<u>58,839,382</u>	<u>53,561,208</u>	<u>56,624,512</u>	<u>54,781,197</u>	<u>57,403,758</u>
<b>Expenditures</b>					
Current:					
General Government	15,354,284	14,645,346	15,815,325	13,832,810	15,579,103
Public Safety	20,796,144	19,736,539	18,400,270	17,132,779	17,469,045
Public Health Services	362,103	385,716	360,312	386,646	400,213
Transportation	5,162,780	5,057,282	3,069,299	2,970,122	3,673,791
Community Development	6,163,082	5,944,549	6,302,268	5,255,571	5,785,519
Sanitation	2,417,960	2,248,499	2,134,046	2,119,740	2,598,622
Culture and Recreation	2,628,806	2,477,521	2,767,008	2,933,068	3,037,248
Capital Outlay	2,330,729	1,276,062	6,274,534	3,555,156	4,965,356
Debt service:					
Principal Retirement	2,094,509	4,318,896	1,859,529	2,136,867	1,292,366
Interest and Fiscal Charges	748,794	832,804	627,819	707,451	913,376
Bond Issuance Costs	0	0	0	0	214,813
<i>Total Expenditures</i>	<u>58,059,191</u>	<u>56,923,214</u>	<u>57,610,410</u>	<u>51,030,210</u>	<u>55,929,452</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>780,191</u>	<u>(3,362,006)</u>	<u>(985,898)</u>	<u>3,750,987</u>	<u>1,474,306</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	128,697	34,260	24,273	17,796	16,056
General Obligation Notes and Bonds Issued	0	0	0	0	8,695,000
General Obligation Notes and Bonds Premium	0	0	0	0	228,332
Loans Issued	24,540	57,420	191,460	39,852	439,992
Inception of Capital Lease	0	0	450,000	0	136,000
Payment to Refunded Bond Escrow Agent	0	0	0	0	(9,460,000)
Transfers In	3,982,694	2,808,707	3,351,610	3,966,923	3,923,161
Transfers Out	(4,846,243)	(2,794,322)	(3,351,610)	(4,470,061)	(4,190,062)
<i>Total Other Financing Sources (Uses)</i>	<u>(710,312)</u>	<u>106,065</u>	<u>665,733</u>	<u>(445,490)</u>	<u>(211,521)</u>
<i>Net Change in Fund Balances</i>	<u>\$69,879</u>	<u>(\$3,255,941)</u>	<u>(\$320,165)</u>	<u>\$3,305,497</u>	<u>\$1,262,785</u>
Debt Service as a Percentage of Noncapital Expenditures	5.2%	9.7%	4.8%	6.0%	4.3%

2007	2006	2005	2004	2003
\$11,634,160	\$10,742,779	\$10,930,941	\$12,376,008	\$10,894,532
22,022,446	22,768,921	20,798,981	20,276,910	19,660,730
0	0	0	0	0
3,520,404	3,453,756	3,034,867	2,717,941	2,650,325
1,546,256	1,258,928	1,327,248	1,099,908	1,036,719
2,377,640	3,215,637	3,254,822	2,812,162	2,843,230
11,351,954	9,808,274	8,785,344	10,139,761	10,417,178
1,469,507	1,460,640	1,461,639	1,237,577	1,169,775
657,279	628,230	342,165	179,557	276,102
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1,978,668	1,738,224	2,364,989	2,152,259	2,064,906
56,558,314	55,075,389	52,300,996	52,992,083	51,013,497
14,907,466	13,289,052	12,385,439	12,966,859	13,218,508
17,607,171	18,343,503	18,057,194	17,002,404	17,874,797
414,663	423,239	432,265	441,036	447,871
3,819,214	4,522,818	7,418,116	6,237,771	9,047,135
5,909,549	6,456,465	5,645,509	7,305,467	6,700,695
2,618,865	3,081,125	3,026,639	2,799,102	2,977,592
3,460,288	4,007,032	3,711,215	3,452,859	3,485,167
4,353,749	13,676	23,215	37,735	747,810
1,880,646	1,773,221	1,640,000	2,680,000	531,726
1,045,066	1,144,568	1,279,516	1,265,115	1,384,232
0	0	0	0	0
56,016,677	53,054,699	53,619,108	54,188,348	56,415,533
541,637	2,020,690	(1,318,112)	(1,196,265)	(5,402,036)
14,531	139,500	191,259	96,844	309,000
0	0	0	3,200,000	0
0	0	0	0	0
67,050	102,359	1,129,752	0	0
0	68,840	0	0	115,000
0	0	0	0	0
4,584,852	3,959,609	4,701,322	2,544,116	2,687,283
(5,340,318)	(4,549,781)	(4,830,169)	(2,539,228)	(2,683,022)
(673,885)	(279,473)	1,192,164	3,301,732	428,261
(\$132,248)	\$1,741,217	(\$125,948)	\$2,105,467	(\$4,973,775)
5.6%	5.9%	6.0%	7.7%	4.1%

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

	2012	2011	2010	2009
<b>Inside Millage</b>				
Operating	\$2.22000	\$2.22000	\$2.22000	\$2.22000
Debt	1.50000	1.50000	1.50000	1.50000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>
<b>Charter Millage</b>				
1976 Charter/Current Expense	6.48000	6.48000	6.48000	6.48000
1997 Bond (\$15,000,000)	1.50000	1.40000	1.40000	1.40000
2004 Charter/Recreation Improvements	0.70000	0.70000	0.70000	0.70000
<i>Total Voted Millage by Type of Property</i>	<u>8.68000</u>	<u>8.58000</u>	<u>8.58000</u>	<u>8.58000</u>
<i>Total Millage</i>	<u><u>\$13.00000</u></u>	<u><u>\$12.90000</u></u>	<u><u>\$12.90000</u></u>	<u><u>\$12.90000</u></u>
<b>Overlapping Rates by Taxing District</b>				
<b><i>Cleveland Heights - University Heights</i></b>				
General Business and Public Utility Personal	\$143.70000	\$143.70000	\$136.80000	\$136.80000
Residential/Agricultural Real	74.30494	71.72203	64.31556	64.19275
Commercial/Industrial and Public Utility Real	87.04456	84.67923	76.56094	77.75290
<b><i>Cleveland Heights Library</i></b>				
Operating - continuing				
General Business and Public Utility Personal	7.80000	7.80000	7.80000	7.80000
Residential/Agricultural Real	5.90716	5.71080	5.67402	5.66510
Commercial/Industrial and Public Utility Real	6.32896	6.17445	6.07139	6.17273
<b><i>Cuyahoga County</i></b>				
General Business and Public Utility Personal	13.22000	13.22000	13.32000	13.32000
Residential/Agricultural Real	13.22000	13.11822	13.18662	13.17889
Commercial/Industrial and Public Utility Real	12.99676	12.78454	12.84125	12.84570
<b><i>Special Taxing Districts (1)</i></b>				
General Business and Public Utility Personal	5.08000	5.08000	5.08000	4.78000
Residential/Agricultural Real	5.06349	5.00415	4.98989	4.50688
Commercial/Industrial and Public Utility Real	4.96214	4.86484	4.84497	4.41194

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

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

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

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

- (1) Cleveland Metro Parks, Port Authority, Cuyahoga Community College - 2011-2003  
 Cleveland Metro Parks - 2002

Source: Cuyahoga County, Ohio; County Fiscal Officer

2008	2007	2006	2005	2004	2003
\$0.92000	\$0.92000	\$0.92000	\$0.92000	\$0.92000	\$0.92000
2.80000	2.80000	2.80000	2.80000	2.80000	2.80000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
4.32000	4.32000	4.32000	4.32000	4.32000	4.32000
6.48000	6.48000	6.48000	6.48000	6.48000	6.48000
1.40000	1.40000	1.50000	1.50000	1.60000	1.60000
0.70000	0.70000	0.70000	0.70000	0.70000	1.60000
8.58000	8.58000	8.68000	8.68000	8.78000	9.68000
\$12.90000	\$12.90000	\$13.00000	\$13.00000	\$13.10000	\$14.00000
\$136.70000	\$136.70000	\$129.60000	\$129.50000	\$129.60000	\$121.10000
60.29789	60.15715	53.01462	59.45227	59.52300	51.02045
76.29068	75.86764	68.98623	75.17352	71.84601	68.27274
7.80000	5.90000	5.90000	5.90000	5.90000	5.90000
5.38950	3.47928	3.47619	3.95099	3.94847	3.94826
6.08374	4.15755	4.17039	4.58113	4.35722	4.67908
13.32000	13.42000	13.42000	13.52000	13.52000	13.52000
12.66073	11.86887	11.86549	11.72274	10.97536	10.98986
12.81530	12.45356	12.49410	12.58806	11.98463	12.04332
4.78000	4.78000	4.78000	4.78000	4.78000	4.48000
4.15975	4.15898	4.15762	4.29655	4.29482	3.61906
4.39124	4.37987	4.39621	4.55968	4.51740	4.00964

**City of Cleveland Heights, Ohio**  
*Assessed Valuation and Estimated True Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property Assessed Values			Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial	Estimated	Assessed Values	Estimated
			Actual Value		Actual Value
2012	\$716,045,780	\$136,988,860	\$2,437,241,829	\$12,266,160	\$13,938,818
2011	758,172,910	142,503,180	2,573,360,257	11,149,780	12,670,205
2010	767,304,310	146,782,270	2,611,675,943	10,757,850	12,224,830
2009	768,320,370	145,568,470	2,611,110,971	10,441,200	11,865,000
2008	820,746,690	147,702,300	2,766,997,114	9,840,320	11,182,182
2007	819,665,980	148,540,150	2,766,303,229	9,479,500	10,772,159
2006	816,780,760	153,391,080	2,771,919,543	15,185,570	17,256,330
2005	710,087,650	132,354,280	2,406,976,943	25,325,370	28,778,830
2004	709,043,670	133,121,050	2,406,184,914	27,401,630	31,138,216
2003	706,821,340	134,174,420	2,402,845,029	31,031,530	35,263,102

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

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

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

Source: Cuyahoga County, Ohio; County Fiscal Officer



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Tangible Personal Property

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General Business		Total			Direct Tax Rate
Assessed Values	Estimated Actual Value	Assessed Values	Estimated Actual Value	Ratio	
\$0	\$0	\$865,300,800	\$2,451,180,647	35.30 %	\$13.00
0	0	911,825,870	2,586,030,462	35.26	12.90
0	0	924,844,430	2,623,900,772	35.25	12.90
0	0	924,330,040	2,622,975,971	35.24	12.90
10,222,250	163,556,000	988,511,560	2,941,735,296	33.60	12.90
17,850,430	142,803,440	995,536,060	2,919,878,828	34.10	12.90
13,941,095	74,352,507	999,298,505	2,863,528,379	34.90	13.00
15,873,576	84,659,072	883,640,876	2,520,414,844	35.06	13.00
18,345,751	79,764,135	887,912,101	2,517,087,265	35.28	13.10
19,034,202	82,757,400	891,061,492	2,520,865,531	35.35	14.00

**City of Cleveland Heights, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy (2)
2012	\$11,835,005	\$10,845,056	91.64 %	\$631,704	\$11,476,760	96.97 %
2011	12,141,783	11,045,724	90.97	1,771,588	12,817,312	105.56
2010	12,034,172	11,145,509	92.62	1,515,195	12,660,704	105.21
2009	12,686,328	11,734,295	92.50	1,304,581	13,038,876	102.78
2008	12,784,933	11,873,263	92.87	1,106,080	12,979,343	101.52
2007	12,956,143	12,012,023	92.71	1,149,571	13,161,594	101.59
2006	11,482,010	10,926,279	95.16	947,381	11,873,660	103.41
2005	11,592,970	10,734,065	92.59	961,632	11,695,697	100.89
2004	12,294,389	11,656,435	94.81	1,133,710	12,790,145	104.03
2003	10,790,451	10,045,171	93.09	1,250,800	11,295,971	104.68

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

- (1) State reimbursement of rollback and homestead exemptions are included.
- (2) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

**City of Cleveland Heights, Ohio**

*Principal Taxpayers*

2012 and 2003

Taxpayer	2012	
	Assessed Valuation	Percentage of Total Assessed Valuation
Severance SPE Lease Co., LLC (SCIT, Inc.)	\$14,177,910	1.64%
Kaiser Foundation Health Plan of Ohio	11,348,150	1.31
The Cleveland Electric Illuminating Company	9,320,520	1.08
American Retirement Corporation	2,724,580	0.31
Kensington Limited Partnership	2,573,270	0.30
City of Cleveland Heights	2,350,800	0.27
Waldorf Partners Limited Partnership	2,344,240	0.27
Severance SPE FAEECO LLC	2,327,360	0.27
East Ohio Gas	2,279,760	0.26
Concord Company	2,163,530	0.25
<b>Total</b>	<b>\$51,610,120</b>	<b>5.96%</b>
<b>Total Assessed Valuation</b>	<b>\$865,300,800</b>	
Taxpayer	2003	
	Assessed Valuation	Percentage of Total Assessed Valuation
Severance SPE Lease Co., LLC (SCIT, Inc.)	\$13,146,540	1.48%
New Cingular/A T & T	11,680,030	1.31
Kaiser Foundation Health Plan of Ohio	8,407,390	0.94
Ohio Bell Telephone Company	6,141,950	0.69
The Cleveland Electric Illuminating Company	6,067,950	0.68
American Retirement Corporation	4,165,810	0.47
Kensington Limited Partnership	2,401,070	0.27
Concord Company	2,366,530	0.27
Waldorf Partners Limited Partnership	2,216,320	0.25
SAA Incorporated	2,206,020	0.24
	<b>\$58,799,610</b>	<b>6.60%</b>
	<b>\$891,061,492</b>	

**City of Cleveland Heights, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2012	2.00 %	\$22,419,053	\$6,949,906	31 %	\$672,572	3 %	\$14,796,575	66 %
2011	2.00	19,214,462	6,699,569	35	421,295	2	12,093,598	63
2010	2.00	18,827,105	6,694,873	36	646,012	3	11,486,220	61
2009	2.00	20,085,142	6,713,661	33	662,329	3	12,709,152	63
2008	2.00	18,954,767	6,661,900	35	771,496	4	11,575,371	61
2007	2.00	19,845,822	6,716,031	34	668,921	3	17,366,824	88
2006	2.00	19,851,936	6,913,938	35	910,993	5	12,027,005	61
2005	2.00	19,031,390	6,738,821	35	695,989	4	11,596,580	61
2004	2.00	18,967,552	6,603,963	35	628,296	3	11,735,293	62
2003	2.00	18,261,002	6,519,016	36	571,850	3	11,170,136	61

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

Note: The City is statutorily prohibited from presenting individual taxpayer information

(1) Based on Cash Basis

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

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2012	46,121	\$2,451,180,647	12,462,539	0.51%	\$270
2011	46,121	2,586,030,462	14,326,306	0.55	311
2010	46,121	2,623,900,772	15,895,000	0.61	345
2009	50,769	2,622,975,971	11,400,000	0.43	225
2008	50,769	2,941,735,296	13,110,000	0.45	258
2007	50,769	2,919,878,828	14,785,000	0.51	291
2006	50,769	2,863,528,379	16,315,000	0.57	524
2005	50,769	2,520,414,844	17,775,000	0.64	318
2004	50,769	2,517,087,265	19,185,000	0.71	350
2003	50,769	2,520,865,531	21,680,000	0.81	404

Note: The debt service fund pays principal and interest on general obligation bonds, as well as special assessment bonds.

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

Governmental Activities						
Year	General Obligation Bonds	Economic Development Bonds	Special Assessment Bonds	Bond Anticipation Notes	Capital Leases	OPWC Loans
2012	\$12,462,539	\$0	\$2,613,206	\$0	\$283,615	\$1,286,753
2011	14,326,306	0	2,703,837	0	408,081	1,307,256
2010	15,895,000	235,000	2,770,000	1,850,000	637,743	1,399,070
2009	11,400,000	460,000	2,850,000	0	122,055	1,226,097
2008	13,110,000	680,000	2,930,000	905,000	172,280	1,262,887
2007	14,785,000	890,000	3,010,000	910,000	53,000	1,405,583
2006	16,315,000	1,090,000	3,085,000	1,184,960	86,639	1,414,179
2005	17,775,000	1,285,000	3,160,000	1,821,400	61,019	1,481,006
2004	19,185,000	1,475,000	3,200,000	3,499,000	116,548	369,741
2003	21,680,000	1,660,000	0	6,127,000	510,650	0

(1) Computation of percentage of personal income divided by total debt over total personal income.  
See page S26 for total personal income data.

(2) Computation of per capita divided by total debt over population.  
See page S26 for population data.

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Business - Type Activities

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General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	OWDA Loans	Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita (2)
\$0	\$0	\$995,417	\$554,141	\$0	\$18,195,671	1.30%	\$395
0	0	1,043,867	589,433	0	20,378,780	1.46	442
0	0	1,172,917	495,486	0	24,455,216	1.75	530
6,210,000	0	1,237,667	335,792	267,003	24,108,614	1.84	934
6,355,000	0	1,334,567	327,487	479,366	27,556,587	2.10	1,068
0	6,600,000	1,431,465	119,926	695,037	29,900,011	2.28	1,159
0	7,327,040	1,528,364	0	903,602	32,934,784	2.51	1,276
0	7,902,600	1,801,828	0	391,086	35,678,939	2.72	1,383
0	0	939,688	0	205,233	28,990,210	2.21	1,123
0	0	1,001,891	0	0	30,979,541	2.36	1,201

**City of Cleveland Heights, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2012	2011	2010	2009
Total Assessed Property Value	<u>\$865,300,800</u>	<u>\$911,825,870</u>	<u>\$924,844,430</u>	<u>\$924,330,040</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	12,290,000	14,125,000	15,895,000	11,400,000
Special Assessment Bonds	2,595,000	2,685,000	2,770,000	2,850,000
OPWC Loans	1,286,753	1,307,256	1,399,070	1,226,097
Notes	2,126,000	1,703,000	1,850,000	0
Total Gross Indebtedness	<u>18,297,753</u>	<u>19,820,256</u>	<u>21,914,070</u>	<u>15,476,097</u>
Less:				
Special Assessment Bonds	(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)
OPWC Loans	(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)
Notes	(2,126,000)	(1,703,000)	(1,850,000)	0
General Bond Retirement Fund Balance	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>
Total Net Debt Applicable to Debt Limit	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>	<u>7,757,542</u>
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	<u>90,856,584</u>	<u>95,741,716</u>	<u>97,108,665</u>	<u>97,054,654</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$80,384,317</u>	<u>\$85,102,415</u>	<u>\$85,004,525</u>	<u>\$89,297,112</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.47%	88.89%	87.54%	92.01%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	<u>\$47,591,544</u>	<u>\$50,150,423</u>	<u>\$50,866,444</u>	<u>\$50,838,152</u>
Total Gross Indebtedness	18,297,753	19,820,256	21,914,070	15,476,097
Less:				
Special Assessment Bonds	(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)
OPWC Loans	(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)
Notes	(2,126,000)	(1,703,000)	(1,850,000)	0
General Bond Retirement Fund Balance	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>
Net Debt Within 5 1/2% Limitations	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>	<u>7,757,542</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$37,119,277</u>	<u>\$39,511,122</u>	<u>\$38,762,304</u>	<u>\$43,080,610</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	78.00%	78.79%	76.20%	84.74%

Source: City Financial Records



2008	2007	2006	2005	2004	2003
<u>\$988,511,560</u>	<u>\$995,536,060</u>	<u>\$999,298,505</u>	<u>\$883,640,876</u>	<u>\$887,912,101</u>	<u>\$891,061,492</u>
13,110,000	14,785,000	16,315,000	17,775,000	19,185,000	21,680,000
2,930,000	3,010,000	3,085,000	3,160,000	3,200,000	0
1,262,887	1,405,583	1,414,179	1,481,006	369,741	0
905,000	910,000	1,184,960	1,821,400	3,499,000	6,127,000
<u>18,207,887</u>	<u>20,110,583</u>	<u>21,999,139</u>	<u>24,237,406</u>	<u>26,253,741</u>	<u>27,807,000</u>
(2,930,000)	(3,010,000)	(3,085,000)	(3,160,000)	(3,200,000)	0
(1,262,887)	(1,405,583)	(1,414,179)	(1,481,006)	(369,741)	0
(905,000)	(910,000)	(1,184,960)	(1,821,400)	(3,499,000)	(6,127,000)
<u>(3,304,603)</u>	<u>(2,869,545)</u>	<u>(2,652,333)</u>	<u>(3,260,162)</u>	<u>(3,204,502)</u>	<u>(3,276,721)</u>
<u>9,805,397</u>	<u>11,915,455</u>	<u>13,662,667</u>	<u>14,514,838</u>	<u>15,980,498</u>	<u>18,403,279</u>
<u>103,793,714</u>	<u>104,531,286</u>	<u>104,926,343</u>	<u>92,782,292</u>	<u>93,230,771</u>	<u>93,561,457</u>
<u>\$93,988,317</u>	<u>\$92,615,831</u>	<u>\$91,263,676</u>	<u>\$78,267,454</u>	<u>\$77,250,273</u>	<u>\$75,158,178</u>
90.55%	88.60%	86.98%	84.36%	82.86%	80.33%
<u>\$54,368,136</u>	<u>\$54,754,483</u>	<u>\$54,961,418</u>	<u>\$48,600,248</u>	<u>\$48,835,166</u>	<u>\$49,008,382</u>
18,207,887	20,110,583	21,999,139	24,237,406	26,253,741	27,807,000
(2,930,000)	(3,010,000)	(3,085,000)	(3,160,000)	(3,200,000)	0
(1,262,887)	(1,405,583)	(1,414,179)	(1,481,006)	(369,741)	0
(905,000)	(910,000)	(1,184,960)	(1,821,400)	(3,499,000)	(6,127,000)
<u>(3,304,603)</u>	<u>(2,869,545)</u>	<u>(2,652,333)</u>	<u>(3,260,162)</u>	<u>(264,921)</u>	<u>(424,437)</u>
<u>9,805,397</u>	<u>11,915,455</u>	<u>13,662,667</u>	<u>14,514,838</u>	<u>18,920,079</u>	<u>21,255,563</u>
<u>\$44,562,739</u>	<u>\$42,839,028</u>	<u>\$41,298,751</u>	<u>\$34,085,410</u>	<u>\$29,915,087</u>	<u>\$27,752,819</u>
81.96%	78.24%	75.14%	70.13%	61.26%	56.63%

**City of Cleveland Heights, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2012*

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Cleveland Heights
<b>Direct Debt</b>			
City of Cleveland Heights			
General Obligation Bonds	\$12,462,539	100.00%	\$12,462,539
Special Assessment Bonds	2,613,206	100.00	2,613,206
OPWC Loans	1,286,753	100.00	1,286,753
Capital Leases	283,615	100.00	283,615
<b>Total Direct Debt</b>	<b>16,646,113</b>		<b>16,646,113</b>
<b>Overlapping Debt:</b>			
<b>Payable from Property Taxes</b>			
Cuyahoga County Bonds	352,896,785	3.13	11,045,669
Regional Transit Authority Bonds	134,123,371	3.13	4,198,062
Cleveland Heights-			
University Heights City School District	14,890,000	75.64	11,262,796
East Cleveland School District	6,271,623	23.8	1,492,646
<b>Payable from Other Sources:</b>			
Cuyahoga County Revenue Bonds	441,559,586	3.06	13,511,723
Cuyahoga County Loans	7,269,902	3.06	222,459
Cuyahoga County Notes	7,200,000	3.06	220,320
Regional Transit Authority Capital Lease	17,793,437	3.06	544,479
Cleveland Heights -			
University Heights City School District Leases	1,544,828	75.75	1,170,207
<b>Total Overlapping Debt</b>	<b>983,549,532</b>		<b>43,668,362</b>
<b>Total</b>	<b>\$1,000,195,645</b>		<b>\$60,314,475</b>

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government.

**City of Cleveland Heights, Ohio**

*Principal Employers*

2012 and 2006(1)

2012

Employer	Employees
Group Management Services Incorporated	1,703
City of Cleveland Heights	789
Cuyahoga County Fiscal Office	336
Kaiser Foundation	304
CAS Health Investors	236
Home Depot	213
Toyota on the Heights	144
Cleveland Heights University Heights Public Library	139
Motorcars	128
<b>Total</b>	<b>3,992</b>
Total City Employment	n/a

2006

Employer	Employees	Percentage of Total City Employment
Cleveland Heights - University Heights City School District	851	2.71 %
City of Cleveland Heights	496	1.58
Kaiser Foundation	375	1.19
Walmart	250	0.80
Motorcars	200	0.64
Hebrew Academy	145	0.46
Home Depot	135	0.43
Cedarwood Plaza	130	0.41
Zagara's	125	0.40
Cleveland Heights University Heights Public Library	107	0.33
<b>Total</b>	<b>2,814</b>	<b>8.95 %</b>
Total City Employment	31,440	

**Source:** City of Cleveland Heights, Department of Income Tax - 2006

Regional Income Tax Agency (RITA)

n/a - not available

(1) Latest information available

**City of Cleveland Heights, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (a)	Total Personal Income	Per Capita Personal Income	Median Household Income	Median Age	Educational Attainment: High School or higher
2012	46,121	\$1,395,621,460	\$30,260	\$47,966	35.3	92.4
2011	46,121	1,395,621,460	30,260	49,056	35.7	92.3
2010	46,121	1,395,621,460	30,260	49,056	35.7	92.3
2009	50,769	1,310,043,276	25,804	47,400	35.2	91.6
2008	50,769	1,310,043,276	25,804	47,400	35.2	91.6
2007	50,769	1,310,043,276	25,804	47,400	35.2	91.6
2006	50,769	1,310,043,276	25,804	58,028	35.2	91.6
2005	50,769	1,310,043,276	25,804	58,028	35.2	91.6
2004	50,769	1,310,043,276	25,804	58,028	35.2	91.6
2003	50,769	1,310,043,276	25,804	58,028	35.2	91.6

(a) Source: U. S. Census, Census of population  
 2010- 2012: 2010 Federal Census  
 2001-2009: 2000 Federal Census

(b) Source: Cuyahoga County Fiscal Officer

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

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School Enrollment ( c )	Cuyahoga County Unemployment Rate	Average Sales Price of Residential Property	Total Assessed Property Value ( b )
5,870	8.3 %	n/a	\$865,300,800
5,870	8.0	n/a	911,825,870
5,832	8.6	131,300	924,844,430
5,899	9.0	131,300	924,330,040
6,286	7.1	131,300	988,511,560
6,286	6.1	131,300	995,536,060
6,473	5.5	245,290	999,298,505
6,717	5.9	178,000	883,640,876
6,887	6.3	160,000	887,912,101
7,044	6.2	158,710	891,061,542

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

<b><u>Function/program</u></b>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Government:</b>						
Mangement/Council	6.1	7.0	7.0	7.0	8.0	8.0
Finance	6.6	7.5	17.5	19.0	19.5	18.0
Off-Street Parking	3.0	3.0	3.0	3.0	3.0	3.0
<b>Planning/Community</b>						
Development	11.1	12.0	12.0	12.0	14.0	13.5
Building/Inspectional	17.4	16.5	15.0	15.5	18.0	20.0
Municipal Court	24.9	29.0	26.0	23.5	23.0	26.0
Other	18.4	19.0	18.5	18.5	21.0	25.0
<b>Public Safety:</b>						
Police						
Officers	113.1	113.0	111.0	111.0	118.0	115.5
Civilians/Crossing Guards	8.0	4.0	4.0	4.0	4.0	4.0
Fire						
Firefighters and officers	75.0	71.0	72.0	75.0	78.0	79.0
Civilians/Dispatch	9.9	10.5	10.0	9.0	9.0	9.0
<b>Culture and Recreation:</b>						
	57.0	56.5	59.5	59.0	65.0	72.0
<b>Sanitation:</b>						
	27.9	30.0	29.0	29.0	31.0	32.0
<b>Transportation:</b>						
	20.0	19.0	21.0	28.0	22.0	26.0
<b>Other Public Works Departments</b>						
	23.0	21.0	23.0	23.0	23.0	24.0
<b>Public Utilities:</b>						
Water	17.0	18.0	18.0	17.0	17.0	19.0
Wastewater	13.0	10.0	10.0	10.0	11.0	10.0
<b>Totals:</b>	<u>451.3</u>	<u>447.0</u>	<u>456.5</u>	<u>463.5</u>	<u>484.5</u>	<u>504.0</u>

**Source:** City of Cleveland Heights Payroll/ Human Resources Department

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

Count taken at December 31.

2006	2005	2004	2003
8.0	8.0	8.5	9.0
22.0	22.0	21.0	23.0
2.0	2.0	1.0	2.0
13.0	13.0	14.5	21.0
22.0	22.0	21.5	22.0
24.0	24.0	22.0	24.5
27.0	27.0	23.0	26.5
108.0	108.0	114.0	117.0
12.0	12.0	4.0	5.0
79.0	79.0	79.0	78.0
8.0	8.0	8.0	9.0
70.0	70.0	48.0	66.0
33.0	32.0	34.0	35.0
23.0	26.0	23.0	32.0
24.5	24.5	24.0	27.5
20.0	20.0	19.5	23.0
10.0	10.0	13.0	11.0
<u>505.5</u>	<u>507.5</u>	<u>478.0</u>	<u>531.5</u>

**City of Cleveland Heights, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/program	2012	2011	2010	2009
<b>General Government</b>				
<b>Council and Clerk</b>				
Number of ordinances passed	47	52	51	32
Number of resolutions passed	142	112	117	95
Number of Planning Commission docket items	27	22	27	17
Number of Board of Zoning Appeals docket items	25	28	30	31
<b>Finance Department</b>				
Number of checks/ accounts payable vouchers issued	6,752	6,363	6,327	6,191
Amount of checks written	\$30,468,399	\$27,736,616	\$34,223,380	\$26,202,955
Interest earnings for fiscal year (cash basis)	\$93,503	\$98,115	\$150,034	\$311,695
Number of journal entries issued	438	415	331	352
Agency Ratings - Moody's Financial Services	Aa2	Aa3	Aa3	Aa3
<b>Income Tax Department</b>				
Number of refund checks/vouchers issued	*	*	1,146	1,065
Amount of checks written	*	*	\$361,142	\$335,724
Number of individual returns	*	*	16,197	15,483
Number of business returns	*	*	1,899	1,931
Number of business withholding returns	*	*	10,610	10,654
Amount of penalties and interest collected	*	*	\$124,498	\$64,601
Annual number of corporate withholding forms processed	*	*	10,670	10,654
Annual number of balance due statements processed	*	*	46,769	47,806
Annual number of estimated payment forms processed	*	*	46,769	47,806
Annual number of reconciliations of withholdings processed	*	*	1,731	2,073
<b>Municipal Court</b>				
Number of civil cases	1,365	1,126	1,532	1,778
Number of criminal cases	2,685	2,287	3,162	3,449
<b>Public Safety</b>				
<b>Fire</b>				
EMS calls	4,817	4,631	4,374	4,098
Fire calls	1,296	1,211	1,136	1,119
Fires with loss	64	54	60	48
Fire safety inspections/re-inspections	1000+	1000+	1000+	1000+
Number of times mutual aid given to Fire and EMS	101	76	72	45
Number of times mutual aid received from Fire and EMS	128	91	51	66
<b>Civil Service</b>				
Number of police entry tests administered	0	1	0	0
Number of fire entry tests administered	0	1	0	0
Number of fire promotional tests administered	2	3	0	0
Number of hires of police officers from certified lists	2	7	8	4
Number of hires of fire/medics from certified lists	8	6	0	0
Number of promotions from fire certified lists	3	4	0	0
Number of promotions from police certified lists	2	2	2	3
<b>Public Health Services (b)</b>				
Vital Statistics				
Number of birth certificates sold	0	0	0	0
Number of death certificates sold	0	0	0	0
Number of burial permits issued	0	0	0	0
<b>Culture and Recreation</b>				
Senior activity center receipts	\$60,962	\$57,911	\$51,818	\$56,039
Swimming pools receipts	\$108,284	\$98,739	\$97,618	\$87,468
Ice program receipts	\$46,901	\$53,505	\$56,607	\$49,967
General recreation program receipts	\$90,404	\$96,470	\$97,908	\$143,470
Child care/summer program receipts (a)	\$0	\$0	\$0	\$0
Sports programs receipts	\$197,133	\$208,882	\$202,654	\$194,513
Community center program receipts	\$584,432	\$627,573	\$658,871	\$606,401
Cain park program receipts	\$689,853	\$428,296	\$425,099	\$492,280



2008	2007	2006	2005	2004	2003
72	42	45	62	65	69
111	116	98	106	123	115
16	23	25	30	33	38
33	26	24	27	39	n/a
6,842	7,090	7,252	7,404	7,861	n/a
\$27,805,150	\$32,223,691	\$26,767,750	\$29,584,579	\$30,834,075	n/a
\$458,811	\$1,026,304	\$987,192	\$437,830	\$369,534	\$556,306
335	371	278	302	305	n/a
Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
1,100	1,247	1,332	1,229	1,304	n/a
\$384,020	\$362,176	\$307,635	\$367,483	\$392,189	\$292,108
15,660	17,797	18,569	19,112	17,161	n/a
1,331	1,881	1,912	1,809	1,859	n/a
10,343	1,386	1,760	1,691	1,628	n/a
\$49,630	\$91,867	\$271,651	\$99,467	\$181,190	n/a
10,343	1,760	1,760	1,691	1,628	n/a
48,909	58,087	58,087	79,710	78,217	n/a
48,909	58,087	58,087	79,710	78,217	n/a
1,495	1,348	1,837	1,683	78,217	n/a
1,864	2,014	2,700	1,270	1,831	1,630
3,047	3,582	3,408	2,985	2,956	3,218
4,113	4,047	3,984	4,168	4,034	4,159
1,247	1,304	1,261	1,143	1,141	1,269
57	51	55	88	51	78
1000+	1000+	1000+	1000+	1000+	1000+
71	90	103	89	84	26
65	82	42	77	80	56
1	0	0	0	1	n/a
0	1	0	1	0	n/a
0	0	0	1	0	n/a
0	2	0	0	4	n/a
0	0	1	1	0	n/a
0	0	1	2	0	n/a
0	0	0	0	0	n/a
0	0	177	224	186	185
0	0	646	586	553	569
0	0	650	770	721	615
\$54,521	\$46,198	\$47,239	\$49,503	\$54,307	\$59,306
\$95,385	\$103,788	\$97,851	\$108,565	\$99,862	\$92,037
\$50,456	\$52,876	\$83,050	\$76,679	\$98,986	\$126,268
\$69,056	\$71,849	\$76,648	\$77,122	\$63,873	\$61,098
\$157,639	\$211,603	\$202,417	\$206,777	\$185,493	\$154,387
\$204,718	\$224,013	\$222,546	\$223,602	\$218,709	\$167,484
\$706,337	\$708,994	\$737,836	\$678,549	\$632,413	\$697,677
\$419,008	\$583,553	\$732,301	\$666,202	\$602,292	\$459,432

(continued)

**City of Cleveland Heights, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Nine Years (1)*

Function/program	2012	2011	2010	2009
<b>Community Development</b>				
<b>Building Department</b>				
Construction permits issued - residential	906	792	964	928
Construction permits issued - commercial	95	92	108	97
Estimated value of construction - residential	\$10,674,213	\$10,638,000	\$11,304,000	\$7,369,000
Estimated value of construction - commercial	\$5,656,276	\$9,091,000	\$4,803,000	\$4,563,000
Number of permits issued	3,291	3,172	3,599	3,406
Amount of revenue generated from permits	\$314,110	\$311,809	\$383,576	\$211,663
Amount of revenue generated from fees/contractors licenses	\$120,724	\$113,420	\$117,625	\$349,193
Number of contractor registrations issued	1,134	853	1,407	1,151
Number of inspections performed	7,090	8,193	9,004	8,190
<b>Community Development</b>				
Annual entitled grant award	\$1,446,726	\$1,601,941	\$1,909,731	\$1,757,055
Program income received	\$208,548	\$506,829	\$344,680	\$308,859
CDBG-recovery and reinvestment award	\$0	\$0	\$0	\$467,840
Neighborhood stabilization program	\$0	\$250,000	\$0	\$2,351,526
Homelessness prevention and rapid re-housing program	\$0	\$0	\$0	\$715,677
<b>Sanitation</b>				
Refuse disposal costs per year January through December (c)	n/a	n/a	n/a	n/a
<b>Transportation</b>				
Crackseal Coating Program (lbs.)	6,761	5,065	7,155	5,145
Street repair (curb, aprons, berms, asphalt) (hours)	5,520	5,520	5,520	5,972
Line striping (hours)	1,736	1,792	1,848	1,704
Street Sweeping (hours)	2,960	2,960	2,960	8,255
Cold Patch (hours)	5,440	5,760	5,440	3,723
Snow and ice removal - regular hours	3,360	6,720	7,840	2,688
Snow and ice removal - overtime hours	3,002	3,191	4,257	2,856
Landscaping Stump-Chipper Service (hours)	5,500	5,668	5,200	4,610
Leaf collection - fall (hours)	11,433	11,047	10,828	10,613
Equipment repair/body shop (hours)	16,818	16,640	16,640	16,640
Number of trees planted per year	273	250	309	145
Tons of snow melting salt purchased	4,977	4,469	5,443	3,418
Cost of snow/calcium chloride purchased	\$226,927	\$210,907	\$238,918	\$144,305
Skunk removals	n/a	n/a	n/a	n/a
<b>Water Department</b>				
Water rates per 1,000 cu ft of water used	56.6	56.6	56.6	56.6
Average number of water accounts billed monthly (cu ft)	15,460	15,419	15,439	15,500
Total water collections annually (including P&I)	\$11,083,365	\$10,050,111	\$10,628,905	\$12,676,221
Payments to Cleveland for bulk water purchases	\$8,993,685	\$779,438	\$9,332,522	\$7,673,574
<b>Wastewater Department</b>				
Wastewater rates per 1,000 cu ft of water used (local)	11.1	11.1	11.1	10.2
Sewer and sanitary calls for service	318	326	360	1,400

Source: City of Cleveland Heights departments

Notes:

- (a) Beginning 2009, child care/summer programs were merged with the general recreational programming.
- (b) Public health handled at the County level in 2007.
- \* The City contracted with Regional Income Tax Agency for the collection of its municipal income tax effective July 7,2011  
Therefore, due to mid-year conversion, accurate statistics are not available.
- (c) Beginning 2004, expenses were paid out of Department 6203 prior to that, expenses were paid out of Department 6204.

2008	2007	2006	2005	2004	2003
1,307	1,741	1,499	1,893	1,932	n/a
110	171	137	178	175	n/a
\$9,392,000	\$12,902,000	\$15,055,000	\$16,065,000	\$13,479,000	n/a
\$8,490,000	\$27,378,000	\$18,528,000	\$36,806,000	\$16,682,000	n/a
3,813	4,563	4,103	5,109	5,307	n/a
\$227,462	\$309,977	\$426,412	\$522,638	\$331,876	n/a
\$348,592	\$568,550	\$426,650	\$547,318	\$403,715	n/a
1,078	1,269	1,187	1,311	1,222	n/a
7,385	9,150	9,458	9,018	8,501	n/a
\$1,723,214	\$1,778,281	\$1,773,674	\$1,968,638	\$2,072,000	\$2,102,000
\$409,675	\$373,184	\$440,590	\$498,877	\$479,534	\$461,804
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
n/a	n/a	n/a	634,747	642,686	693,349
12,000	12,000	15,000	15,000	32,000	4,400
6,240	8,000	8,320	8,320	8,320	n/a
2,024	700	643	775	800	2,003
1,867	2,400	2,712	1,501	1,953	n/a
3,120	3,916	4,160	4,160	4,160	n/a
7,840	5,107	3,456	2,900	2,300	n/a
6,441	4,476	2,356	8,275	3,507	n/a
4,972	5,198	4,128	3,800	3,975	n/a
12,647	17,875	16,695	8,704	n/a	n/a
16,173	19,720	21,500	21,500	21,500	n/a
369	270	278	304	552	353
14,128	13,403	6,910	18,780	14,371	n/a
\$492,377	\$438,970	\$221,946	\$586,406	\$455,917	\$524,151
n/a	165	101	134	421	1,770
48.8	46.7	41.7	41.2	40.0	38.9
15,876	15,920	15,915	15,970	15,980	15,583
\$9,621,815	\$9,429,481	\$8,802,440	\$7,995,432	\$7,283,991	\$7,973,477
\$7,656,758	\$7,355,075	\$7,509,876	\$8,170,774	\$7,139,993	n/a
10.1	10.1	10.1	10.1	7.1	7.1
515	526	549	439	489	612

**City of Cleveland Heights, Ohio**  
*Capital Asset Statistics by Function/Program*  
*Last Ten Years*

<b>Function/program</b>	2012	2011	2010	2009
<b>General Government</b>				
Square Footage Occupied	68,000	68,000	68,000	68,000
Administrative Vehicles	14	14	16	18
Inspectional Vehicles	14	14	22	17
Municipal Court Vehicles	2	2	2	2
Land and Building Vehicles	14	14	22	21
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877
Vehicles	100	100	106	120
<b>Fire</b>				
Stations	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068
Vehicles	19	19	18	20
<b>Recreation</b>				
Number of Parks	6	6	6	6
Number of Pools	1	1	1	1
Number of Ice Rinks	2	2	2	2
Number of Tennis Courts	18	18	18	18
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	9	9	9	9
Number of Basketball Courts	5	5	5	5
Community Center Square Footage	150,000	150,000	150,000	150,000
Vehicles	12	12	27	10
<b>Other public works</b>				
Streets (miles)	137	137	137	137
Curbs (miles)	249	249	249	249
Square footage of Garage/Transfer Station	42,244	42,244	42,244	42,244
Service Vehicles	105	105	125	132
<b>Wastewater</b>				
Sanitary sewers (miles)	150	150	150	150
Storm sewers (miles)	150	150	150	150

Sources:

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

2008	2007	2006	2005	2004	2003
68,000	68,000	68,000	68,000	68,000	68,000
22	16	17	18	18	11
18	18	17	17	17	19
2	2	2	2	2	2
16	16	22	23	19	20
1	1	1	1	1	1
18,877	18,877	18,877	18,877	18,877	18,877
153	118	107	119	127	113
2	2	2	2	2	2
24,068	24,068	24,068	24,068	24,068	24,068
20	19	20	20	23	20
6	6	6	6	6	6
1	2	2	2	2	2
2	2	2	2	2	2
18	18	18	18	18	18
1	1	1	1	1	1
9	9	9	9	9	9
5	5	5	5	5	5
150,000	150,000	150,000	150,000	150,000	150,000
34	13	17	20	21	21
137	137	137	137	137	137
249	249	249	249	249	249
42,244	42,244	42,244	42,244	42,244	42,244
153	145	117	90	101	92
150	150	150	150	150	150
150	150	150	150	150	150

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# Dave Yost • Auditor of State

**CITY OF CLEVELAND HEIGHTS**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 15, 2013**