

**City of Cleveland Heights
Cuyahoga County, Ohio**

* * * *

Report Letters

December 31, 2008



Mary Taylor, CPA
Auditor of State

Members of 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 Rea & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 13, 2009

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

Report Letters

December 31, 2008

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 29, 2009

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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 as of and for the year ended December 31, 2008, which collectively comprise the City of Cleveland Heights's basic financial statements and have issued our report thereon dated June 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Cleveland Heights in a separate letter dated June 29, 2009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cleveland Heights' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is disclosed in the accompanying schedule of findings as items 2008-01. We also noted certain immaterial instances that we have reported to management of the City of Cleveland Heights in a separate letter dated June 29, 2009.

City of Cleveland Heights' response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit The City of Cleveland Heights' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of City Council, management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Hea & Associates, Inc.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 29, 2009

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the City of Cleveland Heights with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City of Cleveland Heights' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Cleveland Heights' management. Our responsibility is to express an opinion on the City of Cleveland Heights' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cleveland Heights' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Cleveland Heights' compliance with those requirements.

In our opinion, the City of Cleveland Heights complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the City of Cleveland Heights is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cleveland Heights' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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' internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of and for the year ended December 31, 2008, and have issued our report thereon dated June 29, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Cleveland Heights' 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of City Council, management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Hea & Associates, Inc.

City of Cleveland Heights
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2008

Federal Grantor/ Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Thru Entity Ident. Number	Federal Expenditures
U.S.. Department of Housing and Urban Development:			
Community Development Block Grant - Subtotal Direct Program	14.218	N/A	\$ 2,333,100
Community Development Block Grant - Revolving Loans - Direct Program	14.218	N/A	431,244
Total Community Development Block Grants			2,764,344
Pass-Through Program From: Cuyahoga County Housing Consortium: HOME Investment Partnership Program	14.239	N/A	143,860
Pass-Through Program From: Cuyahoga County Dept. of Development: Lead Safe Cuyahoga Program	14.900	N/A	117,988
Sub-Total Pass-Through Programs			261,848
Total U.S. Dept. of Housing and Urban Development			3,026,192
U.S. Dept. of Health and Human Services:			
Pass-Through Program From: State Dept. of Aging and the Western Reserve Area Agency on Aging: Title III-B of the Older Americans Act	93.044	N/A	26,735
Total U.S. Dept. of Health and Human Services			26,735
U.S. Dept. of Homeland Security:			
Assistance to Firefighters Grant Program	97.044	N/A	73,667
Total U.S. Dept. of Homeland Security			73,667
U.S. Environmental Protection Agency:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	9,052
Total U.S. Environmental Protection Agency:			9,052

Total Expenditures of Federal Awards \$ 3,135,646

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note A – Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the City’s federal award programs. The schedule has been prepared on the cash basis of accounting.

Note B – Community Development Block Grants (CDBG) Revolving Loan Program

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants the money for these loans to the City. The initial loan of this money is recorded as a disbursement on the Schedule of Expenditures of Federal Awards. 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 2008 is as follows:

Beginning loans receivables balance as of January 1, 2008:	\$1,581,191
Loans Made:	431,244
Loan principal repaid on loans issued prior to 2008:	(241,669)
Loan principal repaid on 2008 loans issued:	<u>0</u>
Ending loans receivable balances as of December 31, 2008:	\$1,770,776
Cash balance on hand in the revolving loan fund as of December 31, 2008:	<u>\$ 0</u>
Total value of revolving loan fund portion of the CDBG 14.218 program	\$1,770,776
Other grants administered through the 14.218 program	2,333,100
Total CDBG 14.218 program	<u>\$4,103,866</u>

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133, Section .505
 DECEMBER 31, 2008**

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	CDBG Entitlement CFDA # 14.218
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2008-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) states, in part, no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by the statute:

- A. Then and Now Certificate – This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is not legal liability on the part of the subdivision or taxing district.
- B. Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the taxing authority.

During testing, we noted that several invoices were dated before the required purchase order was generated, implying that the City’s purchase order procedures are not being adhered to by the City’s staff.

Management Response:

Management concurs and has sent memos to department heads about this in the past and will implement procedures to ensure that purchase orders are dated prior to invoices, implement use of purchasing cards to better control invoices, and that purchase orders are utilized for all checks issued to prevent future citations.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.

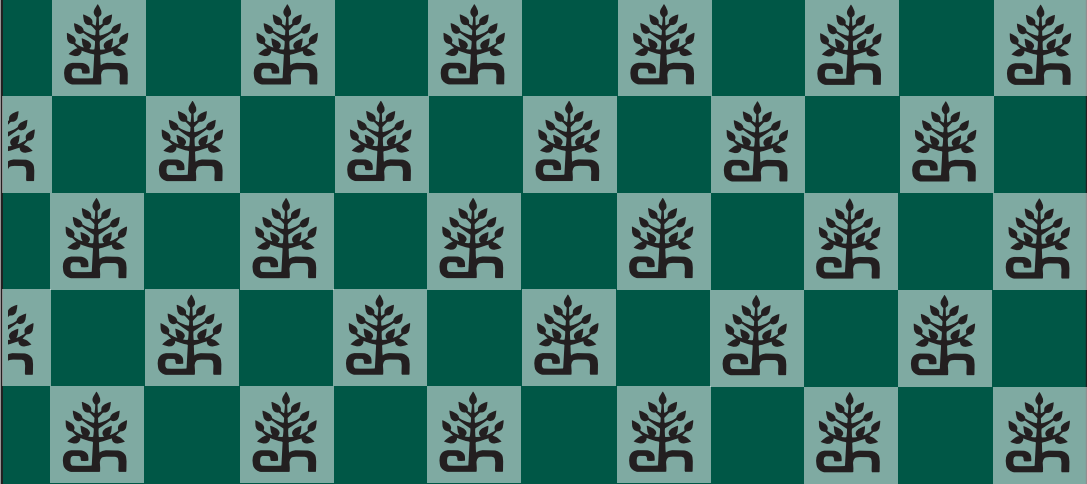
**CITY OF CLEVELAND HEIGHTS
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain
2007-001	Timely reconciliation of income tax payments & filings.	Partially Corrected	Included in Management Letter
2007-002	Appropriations exceeding estimated revenue.	Partially Corrected	Included in Management Letter
2007-003	Invoices dated prior to purchase order issuance.	No	Reissued as Finding 2008-01

Comprehensive Annual Financial Report

for the fiscal year ended December 31, 2008

CLEVELAND HEIGHTS, OHIO

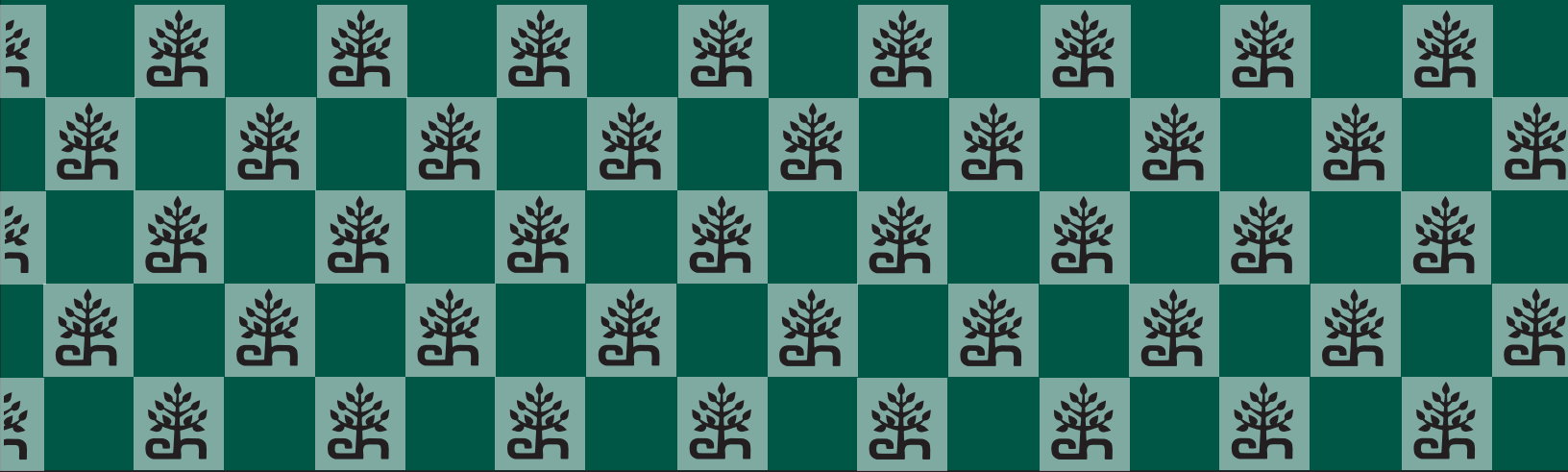


Comprehensive Annual Financial Report

for the fiscal year ended December 31, 2008

*Prepared by
The Department of Finance*

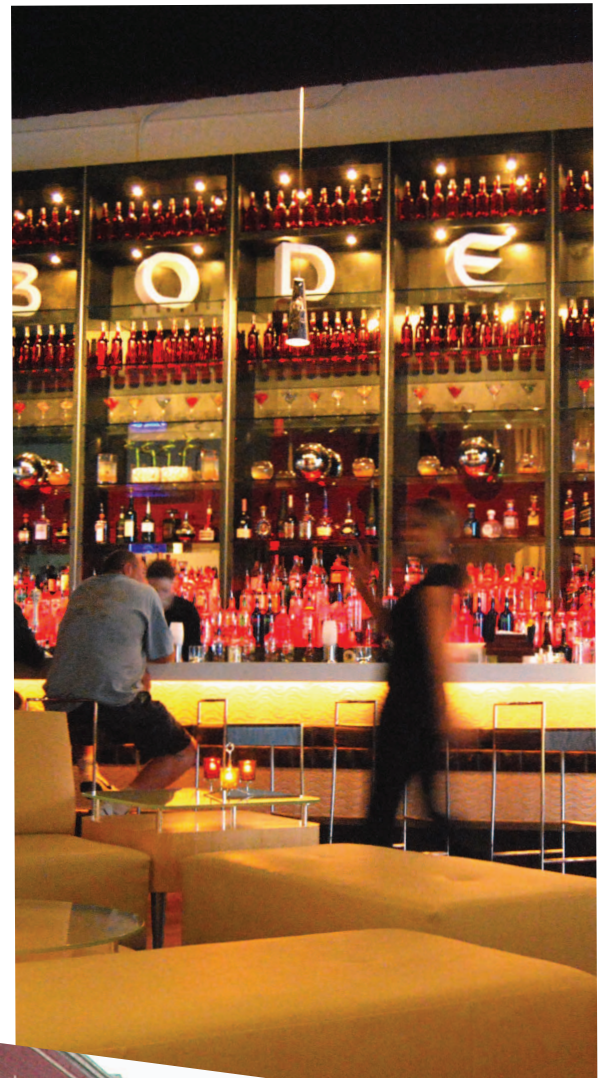
Thomas K. Malone, director
Nicholas Vitalone, assistant director





Introductory Section

Cleveland Heights is known for its distinctive shopping areas tucked into neighborhoods throughout the city, each district with its own special flair and ambiance. Sometimes called Cleveland's Greenwich Village, Coventry Village, with its eclectic assortment of stores and restaurants, is one of the Cleveland area's most original shopping experiences. The Coventry Street Arts Fairs, held each summer, draw nearby neighbors as well as visitors from all across the Cleveland area.



City of Cleveland Heights, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2008

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City of Cleveland Heights, Ohio

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City of Cleveland Heights, Ohio

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City of Cleveland Heights, Ohio

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June 29, 2009

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

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. 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 2000 Federal Census was 50,769. 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 seven members 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. His 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 his 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 2009 was 6.1% as compared to a Cuyahoga County rate of 9.0%, a State of Ohio rate of 10.2%, and a national rate of 8.9%.

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 2009 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.

The assessed value of commercial property in the city has increased 43% since 1999. The assessed value of residential property has increased 54% in the same period. This is a key indicator of this City's economic health and stability where the primary "industry" is its housing. All indications are that the City will continue to be a highly desirable place in which to live in the coming years.

2008 income tax collections remained relatively strong and accounted for almost 50.5% of all General Fund receipts.

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 2008 included: the Paul Taylor Dance Company, "Kidzart" events, Verb Ballet, Inlet Dance Theatre, Groundworks Dance Theater, The Wiz, Harold & Maude, Golden Dragon Acrobats, Janis Ian, Lesley Gore, Chanticleer, Bo Bice, April Verch Band and The Cab Calloway Orchestra. The Cain Park Arts Festival was again well attended in 2008 and is recognized as one of the best such events in the United States.

The Warrensville Center Road rehabilitation project was completed in June 2008. The Cuyahoga County Engineer managed the project. The City (10%), Cuyahoga County (10%), and the Transportation Improvement Program (TIP) through the State of Ohio (80%) jointly participated in this project. The Demington, Fairmount Sanitary Sewer rehabilitation was also completed in July 2008. The project was funded by a loan through the Ohio Water Development Authority. The Lee Road rehabilitation project was nearly completed in 2008 at a cost of approximately \$938,000. The project is being funded via 50 percent Ohio Public Works Commission loan and 50 percent local contribution.

PLANNED DEVELOPMENT PROJECTS FOR 2009

The first phase of the Monticello Boulevard resurfacing project is estimated to cost \$1.1 million. This project will be funded with 30 percent local sources and 70 percent through the Ohio Public Works Commission. The OPWC portion will consist of 50 percent grant and 20 percent no-interest loan over 20 years.

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 2008, the City received \$1.723 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 two swimming pools 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 2008, the Forestry Department planted 369 trees (size 2.5" – 3" caliper) and removed 380 hazardous trees and trimmed 998 hazardous trees. The trimming and removal of hazardous trees resulted in 182 loads of wood chips and 77 loads of logs which are then offered to residents. The City received its 30th 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. An additional \$322,058 of CDBG funds were used on streets in low/moderate income districts. 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.

As part of this reporting model, management is responsible for preparing a discussion and analysis of the City's finances for 2008. This discussion follows the Independent Auditors' Report.

The City maintains its legal level of budgetary control at the fund level. 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.

CASH MANAGEMENT

The City's investment policy is to ensure safety of principal while maintaining adequate liquidity with competitive yields on its portfolio. The cash resources of all funds are combined and invested to the extent available in treasury bills, treasury notes, and other authorized instruments. Interest earned is first distributed on a pro-rata basis to restricted funds with the remainder distributed to the General Fund.

RISK MANAGEMENT

As a means of providing superior coverage and at a cost lower than conventional insurance, the City developed and implemented its own self-funded insurance plan which covers all areas of risk including general liability, property, vehicle coverage, law enforcement professional and public official coverage. This plan utilizes the services of a third-party administrator, with the City maintaining a self-insured retention overlaid with conventional excess coverage.

In addition, the City maintains two health insurance plans for its employees. One plan is an HMO; the other is a self-funded program which is reinsured through a commercial insurance company and administered through a third-party administrator. Cost containment and enhanced control over health benefit levels have resulted from the City's health plan initiatives.

The City applied for and was accepted into the State of Ohio Workers Compensation Retrospective Rating Plan. Under the terms of this plan, the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the employer's premium limitation. The City's retrospective rating plan provides for a \$300,000 catastrophic limit per claim and an unlimited claim limit.

INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2008, have been audited by the firm of Rea & Associates, Inc., Certified Public Accountants. The auditor's unqualified opinion has been included in 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, 2007. 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-four (24) consecutive years (fiscal years ended December 31, 1984, through December 31, 2007). 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.

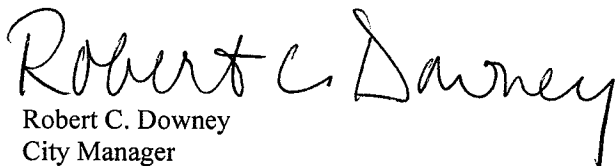
To actively engage in an on-going dialogue with neighborhood groups and residents so that changing needs of our community shape our services.

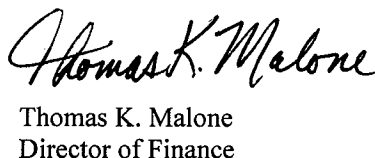
To remain competitive in relation to other surrounding communities in attracting new residents through developing new housing, controlling taxes and enhancing the quality of our community life through new and existing programs.

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,


Robert C. Downey
City Manager


Thomas K. Malone
Director of Finance

City of Cleveland Heights, Ohio

Listing of Principal City Officials

December 31, 2008

ELECTED OFFICIALS

Mayor.....	Edward J. Kelley
Vice Mayor	Phyllis L. Evans
Councilmember.....	Bonita W. Caplan
Councilmember.....	Nancy J. Dietrich
Councilmember.....	Kenneth R. Montlack
Councilmember.....	Mark A. Tumeo
Councilmember.....	Dennis R. Wilcox
Municipal Judge.....	A. Deane Buchanon

APPOINTED OFFICIALS

City Manager	Robert C. Downey
Vice City Manager/Director of Community Services.....	Susanna Niermann O'Neil
Assistant to the City Manager.....	Eddie L. Carter
Assistant to the City Manager.....	Carl Czaga
Director of Finance	Thomas K. Malone
Assistant Director of Finance.....	Nicholas Vitalone
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
Assistant Director of Planning	Kimberly Steigerwald
Director of Public Safety	Robert C. Downey
Director of Public Works	Alex Mannarino
Chief of Fire.....	Kevin C. Mohr
Chief of Police	Martin G. Lentz

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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

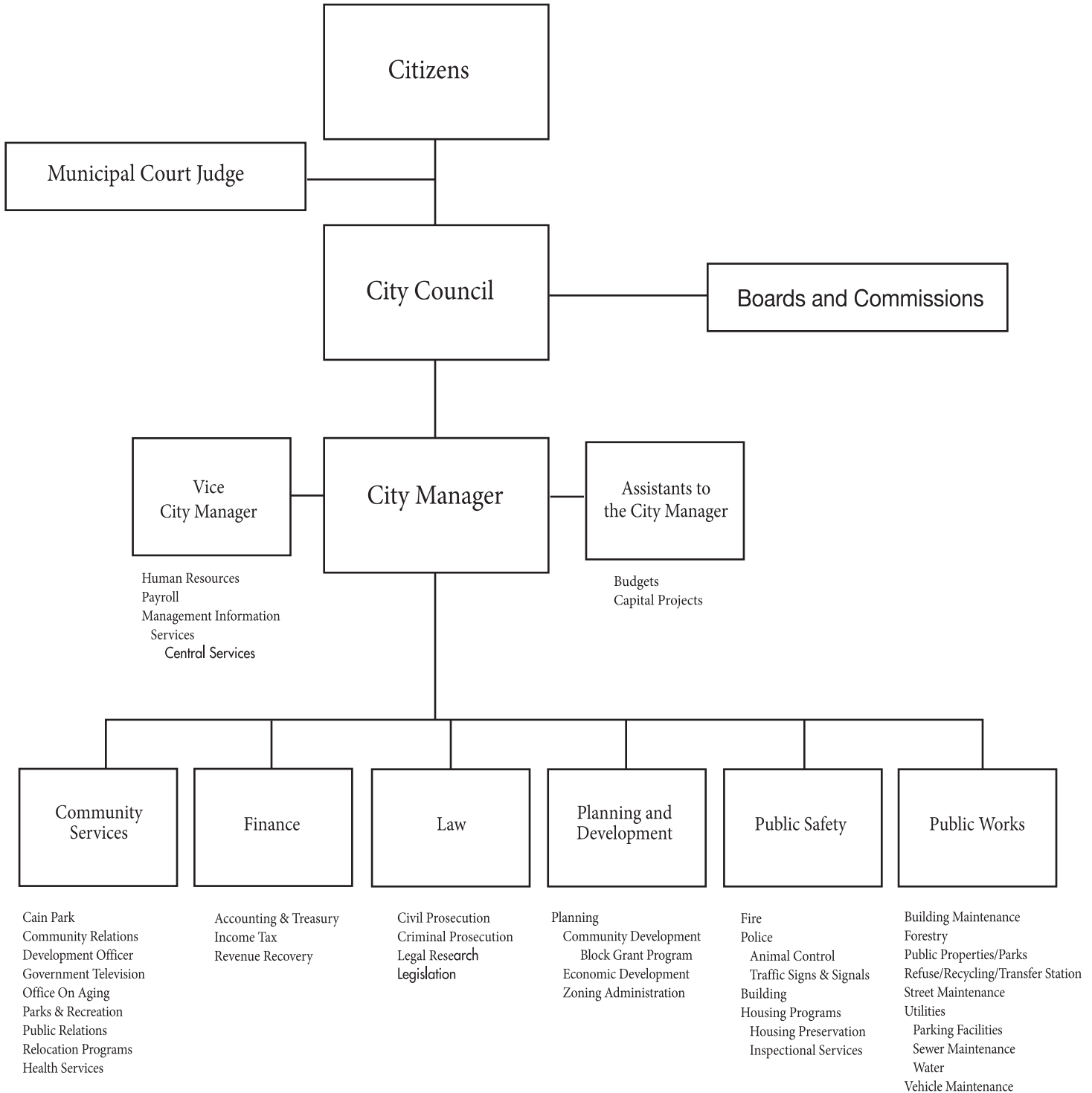
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



CLEVELAND HEIGHTS

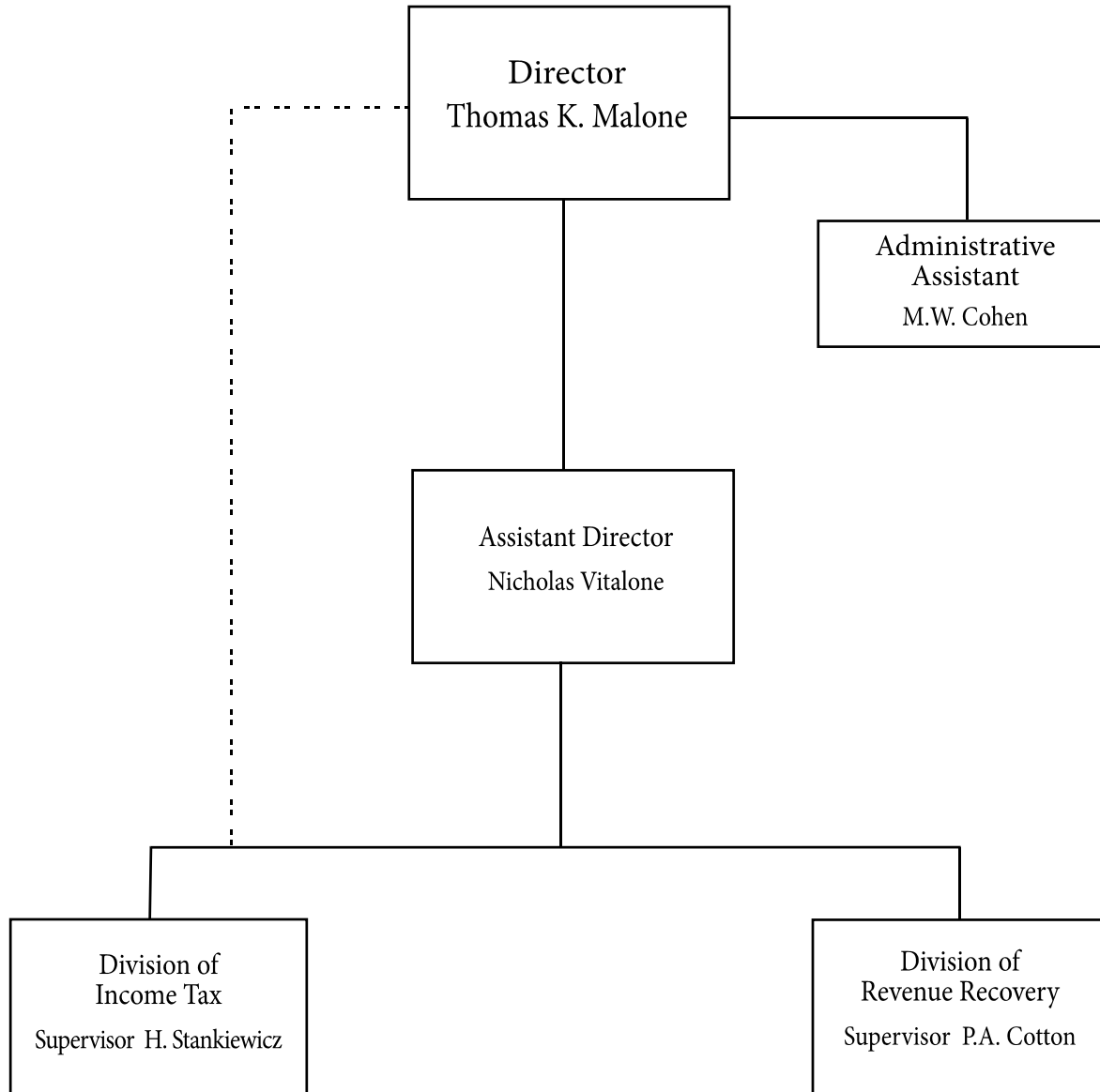
CITY ORGANIZATION AS OF DECEMBER 31, 2008





CLEVELAND HEIGHTS

DEPARTMENT OF FINANCE ORGANIZATION AS OF DECEMBER 31, 2008



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Financial Section

Cedar Lee, “The Hub of the Heights,” has drawn people to shop, dine, stroll and play for many years. From the City’s own Cain Park, the area’s home for arts and performance, to the newly renovated library, Cedar Lee has something for everyone: great restaurants, friendly pubs, shops, and the historic Cedar Lee Theatre.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 29, 2009

To the Honorable Mayor and City Council
City of Cleveland Heights
Cuyahoga County, Ohio

INDEPENDENT AUDITOR'S REPORT

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, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cleveland Heights' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009, on our consideration of the City of Cleveland Heights' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report

City of Cleveland Heights

Page 2

Management's Discussion and Analysis on pages 3 through 15 is not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cleveland Heights, basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Rea & Associates, Inc.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2008
Unaudited

The discussion and analysis of the City of Cleveland Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The total assets of the City of Cleveland Heights exceeded its total liabilities at the close of the most recent fiscal year by \$99,733,374.
- Total net assets increased by \$2,225,056 from 2007 levels. Total assets increased by \$692,860 led primarily by increases of \$983,654 in governmental capital assets. The increase in capital assets were offset by a decrease of \$310,475 in business type capital assets.
- Total liabilities decreased by approximately \$1.5 million from 2007 due primarily to a \$1.0 million reduction in accrued wages and benefits.
- In total, net assets in governmental activities increased by \$3,098,885 during 2008. This represents an increase of 4.8 percent from 2007.

Using this Annual Financial Report

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

Government-wide financial statements – Reporting the City of Cleveland Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City of Cleveland Heights' assets and liabilities, with the difference between the two reported as net assets. Over time, an increase or decrease in net assets may serve as a useful indicator of whether the financial position of the City of Cleveland Heights is improving or deteriorating. However, in evaluating the overall position of the City, nonfinancial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2008
Unaudited

In the Statement of Net Assets and the Statement of Activities, we identify two kinds of activities in the City:

- Governmental activities: Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, and state and federal grants finance most of these activities.
- Business-type activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems, off-street parking, and ambulance services are reported here.

Fund Financial Statements - Reporting the City of Cleveland Heights' Most Significant Funds

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 objects. 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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance 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. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the Governmental Funds Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City of Cleveland Heights maintains 41 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 Debt Service Fund both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2008
Unaudited

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 utilities operations, off-street parking operations, ambulance services activity and for the Cedar Lee parking deck. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City currently does not maintain an Internal Service fund.

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 utilities services, off-street parking, ambulance services and the Cedar Lee parking facility as they are considered major funds. The internal service fund is for self-insurance for worker's compensation.

The basic proprietary fund financial statements can be found starting on page 24 of this report.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

Notes to the 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 Financial Statements can be found starting on page 30 of this report.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the Notes to the 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 starting on page 62 of this report.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2008
Unaudited

Government-wide Financial Analysis - City of Cleveland Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

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

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

The Statement of Net Assets looks at the City as a whole. The following Table 1 provides a summary of the City's net assets for 2008 as compared to 2007.

Table 1
City of Cleveland Heights' Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 40,741,266	\$ 39,837,994	\$ 5,569,236	\$ 6,452,827	\$ 46,310,502	\$ 46,290,821
Capital assets, net	<u>68,191,468</u>	<u>67,207,814</u>	<u>37,860,691</u>	<u>38,171,166</u>	<u>106,052,159</u>	<u>105,378,980</u>
Total assets	<u>108,932,734</u>	<u>107,045,808</u>	<u>43,429,927</u>	<u>44,623,993</u>	<u>152,362,661</u>	<u>151,669,801</u>
Current and other liabilities	16,432,170	16,153,457	1,877,831	8,504,808	18,310,001	24,658,265
Long-term liabilities:						
Due within one year	4,431,611	4,889,310	651,237	481,167	5,082,848	5,370,477
Due in more than one year	<u>21,010,836</u>	<u>22,043,809</u>	<u>8,225,602</u>	<u>2,088,932</u>	<u>29,236,438</u>	<u>24,132,741</u>
Total liabilities	<u>41,874,617</u>	<u>43,086,576</u>	<u>10,754,670</u>	<u>11,074,907</u>	<u>52,629,287</u>	<u>54,161,483</u>
Invested in capital assets, net of related debt	49,880,927	47,989,231	29,365,271	29,324,738	79,246,198	77,313,969
Restricted for:						
Debt service	3,304,603	2,869,545	-	-	3,304,603	2,869,545
Capital projects	1,466,924	1,310,756	-	-	1,466,924	1,310,756
Community development	1,510,595	1,441,108	-	-	1,510,595	1,441,108
Municipal court special projects	2,190,766	2,106,017	-	-	2,190,766	2,106,017
Streets	512,857	550,554	-	-	512,857	550,554
Public safety	267,855	166,429	-	-	267,855	166,429
Other purposes	202,228	200,009	-	-	202,228	200,009
Unrestricted	<u>7,721,362</u>	<u>7,325,583</u>	<u>3,309,986</u>	<u>4,224,348</u>	<u>11,031,348</u>	<u>11,549,931</u>
Total net assets	<u>\$ 67,058,117</u>	<u>\$ 63,959,232</u>	<u>\$ 32,675,257</u>	<u>\$ 33,549,086</u>	<u>\$ 99,733,374</u>	<u>\$ 97,508,318</u>

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Fiscal year Ended December 31, 2008
Unaudited

Total assets exceeded total liabilities for all of Cleveland Heights' funds by \$99,733,374. The net assets have increased by \$2,225,056 from 2007. Over an extended time the pattern of these changes can become a useful indicator of a government's financial position.

The major category of the City's net assets (79.5%) is investment in capital assets such as land, buildings, infrastructure, machinery, and equipment. The amounts reflected in Table 1 are less any related outstanding debt used to acquire those assets. These assets are essential to provide services to the citizens therefore they are not available for future spending. Although the investment in capital assets is reported net of the related debt, note that the funds to repay the debt must come from sources other than the capital assets themselves.

The City's total assets increased \$692,860 from 2007 to 2008 while the total liabilities decreased \$1,532,196 in that period. Among the most significant changes to assets was an increase in Equity in City Treasury Cash of \$339,576 during the 2008 fiscal year. This was primarily due to reductions implemented for both personnel and operational expenditures. Likewise, the reduction in liabilities can be largely attributed to a reduction of over \$1,000,000 in accrued wages and benefits in 2008.

The City has made concerted efforts to maximize the return on investments of its cash and cash equivalents and to use these funds to provide liquidity for planned future capital purchases. Due to the decline of interest rates in the past few years, the investments have shifted from mostly government notes and bills to include a greater mix of federal government agency issues. However, even though the State code allows for investments with maturities of five years or less, the City has infrequently invested in an instrument with a maturity of more than two years. The City maintained a weighted average maturity of 595 days for its portfolio as of December 31, 2008.

Another tool used by the City to reduce its long-term liability is to convert accumulated sick leave to a bonus payment for employees who have a balance in excess of 800 hours of sick time remaining in their account at the end of each year. This bonus is calculated for eligible employees based on the hours accumulated and the hours of sick leave used in the current year. Only employees who have used forty-eight or less hours of sick leave per year are eligible for this conversion to bonus option. Employees who have used forty-eight hours of sick leave during the year are eligible to convert up to eight hours of sick leave to the cash bonus. If the employee has used no sick hours the conversion to bonus could be up to fifty-six hours. This allows the City to buy back accumulated sick hours at the current hourly rate as opposed to paying for it at a higher rate in the future or at the time of retirement of the employee. Every hour that is converted to bonus will reduce the employee's accumulated sick leave hours one for one. The employees benefit by having funds available to them currently with the opportunity to invest them.

The City of Cleveland Heights participates in the Ohio Bureau of Workers' Compensation retrospective rating program. Third party administration of claims is provided by CompManagement Incorporated. Various departments within the City have established safety committees to meet the Bureau guidelines and provide the employees with safety equipment to enable them to perform their tasks efficiently and also, as much as possible, to help keep the City premises an injury-free work place. A random drug testing policy for employees with CDL licenses also affords an added measure toward achieving this goal.

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The City of Cleveland Heights has developed programs and is dedicated to the recycling effort. During 2008, approximately 48.1 percent of all material collected was recycled and/or composed.

The net assets of our business-type activities decreased by 2.6 percent in 2008, which the City generally can only use these net assets to finance the continuing operations of the water and sewer, off-street parking, and ambulance services departments. In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

City of Cleveland Heights, Ohio
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Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 9,961,791	\$ 12,656,353	\$ 13,039,119	\$ 13,389,917	\$ 23,000,910	\$ 26,046,270
Operating grants and contributions	2,471,445	3,474,217	-	5,975	2,471,445	3,480,192
Capital grants and contributions	506,820	273,750	-	-	506,820	273,750
Total program revenues	<u>12,940,056</u>	<u>16,404,320</u>	<u>13,039,119</u>	<u>13,395,892</u>	<u>25,979,175</u>	<u>29,800,212</u>
General revenues:						
Property taxes	11,202,353	12,553,835	-	-	11,202,353	12,553,835
Municipal income taxes	21,877,327	21,869,012	-	-	21,877,327	21,869,012
Grants and entitlements	8,310,262	6,607,694	-	-	8,310,262	6,607,694
Interest earnings	416,225	668,428	86,224	351,419	502,449	1,019,847
Miscellaneous income	1,789,096	717,745	54,156	16,352	1,843,252	734,097
Total general revenues	<u>43,595,263</u>	<u>42,416,714</u>	<u>140,380</u>	<u>367,771</u>	<u>43,735,643</u>	<u>42,784,485</u>
Total revenues	<u>56,535,319</u>	<u>58,821,034</u>	<u>13,179,499</u>	<u>13,763,663</u>	<u>69,714,818</u>	<u>72,584,697</u>
Program expenses:						
General government	12,147,129	11,941,290	-	-	12,147,129	11,941,290
Public safety	18,628,409	19,723,818	-	-	18,628,409	19,723,818
Public health	418,430	426,606	-	-	418,430	426,606
Culture and recreation	3,947,966	4,259,479	-	-	3,947,966	4,259,479
Community development	6,368,068	6,453,726	-	-	6,368,068	6,453,726
Sanitation	3,439,963	3,002,530	-	-	3,439,963	3,002,530
Transportation	7,388,152	7,052,660	-	-	7,388,152	7,052,660
Interest and fiscal charges	815,057	969,947	-	-	815,057	969,947
Utilities	-	-	12,058,641	11,502,989	12,058,641	11,502,989
Off-street parking	-	-	1,146,271	1,115,903	1,146,271	1,115,903
Ambulance services	-	-	730,540	603,274	730,540	603,274
Cedar Lee parking deck	-	-	401,136	278,986	401,136	278,986
Total program expenses	<u>53,153,174</u>	<u>53,830,056</u>	<u>14,336,588</u>	<u>13,501,152</u>	<u>67,489,762</u>	<u>67,331,208</u>
Excess before transfers	3,382,145	4,990,978	(1,157,089)	262,511	2,225,056	5,253,489
Transfers	<u>(283,260)</u>	<u>(755,466)</u>	<u>283,260</u>	<u>755,466</u>	<u>-</u>	<u>-</u>
Change in net assets	3,098,885	4,235,512	(873,829)	1,017,977	2,225,056	5,253,489
Net assets at beginning of year	<u>63,959,232</u>	<u>59,723,720</u>	<u>33,549,086</u>	<u>32,531,109</u>	<u>97,508,318</u>	<u>92,254,829</u>
Net assets at end of year	<u>\$ 67,058,117</u>	<u>\$ 63,959,232</u>	<u>\$ 32,675,257</u>	<u>\$ 33,549,086</u>	<u>\$ 99,733,374</u>	<u>\$ 97,508,318</u>

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Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1979. The tax was originally instituted in 1966. Residents of the City who work in another community and pay the withholding tax for that community receive a fifty percent tax credit on their City tax up to a maximum of one-half percent. During 2008, this tax generated \$21.9 million in revenues. This was consistent with the prior year amount of \$21.9 million from 2007. The City will continue to collect delinquent accounts via the use of professional collection firms and agencies. In 2003 the City implemented a non-filer letter and the subpoena program to ensure compliance with the local tax laws. In 2004 these efforts resulted in increases in filings and payments. These programs continue to identify and increase our contact with non-filers and new residents. Property tax revenues in 2008 of \$11.2 million constituted a decrease of 10.8 percent from the \$12.6 million of revenues in 2007. Investment earnings continued to decrease from 2007 as the Federal Reserve has steadily decreased short term interest rates through the end of 2008.

Public safety and transportation are the major activities of the City accounting for 49.0 percent of the governmental expenses. Currently, there are one hundred one full-time sworn officers in the police department operating from one police station.

The fire department consists of seventy-six full-time fire fighters and officers of which fifty-eight are fully trained paramedics. Again, training plays a crucial role in the day-to-day operation of the fire department. Techniques such as practice drills, continuing education classes, and watching training videos help keep the men updated to perform their jobs most efficiently. The department handled 5,360 calls for assistance of which approximately 4,113 were for EMS and the rest for fire and fire-related incidents. The number of calls for assistance made in 2008 remained approximately the same from 2007.

The City has an annual road program which entails major and minor resurfacing of the 303 roadway lanes miles in Cleveland Heights on a rotating basis year by year. The resurfacing program is subject to competitive bid. The bid award in 2008 was \$959,803. Of this amount \$268,521 was funded through Community Development Block Grant. Several major projects were planned and begun in 2008. The Lee Road rehabilitation project was nearly completed at the end of 2008 at a cost of approximately \$938,000. Besides a new road surface, curb repairs, and traffic signal upgrades, the project includes a new sewer and water lines for select areas of greatest need. The Lee Road project is being funded with a 50 percent Ohio Public Works Commission loan and 50 percent local contribution. The Warrensville Center Road rehabilitation project was completed in June 2008. The City, County, and the Transportation Improvement Program (TIP) through the State of Ohio jointly participated in this project.

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Business-Type Activities

The Business-Type activities of the City, which include the City's utilities operations, off-street parking operations, ambulance services, and the Cedar Lee Parking Deck, decreased the City's net assets by \$873,829. Program expense exceeded program revenue in the amount of \$1,297,469 for the operations for 2008. In addition there were general revenues of \$423,640 from grants, interest earnings, and transfers from governmental funds.

The City's Funds

Governmental Funds

Information about the City's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$56.5 million and expenditures of \$55.9 million. Overall some areas of the revenue base continue to experience reductions such as interest earnings and state funding for local government and estate taxes. Some of these reductions could not be anticipated prior to 2003 since they were the result of new state legislation. Concerted efforts have been made in 2008 to control spending within the reduced streams of revenues which can now be anticipated and budgeted accordingly. The City has been reducing expenditures and implementing revenue enhancement programs to combat the challenges presented in the current and expected future economic climate.

The General Fund revenues increased only 1.4% from 2007 levels. The flat revenue growth is a result of the recessionary climate the region continues to experience. The General Fund expenditures decreased 0.2% from 2007 which is a direct result of the fiscal conservation the City has employed over the past several years.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget for the following fiscal year is legally required to be presented to City Council by the City Manager in June of each year. Council is provided with a detailed General Fund budget by expenditure class for all departments, and, after a discussion at a regularly held Council meeting, which is open to the public, the General Fund budget is adopted at the department level for personal services, capital outlay, and other expenditures for the General Fund and at the fund level for all other funds by City Council. The approved budget is then submitted to the Cuyahoga County Budget Commission. Within a budgeted expenditure class the appropriations can be transferred between line items with the approval of the Assistant to the City Manager for Budget or the City Manager and the respective department head. Council must approve any revisions in the budget that alter the expenditure class totals or the total appropriations for any department or fund. The final budget for the current year must be reviewed and approved during December. The City Manager recommends necessary changes to the budget and provides information as requested by Council. During fiscal year 2008, the City amended its General Fund budget for expenditures and other financing uses by a decrease of \$923,259 at the end of the fiscal year. The Finance Director provides monthly reports to City Council depicting monthly and year-to-date activity for revenues and expenditures in a comparative format to the approved budget and certificate of estimated resources.

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For the General Fund, budget basis revenue was \$1,227,395 below the original budget estimates of \$43.4 million. The actual property tax receipts were lower than anticipated due to a decline in assessed valuations. The final appropriations of \$43.2 million approximated the actual expenditures for the year, which ended up at \$42.6 million. There were no significant deviations between the final appropriations and the actual expenditures for 2008.

The City's ending unrestricted budgetary fund balance was \$579,650 less than the final budgeted amount. \$82,873 was reserved for encumbrances and payables at the end of 2008.

Business-Type Funds

The City's major Enterprise Funds consist of the Utilities Fund, the Off-Street Parking Fund, the Ambulance Services Fund, and the Cedar Lee Parking Facility Fund. The basic financial statements for the major funds are included in this report.

The Business-Type funds decreased the City's net total assets by \$873,829. In 2008, the Utilities department continued to aggressively pursue delinquent accounts. However, program revenues were flat from 2007 and net assets for the Utilities Fund can be attributed to an increase in fringe benefits of \$147,353 and a corresponding decrease in revenues of \$325,781 in 2008. The approximately \$280,000 decrease in net assets of the Off-Street Parking Fund can be attributed to flat revenues as expenditures decreased slightly. Net assets for the Ambulance Fund also decreased from 2007 as contractual services and personal services increased while revenues declined slightly.

There were fifty-four water main breaks in 2008. This represents a small decline as there were 60 breaks in 2007. The twenty-five year average of water main breaks is thirty-seven per year. The unaccounted water which was purchased by the City but unbilled during the year has risen slowly but continuously over the last eight years.

The City of Cleveland Heights water rates charged to residents through October 31, 2008 was \$48.77 per thousand cubic feet. The City increased the rate to \$53.53 per thousand cubic feet on November 1, 2008. During 2003 the water department reinstated the shut off of water service in order to collect delinquent accounts. This was found to be successful and the practice has been continued in 2008 in an attempt to reduce outstanding delinquent balances and maintain revenues.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the City of Cleveland Heights had \$106.1 million invested in capital assets (net of depreciation) which was an increase of approximately \$673,000 from 2007. This investment in capital assets includes land, buildings, improvements, construction in progress, machinery, and equipment as well as infrastructure including roads, sidewalks, bridges, water lines, sanitary sewers, curbs and gutters.

Table 3 shows fiscal year 2008 balances of capital assets (net of depreciation) as compared to 2007:

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 4,080,187	\$ 3,954,234	\$ 1,699,694	\$ 1,699,694	\$ 5,779,881	\$ 5,653,928
Construction in progress	2,281,541	787,048	643,130	170,511	2,924,671	957,559
Land improvements	1,430,702	567,979	295,715	239,300	1,726,417	807,279
Buildings and improvements	31,725,566	32,239,979	9,582,866	9,910,317	41,308,432	42,150,296
Machinery and equipment	5,487,977	5,499,805	2,741,680	3,120,696	8,229,657	8,620,501
Infrastructure:						
Streets and sidewalks	23,185,495	24,158,769	-	-	23,185,495	24,158,769
Waterlines	-	-	14,128,399	14,130,966	14,128,399	14,130,966
Sanitary sewer lines	-	-	5,430,510	5,552,222	5,430,510	5,552,222
Storm sewer lines	-	-	2,341,723	2,295,312	2,341,723	2,295,312
Off-street parking lots	-	-	996,974	1,052,148	996,974	1,052,148
Total capital assets	\$ <u>68,191,468</u>	\$ <u>67,207,814</u>	\$ <u>37,860,691</u>	\$ <u>38,171,166</u>	\$ <u>106,052,159</u>	\$ <u>105,378,980</u>

Overall there was an increase in capital assets from 2007. The City will continue to carry out an aggressive policy in maintaining its assets in excellent condition. Along with the street improvement projects, the City will continue to issue short-term notes to facilitate the purchase of motorized equipment on an annual basis. Vehicles, such as fire trucks, ambulances, rubbish trucks, etc., are planned for well in advance by the respective department heads and a scheduled maintenance and replacement time table is followed to provide peak performance for the maximum time frame. Police cars are replaced on an annual basis with approximately thirteen new cruisers placed in service each year. The older vehicles are either traded in to the dealers or sold to the highest bidder at the City's annual vehicle auction.

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With regards to the infrastructure, the City's public works department maintains a comprehensive listing of all the streets, bridges, culverts and water and sewer lines in the City. The public works department performs in-house maintenance and repairs as a supplement to the road projects that are bid out annually. The City maintains annual street resurfacing and surface treatment programs. As part of the City's annual road maintenance program, the capital projects manager evaluates the condition of each street after the winter and prepares a list of streets to be either resurfaced or crack-sealed, and, in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are competitively bid in early spring to get the best possible pricing from contractors. This program is paid for out of the current operating funds of the City. In the case of a major resurfacing project on one of the main arteries in the City of Cleveland Heights, the City has effectively pursued external funding sources to provide as much as forty to fifty percent of the project. Grants and loan assistance programs are from sources such as Cuyahoga County, State Issue II funds, and Federal highway funds. These awards reduce the total amount that must be borrowed to provide the matching funds in some cases. Additional information concerning the City's capital assets can be found in Note 7 to the financial statements.

Debt

At December 31, 2008, the City of Cleveland Heights had \$34,319,286 in total outstanding debt, of which \$22,623,332 was in general obligation bonds. In 2008, the City refunded Recreational Facilities Improvement Bonds which were issued in 1997 at rates of 3.85% - 6.375% and were due in 2017. The refunding resulted in an economic gain to the City of \$657,797. There is an increase of 16.3% in total outstanding debt from 2007. Table 4 summarizes the debt outstanding.

Table 4
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 16,268,332	\$ 17,795,000	\$ 6,355,000	\$ -	\$ 22,623,332	\$ 17,795,000
OWPC loans	1,769,929	1,405,583	1,334,567	1,431,465	3,104,496	2,837,048
OWDA loan	-	-	327,487	119,926	327,487	119,926
Economic development bonds	680,000	890,000	-	-	680,000	890,000
Capital leases	172,280	53,000	478,366	695,037	650,646	748,037
Compensated absences	6,551,906	6,789,536	381,419	323,671	6,933,325	7,113,207
Total	<u>\$ 25,442,447</u>	<u>\$ 26,933,119</u>	<u>\$ 8,876,839</u>	<u>\$ 2,570,099</u>	<u>\$ 34,319,286</u>	<u>\$ 29,503,218</u>

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At December 31, 2008, the City's overall legal debt margin was \$74,376,665 with an unvoted debt margin of \$24,951,087. The City had an outstanding balance of \$3,104,496 on interest-free loans obtained from the Ohio Public Works Commission for the Cedar Road waterline rehabilitation and sanitary sewer improvement, Taylor Road rehabilitation, Coventry Road rehabilitation and the Meadowbrook Boulevard rehabilitation projects. These loans allowed the City to spread the payments for \$3,104,496 of improvements over twenty years with no interest costs. The City also had an outstanding balance of \$327,487 from the Ohio Water Development Authority which carries an interest rate of 4.12%. Proceeds from the OWDA loan will be used for the Demington/Fairmount Sanitary Sewer rehabilitation project. Other obligations include accrued vacation pay and sick leave and capital leases. Additional information concerning the City's long-term obligations can be found in Notes 8 and 10 to the financial statements.

Contacting the City of Cleveland Heights' Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives, spends, or invests. If you have questions about this report or need financial information, contact the Finance Director, Thomas K. Malone, at the City of Cleveland Heights, 40 Severance Circle, Cleveland Heights, Ohio 44118, telephone 216-291-3900, or e-mail tmalone@clvhts.com.

City of Cleveland Heights, Ohio

Statement of Net Assets

December 31, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in city treasury cash	\$ 12,975,592	\$ 1,637,664	\$ 14,613,256
Restricted assets: cash	-	693,181	693,181
Accounts receivable	408,056	3,051,779	3,459,835
Special assessment receivable	3,156,522	-	3,156,522
Interest receivable	50,743	7,126	57,869
Loans receivable	1,770,766	-	1,770,766
Intergovernmental receivable	3,495,667	-	3,495,667
Inventory of supplies	523,566	179,486	703,052
Taxes receivable	18,145,541	-	18,145,541
Unamortized bond issuance costs	214,813	-	214,813
Nondepreciable capital assets	6,361,728	2,342,824	8,704,552
Depreciable capital assets, net	<u>61,829,740</u>	<u>35,517,867</u>	<u>97,347,607</u>
Total assets	<u>108,932,734</u>	<u>43,429,927</u>	<u>152,362,661</u>
Liabilities:			
Vouchers and accounts payable	1,346,326	1,006,100	2,352,426
Accrued wages and benefits	1,624,015	15,769	1,639,784
Due to other governments	1,635,803	43,867	1,679,670
Contracts payable	52,415	14,653	67,068
Unearned revenue	10,246,356	-	10,246,356
Refundable deposits	-	693,181	693,181
Notes payable	905,000	-	905,000
Accrued interest payable	95,703	62,367	158,070
Claims payable	526,552	41,894	568,446
Long-term liabilities:			
Due within one year	4,431,611	651,237	5,082,848
Due in more than one year	<u>21,010,836</u>	<u>8,225,602</u>	<u>29,236,438</u>
Total liabilities	<u>41,874,617</u>	<u>10,754,670</u>	<u>52,629,287</u>
Net assets:			
Invested in capital assets, net of related debt	49,880,927	29,365,271	79,246,198
Restricted for:			
Debt service	3,304,603	-	3,304,603
Capital projects	1,466,924	-	1,466,924
Community development	1,510,595	-	1,510,595
Municipal court special projects	2,190,766	-	2,190,766
Streets	512,857	-	512,857
Public Safety	267,855	-	267,855
Other purposes	202,228	-	202,228
Unrestricted	<u>7,721,362</u>	<u>3,309,986</u>	<u>11,031,348</u>
Total net assets	<u>\$ 67,058,117</u>	<u>\$ 32,675,257</u>	<u>\$ 99,733,374</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Activities

For the Year Ended December 31, 2008

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 12,147,129	\$ 5,167,813	\$ 83,558	\$ -
Public safety	18,628,409	1,117,854	303,417	-
Public health	418,430	875	32,856	-
Culture and recreation	3,947,966	1,801,819	42,050	-
Community development	6,368,068	1,232,524	2,004,748	238,299
Sanitation	3,439,963	640,906	4,816	-
Transportation	7,388,152	-	-	268,521
Interest and fiscal charges	<u>815,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>53,153,174</u>	<u>9,961,791</u>	<u>2,471,445</u>	<u>506,820</u>
Business-type activities:				
Utilities	12,058,641	11,685,812	-	-
Off-street parking	1,146,271	793,233	-	-
Ambulance services	730,540	560,074	-	-
Cedar Lee parking deck	<u>401,136</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>14,336,588</u>	<u>13,039,119</u>	<u>-</u>	<u>-</u>
Total	\$ <u>67,489,762</u>	\$ <u>23,000,910</u>	\$ <u>2,471,445</u>	\$ <u>506,820</u>

General revenues:

Property taxes levied for:

General purposes

Debt service

Police and fire pension

Municipal income taxes for general purposes

Grants and entitlements not restricted
to specific programs

Interest earnings

Other revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

The accompanying notes are an integral part of the financial statements.

<u>Net (Expense)/Revenue and Change in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (6,895,758)	\$ -	\$ (6,895,758)
(17,207,138)	-	(17,207,138)
(384,699)	-	(384,699)
(2,104,097)	-	(2,104,097)
(2,892,497)	-	(2,892,497)
(2,794,241)	-	(2,794,241)
(7,119,631)	-	(7,119,631)
<u>(815,057)</u>	<u>-</u>	<u>(815,057)</u>
<u>(40,213,118)</u>	<u>-</u>	<u>(40,213,118)</u>
-	(372,829)	(372,829)
-	(353,038)	(353,038)
-	(170,466)	(170,466)
<u>-</u>	<u>(401,136)</u>	<u>(401,136)</u>
<u>-</u>	<u>(1,297,469)</u>	<u>(1,297,469)</u>
<u>(40,213,118)</u>	<u>(1,297,469)</u>	<u>(41,510,587)</u>
7,076,452	-	7,076,452
3,610,165	-	3,610,165
515,736	-	515,736
21,877,327	-	21,877,327
8,310,262	-	8,310,262
416,225	86,224	502,449
1,789,096	54,156	1,843,252
<u>(283,260)</u>	<u>283,260</u>	<u>-</u>
<u>43,312,003</u>	<u>423,640</u>	<u>43,735,643</u>
3,098,885	(873,829)	2,225,056
<u>63,959,232</u>	<u>33,549,086</u>	<u>97,508,318</u>
<u>\$ 67,058,117</u>	<u>\$ 32,675,257</u>	<u>\$ 99,733,374</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Balance Sheet Governmental Funds

December 31, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in city treasury cash	\$ 3,602,139	\$ 3,330,678	\$ 6,042,775	\$ 12,975,592
Receivables (net of allowance for uncollectibles):				
Taxes	13,283,605	3,712,749	1,149,187	18,145,541
Accounts	384,970	-	23,086	408,056
Special assessments	-	-	3,156,522	3,156,522
Accrued interest	45,152	-	5,591	50,743
Loans	-	-	1,770,766	1,770,766
Intergovernmental	2,186,647	259,171	1,049,849	3,495,667
Interfund	-	-	158,761	158,761
Inventory of supplies	<u>523,566</u>	<u>-</u>	<u>-</u>	<u>523,566</u>
Total assets	\$ <u>20,026,079</u>	\$ <u>7,302,598</u>	\$ <u>13,356,537</u>	\$ <u>40,685,214</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 581,080	\$ -	\$ 765,246	\$ 1,346,326
Contracts payable	-	-	52,415	52,415
Accrued wages and benefits	1,592,781	-	31,234	1,624,015
Due to other governments	972,591	-	663,212	1,635,803
Interfund payable	26,429	26,075	106,257	158,761
Deferred revenue	12,422,500	3,971,920	4,914,538	21,308,958
Claims payable	495,229	-	31,323	526,552
Notes payable	-	-	905,000	905,000
Accrued interest payable	<u>-</u>	<u>-</u>	<u>5,703</u>	<u>5,703</u>
Total liabilities	<u>16,090,610</u>	<u>3,997,995</u>	<u>7,474,928</u>	<u>27,563,533</u>
Fund balances:				
Reserved for encumbrances	42,550	-	544,892	587,442
Reserved for loans receivable	-	-	1,770,766	1,770,766
Reserved for inventory of supplies	523,566	-	-	523,566
Unreserved, undesignated, reported in:				
General fund	3,369,353	-	-	3,369,353
Special revenue funds	-	-	2,846,750	2,846,750
Debt service fund	-	3,304,603	-	3,304,603
Capital projects funds	<u>-</u>	<u>-</u>	<u>719,201</u>	<u>719,201</u>
Total fund balances	<u>3,935,469</u>	<u>3,304,603</u>	<u>5,881,609</u>	<u>13,121,681</u>
Total liabilities and fund balances	\$ <u>20,026,079</u>	\$ <u>7,302,598</u>	\$ <u>13,356,537</u>	\$ <u>40,685,214</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2008

Total governmental funds balances \$ 13,121,681

*Amounts reported for governmental activities in the Statement
of Net Assets are different because:*

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 68,191,468

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 1,157,091
Municipal income taxes	4,371,967
Special assessments	3,156,522
Intergovernmental	<u>2,377,022</u>

Total 11,062,602

In the Statement of Activities, interest is accrued on outstanding
long-term obligations, whereas in governmental funds an
interest expenditures is reported when due. (90,000)

In the Statement of Activities, bond issuance costs are
amortized over the term of the bonds, whereas in governmental
funds bond issuance expenditures are reported when bonds are
issued. 214,813

Long-term liabilities are not due and payable in the current
period and are therefore not reported in the funds.

General obligation bonds	(16,040,000)
Premium on bonds	(228,332)
Economic development bonds	(680,000)
OPWC loans payable	(1,769,929)
Capital leases payable	(172,280)
Compensated absences	<u>(6,551,906)</u>

Total (25,442,447)

Net assets of governmental activities \$ 67,058,117

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Year Ended December 31, 2008

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and other local taxes	\$ 6,360,769	\$ 3,610,165	\$ 1,252,665	\$ 11,223,599
Municipal income taxes	21,826,496	-	-	21,826,496
Intergovernmental	6,077,339	502,662	4,668,159	11,248,160
Charges for services	2,196,995	-	698,114	2,895,109
Fees, licenses, and permits	1,293,665	-	428,060	1,721,725
Interest earnings	362,582	994	52,778	416,354
Special assessments	64,887	142,829	1,318,133	1,525,849
Fines and forfeitures	2,463,110	-	531,845	2,994,955
Reimbursements received	1,253,265	-	81,800	1,335,065
Other revenues	400,640	614	903,330	1,304,584
Total revenues	<u>42,299,748</u>	<u>4,257,264</u>	<u>9,934,884</u>	<u>56,491,896</u>
Expenditures:				
Current:				
Public safety	14,822,682	-	2,646,363	17,469,045
Public health	398,034	-	2,179	400,213
Culture and recreation	2,211,886	-	825,362	3,037,248
Community development	2,245,458	-	3,540,061	5,785,519
Sanitation	2,516,416	-	82,206	2,598,622
Transportation	3,590,235	-	83,556	3,673,791
General government	13,824,341	1,413	1,753,349	15,579,103
Debt service:				
Principal	16,720	990,000	285,646	1,292,366
Interest and fiscal charges	986	849,746	62,644	913,376
Bond issuance costs	-	214,813	-	214,813
Capital outlay	679,372	-	4,285,984	4,965,356
Total expenditures	<u>40,306,130</u>	<u>2,055,972</u>	<u>13,567,350</u>	<u>55,929,452</u>
Excess of revenues over (under) expenditures	<u>1,993,618</u>	<u>2,201,292</u>	<u>(3,632,466)</u>	<u>562,444</u>
Other financing sources (uses):				
Issuance of debt	-	-	439,992	439,992
Proceeds of refunding bonds	-	8,695,000	-	8,695,000
Inception of capital lease	-	-	136,000	136,000
Proceeds from sale of assets	16,056	-	-	16,056
Premium on bonds	-	228,332	-	228,332
Insurance reimbursement	911,862	-	-	911,862
Transfers – in	16,359	-	3,906,802	3,923,161
Payment to refunded bond escrow agent	-	(9,460,000)	-	(9,460,000)
Transfers – out	(2,746,611)	(1,229,566)	(213,885)	(4,190,062)
Total other financing sources (uses)	<u>(1,802,334)</u>	<u>(1,766,234)</u>	<u>4,268,909</u>	<u>700,341</u>
Net change in fund balances	191,284	435,058	636,443	1,262,785
Fund balance at beginning of year	3,744,185	2,869,545	5,245,166	11,858,896
Fund balance at end of year	<u>\$ 3,935,469</u>	<u>\$ 3,304,603</u>	<u>\$ 5,881,609</u>	<u>\$ 13,121,681</u>

The accompanying notes are an integral part of the 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, 2008

Net change in fund balances - total governmental funds \$ 1,262,785

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

Governmental funds report capital outlay 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 outlay exceeded depreciation in the current period.

Capital outlay	\$ 4,991,741	
Depreciation	<u>(3,691,568)</u>	
Total		1,300,173

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets. (316,519)

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

Property and other taxes	(83,198)	
Municipal income taxes	50,831	
Special assessments	(896,793)	
Intergovernmental	<u>92,609</u>	
Total		(836,551)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 10,752,366

Debt proceeds, premium on bonds and bond issuance costs provide current financial resources to governmental funds, but has no effect on net assets. (9,148,511)

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the inception of capital leases (136,000)

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		237,630
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An internal service fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities. (16,488)

Change in net assets of governmental activities \$ 3,098,885

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 6,775,254	\$ 6,775,254	\$ 6,360,769	\$ (414,485)
Municipal income taxes	21,979,323	21,979,323	21,491,052	(488,271)
Intergovernmental grants and contracts	6,364,793	6,364,793	6,223,399	(141,394)
Charges for services	2,468,203	2,468,203	2,413,372	(54,831)
Fees, licenses, and permits	1,323,057	1,323,057	1,293,665	(29,392)
Interest earnings	330,188	330,188	322,852	(7,336)
Special assessments	66,361	66,361	64,887	(1,474)
Fines and forfeitures	2,363,961	2,363,961	2,311,446	(52,515)
Reimbursements received	1,281,739	1,281,739	1,253,265	(28,474)
Other revenues	<u>415,464</u>	<u>415,464</u>	<u>410,012</u>	<u>(5,452)</u>
Total revenues	<u>43,368,343</u>	<u>43,368,343</u>	<u>42,144,719</u>	<u>(1,223,624)</u>
Expenditures:				
Current:				
Public safety	15,531,640	14,985,148	14,944,165	40,983
Public health	404,105	405,296	397,522	7,774
Culture and recreation	2,541,263	2,271,808	2,241,716	30,092
Community development	2,759,884	2,361,903	2,300,016	61,887
Sanitation	2,791,800	2,567,204	2,540,798	26,406
Transportation	3,652,417	3,773,513	3,744,259	29,254
General government	<u>13,865,646</u>	<u>13,974,969</u>	<u>13,707,055</u>	<u>267,914</u>
Total expenditures	<u>41,546,755</u>	<u>40,339,841</u>	<u>39,875,531</u>	<u>464,310</u>
Excess of revenues over (under) expenditures	<u>1,821,588</u>	<u>3,028,502</u>	<u>2,269,188</u>	<u>(759,314)</u>
Other financing sources (uses):				
Transfers – in	-	-	16,359	16,359
Transfers – out	(2,608,500)	(2,892,155)	(2,744,906)	147,249
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>16,056</u>	<u>16,056</u>
Total other financing sources (uses)	<u>(2,608,500)</u>	<u>(2,892,155)</u>	<u>(2,712,491)</u>	<u>179,664</u>
Net change in fund balance	(786,912)	136,347	(443,303)	(579,650)
Cash fund balance at beginning of year	3,496,474	3,496,474	3,496,474	-
Current year charges against prior year cash fund balance:				
Reserved for encumbrances	<u>(82,569)</u>	<u>(82,569)</u>	<u>(82,569)</u>	<u>-</u>
Cash fund balance at end of year				
Unreserved	2,626,993	3,550,252	2,970,602	(579,650)
Reserved for encumbrances	<u>82,873</u>	<u>82,873</u>	<u>82,873</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 2,709,866</u>	<u>\$ 3,633,125</u>	<u>\$ 3,053,475</u>	<u>\$ (579,650)</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2008

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Assets:						
Current assets:						
Equity in city treasury cash	\$ 863,520	\$ 389,821	\$ 65,773	\$ 318,550	\$ 1,637,664	\$ -
Restricted assets						
Deposits	693,181	-	-	-	693,181	-
Receivables (net of allowance for uncollectibles):						
Accounts	2,822,124	-	229,655	-	3,051,779	-
Accrued interest	4,943	2,183	-	-	7,126	-
Inventory of supplies	69,414	110,072	-	-	179,486	-
Total current assets	<u>4,453,182</u>	<u>502,076</u>	<u>295,428</u>	<u>318,550</u>	<u>5,569,236</u>	<u>-</u>
Noncurrent assets:						
Nondepreciable capital assets	451,701	1,867,019	-	24,104	2,342,824	-
Depreciable capital assets, net	23,277,247	3,675,011	2,101,924	6,463,685	35,517,867	-
Total noncurrent assets	<u>23,728,948</u>	<u>5,542,030</u>	<u>2,101,924</u>	<u>6,487,789</u>	<u>37,860,691</u>	<u>-</u>
Total assets	<u>28,182,130</u>	<u>6,044,106</u>	<u>2,397,352</u>	<u>6,806,339</u>	<u>43,429,927</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Vouchers and accounts payable	700,782	280,664	550	24,104	1,006,100	-
Accrued wages and benefits	13,825	1,025	919	-	15,769	-
Contracts payable	-	14,653	-	-	14,653	-
Due to other governments	39,491	4,365	11	-	43,867	-
Claims payable	38,029	3,865	-	-	41,894	-
Accrued interest payable	-	-	-	62,367	62,367	-
Refundable deposits	693,181	-	-	-	693,181	-
Due within one year	274,019	20,855	211,363	145,000	651,237	-
Total current liabilities	<u>1,759,327</u>	<u>325,427</u>	<u>212,843</u>	<u>231,471</u>	<u>2,529,068</u>	<u>-</u>
Long-term liabilities:						
Capital leases payable	-	-	267,003	-	267,003	-
Compensated absences	197,019	31,191	-	-	228,210	-
Bonds payable	-	-	-	6,210,000	6,210,000	-
OWDA loan payable	282,721	-	-	-	282,721	-
OPWC loans payable	1,237,668	-	-	-	1,237,668	-
Total long-term liabilities	<u>1,717,408</u>	<u>31,191</u>	<u>267,003</u>	<u>6,210,000</u>	<u>8,225,602</u>	<u>-</u>
Total liabilities	<u>3,476,735</u>	<u>356,618</u>	<u>479,846</u>	<u>6,441,471</u>	<u>10,754,670</u>	<u>-</u>
Net assets:						
Invested in capital assets, net of related debt	22,066,894	5,542,030	1,623,558	132,789	29,365,271	-
Unrestricted	2,638,501	145,458	293,948	232,079	3,309,986	-
Total net assets	<u>\$ 24,705,395</u>	<u>\$ 5,687,488</u>	<u>\$ 1,917,506</u>	<u>\$ 364,868</u>	<u>\$ 32,675,257</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For the Year Ended December 31, 2008

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Operating revenues:						
Charges for services	\$ 11,354,308	\$ 793,233	\$ 560,074	\$ -	\$ 12,707,615	\$ -
Other income	30	54,126	-	-	54,156	-
Total operating revenues	<u>11,354,338</u>	<u>847,359</u>	<u>560,074</u>	<u>-</u>	<u>12,761,771</u>	<u>-</u>
Operating expenses:						
Personal services	1,461,266	115,343	118,125	-	1,694,734	-
Fringe benefits	617,594	73,400	20,957	-	711,951	-
Contractual services	8,992,789	590,811	163,495	9,800	9,756,895	-
Materials and supplies	208,235	61,241	27,426	7,569	304,471	-
Utilities	26,238	105,193	-	-	131,431	-
Other expenses	6,200	-	38,124	-	44,324	129
Depreciation	690,945	168,105	362,413	168,686	1,390,149	-
Total operating expenses	<u>12,003,267</u>	<u>1,114,093</u>	<u>730,540</u>	<u>186,055</u>	<u>14,033,955</u>	<u>129</u>
Operating income (loss)	<u>(648,929)</u>	<u>(266,734)</u>	<u>(170,466)</u>	<u>(186,055)</u>	<u>(1,272,184)</u>	<u>(129)</u>
Non-operating revenues (expenses):						
Interest income	56,958	19,995	-	9,271	86,224	-
Special assessments	331,504	-	-	-	331,504	-
Interest and fiscal charges	(55,374)	-	-	(215,081)	(270,455)	-
Loss on sale of assets	-	(32,178)	-	-	(32,178)	-
Total non-operating revenues (expenses)	<u>333,088</u>	<u>(12,183)</u>	<u>-</u>	<u>(205,810)</u>	<u>115,095</u>	<u>-</u>
Net income (loss) before transfers	<u>(315,841)</u>	<u>(278,917)</u>	<u>(170,466)</u>	<u>(391,865)</u>	<u>(1,157,089)</u>	<u>(129)</u>
Transfers – in	-	-	-	283,260	283,260	-
Transfers – out	-	-	-	-	-	(16,359)
Change in net assets	<u>(315,841)</u>	<u>(278,917)</u>	<u>(170,466)</u>	<u>(108,605)</u>	<u>(873,829)</u>	<u>(16,488)</u>
Net assets (deficit) at beginning of year	<u>25,021,236</u>	<u>5,966,405</u>	<u>2,087,972</u>	<u>473,473</u>	<u>33,549,086</u>	<u>16,488</u>
Net assets at end of year	\$ <u>24,705,395</u>	\$ <u>5,687,488</u>	\$ <u>1,917,506</u>	\$ <u>364,868</u>	\$ <u>32,675,257</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2008

	Business-Type Activities					Governmental Activities
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Operating activities:						
Cash received from customers	\$ 11,199,001	\$ 793,233	\$ 605,378	\$ -	\$ 12,597,612	\$ -
Cash payments to suppliers	(9,126,528)	(693,223)	(217,093)	(174,372)	(10,211,216)	-
Cash payments to employees	(2,035,287)	(166,875)	(138,524)	-	(2,340,686)	-
Cash payments for other expenses	(6,200)	-	(18,597)	-	(24,797)	(12)
Other operating receipts	30	54,126	-	-	54,156	-
Net cash provided by (used for) operating activities:	<u>31,016</u>	<u>(12,739)</u>	<u>231,164</u>	<u>(174,372)</u>	<u>75,069</u>	<u>(12)</u>
Noncapital financing activities:						
Transfers-in	-	-	-	283,260	283,260	-
Transfers-out	-	-	-	-	-	(16,359)
Net cash provided by noncapital financing activities:	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,260</u>	<u>283,260</u>	<u>(16,359)</u>
Capital and related financing activities:						
Acquisition and construction of capital assets	(805,754)	(192,929)	(89,065)	(24,104)	(1,111,852)	-
Debt proceeds	250,738	-	-	6,355,000	6,605,738	-
Principal paid on debt	(140,075)	-	(216,671)	(6,600,000)	(6,956,746)	-
Interest and fiscal charges	(55,374)	-	-	(263,260)	(318,634)	-
Special assessments	331,504	-	-	-	331,504	-
Net cash used for capital and related financing activities	<u>(418,961)</u>	<u>(192,929)</u>	<u>(305,736)</u>	<u>(532,364)</u>	<u>(1,449,990)</u>	<u>-</u>
Investing activities:						
Interest received	60,376	21,904	-	9,271	91,551	-
Net increase (decrease) Cash and cash equivalents	(327,569)	(183,764)	(74,572)	(414,205)	(1,000,110)	(16,371)
Cash and cash equivalents at beginning of year	<u>1,884,270</u>	<u>573,585</u>	<u>140,345</u>	<u>732,755</u>	<u>3,330,955</u>	<u>16,371</u>
Cash and cash equivalents at end of year	\$ <u><u>1,556,701</u></u>	\$ <u><u>389,821</u></u>	\$ <u><u>65,773</u></u>	\$ <u><u>318,550</u></u>	\$ <u><u>2,330,845</u></u>	\$ <u><u>-</u></u>

Continued

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Cash Flows Proprietary Funds (Continued)

For the Year Ended December 31, 2008

	Business-Type Activities					Governmental
	Utilities	Off-Street Parking	Ambulance Services	Cedar Lee Parking Deck	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	\$ (648,929)	\$ (266,734)	\$ (170,466)	\$ (186,055)	\$ (1,272,184)	\$ (129)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	690,945	168,105	362,413	168,686	1,390,149	-
Change in operating assets and liabilities:						
Receivables	(155,307)	-	45,304	-	(110,003)	117
Inventory	29,704	(41,547)	-	-	(11,843)	-
Vouchers and accounts payable	91,091	90,907	(6,648)	(157,003)	18,347	-
Accrued wages and benefits payable	(44,117)	(4,783)	550	-	(48,350)	-
Contracts payable	-	14,653	-	-	14,653	-
Due to other governments	39,491	4,365	11	-	43,867	-
Claims payable	11,951	865	-	-	12,816	-
Refundable deposits	(20,131)	-	-	-	(20,131)	-
Compensated absences	36,318	21,430	-	-	57,748	-
Total adjustments	679,945	253,995	401,630	11,683	1,347,253	117
Net cash provided by (used for) operating activities	\$ <u>31,016</u>	\$ <u>(12,739)</u>	\$ <u>231,164</u>	\$ <u>(174,372)</u>	\$ <u>75,069</u>	\$ <u>(12)</u>

Noncash Capital Financing Activities

During 2008, the Off-Street Parking fund had \$22,191 of capital asset disposals related to a reclassification.

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2008

	Private Purpose <u>Trust</u>		<u>Agency</u>
	James A. Nelson <u>Trust</u>		
Assets:			
Equity in city treasury cash	\$ <u>9,410</u>	\$	<u>638,355</u>
Total assets	<u>9,410</u>	\$	<u>638,355</u>
Liabilities:			
Due to others	-	\$	171,590
Due to other governments	-		62,332
Restricted deposits	<u>-</u>		<u>404,433</u>
Total liabilities	<u>-</u>	\$	<u>638,355</u>
Net assets:			
Held in trust	\$ <u>9,410</u>		

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Statement of Changes in Fiduciary Net Assets Fiduciary Funds

For the Year Ended December 31, 2008

	<u>Private Purpose Trust</u> <u>James A. Nelson Trust</u>
Additions:	
Interest	\$ 393
Deductions:	
Other	<u>(3,500)</u>
Change in net assets	(3,107)
Net assets beginning of year	<u>12,517</u>
Net assets end of year	\$ <u><u>9,410</u></u>

The accompanying notes are an integral part of the financial statements.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements

December 31, 2008

Note 1: Description of the City and Reporting Entity

The City of Cleveland Heights is a home rule municipal corporation operating under its own charter since August 9, 1921. The charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven-member elected Council, is the chief administrative officer of the City.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Cleveland Heights this includes Public Safety, Street Maintenance, Refuse Collection, Recreation Programs, Municipal Court, Public Health, Community Development, Public Improvements, Water and Sewer Services, and General Administrative Services. The City's departments include a public safety department, a public service department, a street maintenance department, a water and sewer department, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

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.

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

Note 2: Summary of Significant Accounting Policies

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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 activities.

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

Fund Financial Statements

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

B. Fund Accounting

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds

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

General Fund

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund 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.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

Proprietary Funds

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:

Utilities

To account for the monies received from water and sewer billings and the cost of furnishing water and sewer services.

Off-Street Parking

To account for the monies received from metered and permit charges for parking in municipal lots and the cost of maintaining such lots.

Ambulance Services

To account for the monies received from pre-hospital life support services.

Cedar Lee Parking Deck

To account for monies received for the Cedar Lee parking deck.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Internal Service Funds

Internal service funds account for the financing of services provided by one department to other departments of the City on a cost reimbursement basis. The City's internal service fund reports on the workers' compensation claims.

Fiduciary

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City maintains a private purpose trust fund – James A. Nelson Trust Fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus, do not involve measurement of results of operations. The City's primary agency funds accounts include the municipal court and construction deposits.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statements 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 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 Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6).

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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Unearned Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as unearned revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenditures/Expenses

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

E. Budgetary Process

Tax Budget

By July 15, the City Manager submits an annual operating budget for all funds for the following fiscal year to City Council for consideration and passage. While the City adopts a budget for all funds, the City is legally required to report on such budgets only for its governmental fund type funds. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission certifies its actions relative to the annual budget to the City by September 1. As part of this certification, the City receives an Official Certificate of Estimated Resources which states projected revenues by fund. On or about January 1, this certificate is amended to include any unencumbered fund balances from the preceding year. Prior to December 31, the City must revise its budget so that the total estimated expenditures from any fund during the ensuing fiscal year will not exceed the amount as stated on the Amended Official Certificate of Resources. The revised budget then serves as the basis for the annual appropriation ordinance.

Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures must be legally enacted on or about January 1. The ordinance may be temporary in nature in that its effectiveness applies from the date on which it is enacted to the date on which a permanent appropriation ordinance must be passed. Ohio law requires the permanent appropriation ordinance to be passed no later than April 1 of the fiscal year for which it applies. Amendments to the 2008 appropriation ordinance were approved by City Council as provided by the City Charter.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Appropriations (continued)

The City maintains its legal level of budgetary control at the department level for personal services, capital outlay, and other expenditures for the General Fund and at the fund level for all other funds. However, management control is exercised at the department level (Police, Fire, Law, etc.) within each function (Public Safety, Public Health, Culture and Recreation, Community Development, Sanitation, Transportation, and General Government). The City Manager is authorized to transfer budgeted amounts within each fund (between departments), so long as the total amount appropriated by Council for each fund is not exceeded.

Lapsing of Appropriations

Unencumbered appropriation balances lapse at year-end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation.

Encumbrances

As part of formal budgetary control over governmental funds, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the Non-GAAP budget basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance for subsequent-year expenditures for the governmental funds.

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in city treasury cash" on the balance sheet.

Investments are reported at fair value, which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City invested in STAR Ohio, an investment pool managed by the State Treasurer's Office. STAR Ohio 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 share price, which is the price the investment could be sold for on December 31, 2008.

The cash resources of all funds are combined and invested to the extent available in the State of Ohio's Investment Pool, treasury notes, and other authorized instruments. The City's Codified Ordinance Section 179.02 supersedes Ohio Revised Code Section 135.21 as to the allocation of interest. Interest revenue credited to the general fund during 2008 amounted to \$362,582, of which \$280,459 was assigned from other funds.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. Inventory

Inventories are presented at cost using the first-in, first-out basis and are expensed/expensed when used. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which it was consumed. At December 31, 2008, the amount of the prepaid items was not material.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. 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 capital assets is also capitalized.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 to 50 years
Improvements	10 to 50 years
Equipment and Machinery	3 to 20 years
Infrastructure	15 to 100 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as intergovernmental receivable/payable. Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the Statement of Net Assets.

K. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for 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 accumulated unused vacation time when earned for all employees.

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

L. 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.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-Term Obligations (continued)

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 regardless of whether they will be liquidated with current resources. However, claims and judgments compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

M. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and, therefore, are not available for appropriation and expenditure. Fund balances are reserved for encumbrances, loans receivable and inventory.

N. Net Assets

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

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

O. 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 water and sewer services, off-street parking, and ambulance services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Anything not meeting this definition is part of non-operating revenue.

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

P. Interfund Activity (continued)

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

R. Estimates

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

S. Comparative Data/Reclassifications

Comparative Data for the prior year are presented in order to provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2007 financial statements in order to conform to the 2008 presentation.

Note 3: Change in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and GASB Statement No. 50, *Pension Disclosures*.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The City has determined that the adoption of this statement did not have an impact on the City's financial statements; however, note disclosures related to post-employment benefits have been modified. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and OP&F post-employment healthcare plans in the amount of \$84,434 and \$193,781, respectively, which are the same as the previously reported liabilities.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 3: Change in Accounting Principles (continued)

GASB Statement No. 49 provides guidance on how to calculate and report costs and obligations associated with pollution cleanup efforts.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

The implementation of GASB Statements No. 49 and No. 50 did not result in any change to the City's financial statements.

Note 4: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund equity on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts and disbursements.

The Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Budget and Actual presented on the budgetary basis for the General Fund is presented on the budgetary basis to provide a relevant comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- (2) Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balance (GAAP).

The adjustments necessary to convert results of operations and fund balances at the end of the year on the GAAP basis to the budget basis are as follows:

<u>Net Change in Fund Balance</u>	
GAAP basis (as reported)	\$ <u>191,284</u>
Increase (decrease) due to:	
Revenue accruals	(1,066,891)
Expenditure accruals	432,000
Encumbrances:	
Current year charges against prior years cash fund balance reserve for encumbrances	82,873
Encumbered at December 31, 2007, but recorded as the equivalent of cash expenditures for budgetary purposes	<u>(82,569)</u>
Non-GAAP budget basis	\$ <u><u>(443,303)</u></u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 5: Deposits and Investments

State statutes classify monies held by the City into three categories.

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

Inactive deposits are monies 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 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 monies may be deposited or invested in the following securities:

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

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 5: Deposits and Investments (continued)

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was \$3,421,617 and the bank balance was \$3,031,700. Of the bank balance \$901,978 was covered by Federal depository insurance and \$2,129,722 was covered by collateral held by third party trustees in collateral pools in the name of the respective depository institutions securing all public funds on deposit.

Investments

Investments are reported at fair value. As of December 31, 2008, the City had the following investments:

		Maturity		
		More than one year but less than three years		Total
	Within six months			
Federal Home Loan Bank Bonds	\$ 1,000,300	\$ 2,025,800	\$	3,026,100
Federal Home Loan Mortgage Corporation Notes	1,001,200	1,022,500		2,023,700
STAROhio	7,358,321	-		7,358,321
Charter One	101,292	-		101,292
Centennial Tax Exempt Money Fund	<u>23,172</u>	<u>-</u>		<u>23,172</u>
Total Portfolio	\$ <u>9,484,285</u>	\$ <u>3,048,300</u>	\$	<u>12,532,585</u>

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring 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, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 5: Deposits and Investments (continued)

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2008:

	<u>Fair Value</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank Bonds	\$ 3,026,100	24.2 %
Federal Home Loan Mortgage Corporation Notes	2,023,700	16.1
STAROhio	7,358,321	58.7
Charter One	101,292	0.8
Centennial Tax Exempt Money Fund	23,172	0.2
Total Portfolio	<u>\$ 12,532,585</u>	<u>100.0 %</u>

Note 6: Receivables

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, intergovernmental, loans, and interfund. All receivables are deemed collectible in full.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 6: Receivables (continued)

A. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Local Government	\$ 1,539,515
Homestead & Rollback	768,227
Gasoline Tax	581,815
Estate Tax	150,869
Franchise Fee	118,103
Permissive Tax	113,944
Miscellaneous	98,685
Auto Registration	98,248
City of Shaker Heights	19,063
City of University Heights	<u>7,198</u>
Total	\$ <u>3,495,667</u>

B. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible (used in business) personal property located in the City. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Real property is assessed at 35% of true (market) value. The County Auditor is required to reappraise all real estate once every six years. Equalization adjustments are then made in the third year following reappraisal.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. The true value of personal property is based on composite annual allowances and is assessed at 25%, except electric utility distribution and transmission equipment which is assessed at 88% of true value, the personal property of rural electric companies which is assessed at 50% of true value, and the personal property of railroads which is assessed at 25% of true value. Effective in tax year 1995, all interexchange telephone personal property is assessed at 25%. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88%. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75%. This will be reduced to 12.5% for 2007, 6.25% for 2008 and zero for 2009.

The assessed valuation upon which the 2008 property tax receipts (\$.0129 on each dollar of tax valuation) were based are as follows:

	<u>Assessed Value</u>
Real property (other than public utility)	\$ 968,206,130
Public utility real and personal tangible property	9,479,500
Tangible personal property (other than public utility)	<u>17,850,430</u>
Total Assessed Valuation	\$ <u>995,536,060</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 6: Receivables (continued)

B. Property Taxes (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, State statute permits earlier or later payment dates to be established.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City.

C. Income Taxes

The City levies a municipal income tax of 2% on all salaries, wages, commissions and other compensation, and the net profits earned within the City as well as incomes of residents earned outside the City. In the latter case, the City allows a credit of 50% 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 compensation and remit the tax to the City either monthly or quarterly as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly (if the annual estimated tax is greater than ten dollars) and file a declaration annually.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balances 12/31/07	Additions	Deletions	Balances 12/31/08
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 3,954,234	\$ 125,953	\$ -	\$ 4,080,187
Construction in progress	<u>787,048</u>	<u>2,369,241</u>	<u>(874,748)</u>	<u>2,281,541</u>
Total nondepreciable capital assets	<u>4,741,282</u>	<u>2,495,194</u>	<u>(874,748)</u>	<u>6,361,728</u>
Depreciable capital assets:				
Land improvements	811,474	918,023	-	1,729,497
Building and improvements	50,008,638	633,405	(177,474)	50,464,569
Machinery and equipment	16,049,606	1,512,812	(614,099)	16,948,319
Infrastructure:				
Streets and sidewalks	<u>32,633,962</u>	<u>307,055</u>	<u>-</u>	<u>32,941,017</u>
Total depreciable capital assets	<u>99,503,680</u>	<u>3,371,295</u>	<u>(791,573)</u>	<u>102,083,402</u>
Less accumulated depreciation:				
Land improvements	(243,495)	(55,300)	-	(298,795)
Buildings and improvements	(17,768,659)	(1,131,330)	160,986	(18,739,003)
Machinery and equipment	(10,549,801)	(1,224,609)	314,068	(11,460,342)
Infrastructure:				
Streets and sidewalks	<u>(8,475,193)</u>	<u>(1,280,329)</u>	<u>-</u>	<u>(9,755,522)</u>
Total accumulated depreciation	<u>(37,037,148)</u>	<u>(3,691,568)</u>	<u>475,054</u>	<u>(40,253,662)</u>
Depreciable capital assets, net	<u>62,466,532</u>	<u>(320,273)</u>	<u>(316,519)</u>	<u>61,829,740</u>
Total governmental activities capital assets, net	\$ <u>67,207,814</u>	\$ <u>2,174,921</u>	\$ <u>(1,191,267)</u>	\$ <u>68,191,468</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 7: Capital Assets (continued)

	Balances <u>12/31/07</u>	Additions	Deletions	Balances <u>12/31/08</u>
Business-Type Activities				
Nondepreciable capital assets:				
Land	\$ 1,699,694	\$ -	\$ -	\$ 1,699,694
Construction-in-progress	<u>170,511</u>	<u>472,619</u>	<u>-</u>	<u>643,130</u>
Total nondepreciable capital assets	<u>1,870,205</u>	<u>472,619</u>	<u>-</u>	<u>2,342,824</u>
Depreciable capital assets:				
Land improvements	252,476	63,041	-	315,517
Buildings and improvements	11,885,833	-	-	11,885,833
Machinery and equipment	7,792,658	215,725	(36,030)	7,972,353
Infrastructure:				
Waterlines	16,661,274	230,850	-	16,892,124
Sanitary sewer lines	6,622,891	-	-	6,622,891
Storm sewer lines	2,755,058	113,822	-	2,868,880
Off-street parking lots	<u>2,443,059</u>	<u>15,795</u>	<u>(22,191)</u>	<u>2,436,663</u>
Total depreciable capital assets	<u>48,413,249</u>	<u>639,233</u>	<u>(58,221)</u>	<u>48,994,261</u>
Less accumulated depreciation:				
Land improvements	(13,176)	(6,626)	-	(19,802)
Buildings and improvements	(1,975,516)	(327,451)	-	(2,302,967)
Machinery and equipment	(4,671,962)	(584,754)	26,043	(5,230,673)
Infrastructure:				
Waterlines	(2,530,308)	(233,417)	-	(2,763,725)
Sanitary sewer lines	(1,070,669)	(121,712)	-	(1,192,381)
Storm sewer lines	(459,746)	(67,411)	-	(527,157)
Off-street parking lots	<u>(1,390,911)</u>	<u>(48,778)</u>	<u>-</u>	<u>(1,439,689)</u>
Total accumulated depreciation	<u>(12,112,288)</u>	<u>(1,390,149)</u>	<u>26,043</u>	<u>(13,476,394)</u>
Total depreciable capital assets, net	<u>36,300,961</u>	<u>(750,916)</u>	<u>(32,178)</u>	<u>35,517,867</u>
Total business-type activities capital assets, net	\$ <u>38,171,166</u>	\$ <u>(278,297)</u>	\$ <u>(32,178)</u>	\$ <u>37,860,691</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 7: Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 556,615
Public safety	665,965
Public health	2,527
Culture and recreation	715,883
Community development	60,844
Sanitation	240,588
Transportation	<u>1,449,146</u>
Total	<u>\$ 3,691,568</u>

Note 8: Long-Term Obligations

Long-term obligations of the City at December 31, 2008, are as follows:

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Governmental activities:								
General obligation bonds voted issues:								
1997	Recreational facilities improvements due 2017	3.850-6.375%	\$15,000,000	\$ 9,460,000	\$ -	\$ (9,460,000)	\$ -	\$ -
	Total voted issues			<u>9,460,000</u>	<u>-</u>	<u>(9,460,000)</u>	<u>-</u>	<u>-</u>
Unvoted issues:								
1986	City Hall construction due 2009	6.250%	6,000,000	550,000	-	(275,000)	275,000	275,000
1999	Pension Fund due 2013	3.050-4.500%	2,000,000	945,000	-	(140,000)	805,000	150,000
2001	Refund off-street parking facilities due 2012	3.300-4.400%	2,385,000	1,115,000	-	(205,000)	910,000	215,000
2001	Recreation facilities improvements due 2017	3.300-4.900%	4,000,000	2,715,000	-	(225,000)	2,490,000	230,000
2004	Ring Road improvement	2.500-5.000%	3,200,000	3,010,000	-	(80,000)	2,930,000	80,000
2008	Refunding Rec. Facilities Improvements due 2017	3.00%-5.00%	8,695,000	-	8,695,000	(65,000)	8,630,000	840,000
	Premium on bonds			<u>-</u>	<u>228,332</u>	<u>-</u>	<u>228,332</u>	<u>-</u>
	Total unvoted issues			<u>8,335,000</u>	<u>8,923,332</u>	<u>(990,000)</u>	<u>16,268,332</u>	<u>1,790,000</u>
	Total general obligation bonds			<u>17,795,000</u>	<u>8,923,332</u>	<u>(10,450,000)</u>	<u>16,268,332</u>	<u>1,790,000</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 8: Long-Term Obligations (continued)

Year	Description	Interest Rate	Original Issue Amount	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
	Economic development revenue bonds 2001 Zagara TIF project due 2011	2.900-4.100%	\$1,995,000	\$ 890,000	\$ -	\$ (210,000)	\$ 680,000	\$ 220,000
OPWC Loans:								
	Coventry Road Rehabilitation			314,280	-	(18,487)	295,793	18,487
	Meadowbrook Blvd. Rehabilitation - Streets			934,626	-	(50,520)	884,106	50,520
	Taylor Road Rehabilitation			89,627	-	(6,639)	82,988	6,639
	Lee Road Rehabilitation			67,050	439,992	-	507,042	-
	Total OPWC loans			1,405,583	439,992	(75,646)	1,769,929	75,646
	Accrued compensated absences			6,789,536	102,611	(340,241)	6,551,906	2,295,740
	Capital lease commitments			53,000	136,000	(16,720)	172,280	50,225
	Total governmental activities long-term liabilities			\$ 26,933,119	\$ 9,601,935	\$ (11,092,607)	\$ 25,442,447	\$ 4,431,611

Business-type activities:

Unvoted issues:								
	Cedar Lee Parking Deck Due 2028	3.00%-4.75%	\$6,355,000	\$ -	\$ 6,355,000	\$ -	\$ 6,355,000	\$ 145,000
OPWC Loans:								
	Cedar Road – Water			564,525	-	(47,043)	517,482	47,044
	Cedar Road – Sewer			102,245	-	(8,520)	93,725	8,520
	Meadowbrook Blvd. Rehabilitation - Water			339,865	-	(18,371)	321,494	18,371
	Meadowbrook Blvd. Rehabilitation - Sewer			424,830	-	(22,964)	401,866	22,964
	Total OPWC loans			1,431,465	-	(96,898)	1,334,567	96,899
	OWDA Loan – Sewer			119,926	250,738	(43,177)	327,487	44,766
	Accrued compensated absences			323,671	57,748	-	381,419	153,209
	Capital lease commitments			695,037	-	(216,671)	478,366	211,363
	Total business-type activities long-term liabilities			\$ 2,570,099	\$ 6,663,486	\$ (356,746)	\$ 8,876,839	\$ 651,237

In 1999, the City defeased the unfunded pension liability by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old liability.

In 2001, the City refunded Off-Street Parking Facilities bonds which were originally issued in 1992 at rates of 3.00%-6.20% and were due in 2012. The refunding bonds were issued in 2001 at rates of 3.30%-4.40% and are due in 2012. The refunding resulted in an economic gain to the City of \$106,940.

A description of all the City's advance refunded, defeased bonds with remaining outstanding amounts follows:

Description of Defeased Bonds	Interest Rate	Date Issued	Date Defeased	Redemption Or Call Date	Original Amount	Retired or not Subject to Refunding	Amount Refunded	Defeased Amount Redeemed	Amount Outstanding at December 31, 2007
Unfunded Pension Liability	4.25%	11/15/1973	01/11/1999	12/31/2034	\$ 3,588,449	\$ 1,608,749	\$ 1,979,700	\$ 1,174,700	\$ 805,000
Off-Street Parking Facility	3.00-6.20%	10/01/1992	04/05/2001	12/01/2012	3,000,000	615,000	2,385,000	1,475,000	910,000
									\$ 1,715,000

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 8: Long-Term Obligations (continued)

In 2008, the City refunded Recreational Facilities Improvement Bonds, which were originally issued in 1997, via a current refunding in order to take advantage of lower interest rates. The bonds were issued in 1997 at rates of 3.85% - 6.375% and were due in 2017. The refunding resulted in an economic gain to the City of \$657,797.

As of December 31, 2008, the City's legal debt margin (the ability to issue additional principal amounts of general obligation bonded debt) was approximately \$74.4 million. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2008, are:

Year	Governmental Activities					
	General Obligation Bonds		Economic Development Revenue Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 1,790,000	\$ 998,571	\$ 220,000	\$ 27,215	\$ 75,646	\$ -
2010	1,565,000	840,844	225,000	18,635	100,998	-
2011	1,615,000	778,846	235,000	9,635	100,998	-
2012	1,680,000	714,291	-	-	100,998	-
2013	1,485,000	643,716	-	-	100,998	-
2014-2018	5,910,000	2,195,506	-	-	504,990	-
2019-2023	625,000	1,141,356	-	-	488,394	-
2024-2028	780,000	573,434	-	-	296,907	-
2029-2033	590,000	29,500	-	-	-	-
Total	\$ <u>16,040,000</u>	\$ <u>7,916,064</u>	\$ <u>680,000</u>	\$ <u>55,485</u>	\$ <u>1,769,929</u>	\$ <u>-</u>

Year	Business-Type Activities					
	Parking Deck Improvement Bond		OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 145,000	\$ 343,141	\$ 96,899	\$ -	\$ 44,766	\$ 32,076
2010	230,000	255,169	96,899	-	46,629	30,213
2011	240,000	248,269	96,899	-	48,570	28,272
2012	245,000	241,069	96,899	-	50,592	26,250
2013	255,000	233,106	96,899	-	52,698	24,144
2014-2018	1,405,000	1,024,719	484,495	-	84,232	32,075
2019-2023	1,705,000	721,419	262,239	-	-	-
2024-2028	2,130,000	307,956	103,338	-	-	-
2029-2033	-	-	-	-	-	-
Total	\$ <u>6,355,000</u>	\$ <u>3,374,848</u>	\$ <u>1,334,567</u>	\$ <u>-</u>	\$ <u>327,487</u>	\$ <u>173,030</u>

Year	Totals	
	Principal	Interest
2009	\$ 2,372,311	\$ 1,401,003
2010	2,264,526	1,144,861
2011	2,336,467	1,065,022
2012	2,173,489	981,610
2013	1,990,595	900,966
2014-2018	8,388,717	3,252,300
2019-2023	3,080,633	1,862,775
2024-2028	3,310,245	881,390
2029-2033	590,000	29,500
Total	\$ <u>26,506,983</u>	\$ <u>11,519,427</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 9: Notes Payable

Notes payable at December 31, 2008, consist of the bond anticipatory note issues listed below. Each of the motorized equipment notes are dated September 30, 2008, and due on September 30, 2009, at an interest rate of 2.5%. A summary of all short-term debt activity for the year ended December 31, 2008, follows:

<u>Year</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Balance December 31, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2008</u>
2007	Motorized Equipment	4.00%	\$ 330,000	\$ -	\$ (330,000)	\$ -
2007	Motorized Equipment	4.00%	580,000	-	(580,000)	-
2008	Motorized Equipment	2.50%	-	675,000	-	675,000
2008	City Hall A/C	2.50%	-	230,000	-	230,000
Total Governmental Activities			<u>910,000</u>	<u>905,000</u>	<u>(910,000)</u>	<u>905,000</u>
2007	Cedar-Lee Parking Deck	4.00%	6,600,000	-	(6,600,000)	-
Total Business-Type Activities			<u>6,600,000</u>	<u>-</u>	<u>(6,600,000)</u>	<u>-</u>
Totals			\$ <u>7,510,000</u>	\$ <u>905,000</u>	\$ <u>(7,510,000)</u>	\$ <u>905,000</u>

Note 10: Lease Commitments

A. Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental and business-type activities, respectively. Capitalized assets acquired under capital leases are all classified as machinery and equipment and totaled \$1,920,946 as of December 31, 2008. Governmental capital leases will be paid from the General Fund – general government and public safety line items, and the Municipal Court Clerk Computerization Fund – general government line item. Business-Type capital leases will be paid from the Ambulance Services Fund. The following is a schedule by years of the future minimum lease payments for capital leases together, with the present value of the net minimum lease payments as of December 31, 2008:

<u>Year Ending December 31</u>	<u>Governmental</u>	<u>Business-Type</u>
2009	\$ 57,306	\$ 226,208
2010	56,981	158,258
2011	37,799	118,694
2012	<u>34,649</u>	<u>-</u>
Minimum lease payments for all capital leases	186,735	503,160
Less: amount representing interest	<u>(14,455)</u>	<u>(24,794)</u>
Present value of net minimum lease payments	\$ <u>172,280</u>	\$ <u>478,366</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 10: Lease Commitments (continued)

B. Operating Leases

The City is obligated under certain leases accounted for as operating leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2008:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental</u>
2009	\$ 4,326
2010	2,163
2011	14,189
Minimum lease payments for all operating leases	\$ <u>20,678</u>

Note 11: Compensated Absences

Each bargaining unit and the management staff earn vacation at different rates and based upon length of service. No more than the amount of vacation accrued in the previous twelve-month period can be carried forward into the next calendar year without written consent of the City Manager. Without this approval, any excess is eliminated from the employee's leave balance. In the case of death, termination, or retirement an employee (or his estate), who has worked six months or more, is paid for the unused vacation up to a maximum of the two-year accrual or greater amount as approved by the City Manager.

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. It is the policy of the City that an employee with at least two but less than five consecutive years of service who terminates employment or whose employment is terminated with the City (for other than disciplinary reasons) is entitled to receive payment for accumulated sick leave according to various formulae to a maximum of between 347 to 565 hours. An employee with five or more consecutive years of service is entitled to payment to a maximum of 750 hours for accumulated sick leave. Compensated absences are charged to the various funds of the City in accordance to where an employee's salary is charged.

Compensated absences will be paid from the general fund, first suburb consortium, communication system operating, local TV programming, and tree special revenue funds, and the utilities and off-street parking enterprise funds.

Note 12: Pension Plans

A. Ohio Public Employees Retirement System

The City of Cleveland Heights participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 12: Pension Plans (continued)

A. *Ohio Public Employees Retirement System (continued)*

member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601.

The Ohio Revised Code provides statutory authority for member employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2008, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll, of which 7.0 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$2,483,356, \$2,331,718, and \$2,316,472, respectively; 93.2 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$5,762 made by the City of Cleveland Heights and \$4,116 made by the plan members.

B. *Ohio Police and Fire Pension Fund*

The City of Cleveland Heights 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.

Plan members are required 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. Contributions are authorized by state statute. The City's contributions to the Fund for police and firefighters were \$2,325,122 for the year ended December 31, 2008, \$2,290,703 for the year ended December 31, 2007, and \$2,180,503 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. For 2008, 72.9 percent for police and 73.0 percent for firefighters has been contributed, with the remainder being reported as a liability.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 13: Postemployment Benefits

A. *Ohio Public Employees Retirement System*

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – 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 healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Member of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement 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 recipients and qualified survivor recipients is available. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0 percent of covered payroll. 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.

The City's contributions for health care for the years ended December 31, 2008, 2007, and 2006 were \$1,241,678, \$930,980, and \$760,961, respectively.

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

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 13: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund

The City of Cleveland Heights contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare 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 45.

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

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

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to 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 1150 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.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 13: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The City's contributions to OP&F for police and fire for the years ending December 31, 2008, 2007, and 2006 were \$970,809 and \$1,354,313, \$928,162 and \$1,362,541, and \$876,750 and \$1,303,753, respectively, of which \$335,900 and \$380,562, \$321,144 and \$382,874, and \$304,232 and \$421,112, respectively, was allocated to the healthcare plan.

Note 14: Risk Management

The City is exposed to various risks of loss related to property and casualty, general liability, workers' compensation and employee health and dental benefits.

The City has contracted with a commercial insurance company to provide property and liability insurance with the following claim limits and deductibles:

<u>Coverage</u>	Self-Insured Retention (per <u>Occurrence</u>)	<u>Liability Limits</u>	
		<u>Per Occurrence</u>	<u>Annual Aggregate</u>
General liability	\$ 100,000	\$ 11,000,000	\$ 12,000,000
Property	50,000	97,868,000	None
Auto	100,000	11,000,000	None
Law enforcement professional	100,000	11,000,000	11,000,000
Public official	100,000	11,000,000	11,000,000

The City accounts for its property and liability insurance premiums as well as its deductibles in the General Fund. There is no claims liability reported in the General Fund at December 31, 2008 based on the requirements that a liability for claims be reported if a liability has been incurred at the date of the financial statements and the amount of the loss is due and payable.

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

The City maintains two hospitalization plans for its full-time employees and their dependents. Some City employees choose to belong to an HMO, whereby the City makes a premium payment to the HMO and all risk is effectively transferred. Most City employees are enrolled in the City's self-funded program which is reinsured through a commercial insurance company. The City carries a \$90,000 specific stop/loss policy for catastrophic coverage, plus an aggregate policy set at 125% of expected claims. All full-time City employees receive dental benefits through the City's self-funded employee benefits program. Employee health and dental benefits are charged to the various funds of the City in accordance to where an employee's salary is charged. Based on historical estimates, a total of \$568,446 has been accrued at year end in the various funds of the City as a component of claims payable.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 14: Risk Management (continued)

The City is required to purchase workers' compensation insurance through the State of Ohio. The City applied for and was accepted into the State's Retrospective Rating Plan, whereby the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the City's injured workers' claims are incurred, the City must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the City's premium limitation. The City's retrospective rating plan provides for a \$300,000 catastrophic limit per claim and an unlimited claim limit.

At December 31, 2008, \$588,109 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims based upon the current available information.

The schedule below presents the changes in claims liabilities for the past two fiscal years.

	Employee Benefits	
	<u>2008</u>	<u>2007</u>
Beginning of fiscal year liability	\$ 461,565	\$ 347,215
Current year claims and changes in estimates	4,819,011	4,122,309
Claim payments	<u>(4,712,130)</u>	<u>(4,007,959)</u>
Balance at fiscal year end	\$ <u>568,446</u>	\$ <u>461,565</u>

Note 15: Construction Commitments

At December 31, 2008, uncompleted construction contracts were as follows:

<u>Description</u>	<u>Remaining Construction Committed</u>
Street Resurfacing	\$ 575,332
City Park Improvements	12,813
City Hall Air Conditioner	140,854
Water Line Improvements	63,685
Sewer Line Improvements	40,309
Parking Lot Improvements	<u>209,669</u>
Total	\$ <u>1,042,662</u>

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 16: Interfund Activity

A. Individual fund interfund receivable and payable balances at December 31, 2008, are as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u> Nonmajor Governmental Funds
General fund	\$ 26,429
Debt Service fund	26,075
Nonmajor governmental funds	<u>106,257</u>
Total	\$ <u><u>158,761</u></u>

The General Fund owes the Communication System Operating Fund for 2008 operating costs. The Debt Service Fund owes the Capital Projects Fund for the reduction of debt service paid. The Ring Road Construction Fund temporarily advanced funds to five different nonmajor Governmental Funds due to timing issues for reimbursement of expenditures made by those funds in 2008.

B. Interfund transfers for the year ending December 31, 2008, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>				<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service</u>	
Nonmajor governmental funds	\$ 2,746,611	\$ 946,306	\$ 213,885	\$ -	\$ 3,906,802
General	-	-	-	16,359	16,359
Cedar Lee Parking Deck	<u>-</u>	<u>283,260</u>	<u>-</u>	<u>-</u>	<u>283,260</u>
Total	\$ <u><u>2,746,611</u></u>	\$ <u><u>1,229,566</u></u>	\$ <u><u>213,885</u></u>	\$ <u><u>16,359</u></u>	\$ <u><u>4,206,421</u></u>

The transfers from the General Fund to the Nonmajor Governmental Funds include transfers for operating costs. The transfers from the Debt Service fund relate to debt payments for various funds. The transfer from the Nonmajor Governmental Funds to Nonmajor Governmental Funds includes closing the year end CDBG Program Income Fund to the CDBG Resource Fund. The transfer from the Internal Service Fund to the General Fund is to close out the Internal Service Fund as worker's compensation expenditures are now accounted for in the General Fund.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 17: Claims and Judgments

The City is currently a defendant in several lawsuits. It is the opinion of legal counsel that none of this litigation will have a material adverse affect on the financial condition of the City.

In addition, there are several unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 2008.

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the Grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

Note 18: Accountability and Compliance

A. Accountability

The following funds had a deficit balance at December 31, 2008:

Governmental Activities:

Special Revenue Funds:

Foundation Grants	\$ 40,276
CDBG Resource	188,142
FEMA Grant	9,453
Cain Park	9,825
Right of Way	24,137
Lead Safe Cuyahoga	34,429
Police Pension	270,727
Fire Pension	376,498

Capital Projects Funds:

Capital Improvements	630,263
Economic Development	15,684

The deficit fund balances in the Foundation Grants, CDBG Resource, FEMA Grant, Cain Park, Right of Way, Lead Safe Cuyahoga, Police Pension, and Fire Pension Special Revenue Funds are a result of the application of generally accepted accounting principles, namely the accruing of wages and the recording of interfund, interest, and accounts payable at year end. All deficits will be eliminated with intergovernmental revenues in the next accounting period.

The deficit in the Capital Improvements Fund arises from the issuance of short-term bond anticipation notes which are used to finance capital expenses until bonds are issued. Once bonds are issued and the liability is reported in the Statement of Net Assets rather than in the individual fund financial statements, the deficit will be eliminated.

City of Cleveland Heights, Ohio

Notes To Basic Financial Statements (Continued)

December 31, 2008

Note 18: Accountability and Compliance (continued)

B. Compliance

The following funds had final appropriations in excess of final estimated resources plus available balances for 2008, contrary to Ohio Revised Code, Section 5705.39:

	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
First Suburbs Consortium	\$ 137,964	\$ 155,025	\$ 17,061
HOME Program	315,000	318,435	3,435
Public Right of Way	15,020	46,275	31,255
Police Pension Trust	959,003	968,285	9,282
Earned Benefits	280,000	308,133	28,133

Contrary to Section 5705.41B of the Ohio Revised Code, the following budgeted line items had expenditures in excess of final appropriations:

	<u>Final Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
Community Center – Other	\$ 642,673	\$ 655,727	\$ 13,054
Housing Inspections – Personal Services	523,910	535,557	11,647
City Manager – Personal Services	707,874	770,616	62,742

The above compliance citations are immaterial, therefore are not reported as findings in the GAGAS Report, but are reported in the management letter.

The City is also in violation of Ohio Revised Code Section 5705.41(D) relating to the proper encumbrance of expenditures of funds.

Note 19: 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 of 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. This treatment is in accordance with generally accepted accounting principles.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Street Construction, Maintenance and Repair – Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for repair and maintenance of streets within the City.

Foundation Grants – To account for grants received from various non-profit organizations used for community development and public health purposes.

First Suburbs Consortium – 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 and community development initiatives.

Communication System Operating – To account for the operations of the fire department dispatch office serving Cleveland Heights and a neighboring community.

Public Building Maintenance – To account for funds received from lease of City property for placement of communication towers. These funds are to be used for only building maintenance.

Law Enforcement Trust – To account for monies received from certain civil penalties permitted by state law and collected by the City and costs of complex investigations and prosecutions and other law enforcement purposes as determined by Council.

Drug Law Enforcement Trust – To account for monies received from confiscated property to be used solely for drug law enforcement purposes.

Community Development Block Grant (C.D.B.G.) Resource – To account for monies received from the federal government under Community Development Block Grant programs for a wide variety of projects such as commercial area rehabilitation, residential rehabilitation, and fair housing activities. The C.D.B.G. Resource Fund accounts for the grant of the current year and unspent grants from prior years.

C.D.B.G. Program Income – To account for monies generated by C.D.B.G. programs, such as repayment of rehabilitation loans and other housing programs where the City receives revenue.

EPA-Brownfield Grant – To account for monies received from Federal EPA-Brownfield Grant and corresponding expenditures allowable under the grant agreement.

Home Program – To account for the City's portion of the funds available through the Cuyahoga Housing Consortium which includes Cuyahoga County, and the cities of Euclid, Lakewood, Parma and East Cleveland pursuant to the Home Investment Partnership Program.

FEMA (Federal Emergency Management Agency) Grant – To account for fire and safety grants received from FEMA in a separate fund as required by FEMA.

Local Television (T.V.) Programming – To account for monies received pursuant to the franchise agreement with the local cable T.V. network and used for programming of local events.

Cain Park – To account for the operation and maintenance of the Cain Park Summer Theater.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Non-Major Special Revenue Funds (continued)

Public Right of Way – To account for the monies received from public or private service providers for use of the public right of way.

Ohio Department of Natural Resources (ODNR) Recycling Grants – To account for monies received from the Ohio Department of Natural Resources (ODNR) for recycling programs.

Indigent (DUI) Driver's Alcohol Treatment – To account for the City's portion of fines collected by the State of Ohio to pay for the cost of an alcohol and other drug addiction treatment program for those unable to pay for such attendance.

Municipal Court Clerk Computerization – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for computer-related expenditures.

DUI Enforcement and Education – To account for the City's portion of fines collected on all DUI-related offense convictions collected by the court and controlled by the police agency at their discretion for DUI-related law enforcement and education.

Municipal Court Special Projects – To account for costs charged in all civil and/or criminal traffic convictions to be used by the court for identified projects.

Lead Safe Cuyahoga – To account for receipts and disbursements from grants received from Cuyahoga County for costs related to testing paint for lead content and remediation of the identified areas.

Street Lighting – To account for monies received from the levy of special assessments for the purpose of paying the cost of street lighting.

Tree – To account for monies received from the levy of special assessments for the purpose of paying the cost of maintaining trees on the public right-of-way.

Police Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for police disability and pension due the State pension agency.

Fire Pension Trust – To account for property taxes levied for the partial payment of the current and accrued liability for fire disability and pension due the State pension agency.

Earned Benefits – To account for the accumulation of resources for those employees eligible to retire.

Section 108 Loan Guarantee – To account for receipts and disbursements made as an agency for the HUD Section 108 loan program financed by the issuance of U.S. Government Guaranteed Notes.

Office on Aging Donation – To account for the Martin bequest and other donations and their related expenditures.

Police Memorial – To account for private donations received for the purpose of establishing a police memorial to honor officers that have been killed in the line of duty.

City of Cleveland Heights, Ohio

Combining Statements and Individual Fund Schedules – Nonmajor Governmental Funds (Continued)

Non-Major Special Revenue Funds (continued)

Animal Adoption – To account for donations made to facilitate the adoption of animals by needy individuals.

Youth Recreation Donation – To account for donations made to benefit youth recreation.

Non-Major Capital Projects Funds

Police Facility Improvement – To account for administrative fees collected by police department and designated for the maintenance, repair, rehabilitation and improvement of the City's police department buildings and facilities outside of City Hall.

Recreation Facility Improvement – To account for property taxes levied for the improvement and maintenance of the City's parks, recreation and cultural facilities.

Capital Improvements – To account for the annual purchase of capital equipment and certain capital improvements financed by unvoted general obligation bond anticipation notes and General Fund operating transfers.

Economic Development – To account for transactions relative to the economic development of the City.

City Hall Maintenance and Repair – To account for the costs of major maintenance and repair of City Hall.

Recreation Improvement – To account for transactions relative to the voted 1.8735-mill Recreation Bond Issue for the purpose of acquiring, constructing, renovating, furnishing and equipping park, cultural and recreational facilities and acquiring any necessary real estate.

Zagara TIF – To account for transactions relative to the sale of special revenue bonds and disbursement of these bonds for the purpose of fulfilling a Tax Increment Financing (TIF) agreement to promote economic development in the City as allowed by the laws of the State of Ohio.

Ring Road Construction – To account for receipts and disbursements related to reconstruction of Severance Ring Road.

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in city treasury cash	\$ 4,274,879	\$ 1,767,896	\$ 6,042,775
Receivables (net of allowance for uncollectibles):			
Taxes	530,394	618,793	1,149,187
Accounts receivable	23,086	-	23,086
Special assessments	3,156,522	-	3,156,522
Accrued interest	5,591	-	5,591
Loans	1,770,766	-	1,770,766
Intergovernmental	1,006,910	42,939	1,049,849
Interfund	<u>26,429</u>	<u>132,332</u>	<u>158,761</u>
Total assets	\$ <u>10,794,577</u>	\$ <u>2,561,960</u>	\$ <u>13,356,537</u>
Liabilities and fund balances:			
Liabilities:			
Vouchers and accounts payable	\$ 619,717	\$ 145,529	\$ 765,246
Contracts payable	45,080	7,335	52,415
Accrued wages and benefits	31,234	-	31,234
Due to other governments	663,212	-	663,212
Interfund payable	106,257	-	106,257
Unearned revenue	4,252,806	661,732	4,914,538
Claims payable	31,323	-	31,323
Bond anticipation notes payable	-	905,000	905,000
Accrued interest payable	<u>-</u>	<u>5,703</u>	<u>5,703</u>
Total liabilities	<u>5,749,629</u>	<u>1,725,299</u>	<u>7,474,928</u>
Fund balances:			
Reserved for encumbrances	427,432	117,460	544,892
Reserved for loans receivable	1,770,766	-	1,770,766
Unreserved, undesignated	<u>2,846,750</u>	<u>719,201</u>	<u>3,565,951</u>
Total fund balances	<u>5,044,948</u>	<u>836,661</u>	<u>5,881,609</u>
Total liabilities and fund balances	\$ <u>10,794,577</u>	\$ <u>2,561,960</u>	\$ <u>13,356,537</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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and other local taxes	\$ 515,736	\$ 736,929	\$ 1,252,665
Intergovernmental	4,584,382	83,777	4,668,159
Charges for services	695,564	2,550	698,114
Fees, licenses, and permits	428,060	-	428,060
Interest earnings	52,778	-	52,778
Special assessments	1,318,133	-	1,318,133
Fines and forfeitures	531,845	-	531,845
Reimbursements received	37,058	44,742	81,800
Other revenues	<u>879,957</u>	<u>23,373</u>	<u>903,330</u>
 Total revenues	 <u>9,043,513</u>	 <u>891,371</u>	 <u>9,934,884</u>
Expenditures:			
Current:			
Public safety	2,645,798	565	2,646,363
Public health	2,179	-	2,179
Culture and recreation	787,173	38,189	825,362
Community development	3,491,762	48,299	3,540,061
Sanitation	16,538	65,668	82,206
Transportation	61,715	21,841	83,556
General government	1,747,129	6,220	1,753,349
Debt service:			
Principal retirement	75,646	210,000	285,646
Interest and fiscal charges	-	62,644	62,644
Capital outlay	<u>2,890,501</u>	<u>1,395,483</u>	<u>4,285,984</u>
 Total expenditures	 <u>11,718,441</u>	 <u>1,848,909</u>	 <u>13,567,350</u>
Excess of revenues over (under) expenditures	<u>(2,674,928)</u>	<u>(957,538)</u>	<u>(3,632,466)</u>
Other financing sources (uses):			
Issuance of debt	439,992	-	439,992
Inception of capital lease	136,000	-	136,000
Transfers - in	2,850,536	1,056,266	3,906,802
Transfers - out	<u>(213,885)</u>	<u>-</u>	<u>(213,885)</u>
 Total other financing sources (uses)	 <u>3,212,643</u>	 <u>1,056,266</u>	 <u>4,268,909</u>
Net change in fund balances	537,715	98,728	636,443
Fund balances beginning of year	<u>4,507,233</u>	<u>737,933</u>	<u>5,245,166</u>
Fund balances end of year	\$ <u>5,044,948</u>	\$ <u>836,661</u>	\$ <u>5,881,609</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2008

	<u>Street Construction Maintenance, and Repair</u>	<u>Foundation Grants</u>	<u>First Suburbs Consortium</u>	<u>Communications System Operating</u>
Assets:				
Equity in city treasury cash	\$ 629,976	\$ -	\$ 88,807	\$ 6,978
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	3,533	-	-	-
Loans	-	-	-	-
Intergovernmental	794,006	-	17,494	26,261
Interfund	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,429</u>
Total assets	\$ <u>1,427,515</u>	\$ <u>-</u>	\$ <u>106,301</u>	\$ <u>59,668</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 340,274	\$ -	\$ -	\$ 9,125
Contracts payable	45,080	-	-	-
Accrued wages and benefits	-	-	902	3,565
Due to other governments	-	-	2,472	9,838
Interfund payable	-	40,276	-	-
Unearned revenue	529,304	-	-	-
Claims payable	<u>-</u>	<u>-</u>	<u>1,990</u>	<u>8,413</u>
Total liabilities	<u>914,658</u>	<u>40,276</u>	<u>5,364</u>	<u>30,941</u>
Fund balances:				
Reserved for encumbrances	255,812	-	-	389
Reserved for loans receivable	-	-	-	-
Unreserved (deficit), undesignated	<u>257,045</u>	<u>(40,276)</u>	<u>100,937</u>	<u>28,338</u>
Total fund balances (deficit)	<u>512,857</u>	<u>(40,276)</u>	<u>100,937</u>	<u>28,727</u>
Total liabilities and fund balances	\$ <u>1,427,515</u>	\$ <u>-</u>	\$ <u>106,301</u>	\$ <u>59,668</u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ 28,637	\$ 38,864	\$ 238,049	\$ 4,586	\$ -	\$ 2,998	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	218	1,331	-	-	-	-	-
-	-	-	-	1,721,070	-	49,696	-
-	-	-	14,460	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 28,637</u>	<u>\$ 39,082</u>	<u>\$ 239,380</u>	<u>\$ 19,046</u>	<u>\$ 1,721,070</u>	<u>\$ 2,998</u>	<u>\$ 49,696</u>	<u>\$ -</u>
\$ -	\$ -	\$ 1,082	\$ 165,635	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	28	2,849	-	-	-	-
-	-	44	9,624	-	-	197	-
-	-	-	21,974	-	-	125	9,453
-	-	-	-	-	-	-	-
-	-	-	7,106	-	-	-	-
-	-	1,154	207,188	-	-	322	9,453
-	11,000	74,486	-	-	-	-	-
-	-	-	-	1,721,070	-	49,696	-
<u>28,637</u>	<u>28,082</u>	<u>163,740</u>	<u>(188,142)</u>	<u>-</u>	<u>2,998</u>	<u>(322)</u>	<u>(9,453)</u>
<u>28,637</u>	<u>39,082</u>	<u>238,226</u>	<u>(188,142)</u>	<u>1,721,070</u>	<u>2,998</u>	<u>49,374</u>	<u>(9,453)</u>
<u>\$ 28,637</u>	<u>\$ 39,082</u>	<u>\$ 239,380</u>	<u>\$ 19,046</u>	<u>\$ 1,721,070</u>	<u>\$ 2,998</u>	<u>\$ 49,696</u>	<u>\$ -</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2008

	<u>Local T.V. Programming</u>	<u>Cain Park</u>	<u>Public Right of Way Fund</u>	<u>ODNR Recycling Grants</u>	<u>Indigent Driver's Alcohol Treatment</u>
Assets:					
Equity in city treasury cash	\$ 398,625	\$ 189	\$ -	\$ 4,816	\$ 49,320
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	100
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Intergovernmental	118,103	-	-	-	-
Interfund	-	-	-	-	-
Total assets	<u>\$ 516,728</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ 4,816</u>	<u>\$ 49,420</u>
Liabilities and fund balances:					
Liabilities:					
Vouchers and accounts payable	\$ -	\$ 8,923	\$ 24,137	\$ -	\$ -
Contracts payable	-	-	-	-	-
Accrued wages and benefits	629	551	-	-	-
Due to other governments	2,062	540	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Claims payable	<u>2,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,306</u>	<u>10,014</u>	<u>24,137</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved (deficit), undesignated	<u>511,422</u>	<u>(9,825)</u>	<u>(24,137)</u>	<u>4,816</u>	<u>49,420</u>
Total fund balances (deficit)	<u>511,422</u>	<u>(9,825)</u>	<u>(24,137)</u>	<u>4,816</u>	<u>49,420</u>
Total liabilities and fund balances	<u>\$ 516,728</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ 4,816</u>	<u>\$ 49,420</u>

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>
\$ 1,041,609	\$ 52,185	\$ 1,140,813	\$ -	\$ 119,421	\$ 334,008	\$ -
-	-	-	-	-	-	265,197
9,119	300	13,567	-	-	-	-
-	-	-	-	1,690,106	1,466,416	-
-	-	-	-	-	-	-
-	-	-	-	-	-	18,293
-	-	-	-	-	-	-
<u>\$ 1,050,728</u>	<u>\$ 52,485</u>	<u>\$ 1,154,380</u>	<u>\$ -</u>	<u>\$ 1,809,527</u>	<u>\$ 1,800,424</u>	<u>\$ 283,490</u>
\$ 10,592	\$ -	\$ -	\$ -	\$ 59,949	\$ -	\$ -
-	-	-	-	-	-	-
-	-	590	-	-	3,152	7,676
-	-	1,170	-	-	9,008	263,051
-	-	-	34,429	-	-	-
-	-	-	-	1,690,106	1,466,416	283,490
1,990	-	-	-	-	9,209	-
<u>12,582</u>	<u>-</u>	<u>1,760</u>	<u>34,429</u>	<u>1,750,055</u>	<u>1,487,785</u>	<u>554,217</u>
2,304	-	424	-	-	83,017	-
-	-	-	-	-	-	-
<u>1,035,842</u>	<u>52,485</u>	<u>1,152,196</u>	<u>(34,429)</u>	<u>59,472</u>	<u>229,622</u>	<u>(270,727)</u>
<u>1,038,146</u>	<u>52,485</u>	<u>1,152,620</u>	<u>(34,429)</u>	<u>59,472</u>	<u>312,639</u>	<u>(270,727)</u>
<u>\$ 1,050,728</u>	<u>\$ 52,485</u>	<u>\$ 1,154,380</u>	<u>\$ -</u>	<u>\$ 1,809,527</u>	<u>\$ 1,800,424</u>	<u>\$ 283,490</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2008

	Fire Pension Trust	Earned Benefits	Section 108	Office on Aging Donation	Police Memorial
Assets:					
Equity in city treasury cash	\$ -	\$ -	\$ -	\$ 90,777	\$ 1,400
Receivables (net of allowance for uncollectibles):					
Taxes	265,197	-	-	-	-
Accounts	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	509	-
Loans	-	-	-	-	-
Intergovernmental	18,293	-	-	-	-
Interfund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>283,490</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>91,286</u>	\$ <u>1,400</u>
Liabilities and fund balances:					
Liabilities:					
Vouchers and accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-
Accrued wages and benefits	11,292	-	-	-	-
Due to other governments	365,206	-	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenue	283,490	-	-	-	-
Claims payable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>659,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved (deficit), undesignated	<u>(376,498)</u>	<u>-</u>	<u>-</u>	<u>91,286</u>	<u>1,400</u>
Total fund balances (deficit)	<u>(376,498)</u>	<u>-</u>	<u>-</u>	<u>91,286</u>	<u>1,400</u>
Total liabilities and fund balances	\$ <u>283,490</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>91,286</u>	\$ <u>1,400</u>

<u>Animal Adoption</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 2,821	\$ 4,274,879
-	-	530,394
-	-	23,086
-	-	3,156,522
-	-	5,591
-	-	1,770,766
-	-	1,006,910
<u>-</u>	<u>-</u>	<u>26,429</u>
\$ <u>-</u>	\$ <u>2,821</u>	\$ <u>10,794,577</u>

\$ -	\$ -	\$ 619,717
-	-	45,080
-	-	31,234
-	-	663,212
-	-	106,257
-	-	4,252,806
<u>-</u>	<u>-</u>	<u>31,323</u>
<u>-</u>	<u>-</u>	<u>5,749,629</u>
-	-	427,432
-	-	1,770,766
<u>-</u>	<u>2,821</u>	<u>2,846,750</u>
<u>-</u>	<u>2,821</u>	<u>5,044,948</u>
\$ <u>-</u>	\$ <u>2,821</u>	\$ <u>10,794,577</u>

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For Year Ended December 31, 2008

	Street Construction Maintenance, and Repair	Foundation Grants	First Suburbs Consortium	Communications System Operating
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,572,165	8,287	-	-
Charges for services	-	-	-	324,339
Fees, licenses, and permits	-	-	-	-
Interest earnings	30,924	-	-	-
Special assessments	-	-	-	-
Fines and forfeitures	-	-	-	-
Reimbursements received	21,604	-	-	-
Other revenues	<u>-</u>	<u>74,900</u>	<u>129,996</u>	<u>-</u>
Total revenues	<u>1,624,693</u>	<u>83,187</u>	<u>129,996</u>	<u>324,339</u>
Expenditures:				
Current:				
Public safety	2,094	-	-	575,800
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	88,271	150,880	-
Sanitation	-	-	-	-
Transportation	16,352	-	-	-
General government	-	-	-	-
Debt Service:				
Principal	75,646	-	-	-
Capital Outlay	<u>2,008,290</u>	<u>-</u>	<u>-</u>	<u>452</u>
Total expenditures	<u>2,102,382</u>	<u>88,271</u>	<u>150,880</u>	<u>576,252</u>
Excess of revenues over (under) expenditures	<u>(477,689)</u>	<u>(5,084)</u>	<u>(20,884)</u>	<u>(251,913)</u>
Other financing sources (uses):				
Issuance of debt	439,992	-	-	-
Inception of capital lease	-	-	-	-
Transfers - in	-	-	-	218,804
Transfers - out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>439,992</u>	<u>-</u>	<u>-</u>	<u>218,804</u>
Net change in fund balances	(37,697)	(5,084)	(20,884)	(33,109)
Fund balance (deficit) at beginning of year	<u>550,554</u>	<u>(35,192)</u>	<u>121,821</u>	<u>61,836</u>
Fund balance (deficit) at end of year	\$ <u><u>512,857</u></u>	\$ <u><u>(40,276)</u></u>	\$ <u><u>100,937</u></u>	\$ <u><u>28,727</u></u>

<u>Public Building Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>C.D.B.G Resource</u>	<u>C.D.B.G. Program Income</u>	<u>EPA-Brownfield Grant</u>	<u>HOME Program</u>	<u>FEMA Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,354,675	-	9,052	139,554	303,417
-	-	-	-	9,173	-	-	-
-	-	-	-	-	-	-	-
-	2,114	15,406	-	-	-	-	-
-	-	-	-	-	-	-	-
-	69,375	151,494	-	-	-	-	-
-	2,232	3,807	-	-	-	-	-
<u>24,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,511</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>24,840</u>	<u>73,721</u>	<u>170,707</u>	<u>2,354,675</u>	<u>602,684</u>	<u>9,052</u>	<u>139,554</u>	<u>303,417</u>
-	60,006	216,678	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,121,178	199,844	-	143,807	-
-	-	-	-	-	-	-	-
21,589	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>10,556</u>	<u>91,262</u>	<u>525,391</u>	<u>-</u>	<u>6,745</u>	<u>-</u>	<u>65,017</u>
<u>21,589</u>	<u>70,562</u>	<u>307,940</u>	<u>2,646,569</u>	<u>199,844</u>	<u>6,745</u>	<u>143,807</u>	<u>65,017</u>
<u>3,251</u>	<u>3,159</u>	<u>(137,233)</u>	<u>(291,894)</u>	<u>402,840</u>	<u>2,307</u>	<u>(4,253)</u>	<u>238,400</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	209,831	-	-	-	-
<u>-</u>	<u>-</u>	<u>(2,900)</u>	<u>-</u>	<u>(209,831)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(2,900)</u>	<u>209,831</u>	<u>(209,831)</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,251	3,159	(140,133)	(82,063)	193,009	2,307	(4,253)	238,400
<u>25,386</u>	<u>35,923</u>	<u>378,359</u>	<u>(106,079)</u>	<u>1,528,061</u>	<u>691</u>	<u>53,627</u>	<u>(247,853)</u>
\$ <u>28,637</u>	\$ <u>39,082</u>	\$ <u>238,226</u>	\$ <u>(188,142)</u>	\$ <u>1,721,070</u>	\$ <u>2,998</u>	\$ <u>49,374</u>	\$ <u>(9,453)</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Special Revenue Funds

For Year Ended December 31, 2008

	Local T.V. Programming	Cain Park	Public Right of Way Fund	ODNR Recycling Grants	Indigent Driver's Alcohol Treatment
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	37,050	-	4,816	-
Charges for services	-	362,052	-	-	-
Fees, licenses, and permits	421,166	-	6,734	-	-
Interest earnings	-	-	-	-	-
Special assessments	-	-	-	-	-
Fines and forfeitures	-	-	-	-	2,689
Reimbursements received	-	9,171	-	-	-
Other revenues	-	10,735	-	-	-
Total revenues	421,166	419,008	6,734	4,816	2,689
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public health	-	-	-	-	-
Culture and recreation	-	770,867	-	-	-
Community development	115,477	-	-	-	-
Sanitation	-	-	-	-	-
Transportation	-	-	-	-	-
General government	-	-	66,396	-	-
Debt service:					
Principal	-	-	-	-	-
Capital Outlay	6,961	-	-	-	-
Total expenditures	122,438	770,867	66,396	-	-
Excess of revenues over (under) expenditures	298,728	(351,859)	(59,662)	4,816	2,689
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Inception of capital lease	-	-	-	-	-
Transfers - in	-	351,632	32,070	-	-
Transfers - out	-	-	-	-	-
Total other financing sources (uses)	-	351,632	32,070	-	-
Net change in fund balances	298,728	(227)	(27,592)	4,816	2,689
Fund balance (deficit) at beginning of year	212,694	(9,598)	3,455	-	46,731
Fund balance (deficit) at end of year	\$ 511,422	\$ (9,825)	\$ (24,137)	\$ 4,816	\$ 49,420

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Courts Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Street Lighting</u>	<u>Tree</u>	<u>Police Pension Trust</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257,868
-	-	-	83,558	-	-	35,904
-	-	-	-	-	-	-
-	-	-	-	-	160	-
-	-	-	-	-	-	-
-	-	-	-	705,734	612,399	-
121,164	5,111	182,012	-	-	-	-
-	-	-	-	-	244	-
-	-	-	-	-	-	-
<u>121,164</u>	<u>5,111</u>	<u>182,012</u>	<u>83,558</u>	<u>705,734</u>	<u>612,803</u>	<u>293,772</u>
-	-	-	-	722,470	-	975,870
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	117,987	-	519,190	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
107,294	-	76,845	-	-	12,040	-
-	-	-	-	-	-	-
<u>34,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,984</u>	<u>-</u>
<u>141,582</u>	<u>-</u>	<u>76,845</u>	<u>117,987</u>	<u>722,470</u>	<u>652,214</u>	<u>975,870</u>
<u>(20,418)</u>	<u>5,111</u>	<u>105,167</u>	<u>(34,429)</u>	<u>(16,736)</u>	<u>(39,411)</u>	<u>(682,098)</u>
-	-	-	-	-	-	-
-	-	-	-	-	136,000	-
-	-	-	-	14,364	14,740	674,371
-	-	-	-	-	(1,154)	-
-	-	-	-	<u>14,364</u>	<u>149,586</u>	<u>674,371</u>
(20,418)	5,111	105,167	(34,429)	(2,372)	110,175	(7,727)
<u>1,058,564</u>	<u>47,374</u>	<u>1,047,453</u>	<u>-</u>	<u>61,844</u>	<u>202,464</u>	<u>(263,000)</u>
\$ <u>1,038,146</u>	\$ <u>52,485</u>	\$ <u>1,152,620</u>	\$ <u>(34,429)</u>	\$ <u>59,472</u>	\$ <u>312,639</u>	\$ <u>(270,727)</u>

(Continued)

City of Cleveland Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Special Revenue Funds

For the Year Ended December 31, 2008

	Fire Pension Trust	Earned Benefits	Section 108	Office on Aging Donation	Police Memorial
Revenues:					
Property and other local taxes	\$ 257,868	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35,904	-	-	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	-	-	-	-	-
Interest earnings	-	-	-	4,334	-
Special assessments	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Reimbursements received	-	-	-	-	-
Other revenues	-	-	28,916	5,191	3,675
Total revenues	293,772	-	28,916	9,525	3,675
Expenditures:					
Current:					
Public safety	20,094	72,494	-	-	-
Public health	-	-	-	2,179	-
Culture and recreation	-	16,306	-	-	-
Community development	-	35,128	-	-	-
Sanitation	-	16,538	-	-	-
Transportation	-	16,447	28,916	-	-
General government	1,320,953	133,248	-	-	-
Debt service:					
Principal	-	-	-	-	-
Capital Outlay	-	-	-	14,555	6,000
Total expenditures	1,341,047	290,161	28,916	16,734	6,000
Excess of revenues over (under) expenditures	(1,047,275)	(290,161)	-	(7,209)	(2,325)
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Inception of capital lease	-	-	-	-	-
Transfers - in	1,044,563	290,161	-	-	-
Transfers - out	-	-	-	-	-
Total other financing sources (uses)	1,044,563	290,161	-	-	-
Net change in fund balances	(2,712)	-	-	(7,209)	(2,325)
Fund balance (deficit) at beginning of year	(373,786)	-	-	98,495	3,725
Fund balance (deficit) at end of year	\$ (376,498)	\$ -	\$ -	\$ 91,286	\$ 1,400

<u>Animal Adoption</u>	<u>Youth Recreation Donation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 515,736
-	-	4,584,382
-	-	695,564
-	-	428,060
-	-	52,778
-	-	1,318,133
-	-	531,845
-	-	37,058
<u>-</u>	<u>8,193</u>	<u>879,957</u>
<u>-</u>	<u>8,193</u>	<u>9,043,513</u>
292	-	2,645,798
-	-	2,179
-	-	787,173
-	-	3,491,762
-	-	16,538
-	-	61,715
-	8,764	1,747,129
-	-	75,646
<u>-</u>	<u>-</u>	<u>2,890,501</u>
<u>292</u>	<u>8,764</u>	<u>11,718,441</u>
<u>(292)</u>	<u>(571)</u>	<u>(2,674,928)</u>
-	-	439,992
-	-	136,000
-	-	2,850,536
<u>-</u>	<u>-</u>	<u>(213,885)</u>
<u>-</u>	<u>-</u>	<u>3,212,643</u>
(292)	(571)	537,715
<u>292</u>	<u>3,392</u>	<u>4,507,233</u>
\$ <u>-</u>	\$ <u>2,821</u>	\$ <u>5,044,948</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2008

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Assets:				
Equity in city treasury cash	\$ 3,340	\$ 735,483	\$ 342,335	\$ 32,615
Receivables:				
Taxes	-	618,793	-	-
Intergovernmental	-	42,939	-	-
Interfund	<u>-</u>	<u>-</u>	<u>26,075</u>	<u>-</u>
Total assets	\$ <u>3,340</u>	\$ <u>1,397,215</u>	\$ <u>368,410</u>	\$ <u>32,615</u>
Liabilities and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ -	\$ 16,595	\$ 80,635	\$ 48,299
Contracts payable	-	-	7,335	-
Unearned revenue	-	661,732	-	-
Notes payable	-	-	905,000	-
Accrued interest payable	<u>-</u>	<u>-</u>	<u>5,703</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>678,327</u>	<u>998,673</u>	<u>48,299</u>
Fund balances:				
Reserved for encumbrances	-	13,796	103,664	-
Unreserved (deficit), undesignated	<u>3,340</u>	<u>705,092</u>	<u>(733,927)</u>	<u>(15,684)</u>
Total fund balances (deficit)	<u>3,340</u>	<u>718,888</u>	<u>(630,263)</u>	<u>(15,684)</u>
Total liabilities and fund balances	\$ <u>3,340</u>	\$ <u>1,397,215</u>	\$ <u>368,410</u>	\$ <u>32,615</u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 12,314	\$ 10,549	\$ -	\$ 631,260	\$ 1,767,896
-	-	-	-	618,793
-	-	-	-	42,939
<u>-</u>	<u>-</u>	<u>-</u>	<u>106,257</u>	<u>132,332</u>
\$ <u>12,314</u>	\$ <u>10,549</u>	\$ <u>-</u>	\$ <u>737,517</u>	\$ <u>2,561,960</u>
\$ -	\$ -	\$ -	\$ -	\$ 145,529
-	-	-	-	7,335
-	-	-	-	661,732
-	-	-	-	905,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,703</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,725,299</u>
-	-	-	-	117,460
<u>12,314</u>	<u>10,549</u>	<u>-</u>	<u>737,517</u>	<u>719,201</u>
<u>12,314</u>	<u>10,549</u>	<u>-</u>	<u>737,517</u>	<u>836,661</u>
\$ <u>12,314</u>	\$ <u>10,549</u>	\$ <u>-</u>	\$ <u>737,517</u>	\$ <u>2,561,960</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, 2008

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Revenues:				
Property and other local taxes	\$ -	\$ 601,694	\$ -	\$ -
Intergovernmental	-	83,777	-	-
Charges for services	2,550	-	-	-
Reimbursements received	-	-	-	44,742
Other revenues	-	-	<u>6,670</u>	<u>2,843</u>
Total revenues	<u>2,550</u>	<u>685,471</u>	<u>6,670</u>	<u>47,585</u>
Expenditures:				
Current:				
Public safety	565	-	-	-
Culture and recreation	-	35,891	2,298	-
Community development	-	-	-	48,299
Sanitation	-	-	65,668	-
Transportation	-	-	766	-
General government	-	1,352	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	27,449	-
Capital outlay	<u>3,685</u>	<u>460,857</u>	<u>914,235</u>	<u>16,706</u>
Total expenditures	<u>4,250</u>	<u>498,100</u>	<u>1,010,416</u>	<u>65,005</u>
Excess of revenues over (under) expenditures	<u>(1,700)</u>	<u>187,371</u>	<u>(1,003,746)</u>	<u>(17,420)</u>
Other financing sources:				
Transfers - in	<u>-</u>	<u>-</u>	<u>946,306</u>	<u>-</u>
Net change in fund balances	(1,700)	187,371	(57,440)	(17,420)
Fund balance (deficit) at beginning of year	<u>5,040</u>	<u>531,517</u>	<u>(572,823)</u>	<u>1,736</u>
Fund balance (deficit) at end of year	\$ <u><u>3,340</u></u>	\$ <u><u>718,888</u></u>	\$ <u><u>(630,263)</u></u>	\$ <u><u>(15,684)</u></u>

<u>City Hall Maintenance and Repair</u>	<u>Recreation Improvement</u>	<u>Zagara TIF</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ 135,235	\$ -	\$ 736,929
-	-	-	-	83,777
-	-	-	-	2,550
-	-	-	-	44,742
<u>13,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,373</u>
<u>13,860</u>	<u>-</u>	<u>135,235</u>	<u>-</u>	<u>891,371</u>
-	-	-	-	565
-	-	-	-	38,189
-	-	-	-	48,299
-	-	-	-	65,668
-	-	-	21,075	21,841
4,868	-	-	-	6,220
-	-	210,000	-	210,000
-	-	35,195	-	62,644
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,395,483</u>
<u>4,868</u>	<u>-</u>	<u>245,195</u>	<u>21,075</u>	<u>1,848,909</u>
<u>8,992</u>	<u>-</u>	<u>(109,960)</u>	<u>(21,075)</u>	<u>(957,538)</u>
<u>-</u>	<u>-</u>	<u>109,960</u>	<u>-</u>	<u>1,056,266</u>
8,992	-	-	(21,075)	98,728
<u>3,322</u>	<u>10,549</u>	<u>-</u>	<u>758,592</u>	<u>737,933</u>
\$ <u><u>12,314</u></u>	\$ <u><u>10,549</u></u>	\$ <u><u>-</u></u>	\$ <u><u>737,517</u></u>	\$ <u><u>836,661</u></u>

**Individual Fund
Schedule of Revenues, Expenditures, Encumbrances and
Changes in Fund Balance –
Budget and Actual (Non-GAAP Budget)**

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund

For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 6,775,254	\$ 6,775,254	\$ 6,360,769	\$ (414,485)
Municipal income taxes	21,979,323	21,979,323	21,491,052	(488,271)
Intergovernmental grants and contracts	6,364,793	6,364,793	6,223,399	(141,394)
Charges for services	2,468,203	2,468,203	2,413,372	(54,831)
Fees, licenses, and permits	1,323,057	1,323,057	1,293,665	(29,392)
Interest earnings	330,188	330,188	322,852	(7,336)
Special assessments	66,361	66,361	64,887	(1,474)
Fines and forfeitures	2,363,961	2,363,961	2,311,446	(52,515)
Reimbursements received	1,281,739	1,281,739	1,253,265	(28,474)
Other revenue	<u>415,464</u>	<u>415,464</u>	<u>410,012</u>	<u>(5,452)</u>
Total revenues	<u>43,368,343</u>	<u>43,368,343</u>	<u>42,144,719</u>	<u>(1,223,624)</u>
Expenditures:				
Current:				
Public safety:				
Police department:				
Personal services	7,820,000	7,460,000	7,455,578	4,422
Capital outlay	271,500	275,400	275,334	66
Other	<u>525,500</u>	<u>475,985</u>	<u>474,066</u>	<u>1,919</u>
Total police department	<u>8,617,000</u>	<u>8,211,385</u>	<u>8,204,978</u>	<u>6,407</u>
Police academy:				
Personal services	8,000	2,622	2,484	138
Capital outlay	5,000	3,000	3,000	-
Other	<u>95,550</u>	<u>93,833</u>	<u>93,833</u>	<u>-</u>
Total police academy	<u>108,550</u>	<u>99,455</u>	<u>99,317</u>	<u>138</u>
Police motor vehicle maintenance:				
Personal services	247,320	244,320	243,778	542
Capital outlay	3,000	-	-	-
Other	<u>124,000</u>	<u>98,945</u>	<u>94,992</u>	<u>3,953</u>
Total police motor vehicle maintenance	<u>374,320</u>	<u>343,265</u>	<u>338,770</u>	<u>4,495</u>
Traffic signs and signals:				
Personal services	117,250	115,190	114,550	640
Capital outlay	12,000	4,921	4,854	67
Other	<u>77,850</u>	<u>80,294</u>	<u>79,336</u>	<u>958</u>
Total traffic signs and signals	<u>207,100</u>	<u>200,405</u>	<u>198,740</u>	<u>1,665</u>
Animal protection unit:				
Personal services	59,930	59,930	59,050	880
Other	<u>27,925</u>	<u>28,425</u>	<u>27,644</u>	<u>781</u>
Total animal protection unit	<u>87,855</u>	<u>88,355</u>	<u>86,694</u>	<u>1,661</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire department:				
Personal services	5,824,000	5,735,052	5,708,901	26,151
Capital outlay	-	3,906	3,904	2
Other	233,700	224,635	224,635	-
Total fire department	6,057,700	5,963,593	5,937,440	26,153
Fire prevention bureau:				
Personal services	74,445	75,130	75,130	-
Capital outlay	-	1,552	1,552	-
Other	4,670	2,008	1,544	464
Total fire prevention bureau	79,115	78,690	78,226	464
Total public safety	15,531,640	14,985,148	14,944,165	40,983
Public health:				
Health and vital statistics:				
Other	184,800	195,991	195,058	933
Office on aging:				
Personal services	192,255	182,255	179,953	2,302
Other	26,700	26,700	22,473	4,227
Total office on aging	218,955	208,955	202,426	6,529
Commission on aging:				
Other	350	350	38	312
Total public health	404,105	405,296	397,522	7,774
Culture and recreation:				
Recreation administration:				
Personal services	175,135	165,695	163,942	1,753
Other	33,863	37,863	36,337	1,526
Total recreation administration	208,998	203,558	200,279	3,279
Playgrounds:				
Personal services	9,600	9,600	9,195	405
Other	5,870	4,870	2,816	2,054
Total playgrounds	15,470	14,470	12,011	2,459
Swimming pools:				
Personal services	291,450	225,693	225,683	10
Other	36,315	31,307	29,755	1,552
Total swimming pools	327,765	257,000	255,438	1,562
Ice programs:				
Personal services	298,795	246,795	244,202	2,593
Other	39,650	34,800	32,208	2,592
Total ice programs	338,445	281,595	276,410	5,185

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General recreation programs:				
Personal services	100,395	93,045	88,304	4,741
Other	<u>17,550</u>	<u>15,330</u>	<u>11,744</u>	<u>3,586</u>
Total general recreation programs	<u>117,945</u>	<u>108,375</u>	<u>100,048</u>	<u>8,327</u>
Child care/summer camps:				
Personal services	176,265	130,265	126,822	3,443
Other	<u>45,510</u>	<u>36,268</u>	<u>33,687</u>	<u>2,581</u>
Total child/care/summer camps	<u>221,775</u>	<u>166,533</u>	<u>160,509</u>	<u>6,024</u>
Sports programs:				
Personal services	94,260	99,260	98,127	1,133
Other	<u>145,310</u>	<u>128,468</u>	<u>113,721</u>	<u>14,747</u>
Total sports programs	<u>239,570</u>	<u>227,728</u>	<u>211,848</u>	<u>15,880</u>
Community center:				
Personal services	393,620	368,376	368,376	-
Capital outlay	1,500	1,500	1,070	430
Other	<u>676,175</u>	<u>642,673</u>	<u>655,727</u>	<u>(13,054)</u>
Total community center	<u>1,071,295</u>	<u>1,012,549</u>	<u>1,025,173</u>	<u>(12,624)</u>
Total culture and recreation	<u>2,541,263</u>	<u>2,271,808</u>	<u>2,241,716</u>	<u>30,092</u>
Community development:				
Community relations:				
Personal services	168,980	170,600	169,333	1,267
Capital outlay	-	850	850	-
Other	<u>29,750</u>	<u>27,380</u>	<u>18,585</u>	<u>8,795</u>
Total community relations	<u>198,730</u>	<u>198,830</u>	<u>188,768</u>	<u>10,062</u>
Public relations:				
Personal services	160,945	160,145	160,132	13
Other	<u>137,700</u>	<u>103,100</u>	<u>90,125</u>	<u>12,975</u>
Total public relations	<u>298,645</u>	<u>263,245</u>	<u>250,257</u>	<u>12,988</u>
Planning department:				
Personal services	426,104	388,104	382,907	5,197
Other	<u>34,300</u>	<u>20,064</u>	<u>10,959</u>	<u>9,105</u>
Total planning department	<u>460,404</u>	<u>408,168</u>	<u>393,866</u>	<u>14,302</u>
Planning commission:				
Personal services	8,810	7,810	5,027	2,783
Other	<u>3,750</u>	<u>3,250</u>	<u>1,702</u>	<u>1,548</u>
Total planning commission	<u>12,560</u>	<u>11,060</u>	<u>6,729</u>	<u>4,331</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Board of zoning appeals:				
Personal services	6,665	6,665	5,050	1,615
Other	<u>4,650</u>	<u>3,850</u>	<u>3,194</u>	<u>656</u>
Total board of zoning appeals	<u>11,315</u>	<u>10,515</u>	<u>8,244</u>	<u>2,271</u>
Special improvement districts				
Other	<u>204,000</u>	<u>221,000</u>	<u>220,297</u>	<u>703</u>
Real estate division:				
Personal services	132,450	94,978	93,269	1,709
Other	<u>10,800</u>	<u>3,000</u>	<u>2,377</u>	<u>623</u>
Total real estate division	<u>143,250</u>	<u>97,978</u>	<u>95,646</u>	<u>2,332</u>
Building department:				
Personal services	477,725	445,225	429,981	15,244
Capital outlay	1,500	-	-	-
Other	<u>43,500</u>	<u>33,480</u>	<u>29,227</u>	<u>4,253</u>
Total building department	<u>522,725</u>	<u>478,705</u>	<u>459,208</u>	<u>19,497</u>
Housing inspections:				
Personal services	616,910	523,910	535,557	(11,647)
Capital outlay	-	300	299	1
Other	<u>63,295</u>	<u>32,895</u>	<u>31,097</u>	<u>1,798</u>
Total housing inspections	<u>680,205</u>	<u>557,105</u>	<u>566,953</u>	<u>(9,848)</u>
Student services:				
Personal services	94,620	72,339	70,235	2,104
Other	<u>7,400</u>	<u>432</u>	<u>431</u>	<u>1</u>
Total student services	<u>102,020</u>	<u>72,771</u>	<u>70,666</u>	<u>2,105</u>
Wildlife management:				
Personal services	109,230	34,309	31,826	2,483
Other	<u>14,150</u>	<u>6,617</u>	<u>6,579</u>	<u>38</u>
Total wildlife management	<u>123,380</u>	<u>40,926</u>	<u>38,405</u>	<u>2,521</u>
Landmark commission:				
Other	<u>2,650</u>	<u>1,600</u>	<u>977</u>	<u>623</u>
Total community development	<u>2,759,884</u>	<u>2,361,903</u>	<u>2,300,016</u>	<u>61,887</u>
Sanitation:				
Refuse collection/transfer station:				
Personal services	1,838,225	1,774,000	1,767,918	6,082
Capital outlay	-	15,341	15,341	-
Other	<u>953,575</u>	<u>777,863</u>	<u>757,539</u>	<u>20,324</u>
Total refuse collection/transfer station	<u>2,791,800</u>	<u>2,567,204</u>	<u>2,540,798</u>	<u>26,406</u>
Total sanitation	<u>2,791,800</u>	<u>2,567,204</u>	<u>2,540,798</u>	<u>26,406</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Transportation:				
Parking meters:				
Personal services	37,185	34,185	32,109	2,076
Other	<u>2,600</u>	<u>2,600</u>	<u>2,067</u>	<u>533</u>
Total parking meters	<u>39,785</u>	<u>36,785</u>	<u>34,176</u>	<u>2,609</u>
Vehicle maintenance:				
Personal services	591,795	545,492	541,451	4,041
Capital outlay	18,000	12,223	12,222	1
Other	<u>1,139,534</u>	<u>1,342,485</u>	<u>1,342,485</u>	<u>-</u>
Total vehicle maintenance	<u>1,749,329</u>	<u>1,900,200</u>	<u>1,896,158</u>	<u>4,042</u>
Street maintenance:				
Personal services	1,289,828	1,227,528	1,213,521	14,007
Capital outlay	2,875	-	-	-
Other	<u>570,600</u>	<u>609,000</u>	<u>600,404</u>	<u>8,596</u>
Total street maintenance	<u>1,863,303</u>	<u>1,836,528</u>	<u>1,813,925</u>	<u>22,603</u>
Total transportation	<u>3,652,417</u>	<u>3,773,513</u>	<u>3,744,259</u>	<u>29,254</u>
General government:				
City council:				
Personal services	78,455	76,205	75,975	230
Other	<u>13,350</u>	<u>11,115</u>	<u>8,782</u>	<u>2,333</u>
Total city council	<u>91,805</u>	<u>87,320</u>	<u>84,757</u>	<u>2,563</u>
City manager:				
Personal services	711,440	707,874	770,616	(62,742)
Other	<u>32,650</u>	<u>18,076</u>	<u>18,076</u>	<u>-</u>
Total city manager	<u>744,090</u>	<u>725,950</u>	<u>788,692</u>	<u>(62,742)</u>
Management information systems:				
Personal services	281,550	279,100	250,629	28,471
Capital outlay	35,000	24,015	24,015	-
Other	<u>56,700</u>	<u>44,323</u>	<u>41,632</u>	<u>2,691</u>
Total management information systems	<u>373,250</u>	<u>347,438</u>	<u>316,276</u>	<u>31,162</u>
Central services:				
Personal services	70,390	69,490	68,447	1,043
Capital outlay	20,000	20,702	20,701	1
Other	<u>18,570</u>	<u>47,070</u>	<u>29,778</u>	<u>17,292</u>
Total central services	<u>108,960</u>	<u>137,262</u>	<u>118,926</u>	<u>18,336</u>
Civil service commission:				
Personal services	2,500	1,075	831	244
Other	<u>7,250</u>	<u>13,995</u>	<u>13,296</u>	<u>699</u>
Total civil service commission	<u>9,750</u>	<u>15,070</u>	<u>14,127</u>	<u>943</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance department:				
Personal services	452,100	445,925	439,783	6,142
Capital outlay	17,500	14,775	2,643	12,132
Other	<u>118,250</u>	<u>105,850</u>	<u>100,343</u>	<u>5,507</u>
Total finance department	<u>587,850</u>	<u>566,550</u>	<u>542,769</u>	<u>23,781</u>
Income tax department				
Personal services	355,820	325,000	319,125	5,875
Other	<u>405,185</u>	<u>483,787</u>	<u>469,805</u>	<u>13,982</u>
Total income tax department	<u>761,005</u>	<u>808,787</u>	<u>788,930</u>	<u>19,857</u>
Revenue recovery:				
Personal services	122,760	120,090	118,772	1,318
Other	<u>362,900</u>	<u>388,900</u>	<u>357,597</u>	<u>31,303</u>
Total revenue recovery	<u>485,660</u>	<u>508,990</u>	<u>476,369</u>	<u>32,621</u>
Law department:				
Personal services	502,940	483,940	480,080	3,860
Other	<u>149,100</u>	<u>149,100</u>	<u>145,506</u>	<u>3,594</u>
Total law department	<u>652,040</u>	<u>633,040</u>	<u>625,586</u>	<u>7,454</u>
Service administration				
Personal services	312,170	314,170	313,881	289
Other	<u>8,925</u>	<u>6,830</u>	<u>3,738</u>	<u>3,092</u>
Total service administration	<u>321,095</u>	<u>321,000</u>	<u>317,619</u>	<u>3,381</u>
Capital projects:				
Personal services	147,515	146,615	146,558	57
Other	<u>4,450</u>	<u>4,150</u>	<u>1,857</u>	<u>2,293</u>
Total capital projects	<u>151,965</u>	<u>150,765</u>	<u>148,415</u>	<u>2,350</u>
Public properties/parks maintenance:				
Personal services	1,484,041	1,551,041	1,540,543	10,498
Capital outlay	7,500	9,837	9,837	-
Other	<u>1,421,350</u>	<u>1,159,313</u>	<u>1,089,694</u>	<u>69,619</u>
Total public properties/ parks maintenance	<u>2,912,891</u>	<u>2,720,191</u>	<u>2,640,074</u>	<u>80,117</u>
Community services administration:				
Personal services	201,840	202,990	200,182	2,808
Other	<u>2,775</u>	<u>2,575</u>	<u>988</u>	<u>1,587</u>
Total community services administration	<u>204,615</u>	<u>205,565</u>	<u>201,170</u>	<u>4,395</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – General Fund (Continued)

For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal court:				
Personal services	1,020,970	933,910	929,761	4,149
Other	<u>136,900</u>	<u>138,990</u>	<u>138,990</u>	<u>-</u>
Total municipal court	<u>1,157,870</u>	<u>1,072,900</u>	<u>1,068,751</u>	<u>4,149</u>
Administrative support:				
Personal services	545,000	572,276	572,231	45
Capital outlay	-	4,327	4,326	1
Other	<u>857,800</u>	<u>872,538</u>	<u>860,776</u>	<u>11,762</u>
Total administrative support	<u>1,402,800</u>	<u>1,449,141</u>	<u>1,437,333</u>	<u>11,808</u>
Hospitalization insurance	<u>3,900,000</u>	<u>4,225,000</u>	<u>4,137,261</u>	<u>87,739</u>
Total general government	<u>13,865,646</u>	<u>13,974,969</u>	<u>13,707,055</u>	<u>267,914</u>
Total expenditures	<u>41,546,755</u>	<u>40,339,841</u>	<u>39,875,531</u>	<u>464,310</u>
Excess of revenues over (under) expenditures	<u>1,821,588</u>	<u>3,028,502</u>	<u>2,269,188</u>	<u>(759,314)</u>
Other financing sources (uses):				
Transfers – in	-	-	16,359	16,359
Transfers – out	(2,608,500)	(2,892,155)	(2,744,906)	147,249
Sale of capital assets	<u>-</u>	<u>-</u>	<u>16,056</u>	<u>16,056</u>
Total other financing sources (uses)	<u>(2,608,500)</u>	<u>(2,892,155)</u>	<u>(2,712,491)</u>	<u>179,664</u>
Net change in fund balance	(786,912)	136,347	(443,303)	(579,650)
Cash fund balance at beginning of year	3,496,474	3,496,474	3,496,474	-
Current year charges against prior year cash fund balance:				
Reserved for encumbrances	<u>(82,569)</u>	<u>(82,569)</u>	<u>(82,569)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	2,626,993	3,550,252	2,970,602	(579,650)
Reserved for encumbrances	<u>82,873</u>	<u>82,873</u>	<u>82,873</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>2,709,866</u>	\$ <u>3,633,125</u>	\$ <u>3,053,475</u>	\$ <u>(579,650)</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Debt Service Fund

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 3,260,916	\$ 3,260,916	\$ 3,610,165	\$ 349,249
Other local taxes	454,034	454,034	502,662	48,628
Interest earnings	898	898	994	96
Other revenues	<u>129,566</u>	<u>129,566</u>	<u>143,443</u>	<u>13,877</u>
Total revenues	<u>3,845,414</u>	<u>3,845,414</u>	<u>4,257,264</u>	<u>411,850</u>
Expenditures:				
Current:				
General government	49,358	216,732	216,727	5
Debt Service:				
Bond principal retirement	4,105,349	18,026,729	18,026,293	436
Interest and fiscal charges	<u>195,293</u>	<u>857,539</u>	<u>857,518</u>	<u>21</u>
Total expenditures	<u>4,350,000</u>	<u>19,101,000</u>	<u>19,100,538</u>	<u>462</u>
Excess of revenues over (under) expenditures	(504,586)	(15,255,586)	(14,843,274)	412,312
Other financing sources:				
Proceeds from sale of debt	<u>138,000</u>	<u>12,424,106</u>	<u>15,278,332</u>	<u>2,854,226</u>
Net change in fund balance	(366,586)	(2,831,480)	435,058	3,266,538
Cash fund balance at beginning of year	<u>2,895,620</u>	<u>2,895,620</u>	<u>2,895,620</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>2,529,034</u>	\$ <u>64,140</u>	\$ <u>3,330,678</u>	\$ <u>3,266,538</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Street Construction, Maintenance and Repair

For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other local taxes	\$ 134,911	\$ 151,338	\$ 155,624	\$ 4,286
State levied shared taxes	1,241,853	1,393,055	1,432,510	39,455
Interest earnings	23,075	25,885	26,618	733
Other revenues	<u>400,161</u>	<u>448,882</u>	<u>461,596</u>	<u>12,714</u>
Total revenues	<u>1,800,000</u>	<u>2,019,160</u>	<u>2,076,348</u>	<u>57,188</u>
Expenditures:				
Current:				
Transportation	1,739,820	2,223,103	2,209,271	13,832
General government	<u>60,180</u>	<u>76,897</u>	<u>76,418</u>	<u>479</u>
Total expenditures	<u>1,800,000</u>	<u>2,300,000</u>	<u>2,285,689</u>	<u>14,311</u>
Net change in fund balance	-	(280,840)	(209,341)	71,499
Cash fund balance at beginning of year	319,861	319,861	319,861	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(34,186)</u>	<u>(34,186)</u>	<u>(34,186)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	285,675	4,835	76,334	71,499
Reserved for encumbrances	<u>550,375</u>	<u>550,375</u>	<u>550,375</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ 836,050</u>	<u>\$ 555,210</u>	<u>\$ 626,709</u>	<u>\$ 71,499</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Foundation Grants

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ -	\$ 141,700	\$ 83,187	\$ (58,513)
Expenditures:				
Community development	-	141,700	123,463	18,237
Excess of revenues over (under) expenditures	-	-	(40,276)	(40,276)
Other financing sources (uses):				
Transfers – in	-	-	40,276	40,276
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	2,880	2,880	2,880	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	(2,880)	(2,880)	(2,880)	-
Total cash fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – First Suburbs Consortium

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>35,000</u>	\$ <u>35,000</u>	\$ <u>136,642</u>	\$ <u>101,642</u>
Expenditures:				
Current:				
Community development	<u>137,556</u>	<u>155,025</u>	<u>150,799</u>	<u>4,226</u>
Net change in fund balance	(102,556)	(120,025)	(14,157)	105,868
Cash fund balance at beginning of year	<u>102,964</u>	<u>102,964</u>	<u>102,964</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>408</u></u>	\$ <u><u>(17,061)</u></u>	\$ <u><u>88,807</u></u>	\$ <u><u>105,868</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Communications System Operating

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>299,100</u>	\$ <u>299,100</u>	\$ <u>322,764</u>	\$ <u>23,664</u>
Expenditures:				
Current:				
Public safety	<u>599,600</u>	<u>599,600</u>	<u>579,538</u>	<u>20,062</u>
Excess of revenues over (under) expenditures	(300,500)	(300,500)	(256,774)	43,726
Other financing sources (uses):				
Transfers – in	<u>300,500</u>	<u>300,500</u>	<u>217,100</u>	<u>(83,400)</u>
Net change in fund balance	-	-	(39,674)	(39,674)
Cash fund balance at beginning of year	48,115	48,115	48,115	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(2,995)</u>	<u>(2,995)</u>	<u>(2,995)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	45,120	45,120	5,446	(39,674)
Reserved for encumbrances	<u>1,532</u>	<u>1,532</u>	<u>1,532</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>46,652</u></u>	\$ <u><u>46,652</u></u>	\$ <u><u>6,978</u></u>	\$ <u><u>(39,674)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Building Maintenance

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>21,000</u>	\$ <u>21,000</u>	\$ <u>24,840</u>	\$ <u>3,840</u>
Expenditures:				
Current:				
General government	<u>21,600</u>	<u>21,600</u>	<u>21,589</u>	<u>11</u>
Net change in fund balance	(600)	(600)	3,251	3,851
Cash fund balance at beginning of year	<u>25,386</u>	<u>25,386</u>	<u>25,386</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>24,786</u></u>	\$ <u><u>24,786</u></u>	\$ <u><u>28,637</u></u>	\$ <u><u>3,851</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Law Enforcement Trust

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 576	\$ 1,903	\$ 1,972	\$ 69
Fines and forfeitures	20,272	66,977	69,382	2,405
Other revenues	<u>652</u>	<u>2,155</u>	<u>2,232</u>	<u>77</u>
Total revenues	<u>21,500</u>	<u>71,035</u>	<u>73,586</u>	<u>2,551</u>
Expenditures:				
Current:				
Public safety	<u>40,000</u>	<u>91,000</u>	<u>66,479</u>	<u>24,521</u>
Net change in fund balance	(18,500)	(19,965)	7,107	27,072
Cash fund balance at beginning of year	<u>35,640</u>	<u>35,640</u>	<u>35,640</u>	<u>-</u>
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(15,085)</u>	<u>(15,085)</u>	<u>(15,085)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	2,055	590	27,662	27,072
Reserved for encumbrances	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>13,055</u></u>	\$ <u><u>11,590</u></u>	\$ <u><u>38,662</u></u>	\$ <u><u>27,072</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Drug Law Enforcement Trust

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 6,910	\$ 14,391	\$ 15,760	\$ 1,369
Fines and forfeitures	66,421	138,329	151,494	13,165
Other revenues	<u>1,669</u>	<u>3,476</u>	<u>3,807</u>	<u>331</u>
Total revenues	<u>75,000</u>	<u>156,196</u>	<u>171,061</u>	<u>14,865</u>
Expenditures:				
Current:				
Public safety	<u>350,000</u>	<u>533,514</u>	<u>386,056</u>	<u>147,458</u>
Net change in fund balance	(275,000)	(377,318)	(214,995)	162,323
Cash fund balance at beginning of year	<u>377,325</u>	<u>377,325</u>	<u>377,325</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	102,325	7	162,330	162,323
Reserved for encumbrances	<u>74,486</u>	<u>74,486</u>	<u>74,486</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>176,811</u></u>	\$ <u><u>74,493</u></u>	\$ <u><u>236,816</u></u>	\$ <u><u>162,323</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Resource

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>1,780,669</u>	\$ <u>2,580,669</u>	\$ <u>2,379,043</u>	\$ <u>(201,626)</u>
Expenditures:				
Current:				
Community development	<u>2,000,000</u>	<u>2,800,000</u>	<u>2,597,653</u>	<u>202,347</u>
Excess of revenues over (under) expenditures	<u>(219,331)</u>	<u>(219,331)</u>	<u>(218,610)</u>	<u>721</u>
Other financing sources (uses):				
Transfers - in	<u>209,831</u>	<u>209,831</u>	<u>209,831</u>	<u>-</u>
Net change in fund balance	(9,500)	(9,500)	(8,779)	721
Cash fund balance at beginning of year	<u>13,365</u>	<u>13,365</u>	<u>13,365</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>3,865</u></u>	\$ <u><u>3,865</u></u>	\$ <u><u>4,586</u></u>	\$ <u><u>721</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – CDBG Program Income

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>450,000</u>	\$ <u>450,000</u>	\$ <u>409,675</u>	\$ <u>(40,325)</u>
Expenditures:				
Current:				
Community development	<u>350,000</u>	<u>403,000</u>	<u>409,675</u>	<u>(6,675)</u>
Net change in fund balance	100,000	47,000	-	(47,000)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>100,000</u></u>	\$ <u><u>47,000</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(47,000)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – EPA-Brownfield Grant

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>-</u>	\$ <u>50,910</u>	\$ <u>9,052</u>	\$ <u>(41,858)</u>
Expenditures:				
Current:				
Community development	<u>-</u>	<u>53,899</u>	<u>9,052</u>	<u>44,847</u>
Net change in fund balance	-	(2,989)	-	2,989
Cash fund balance at beginning of year	<u>2,998</u>	<u>2,998</u>	<u>2,998</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>2,998</u></u>	\$ <u><u>9</u></u>	\$ <u><u>2,998</u></u>	\$ <u><u>2,989</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – HOME Program

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 305,571	\$ 305,571	\$ 139,554	\$ (166,017)
Other revenues	<u>9,429</u>	<u>9,429</u>	<u>4,306</u>	<u>(5,123)</u>
Total revenues	<u>315,000</u>	<u>315,000</u>	<u>143,860</u>	<u>(171,140)</u>
Expenditures:				
Current:				
Community development	<u>315,000</u>	<u>318,435</u>	<u>143,860</u>	<u>174,575</u>
Net change in fund balance	-	(3,435)	-	3,435
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>(3,435)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,435</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – FEMA Grants

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>-</u>	\$ <u>314,501</u>	\$ <u>312,870</u>	\$ <u>(1,631)</u>
Expenditures:				
Current:				
Public safety	<u>-</u>	<u>314,501</u>	<u>312,870</u>	<u>(1,631)</u>
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Local T.V. Programming

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>225,000</u>	\$ <u>225,000</u>	\$ <u>345,836</u>	\$ <u>120,836</u>
Expenditures:				
Current:				
Community development	<u>185,000</u>	<u>185,000</u>	<u>122,960</u>	<u>62,040</u>
Net change in fund balance	40,000	40,000	222,876	182,876
Cash fund balance at beginning of year	<u>175,749</u>	<u>175,749</u>	<u>175,749</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>215,749</u></u>	\$ <u><u>215,749</u></u>	\$ <u><u>398,625</u></u>	\$ <u><u>182,876</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Cain Park

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ 70,249	\$ 70,249	\$ 42,050	\$ (28,199)
Charges for services	604,849	604,849	362,052	(242,797)
Other revenues	<u>24,902</u>	<u>24,902</u>	<u>14,906</u>	<u>(9,996)</u>
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>419,008</u>	<u>(280,992)</u>
Expenditures:				
Current:				
Culture and recreation	<u>833,200</u>	<u>833,200</u>	<u>770,450</u>	<u>62,750</u>
Excess of revenues over (under) expenditures	(133,200)	(133,200)	(351,442)	(218,242)
Other financing sources (uses):				
Transfers - in	<u>200,000</u>	<u>200,000</u>	<u>351,631</u>	<u>151,631</u>
Net change in fund balance	66,800	66,800	189	(66,611)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>66,800</u></u>	\$ <u><u>66,800</u></u>	\$ <u><u>189</u></u>	\$ <u><u>(66,611)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Public Right of Way

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses, and permits	\$ <u>7,550</u>	\$ <u>7,550</u>	\$ <u>6,734</u>	\$ <u>(816)</u>
Expenditures:				
Current:				
General government	<u>15,000</u>	<u>46,275</u>	<u>46,274</u>	<u>1</u>
Excess of revenues over (under) expenditures	(7,450)	(38,725)	(39,540)	(815)
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>-</u>	<u>32,070</u>	<u>32,070</u>
Net change in fund balance	(7,450)	(38,725)	(7,470)	31,255
Cash fund balance at beginning of year	<u>7,470</u>	<u>7,470</u>	<u>7,470</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>20</u></u>	\$ <u><u>(31,255)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>31,255</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – ODNR Recycling Grants

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/(Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>14,000</u>	\$ <u>14,000</u>	\$ <u>4,816</u>	\$ <u>(9,184)</u>
Net change in fund balance	14,000	14,000	4,816	(9,184)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>14,000</u></u>	\$ <u><u>14,000</u></u>	\$ <u><u>4,816</u></u>	\$ <u><u>(9,184)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Indigent Driver’s Alcohol Treatment

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 2,714</u>	\$ <u> 2,714</u>
Expenditures:				
General government	<u> 14,000</u>	<u> 14,000</u>	<u> -</u>	<u> 14,000</u>
Excess of revenues over (under) expenditures	(14,000)	(14,000)	2,714	16,714
Cash fund balance at beginning of year	<u> 46,606</u>	<u> 46,606</u>	<u> 46,606</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> 32,606</u>	\$ <u> 32,606</u>	\$ <u> 49,320</u>	\$ <u> 16,714</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Clerk Computerization

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>125,000</u>	\$ <u>125,000</u>	\$ <u>121,689</u>	\$ <u>(3,311)</u>
Expenditures:				
Current:				
General government	<u>148,150</u>	<u>148,150</u>	<u>145,137</u>	<u>3,013</u>
Net change in fund balance	(23,150)	(23,150)	(23,448)	(298)
Cash fund balance at beginning of year	1,052,728	1,052,728	1,052,728	-
Cash fund balance at end of year:				
Unreserved	1,029,578	1,029,578	1,029,280	(298)
Reserved for encumbrances	<u>12,329</u>	<u>12,329</u>	<u>12,329</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,041,907</u></u>	\$ <u><u>1,041,907</u></u>	\$ <u><u>1,041,609</u></u>	\$ <u><u>(298)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – DUI Enforcement and Education

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 5,241</u>	\$ <u> 5,241</u>
Expenditures:				
Current:				
General government	<u> 10,000</u>	<u> 10,000</u>	<u> -</u>	<u> 10,000</u>
Net change in fund balance	(10,000)	(10,000)	5,241	15,241
Cash fund balance at beginning of year	<u> 46,944</u>	<u> 46,944</u>	<u> 46,944</u>	<u> -</u>
Total cash fund balance at end of year	\$ <u> 36,944</u>	\$ <u> 36,944</u>	\$ <u> 52,185</u>	\$ <u> 15,241</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Municipal Court Special Projects

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>200,000</u>	\$ <u>200,000</u>	\$ <u>182,837</u>	\$ <u>(17,163)</u>
Expenditures:				
Current:				
General government	<u>166,500</u>	<u>166,500</u>	<u>80,056</u>	<u>86,444</u>
Net change in fund balance	33,500	33,500	102,781	69,281
Cash fund balance at beginning of year	<u>1,037,670</u>	<u>1,037,670</u>	<u>1,037,670</u>	<u>-</u>
Curent year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(62)</u>	<u>(62)</u>	<u>(62)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	1,071,108	1,071,108	1,140,389	69,281
Reserved for encumbrances	<u>424</u>	<u>424</u>	<u>424</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,071,532</u></u>	\$ <u><u>1,071,532</u></u>	\$ <u><u>1,140,813</u></u>	\$ <u><u>69,281</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Lead Safe Cuyahoga

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>125,000</u>	\$ <u>512,500</u>	\$ <u>117,987</u>	\$ <u>(394,513)</u>
Expenditures:				
Current:				
Community development	<u>125,000</u>	<u>512,500</u>	<u>117,987</u>	<u>394,513</u>
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Street Lighting

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ <u>685,000</u>	\$ <u>685,000</u>	\$ <u>705,734</u>	\$ <u>20,734</u>
Expenditures:				
Current:				
Public safety	<u>705,000</u>	<u>722,000</u>	<u>719,182</u>	<u>2,818</u>
Excess of revenues over (under) expenditures	(20,000)	(37,000)	(13,448)	23,552
Other financing sources (uses):				
Transfers - in	<u>15,000</u>	<u>15,000</u>	<u>14,364</u>	<u>(636)</u>
Net change in fund balance	(5,000)	(22,000)	916	22,916
Cash fund balance at beginning of year	<u>118,505</u>	<u>118,505</u>	<u>118,505</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>113,505</u></u>	\$ <u><u>96,505</u></u>	\$ <u><u>119,421</u></u>	\$ <u><u>22,916</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Tree

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses, and permits	\$ 128	\$ 128	\$ 160	\$ 32
Special assessments	490,702	490,702	612,398	121,696
Other revenues	<u>109,170</u>	<u>109,170</u>	<u>136,244</u>	<u>27,074</u>
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>748,802</u>	<u>148,802</u>
Expenditures:				
Current:				
Community development	<u>576,890</u>	<u>752,326</u>	<u>733,380</u>	<u>18,946</u>
Excess of revenues over (under) expenditures	23,110	(152,326)	15,422	167,748
Other financing sources (uses):				
Transfers - in	15,000	15,000	14,742	(258)
Transfers – out	<u>-</u>	<u>(1,154)</u>	<u>(1,154)</u>	<u>-</u>
Total other financing sources (uses)	<u>15,000</u>	<u>13,846</u>	<u>13,588</u>	<u>(258)</u>
Net change in fund balance	38,110	(138,480)	29,010	167,490
Cash fund balance at beginning of year	225,383	225,383	225,383	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(3,402)</u>	<u>(3,402)</u>	<u>(3,402)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	260,091	83,501	250,991	167,490
Reserved for encumbrances	<u>83,017</u>	<u>83,017</u>	<u>83,017</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>343,108</u>	\$ <u>166,518</u>	\$ <u>334,008</u>	\$ <u>167,490</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Pension Trust

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 274,673	\$ 274,673	\$ 257,869	\$ (16,804)
Intergovernmental grants and contracts	<u>-</u>	<u>-</u>	<u>35,904</u>	<u>35,904</u>
Total revenues	<u>274,673</u>	<u>274,673</u>	<u>293,773</u>	<u>19,100</u>
Expenditures:				
Current:				
Public safety	<u>959,000</u>	<u>968,285</u>	<u>968,144</u>	<u>141</u>
Excess of revenues over (under) expenditures	(684,327)	(693,612)	(674,371)	19,241
Other financing sources (uses):				
Transfers - in	<u>684,330</u>	<u>684,330</u>	<u>674,371</u>	<u>(9,959)</u>
Net change in fund balance	3	(9,282)	-	9,282
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>3</u></u>	\$ <u><u>(9,282)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>9,282</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Fire Pension Trust

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 274,673	\$ 274,673	\$ 257,869	\$ (16,804)
Intergovernmental grants and contracts	<u>49,350</u>	<u>49,350</u>	<u>35,904</u>	<u>(13,446)</u>
Total revenues	<u>324,023</u>	<u>324,023</u>	<u>293,773</u>	<u>(30,250)</u>
Expenditures:				
Current:				
Public safety	<u>1,405,000</u>	<u>1,359,290</u>	<u>1,359,136</u>	<u>154</u>
Excess of revenues over (under) expenditures	(1,080,977)	(1,035,267)	(1,065,363)	(30,096)
Other financing sources (uses):				
Transfers - in	<u>1,081,000</u>	<u>1,081,000</u>	<u>1,065,363</u>	<u>(15,637)</u>
Net change in fund balance	23	45,733	-	(45,733)
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>23</u></u>	\$ <u><u>45,733</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(45,733)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Earned Benefits

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Public safety	\$ 82,179	\$ 90,436	\$ 90,423	\$ 13
Culture and recreation	14,819	16,308	16,306	2
Community development	31,925	35,133	35,128	5
Sanitation	15,030	16,540	16,538	2
Transportation	14,947	16,449	16,447	2
General government	<u>121,100</u>	<u>133,267</u>	<u>133,248</u>	<u>19</u>
Total expenditures	<u>280,000</u>	<u>308,133</u>	<u>308,090</u>	<u>43</u>
Excess of revenues over (under) expenditures	(280,000)	(308,133)	(308,090)	43
Other financing sources (uses):				
Transfers - in	<u>280,000</u>	<u>280,000</u>	<u>308,090</u>	<u>28,090</u>
Net change in fund balance	-	(28,133)	-	28,133
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	<u>\$ -</u>	<u>\$ (28,133)</u>	<u>\$ -</u>	<u>\$ 28,133</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Section 108 Loan Guarantee

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>30,000</u>	\$ <u>30,000</u>	\$ <u>28,916</u>	\$ <u>(1,084)</u>
Expenditures:				
Current:				
Community development	<u>30,000</u>	<u>30,000</u>	<u>28,916</u>	<u>1,084</u>
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Office on Aging Donation

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest earnings	\$ 2,211	\$ 2,211	\$ 4,116	\$ 1,905
Other revenues	<u>2,789</u>	<u>2,789</u>	<u>5,191</u>	<u>2,402</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>9,307</u>	<u>4,307</u>
Expenditures:				
Current:				
Public health	<u>18,700</u>	<u>18,700</u>	<u>16,668</u>	<u>2,032</u>
Net change in fund balance	(13,700)	(13,700)	(7,361)	6,339
Cash fund balance at beginning of year	<u>97,733</u>	<u>97,733</u>	<u>97,733</u>	<u>-</u>
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(66)</u>	<u>(66)</u>	<u>(66)</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>83,967</u></u>	\$ <u><u>83,967</u></u>	\$ <u><u>90,306</u></u>	\$ <u><u>6,339</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Memorial

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental grants and contracts	\$ <u>11,275</u>	\$ <u>11,275</u>	\$ <u>3,675</u>	\$ <u>(7,600)</u>
Expenditures:				
Current:				
General government	<u>15,000</u>	<u>6,375</u>	<u>6,000</u>	<u>375</u>
Net change in fund balance	(3,725)	4,900	(2,325)	(7,225)
Cash fund balance at beginning of year	<u>3,725</u>	<u>3,725</u>	<u>3,725</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>8,625</u></u>	\$ <u><u>1,400</u></u>	\$ <u><u>(7,225)</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Animal Adoption

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Public safety	\$ <u>275</u>	\$ <u>292</u>	\$ <u>292</u>	\$ <u>-</u>
Net change in fund balance	(275)	(292)	(292)	-
Cash fund balance at beginning of year	<u>292</u>	<u>292</u>	<u>292</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>17</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Youth Recreation Donation

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>2,500</u>	\$ <u>5,373</u>	\$ <u>8,193</u>	\$ <u>2,820</u>
Expenditures:				
Current:				
General government	<u>3,500</u>	<u>8,765</u>	<u>8,764</u>	<u>1</u>
Net change in fund balance	(1,000)	(3,392)	(571)	2,821
Cash fund balance at beginning of year	<u>3,392</u>	<u>3,392</u>	<u>3,392</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>2,392</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,821</u></u>	\$ <u><u>2,821</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Police Facility Improvement

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ <u>-</u>	\$ <u>1,360</u>	\$ <u>2,550</u>	\$ <u>1,190</u>
Expenditures:				
Current:				
Public safety	<u>3,850</u>	<u>6,400</u>	<u>4,250</u>	<u>2,150</u>
Net change in fund balance	(3,850)	(5,040)	(1,700)	3,340
Cash fund balance at beginning of year	<u>5,040</u>	<u>5,040</u>	<u>5,040</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,190</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,340</u></u>	\$ <u><u>3,340</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Recreation Facility Improvement

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ <u>640,903</u>	\$ <u>640,903</u>	\$ <u>685,471</u>	\$ <u>44,568</u>
Expenditures:				
Current:				
Culture and recreation	<u>680,000</u>	<u>680,000</u>	<u>414,977</u>	<u>265,023</u>
Net change in fund balance	(39,097)	(39,097)	270,494	309,591
Cash fund balance at beginning of year	696,461	696,461	696,461	-
Current year charges against prior years cash fund balance:				
Reserved for encumbrances	<u>(251,425)</u>	<u>(251,425)</u>	<u>(251,425)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	405,939	405,939	715,530	309,591
Reserved for encumbrances	<u>19,953</u>	<u>19,953</u>	<u>19,953</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>425,892</u></u>	\$ <u><u>425,892</u></u>	\$ <u><u>735,483</u></u>	\$ <u><u>309,591</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Capital Improvements

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Sanitation	\$ 517,128	\$ 600,727	\$ 593,109	\$ 7,618
Transportation	112,366	130,531	128,876	1,655
General government	<u>270,506</u>	<u>314,236</u>	<u>310,251</u>	<u>3,985</u>
Total expenditures	<u>900,000</u>	<u>1,045,494</u>	<u>1,032,236</u>	<u>13,258</u>
Excess of revenues over (under) expenditures	(900,000)	(1,045,494)	(1,032,236)	13,258
Other financing sources (uses):				
Proceeds from sale of debt	<u>900,000</u>	<u>900,000</u>	<u>911,670</u>	<u>11,670</u>
Net change in fund balance	-	(145,494)	(120,566)	24,928
Cash fund balance at beginning of year	331,162	331,162	331,162	-
Current year charges against prior years				
Cash fund balance:				
Reserved for encumbrances	<u>(59,894)</u>	<u>(59,894)</u>	<u>(59,894)</u>	<u>-</u>
Cash fund balance at end of year:				
Unreserved	271,268	125,774	150,702	24,928
Reserved for encumbrances	<u>191,633</u>	<u>191,633</u>	<u>191,633</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u>462,901</u>	\$ <u>317,407</u>	\$ <u>342,335</u>	\$ <u>24,928</u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Economic Development

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Community development	\$ -	\$ 23,500	\$ 16,706	\$ 6,794
Excess of revenues over (under) expenditures	-	(23,500)	(16,706)	6,794
Other financing sources (uses)				
Transfers - in	-	20,657	44,742	24,085
Sale of capital assets	-	2,843	2,843	-
Total other financing sources (uses)	-	23,500	47,585	24,085
Net change in fund balance	-	-	30,879	30,879
Cash fund balance at beginning of year	<u>1,736</u>	<u>1,736</u>	<u>1,736</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>1,736</u></u>	\$ <u><u>1,736</u></u>	\$ <u><u>32,615</u></u>	\$ <u><u>30,879</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – City Hall Maintenance

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other revenues	\$ <u>12,600</u>	\$ <u>12,600</u>	\$ <u>13,860</u>	\$ <u>1,260</u>
Expenditures:				
Current:				
General government	<u>12,600</u>	<u>12,600</u>	<u>4,868</u>	<u>7,732</u>
Net change in fund balance	-	-	8,992	8,992
Cash fund balance at beginning of year	<u>3,322</u>	<u>3,322</u>	<u>3,322</u>	-
Total cash fund balance at end of year	\$ <u><u>3,322</u></u>	\$ <u><u>3,322</u></u>	\$ <u><u>12,314</u></u>	\$ <u><u>8,992</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Recreation Improvements

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Cash fund balance at beginning of year	\$ <u>10,549</u>	\$ <u>10,549</u>	\$ <u>10,549</u>	\$ <u>-</u>
Total cash fund balance at end of year	\$ <u><u>10,549</u></u>	\$ <u><u>10,549</u></u>	\$ <u><u>10,549</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budget) – Zagara TIF

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ <u>126,195</u>	\$ <u>126,195</u>	\$ <u>135,235</u>	\$ <u>9,040</u>
Expenditures:				
Debt service:				
Principal retirement	210,000	210,000	210,000	-
Interest and fiscal charges	<u>35,195</u>	<u>35,195</u>	<u>35,195</u>	<u>-</u>
Total expenditures	<u>245,195</u>	<u>245,195</u>	<u>245,195</u>	<u>-</u>
Excess of revenues over (under) expenditures	(119,000)	(119,000)	(109,960)	9,040
Other financing sources (uses):				
Transfers - in	<u>119,000</u>	<u>119,000</u>	<u>109,960</u>	<u>(9,040)</u>
Net change in fund balance	-	-	-	-
Cash fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Cleveland Heights, Ohio

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budget) – Ring Road Construction

For The Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Transportation	\$ <u>105,000</u>	\$ <u>463,743</u>	\$ <u>21,075</u>	\$ <u>442,668</u>
Excess of revenues over (under) expenditures	(105,000)	(463,743)	(21,075)	442,668
Other financing sources (uses):				
Transfers - in	-	119,945	308,533	188,588
Transfers - out	<u>-</u>	<u>(106,257)</u>	<u>(106,257)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>13,688</u>	<u>202,276</u>	<u>188,588</u>
Net change in fund balance	(105,000)	(450,055)	181,201	631,256
Cash fund balance at beginning of year	<u>450,059</u>	<u>450,059</u>	<u>450,059</u>	<u>-</u>
Total cash fund balance at end of year	\$ <u><u>345,059</u></u>	\$ <u><u>4</u></u>	\$ <u><u>631,260</u></u>	\$ <u><u>631,256</u></u>

City of Cleveland Heights, Ohio

Combining Statements – Agency Funds

For The Year Ended December 31, 2008

Agency Funds

General Liability Contingency – To account for the accumulation of resources to pay for extraordinary losses which may arise as a result of legal action against the City.

Cleveland Heights Municipal Court Agency – To account for assets received and disbursed by the Cleveland Heights Municipal Court pursuant to the laws of the State.

Construction Deposit Agency – To account for the receipt of refundable construction deposits required for the issuance of certain building permits.

Sales Tax Agency – To account for any sales tax collected by the City and due the State Department of Taxation.

Miscellaneous – To account for miscellaneous receipts received in an agency capacity by the City.

N.E.O.R.S.D. (Northeast Ohio Regional Sewer District) – 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, 2008

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2008</u>
General liability contingency:				
Assets:				
Equity in city treasury cash	\$ <u>3,771</u>	\$ <u>-</u>	\$ <u>3,771</u>	\$ <u>-</u>
Total assets	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>
Liabilities:				
Restricted deposits	\$ <u>3,771</u>	\$ <u>-</u>	\$ <u>3,771</u>	\$ <u>-</u>
Total liabilities	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,771</u></u>	\$ <u><u>-</u></u>
Municipal Court:				
Assets:				
Equity in city treasury cash	\$ <u>352,125</u>	\$ <u>3,189,020</u>	\$ <u>3,202,960</u>	\$ <u>338,185</u>
Total assets	\$ <u><u>352,125</u></u>	\$ <u><u>3,189,020</u></u>	\$ <u><u>3,202,960</u></u>	\$ <u><u>338,185</u></u>
Liabilities:				
Due to others	\$ 185,783	\$ 2,072,604	\$ 2,086,797	\$ 171,590
Restricted deposits	<u>166,342</u>	<u>1,116,416</u>	<u>1,116,163</u>	<u>166,595</u>
Total liabilities	\$ <u><u>352,125</u></u>	\$ <u><u>3,189,020</u></u>	\$ <u><u>3,202,960</u></u>	\$ <u><u>338,185</u></u>
Construction deposits:				
Assets:				
Equity in city treasury cash	\$ <u>131,159</u>	\$ <u>150</u>	\$ <u>150</u>	\$ <u>131,159</u>
Total assets	\$ <u><u>131,159</u></u>	\$ <u><u>150</u></u>	\$ <u><u>150</u></u>	\$ <u><u>131,159</u></u>
Liabilities:				
Restricted deposits	\$ <u>131,159</u>	\$ <u>150</u>	\$ <u>150</u>	\$ <u>131,159</u>
Total liabilities	\$ <u><u>131,159</u></u>	\$ <u><u>150</u></u>	\$ <u><u>150</u></u>	\$ <u><u>131,159</u></u>
Sales tax:				
Assets:				
Equity in city treasury cash	\$ <u>391</u>	\$ <u>4,899</u>	\$ <u>4,789</u>	\$ <u>501</u>
Total assets	\$ <u><u>391</u></u>	\$ <u><u>4,899</u></u>	\$ <u><u>4,789</u></u>	\$ <u><u>501</u></u>
Liabilities:				
Due to other governments	\$ <u>391</u>	\$ <u>4,899</u>	\$ <u>4,789</u>	\$ <u>501</u>
Total liabilities	\$ <u><u>391</u></u>	\$ <u><u>4,899</u></u>	\$ <u><u>4,789</u></u>	\$ <u><u>501</u></u>
Miscellaneous:				
Assets:				
Equity in city treasury cash	\$ <u>151,150</u>	\$ <u>167,041</u>	\$ <u>211,512</u>	\$ <u>106,679</u>
Total assets	\$ <u><u>151,150</u></u>	\$ <u><u>167,041</u></u>	\$ <u><u>211,512</u></u>	\$ <u><u>106,679</u></u>
Liabilities:				
Restricted deposits	\$ <u>151,150</u>	\$ <u>167,041</u>	\$ <u>211,512</u>	\$ <u>106,679</u>
Total liabilities	\$ <u><u>151,150</u></u>	\$ <u><u>167,041</u></u>	\$ <u><u>211,512</u></u>	\$ <u><u>106,679</u></u>

(continued)

City of Cleveland Heights, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds (Continued)

For The Year Ended December 31, 2008

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2008</u>
NEORSD:				
Assets:				
Equity in city treasury cash	\$ <u>102,975</u>	\$ <u>6,036,380</u>	\$ <u>6,077,524</u>	\$ <u>61,831</u>
Total assets	\$ <u><u>102,975</u></u>	\$ <u><u>6,036,380</u></u>	\$ <u><u>6,077,524</u></u>	\$ <u><u>61,831</u></u>
Liabilities:				
Due to other governments	\$ <u>102,975</u>	\$ <u>6,036,380</u>	\$ <u>6,077,524</u>	\$ <u>61,831</u>
Total liabilities	\$ <u><u>102,975</u></u>	\$ <u><u>6,036,380</u></u>	\$ <u><u>6,077,524</u></u>	\$ <u><u>61,831</u></u>
Totals – All Agency Funds:				
Assets:				
Equity in city treasury cash	\$ <u>741,571</u>	\$ <u>9,397,490</u>	\$ <u>9,500,706</u>	\$ <u>638,355</u>
Total assets	\$ <u><u>741,571</u></u>	\$ <u><u>9,397,490</u></u>	\$ <u><u>9,500,706</u></u>	\$ <u><u>638,355</u></u>
Liabilities:				
Due to others	\$ 185,783	\$ 2,072,604	\$ 2,086,797	\$ 171,590
Due to other governments	103,366	6,041,279	6,082,313	62,332
Restricted deposits	<u>452,422</u>	<u>1,283,607</u>	<u>1,331,596</u>	<u>404,433</u>
Total liabilities	\$ <u><u>741,571</u></u>	\$ <u><u>9,397,490</u></u>	\$ <u><u>9,500,706</u></u>	\$ <u><u>638,355</u></u>



Statistical Section

At the top of Cedar Hill, you'll find the first planned neighborhood shopping area in Cleveland Heights. Cedar Fairmount, considered the "Gateway to the Heights," is home to interesting shops with distinctive, quality merchandise, as well as award-winning restaurants. Further east on Fairmount at South Taylor Road, shoppers can browse through an assortment of fine specialty shops.

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.

Contents	Pages(s)
<i>Financial Trends</i>	135 - 142
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	143 - 147
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	148 - 154
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	155 - 156
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	157 - 164
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Cleveland Heights, Ohio

Net Assets By Component - Last Six Years

Accrual Basis of Accounting

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities						
Invested in Capital Assets	\$ 49,880,927	\$ 47,989,231	\$ 46,423,601	\$ 45,120,294	\$ 44,538,645	\$ 45,405,726
Restricted:						
Debt service	3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	5,846,721
Capital projects	1,466,924	1,310,756	1,181,513	531,364	-	-
Community development	1,510,595	1,476,300	1,351,146	1,665,363	-	-
Municipal court special projects	2,190,766	2,106,017	1,992,154	1,825,114	-	-
Public safety	267,855	-	-	-	-	-
Streets	512,857	-	-	-	-	-
Other purposes	202,228	1,571,300	1,267,905	534,225	4,022,232	4,156,178
Unrestricted	<u>7,721,362</u>	<u>6,636,083</u>	<u>4,855,068</u>	<u>4,434,530</u>	<u>5,602,167</u>	<u>(2,600,022)</u>
Total Governmental Activities Net Assets	<u>67,058,117</u>	<u>63,959,232</u>	<u>59,723,720</u>	<u>57,371,052</u>	<u>57,367,546</u>	<u>52,808,603</u>
Business-Type-Activities						
Invested in Capital Assets, Net of Related Debt	29,365,271	29,324,738	29,185,731	29,521,445	28,494,702	28,549,980
Unrestricted	<u>3,309,986</u>	<u>4,224,348</u>	<u>3,345,378</u>	<u>2,254,038</u>	<u>5,019,373</u>	<u>5,738,795</u>
Total Business-Type Activities Net Assets	<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>
Primary Government						
Invested in Capital Assets, Net of Related Debt	79,246,198	77,313,969	75,609,332	74,641,739	73,033,347	73,955,706
Restricted	9,455,828	9,333,918	8,445,051	7,816,228	7,226,734	10,002,899
Unrestricted	<u>11,031,348</u>	<u>10,860,431</u>	<u>8,200,446</u>	<u>6,688,568</u>	<u>10,621,540</u>	<u>3,138,773</u>
Total Primary Government Net Assets	<u>\$ 99,733,374</u>	<u>\$ 97,508,318</u>	<u>\$ 92,254,829</u>	<u>\$ 89,146,535</u>	<u>\$ 90,881,621</u>	<u>\$ 87,097,378</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Six Years

Accrual Basis of Accounting

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 5,167,813	\$ 4,347,482	\$ 4,426,901	\$ 4,708,959	\$ 3,461,016	\$ 3,757,832
Public safety	1,117,854	2,913,059	989,133	826,386	822,387	1,023,035
Public health	875	1,580	6,671	6,706	5,540	-
Culture and recreation	1,801,819	2,050,639	2,265,814	2,150,561	1,893,288	1,755,186
Community development	1,232,524	2,365,009	588,919	459,862	2,566,510	1,341,973
Sanitation	640,906	978,584	747,719	722,498	477,887	596,220
Transportation	-	-	33,259	268,275	2,240,332	295,005
Operating grants and contributions						
General government	83,558	184,581	100,279	71,731	99,605	203,808
Public safety	303,417	904,391	59,471	46,614	42,057	7,212
Public health	32,856	30,240	26,200	27,103	30,521	33,479
Culture and recreation	42,050	38,452	21,926	5,000	5,000	5,000
Community development	2,004,748	2,306,553	1,750,245	1,462,627	2,491,578	1,580,209
Sanitation	4,816	10,000	10,884	30,719	53,458	48,095
Capital grants and contributions	<u>506,820</u>	<u>273,750</u>	<u>338,000</u>	<u>-</u>	<u>212,217</u>	<u>815,829</u>
Total governmental activities program revenues	<u>12,940,056</u>	<u>16,404,320</u>	<u>11,365,421</u>	<u>10,787,041</u>	<u>14,401,396</u>	<u>11,462,883</u>
Business-type activities:						
Charges for services:						
Utilities	11,685,812	12,029,659	11,051,246	9,876,078	9,649,779	10,048,930
Off-street parking	793,233	748,120	772,037	735,696	776,248	634,306
Ambulance services	560,074	612,138	619,271	639,117	616,941	537,065
Operating grants and contributions						
Utilities	-	-	-	555,343	94,170	95,330
Ambulance services	-	5,975	149,934	64,799	4,125	10,090
Capital grants and contributions						
Ambulance services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,510</u>
Total business-type activities program revenues	<u>13,039,119</u>	<u>13,395,892</u>	<u>12,592,488</u>	<u>11,871,033</u>	<u>11,141,263</u>	<u>11,479,231</u>
Total primary government program revenues	\$ <u>25,979,175</u>	\$ <u>29,800,212</u>	\$ <u>23,957,909</u>	\$ <u>22,658,074</u>	\$ <u>25,542,659</u>	\$ <u>22,942,114</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Six Years (continued)

Accrual Basis of Accounting

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses						
Governmental activities:						
General government	\$ 12,148,115	\$ 11,941,290	\$ 15,103,153	\$ 15,619,750	\$ 13,527,660	\$ 13,763,275
Public safety	18,628,409	19,723,818	18,782,355	18,031,294	18,367,866	17,671,151
Public health	418,430	426,606	435,206	447,114	454,038	460,421
Culture and recreation	3,947,966	4,259,479	4,106,053	3,899,948	3,774,060	3,812,176
Community development	6,368,068	6,453,726	6,842,251	5,930,750	7,739,951	7,912,186
Sanitation	3,439,963	3,002,530	3,067,667	2,756,181	3,009,859	2,976,704
Transportation	7,388,152	7,052,660	3,054,535	3,345,499	4,917,119	2,064,177
Interest and fiscal charges	<u>814,071</u>	<u>969,947</u>	<u>753,647</u>	<u>1,279,516</u>	<u>1,260,115</u>	<u>1,371,232</u>
Total governmental activities expenses	<u>53,153,174</u>	<u>53,830,056</u>	<u>52,144,867</u>	<u>51,310,052</u>	<u>53,050,668</u>	<u>50,031,322</u>
Business-type activities:						
Utilities	12,058,641	11,502,989	11,509,051	12,196,889	10,101,056	10,945,652
Off-street parking	1,146,271	1,115,903	773,699	870,546	845,685	871,360
Ambulance services	730,540	603,274	633,987	557,555	998,800	707,532
Cedar-Lee parking deck	<u>401,136</u>	<u>278,986</u>	<u>245,069</u>	<u>50,750</u>	<u>-</u>	<u>-</u>
Total business-type activities expenses	<u>14,336,588</u>	<u>13,501,152</u>	<u>13,161,806</u>	<u>13,675,740</u>	<u>11,945,541</u>	<u>12,524,544</u>
Total primary government expenses	<u>67,489,762</u>	<u>67,331,208</u>	<u>65,306,673</u>	<u>64,985,792</u>	<u>64,996,209</u>	<u>62,555,866</u>
Net (Expense)/Revenue						
Governmental activities	(40,213,118)	(37,425,736)	(40,779,446)	(40,523,011)	(38,649,272)	(38,568,439)
Business-type activities	<u>(1,297,469)</u>	<u>(105,260)</u>	<u>(569,318)</u>	<u>(1,804,707)</u>	<u>(804,278)</u>	<u>(1,045,313)</u>
Total primary government net expense	<u>(41,510,587)</u>	<u>(37,530,996)</u>	<u>(41,348,764)</u>	<u>(42,327,718)</u>	<u>(39,453,550)</u>	<u>(39,613,752)</u>

City of Cleveland Heights, Ohio

Changes in Net Assets - Last Six Years (continued)

Accrual Basis of Accounting

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes levied for:						
General purposes	7,076,452	8,216,507	6,713,918	6,462,966	10,954,701	5,279,179
Debt service	3,610,165	3,806,226	3,496,022	3,913,630	389,310	4,727,127
Police and fire pension	515,736	531,102	489,038	472,622	481,968	410,382
Municipal income taxes	21,877,327	21,869,012	23,073,254	21,015,495	21,883,632	20,418,119
Grants and entitlements not restricted to specific programs	8,310,262	6,607,694	8,431,052	7,468,935	6,473,704	7,506,950
Interest earnings	416,225	668,428	672,273	372,478	196,901	313,444
Reimbursement received	-	-	-	-	952,220	891,824
Other revenue	1,789,096	717,745	727,929	1,113,746	147,969	369,107
Gain/(loss) on sale of assets	-	-	-	-	(67,252)	29,509
Transfers	<u>(283,260)</u>	<u>(755,466)</u>	<u>(590,172)</u>	<u>(128,847)</u>	<u>4,888</u>	<u>4,261</u>
Total governmental activities	<u>43,312,003</u>	<u>41,661,248</u>	<u>43,013,314</u>	<u>40,691,025</u>	<u>41,418,041</u>	<u>39,949,902</u>
Business-type activities						
Interest earnings	86,224	351,419	415,954	74,039	33,633	68,751
Reimbursement received	-	-	-	-	2,000	-
Other revenue	54,156	16,352	37,837	68,462	1,000	21,020
Loss on sale of assets	-	-	-	-	(2,167)	13,650
Transfers	<u>283,260</u>	<u>755,466</u>	<u>590,172</u>	<u>128,847</u>	<u>(4,888)</u>	<u>(4,261)</u>
Total business-type activities	<u>423,640</u>	<u>1,123,237</u>	<u>1,043,963</u>	<u>271,348</u>	<u>29,578</u>	<u>99,160</u>
Total primary government	\$ <u>43,735,643</u>	\$ <u>42,784,485</u>	\$ <u>44,057,277</u>	\$ <u>40,962,373</u>	\$ <u>41,447,619</u>	\$ <u>40,049,062</u>
Change in net assets:						
Governmental activities	\$ 3,098,885	\$ 4,235,512	\$ 2,233,868	\$ 168,014	\$ 2,768,769	\$ 1,381,463
Business-type activities	<u>(873,829)</u>	<u>1,017,977</u>	<u>474,645</u>	<u>(1,533,359)</u>	<u>(774,700)</u>	<u>(946,153)</u>
Total primary government	\$ <u>2,225,056</u>	\$ <u>5,253,489</u>	\$ <u>2,708,513</u>	\$ <u>(1,365,345)</u>	\$ <u>1,994,069</u>	\$ <u>435,310</u>

City of Cleveland Heights, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund					
Reserved	\$ 566,116	\$ 504,536	\$ 434,892	\$ 235,383	\$ 221,631
Unreserved	<u>3,369,353</u>	<u>3,239,649</u>	<u>4,547,592</u>	<u>3,522,250</u>	<u>3,621,791</u>
Total General Fund	<u>3,935,469</u>	<u>3,744,185</u>	<u>4,982,484</u>	<u>3,757,633</u>	<u>3,843,422</u>
All Other Governmental Funds					
Reserved	2,315,658	1,830,706	2,063,226	2,249,303	2,965,651
Unreserved, reported in:					
Special Revenue Funds	2,846,750	2,828,052	1,721,695	811,709	1,767,319
Capital Projects Funds	719,201	586,408	571,406	171,120	(1,405,019)
Debt Service Funds	<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>
Total All Other Governmental Funds	<u>9,186,212</u>	<u>8,114,711</u>	<u>7,008,660</u>	<u>6,492,294</u>	<u>6,532,453</u>
Total All Funds	\$ <u>13,121,681</u>	\$ <u>11,858,896</u>	\$ <u>11,991,144</u>	\$ <u>10,249,927</u>	\$ <u>10,375,875</u>

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 261,183	\$ 406,493	\$ 332,784	\$ 478,451	\$ 612,649
<u>3,215,530</u>	<u>6,110,977</u>	<u>9,268,819</u>	<u>8,289,391</u>	<u>8,808,680</u>
<u>3,476,713</u>	<u>6,517,470</u>	<u>9,601,603</u>	<u>8,767,842</u>	<u>9,421,329</u>
2,385,227	2,332,517	3,284,437	9,793,216	2,629,208
1,731,121	2,542,932	2,523,464	4,432,990	4,218,833
(4,389,548)	(1,389,525)	(1,291,739)	3,223,776	3,067,926
<u>3,276,721</u>	<u>3,418,626</u>	<u>3,136,351</u>	<u>(3,633,790)</u>	<u>13,817,804</u>
<u>3,003,521</u>	<u>6,904,550</u>	<u>7,652,513</u>	<u>13,816,192</u>	<u>23,733,771</u>
\$ <u>6,480,234</u>	\$ <u>13,422,020</u>	\$ <u>17,254,116</u>	\$ <u>22,584,034</u>	\$ <u>33,155,100</u>

City of Cleveland Heights, Ohio

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues:					
Property and other local taxes	\$ 11,223,599	\$ 11,634,160	\$ 10,742,779	\$ 10,930,941	\$ 12,376,008
Municipal income taxes	21,826,496	22,022,446	22,768,921	20,798,981	20,276,910
Intergovernmental	11,248,160	11,351,954	9,808,274	8,785,344	10,139,761
Charges for services	2,895,109	3,520,404	3,453,756	3,034,867	2,717,941
Fees, licenses and permits	1,721,725	1,546,256	1,258,928	1,327,248	1,099,908
Interest earnings	416,354	657,279	628,230	342,165	179,557
Special assessments	1,525,849	1,469,507	1,460,640	1,461,639	1,237,577
Fines and forfeitures	2,994,955	2,377,640	3,215,637	3,254,822	2,812,162
Reimbursements received	1,335,065	1,017,395	608,570	883,355	1,002,220
Other revenues	<u>1,304,584</u>	<u>961,273</u>	<u>1,129,654</u>	<u>1,481,634</u>	<u>1,150,039</u>
Total revenues	<u>56,491,896</u>	<u>56,558,314</u>	<u>55,075,389</u>	<u>52,300,996</u>	<u>52,992,083</u>
Expenditures:					
Current:					
Public safety	17,469,045	17,607,171	18,343,503	18,057,194	17,002,404
Public health	400,213	414,663	423,239	432,265	441,036
Culture and recreation	3,037,248	3,460,288	4,007,032	3,711,215	3,452,859
Community development	5,785,519	5,909,549	6,456,465	5,645,509	7,305,467
Sanitation	2,598,622	2,618,865	3,081,125	3,026,639	2,799,102
Transportation	3,673,791	3,819,214	4,522,818	7,418,116	6,237,771
General government	15,579,103	14,907,466	13,289,052	12,385,439	12,966,859
Debt service:					
Principal	1,292,366	1,880,646	1,773,221	1,640,000	2,680,000
Interest and fiscal charges	913,376	1,045,066	1,144,568	1,279,516	1,265,115
Bond issuance costs	214,813	-	-	-	-
Capital outlay	<u>4,965,356</u>	<u>4,353,749</u>	<u>13,676</u>	<u>23,215</u>	<u>37,735</u>
Total expenditures	<u>55,929,452</u>	<u>56,016,677</u>	<u>53,054,699</u>	<u>53,619,108</u>	<u>54,188,348</u>
Excess of revenues over (under) expenditures	<u>562,444</u>	<u>541,637</u>	<u>2,020,690</u>	<u>(1,318,112)</u>	<u>(1,196,265)</u>
Other financing sources (uses)					
Issuance of debt	439,992	67,050	102,359	1,129,752	3,200,000
Proceeds of refunding bonds	8,695,000	-	-	-	-
Proceeds from sale of assets	16,056	14,531	139,500	191,259	96,844
Inception of capital lease	136,000	-	68,840	-	-
Premium on bonds	228,332	-	-	-	-
Other financing sources	-	-	-	-	-
Other financing uses	-	-	-	-	-
Insurance reimbursement	911,862	-	-	-	-
Transfers - in	3,923,161	4,584,852	3,959,609	4,701,322	2,544,116
Payment to refunded bond escrow agent	(9,460,000)	-	-	-	-
Transfers - out	<u>(4,190,062)</u>	<u>(5,340,318)</u>	<u>(4,549,781)</u>	<u>(4,830,169)</u>	<u>(2,539,228)</u>
Total other financing sources (uses)	<u>700,341</u>	<u>(673,885)</u>	<u>(279,473)</u>	<u>1,192,164</u>	<u>3,301,732</u>
Net change in fund balances	\$ <u>1,262,785</u>	\$ <u>(132,248)</u>	\$ <u>1,741,217</u>	\$ <u>(125,948)</u>	\$ <u>2,105,467</u>
Debt service as a percentage of noncapital expenditures	4.72%	5.66%	5.50%	5.45%	7.24%

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 10,894,532	\$ 16,359,936	\$ 11,089,243	\$ 37,094,902	\$ 35,772,759
19,660,730	19,514,488	19,842,139	-	-
10,417,178	4,204,152	3,983,747	3,477,391	3,110,374
2,650,325	2,355,048	1,698,829	1,524,971	1,659,907
1,036,719	913,301	890,925	1,165,156	1,282,469
276,102	681,213	1,630,247	2,472,355	2,173,847
1,169,775	1,221,592	1,043,594	1,073,912	1,058,733
2,843,230	2,365,086	2,210,566	2,223,951	2,055,224
-	-	-	-	-
<u>2,064,906</u>	<u>1,955,416</u>	<u>1,627,149</u>	<u>2,239,142</u>	<u>1,840,791</u>
<u>51,013,497</u>	<u>49,570,232</u>	<u>44,016,439</u>	<u>51,271,780</u>	<u>48,954,104</u>
17,874,797	16,484,752	16,814,398	15,901,028	15,021,518
447,871	422,791	478,573	386,699	359,960
3,485,167	4,226,325	12,031,569	11,657,511	2,938,783
6,700,695	7,168,486	9,088,496	7,302,622	7,481,488
2,977,592	2,875,271	3,042,946	3,221,364	2,944,514
9,047,135	6,132,565	4,711,853	4,737,175	3,723,768
13,218,508	12,859,277	12,563,904	11,529,977	11,100,883
531,726	1,482,142	2,305,910	563,223	2,570,000
1,384,232	2,450,000	4,513,993	2,115,000	2,040,000
-	-	-	-	-
<u>747,810</u>	<u>1,478,007</u>	<u>1,584,524</u>	<u>1,561,089</u>	<u>1,655,506</u>
<u>58,453,807</u>	<u>54,629,200</u>	<u>66,312,398</u>	<u>60,718,375</u>	<u>47,829,643</u>
<u>(7,440,310)</u>	<u>(5,058,968)</u>	<u>(22,295,959)</u>	<u>(9,446,595)</u>	<u>1,124,461</u>
-	-	8,518,519	67,910	2,000,000
-	-	-	-	-
309,000	166,073	-	3,826	(2,134,387)
115,000	-	332,111	115,000	(730,580)
-	-	-	-	-
-	1,000,000	-	-	750,883
-	-	-	-	(584,823)
-	-	-	-	-
2,687,283	3,667,678	3,323,391	3,407,922	4,787,470
-	-	-	-	-
<u>(2,683,022)</u>	<u>(3,662,743)</u>	<u>(3,073,861)</u>	<u>(3,401,922)</u>	<u>(4,784,880)</u>
<u>428,261</u>	<u>1,171,008</u>	<u>9,100,160</u>	<u>192,736</u>	<u>(696,317)</u>
\$ <u>(7,012,049)</u>	\$ <u>(3,887,960)</u>	\$ <u>(13,195,799)</u>	\$ <u>(9,253,859)</u>	\$ <u>428,144</u>

6.85% 7.26% 9.41% 6.29% 7.82%

City of Cleveland Heights, Ohio

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Tax Year/ Collection Year	Real Property			Personal Property Assessed Value	Public Utilities Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
	Assessed Value		Estimated Actual Value(a)				
	Commercial	Residential					
2008/2009	\$147,702,300	\$ 820,746,690	\$ 2,766,997,114	\$ 10,222,250	\$ 9,840,320	\$ 988,511,560	\$ 12.90
2007/2008	148,540,150	819,665,980	2,766,303,229	17,850,430	9,479,500	995,536,060	12.90
2006/2007	153,391,080	816,780,760	2,771,919,542	13,941,095	15,185,570	999,298,505	13.00
2005/2006	132,354,280	710,087,650	2,406,976,943	15,873,576	25,325,370	883,640,876	13.00
2004/2005	133,121,050	709,043,670	2,406,184,914	18,345,751	27,401,630	887,912,101	13.10
2003/2004	134,174,420	706,821,340	2,402,845,171	19,034,202	31,031,530	891,061,492	14.00
2002/2003	124,975,940	563,120,040	2,092,855,486	21,123,332	28,711,240	737,930,552	14.10
2001/2002	124,836,080	605,388,740	2,085,499,486	20,182,093	17,405,910	767,812,823	14.00
2000/2001	121,304,650	605,561,490	2,076,760,400	29,093,694	27,071,690	783,031,524	14.10
1999/2000	103,265,710	532,677,610	1,816,980,914	17,814,173	23,144,800	676,902,293	14.80

(a) Estimated Actual Value based on assessment level of 35% from tax year 1976 and later.

Tax rates are per \$1,000 of assessed valuation.

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

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

Last Ten Years

Tax Year/ Collection Year	<u>City of Cleveland Heights Direct Rates</u>				<u>Overlapping Rates</u>		
	<u>General Fund</u>	<u>Pension Trust Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>	<u>Cleveland Heights School District(a)</u>	<u>Cuyahoga County</u>	<u>Total</u>
2008/2009	\$ 7.40	\$ 0.60	\$ 4.90	\$ 12.90	\$ 144.50	\$ 18.10	\$ 175.50
2007/2008	7.40	0.60	4.90	12.90	142.60	18.20	173.70
2006/2007	7.40	0.60	5.00	13.00	135.50	18.20	166.70
2005/2006	7.40	0.60	5.00	13.00	135.40	18.30	166.70
2004/2005	7.40	0.60	5.10	13.10	135.50	18.30	166.90
2003/2004	7.40	0.60	6.00	14.00	127.00	18.00	159.00
2002/2003	7.40	0.60	6.10	14.10	127.00	16.20	157.30
2001/2002	7.40	0.60	6.00	14.00	127.00	16.20	157.20
2000/2001	7.40	0.60	6.10	14.10	126.30	16.20	156.60
1999/2000	7.40	0.60	6.80	14.80	115.00	15.30	145.10

(a) includes Metroparks and Library Millage

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Total Collection Including Deficiencies</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Accumulated Delinquency</u>
2007/2008	\$ 12,784,933	\$ 11,873,263	92.9%	\$ 12,585,191	98.4%	\$ 1,106,080
2006/2007	12,956,143	12,012,023	92.7%	12,735,226	98.3%	1,149,571
2005/2006	11,482,010	10,926,279	95.2%	11,609,888	101.1%	947,381
2004/2005	11,592,970	10,734,065	92.6%	11,529,456	99.5%	961,632
2003/2004	12,294,389	11,656,435	94.8%	12,493,181	101.6%	1,133,710
2002/2003	10,790,451	10,045,171	93.1%	10,662,371	98.8%	1,250,800
2001/2002	10,446,924	9,671,218	92.6%	10,305,299	98.6%	1,008,768
2000/2001	10,625,214	9,943,816	93.6%	10,421,735	98.1%	934,936
1999/2000	9,743,195	9,252,309	94.9%	9,767,024	100.2%	699,950
1998/1999	9,635,501	9,172,322	95.1%	9,711,046	100.7%	716,147

Source: Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Principal Property Taxpayers

Current Year and Seven Years Ago

<u>Taxpayer</u>	<u>2008</u>			<u>2001</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Severance Spe Lease Co.,LLC(SCIT,Inc.)	\$ 18,198,180	1	1.84%	\$ 12,684,760	1	1.65%
Kaiser Foundation Health Plan of Ohio	11,616,780	2	1.18	7,791,840	2	1.02
The Cleveland Electric Illuminating Company	7,329,990	3	0.74	7,234,170	3	0.94
American Retirement Corporation	3,415,590	4	0.35	3,866,590	5	0.50
Concord Company	2,591,190	5	0.26	2,290,930	6	0.30
Kensington Ltd.Partnership	2,520,000	6	0.25	-	-	-
Western Reserve (Severance Housing Corp)	2,229,290	7	0.23	2,026,990	10	0.26
Waldorf Partners Limited Partnership	2,189,330	8	0.22	2,143,020	8	0.28
Oakwood Club	2,102,780	9	0.21	-	-	-
Lancashire Towers Associates Ltd Partnership	1,924,760	10	0.19	2,173,640	7	0.28
Ohio Bell Telephone Company	-	-	-	6,801,430	4	0.89
SAA Incorporated	-	-	-	2,055,940	9	0.27
Total	\$ <u>54,117,890</u>		<u>5.47</u>	\$ <u>49,069,310</u>		<u>6.39</u>
Total Assessed Valuation of City	\$ <u>988,511,560</u>		<u>100.00%</u>	\$ <u>767,512,823</u>		<u>100.00%</u>

Property assessed at 35% of Fair Market Value

Source: Cuyahoga County Auditor

Note: Information prior to 2001 is not available

City of Cleveland Heights, Ohio

Income Tax Revenue Base and Collections

Cash Basis

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentages of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentages of Taxes From Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentages of Taxes From Individuals</u>
2008	2.00%	\$ 18,954,767	\$ 6,661,900	35.15%	\$ 717,496	3.79%	\$ 11,575,371	61.07%
2007	2.00%	19,845,822	6,716,031	33.84%	821,263	4.14%	12,308,528	62.02%
2006	2.00%	19,851,936	6,913,938	34.83%	910,993	4.59%	12,027,005	60.58%
2005	2.00%	19,031,390	6,738,821	35.41%	695,989	3.66%	11,596,580	60.93%
2004	2.00%	18,967,552	6,603,963	34.82%	628,296	3.31%	11,735,293	61.87%
2003	2.00%	18,261,002	6,519,016	35.70%	571,850	3.13%	11,170,136	61.17%
2002	2.00%	17,996,261	6,280,507	34.90%	569,337	3.16%	11,146,417	61.94%

Note: Information prior to 2002 is not available.

City of Cleveland Heights, Ohio

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

Last Ten Years

Year	Governmental Activities			
	General Obligation Bonds	Economic Development Revenue Bonds	Capital Leases	OPWC Loans
2008	\$ 16,040,000	\$ 680,000	\$ 172,280	\$ 1,769,929
2007	17,795,000	890,000	53,000	1,405,583
2006	19,400,000	1,090,000	86,639	1,414,179
2005	20,935,000	1,285,000	61,019	1,481,006
2004	22,385,000	1,475,000	116,548	369,741
2003	21,680,000	1,660,000	510,650	-
2002	24,070,000	1,840,000	642,769	-
2001	26,365,000	1,995,000	320,005	-
2000	24,355,000	-	376,021	-
1999	26,470,000	-	339,842	-

Business-Type Activities				Percentage Total Debt	Personal of Personal Income	Per Capita	Income Per Capita
General Obligation Bonds	OPWC Loans	OWDA Loan	Capital Leases				
\$ 6,355,000	\$ 1,334,567	\$ 327,487	\$ 478,366	\$ 27,157,629	2.07%	\$ 1,052	25,804
-	1,431,465	119,926	695,037	22,390,011	1.71%	866	25,804
-	1,528,364	-	903,602	24,422,784	1.86%	946	25,804
-	1,801,828	-	391,086	25,954,939	1.98%	1,006	25,804
-	939,688	-	205,233	25,491,210	1.95%	988	25,804
-	1,001,891	-	-	24,852,541	1.90%	963	25,804
-	1,067,414	-	-	27,620,183	2.11%	1,070	25,804
-	1,160,717	-	-	29,840,722	2.28%	1,156	25,804
-	1,083,502	-	-	25,814,523	2.10%	1,000	25,804
-	-	-	-	26,809,842	2.18%	1,187	22,584

City of Cleveland Heights, Ohio

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

<u>Year</u>	<u>Population(a)</u>	<u>Estimated True Values of Taxable Property (b)</u>	<u>Gross General Bonded Debt</u>	<u>Less Balance In Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio Of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2008	50,769	\$ 988,511,560	\$ 22,395,000	\$ 3,304,603	\$ 19,090,397	1.93%	\$ 376.02
2007	50,769	995,536,060	17,795,000	2,869,545	14,925,455	1.52%	293.99
2006	50,769	999,298,505	30,564,333	2,652,333	27,912,000	2.79%	549.78
2005	50,769	883,640,876	30,659,000	3,260,162	27,398,838	3.10%	539.68
2004	50,769	887,912,101	27,884,000	3,204,502	24,679,498	2.78%	486.11
2003	50,769	891,061,492	27,807,000	3,276,721	24,530,279	2.75%	483.17
2002	50,769	737,930,552	24,070,000	3,418,626	20,651,374	2.80%	406.77
2001	50,769	767,812,823	26,365,000	3,136,351	23,228,649	3.03%	457.54
2000	49,958	783,031,524	24,355,000	3,223,776	21,131,224	2.70%	422.98
1999	54,540	676,902,293	26,470,000	3,067,926	23,402,074	3.46%	429.08

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census
 Years 1998 through 1999 – 1990 Federal Census
 Years 2000 through 2007 – 2000 Federal Census

(b) Cuyahoga County Auditor

City of Cleveland Heights, Ohio

Computation of Direct and Overlapping Debt

December 31, 2008

	<u>Debt Outstanding</u>	<u>Percentage Applicable To City of Cleveland Heights</u>	<u>Amount Applicable To City of Cleveland Heights</u>
Direct			
City of Cleveland Heights	\$ 23,300,000 (a)	100.00%	\$ 23,300,000
Overlapping			
Cleveland Heights - University Heights School District	11,170,000 (b)	98.83%	11,039,311
Cuyahoga County	248,899,326 (b)	3.10%	7,715,879
Greater Cleveland Regional Transit	<u>172,765,000 (b)</u>	3.10%	<u>5,355,715</u>
Total Overlapping Debt	<u>432,834,326</u>		<u>24,110,905</u>
Total Debt	\$ <u>456,134,326</u>		\$ <u>47,410,905</u>

(a) Net General Obligation Debt Outstanding

(b) Gross General Obligation Debt Outstanding

SOURCE: (a) City of Cleveland Heights, Finance Department

(b) Cuyahoga County Auditor's Office

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin

Last Eight Years

	2008	2007	2006	2005	2004	2003	2002	2001
Total Assessed Property Value	\$ 988,511,560	\$ 995,536,060	\$ 999,298,505	\$ 883,640,876	\$ 887,912,101	\$ 891,061,542	\$ 782,333,792	\$ 767,512,823
General Bonded Debt Outstanding:								
General Obligation Notes/Bonds	17,795,000	19,400,000	20,935,000	22,385,000	24,880,000	24,070,000	26,365,000	24,355,000
Economic Development Revenue Bonds	890,000	1,090,000	1,285,000	1,475,000	1,660,000	1,840,000	1,995,000	-
Bond Anticipation Notes	7,510,000	8,512,000	9,724,000	13,223,000	9,626,000	8,741,000	2,345,000	-
OPWC-Issue II Loans:								
Cedar Road CA22B	102,245	110,765	119,285	127,806	136,326	144,846	153,367	161,887
Cedar Road CA09B	564,525	611,569	658,613	705,657	752,701	799,745	846,789	893,833
Taylor Road CA12D	89,627	96,266	102,905	109,544	116,183	122,822	132,780	-
Coventry Road CA04F	314,280	332,767	351,254	369,741	-	-	-	-
Meadowbrook Blvd CA20H	1,699,321	1,791,176	1,837,104	-	-	-	-	-
Total Gross Indebtedness	28,964,998	31,944,543	35,013,161	38,395,748	37,171,210	35,718,413	31,837,936	25,410,720
Add:								
Lee Road	439,992	67,050	-	-	-	-	-	-
Refunding Rec. Facilities Improvements	8,695,000	-	-	-	-	-	-	-
Cedar Lee Parking Deck	6,355,000	-	-	-	-	-	-	-
Less:								
General Obligation Notes/Bonds	(10,450,000)	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue Bonds	(210,000)	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(7,510,000)	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
OPWC-Issue II Loans:								
Cedar Road CA22B	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,043)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(91,855)	(91,855)	(45,928)	-	-	-	-	-
General Obligation Bond Retirement Fund Balance	3,304,603	2,869,545	2,652,333	3,260,162	3,204,502	3,276,721	3,418,626	3,136,351
Total Net Debt Applicable to Debt Limit	\$ <u>29,417,049</u>	\$ <u>31,901,593</u>	\$ <u>34,596,876</u>	\$ <u>36,436,220</u>	\$ <u>31,506,509</u>	\$ <u>33,752,250</u>	\$ <u>32,741,039</u>	\$ <u>24,479,858</u>
Percentage of Estimated Actual								
Property Value	2.98%	3.20%	3.46%	4.12%	3.55%	3.79%	4.19%	3.19%
Total Net Debt per Capita*	\$ 579	\$ 628	\$ 681	\$ 718	\$ 621	\$ 665	\$ 645	\$ 482

City of Cleveland Heights, Ohio

Ratios of Bonded Debt Outstanding and Legal Debt Margin (continued)

Last Eight Years

	2008	2007	2006	2005	2004	2003	2002	2001
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	\$ 103,793,714	\$ 104,531,286	\$ 104,926,343	\$ 92,782,292	\$ 93,230,771	\$ 93,561,462	\$ 82,145,048	\$ 80,588,846
Legal Debt Margin Within 10 1/2% Limitations	\$ <u>74,376,665</u>	\$ <u>72,629,693</u>	\$ <u>70,329,467</u>	\$ <u>56,346,072</u>	\$ <u>61,724,262</u>	\$ <u>59,809,212</u>	\$ <u>49,404,009</u>	\$ <u>56,108,988</u>
Legal Debt Margin as a Percentage of the Debt Limit	71.66%	69.48%	67.03%	60.73%	66.21%	63.93%	60.14%	69.62%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	\$ 54,368,136	\$ 54,754,483	\$ 54,961,418	\$ 48,600,248	\$ 48,835,166	\$ 49,008,385	\$ 43,028,359	\$ 42,213,205
Total Gross Indebtedness	\$ 28,964,998	\$ 31,944,544	\$ 35,013,161	\$ 38,395,748	\$ 37,171,210	\$ 35,718,413	\$ 31,837,936	\$ 25,410,720
Add:								
Lee Road	439,992	67,050	-	-	-	-	-	-
Refunding Rec. Facilities Improvements	8,695,000	-	-	-	-	-	-	-
Cedar Lee Parking Deck	6,355,000	-	-	-	-	-	-	-
Less:								
General Obligation Notes/Bonds	(10,450,000)	(1,605,000)	(1,535,000)	(1,450,000)	(2,495,000)	(2,390,000)	(2,295,000)	(2,010,000)
Economic Development Revenue								
Bonds	(210,000)	(200,000)	(195,000)	(190,000)	(185,000)	(180,000)	(155,000)	(1,995,000)
Bond Anticipation Notes	(7,510,000)	(1,002,000)	(1,212,000)	(3,499,000)	(6,127,000)	(2,614,000)	-	-
OPWC-Issue II Loans								
Cedar Road CA22B	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)	(8,520)
Cedar Road CA09B	(47,043)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)	(47,044)
Taylor Road CA12D	(6,639)	(6,639)	(6,639)	(6,639)	(6,639)	(3,320)	(9,959)	(6,639)
Coventry Road CA04F	(18,487)	(18,487)	(18,487)	(18,487)	-	-	-	-
Meadowbrook Blvd CA20H	(91,855)	(91,855)	(45,928)	-	-	-	-	-
General Obligation Bond Retirement								
Fund Balance	<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>3,418,626</u>	<u>3,136,351</u>
Net Debt Within 5 1/2% Limitations	<u>29,417,049</u>	<u>31,901,593</u>	<u>34,596,876</u>	<u>36,436,220</u>	<u>31,506,509</u>	<u>33,752,250</u>	<u>32,741,039</u>	<u>24,479,868</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$ <u>24,951,087</u>	\$ <u>22,852,890</u>	\$ <u>20,364,542</u>	\$ <u>12,164,028</u>	\$ <u>17,328,657</u>	\$ <u>15,256,135</u>	\$ <u>10,287,320</u>	\$ <u>17,733,337</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	45.89%	41.74%	37.05%	25.03%	35.48%	31.13%	23.91%	42.01%

*These numbers are based on the Net Debt. This reflects only debt that is supported through real estate value.

Note: Information prior to 2001 is not available.

City of Cleveland Heights, Ohio

Pledged Revenue Coverage
Economic Development – Zagara’s TIF

Last Seven Fiscal Years

<u>Year</u>	<u>Property Taxes and Interest</u>	<u>Debt Service</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2008	\$ 136,229	\$ 210,000	\$ 35,195	55.56%
2007	129,780	200,000	42,395	53.54%
2006	145,539	195,000	49,025	59.64%
2005	125,213	190,000	55,200	51.07%
2004	120,847	185,000	60,843	49.16%
2003	300	180,000	66,063	0.12%
2002	757	155,000	93,540	0.30%

Direct operating expenses are not associated with Tax Increment Financing (TIF) Project.

Note: The Zagara-TIF Economic Development Bond was issued in 2001 for \$1,995,000.

City of Cleveland Heights, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total personal Income</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Educational Attainment: High School or Higher</u>	<u>School Enrollment (c)</u>	<u>Cuyahoga County Un-employment Rate</u>	<u>Sales Price of Residential Property</u>	<u>Total Assessed Value (b)</u>
2008	20,769 (a)	\$ 1,310,043,276	\$ 25,804	\$ 47,400	35.2	91.6%	6,286	5.9%	\$ 131,300	\$ 988,511,560
2007	50,769 (a)	1,310,043,276	25,804	47,400	35.2	91.6%	6,286	5.9%	131,300	995,536,060
2006	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,473	5.2%	245,290	999,298,505
2005	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,717	5.2%	178,000	883,640,876
2004	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	6,887	5.8%	160,000	887,912,101
2003	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,044	6.5%	158,710	891,061,492
2002	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,100	6.6%	150,281	737,930,552
2001	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,146	5.2%	141,543	767,812,823
2000	50,769 (a)	1,310,043,276	25,804	58,028	35.2	91.6%	7,315	4.0%	141,362	783,031,524
1999	54,540	1,231,731,360	22,584	43,541	33.7	88.1%	7,456	4.0%	130,807	676,902,293

(a) Source: Federal 2001 Census, as revised by the U.S. Department of Commerce, Bureau of the Census.
 Years 1998 through 1999 - 1990 Federal Census
 Years 2000 through 2007 - 2000 Federal Census

(b) Source: Cuyahoga County Auditor

(c) Source: Ohio Department of Education Website: "http://www.ode.state.oh.us
 Cleveland Heights – University Heights Schools, Cuyahoga County

City of Cleveland Heights, Ohio

Principal Employers

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2008</u>		<u>1999</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
School District	1,652	5.01%	n/a	
City of Cleveland Heights	841	2.55		
Kaiser Foundation	321	.97		
Walmart	300	.90		
Home Depot	262	.79		
A1 Healthcare	231	.70		
Hebrew Academy	230	.70		
Motorcars	187	.57		
Cleveland Heights Library	184	.56		
Mosdos Ohr Hatorah	154	.47		
All Other Employers	<u>28,626</u>	<u>86.78</u>		
Total	<u>32,988</u>	<u>100.00%</u>		

Source: Number of employees obtained from the W2's from the Income Tax Department.

n/a – Information not available

City of Cleveland Heights, Ohio

Full-time Equivalent City Government Employees by Function/Program

Last Seven Fiscal Years

Function/Program	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General government							
Management/Council	8.07	8.07	8.00	8.07	8.50	9.07	8.07
Finance	19.40	18.08	21.71	21.71	21.00	23.04	22.92
Planning/Community Development	13.84	13.65	13.16	13.16	14.50	21.06	20.54
Building/Inspectional	18.05	20.22	22.04	22.04	21.50	22.00	27.00
Municipal Court	23.25	25.79	23.71	23.71	22.00	24.55	23.89
Other	21.21	24.92	27.07	27.07	23.00	26.40	29.70
Public Safety							
Police							
Officers	117.99	115.66	108.00	108.00	114.00	117.09	119.34
Civilians/Crossing Guards	4.00	4.00	11.95	11.95	4.00	5.00	5.00
Fire							
Firefighters and officers	78.00	79.00	79.00	79.00	79.00	78.00	76.00
Civilians/Dispatch	9.00	9.00	8.00	8.00	8.00	9.00	10.00
Sanitation	31.00	32.00	33.00	32.00	34.00	35.00	36.00
Transportation	22.00	26.00	23.00	26.00	23.00	32.00	31.00
Other Public Works Depts	23.00	24.00	24.60	24.60	24.00	27.60	31.40
Culture and Recreation	64.82	71.94	70.33	70.33	48.00	65.90	82.34
Public Utilities							
Off-Street Parking	3.00	3.00	2.00	2.00	1.00	2.00	2.00
Water	17.00	19.00	20.00	20.00	19.50	23.00	23.00
Wastewater	11.00	10.00	10.00	10.00	13.00	11.00	11.00
	<u>484.63</u>	<u>504.33</u>	<u>505.57</u>	<u>507.64</u>	<u>478.00</u>	<u>531.71</u>	<u>559.20</u>

Source: City of Cleveland Heights Payroll/Human Resources Department

Note: Information prior to 2002 is not available

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program

Last Six Years

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety						
Fire						
EMS Calls	4,113	4,047	3,984	4,168	4,034	4,159
Fire Calls	1,247	1,304	1,261	1,143	1,141	1,269
Fires With Loss	57	51	55	88	51	78
Fire Safety Inspections	1,000+	1,000+	1,000+	1,000+	1,000+	1,000+
Number of Times Mutual						
Aid Given to Fire & EMS	71	90	103	89	84	26
Number of Times Mutual						
Aid Received for Fire & EMS	95	82	42	77	80	56
Civil Service						
Number of Police Entry						
Tests Administered	1	-	1	-	1	n/a
Number of Fire Entry						
Tests Administered	-	1	-	1	-	n/a
Number of Fire Promotional						
Tests Administered	-	-	-	1	-	n/a
Number of Hires of Police						
Officers From Certified Lists	-	2	-	-	4	n/a
Number of Hires of						
Fire/Medics From Certified Lists	-	-	1	1	-	n/a
Number of Promotions						
From Fire Certified Lists	-	-	1	2	-	n/a
Municipal Court						
Number of Civil Cases	1,864	2,014	2,700	1,270	1,831	1,630
Number of Criminal Cases	3,047	3,582	3,408	2,985	2,956	3,218
Public Health (a)						
Vital Statistics						
Certified Certificates Sold						
Number of Births	-	-	177	224	186	185
Number of Deaths	-	-	646	586	553	569

(a) Public Health handled at the County level in 2007

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Certificates Issued						
Burial Permits Issued	-	-	650	770	721	615
Culture & Recreation						
Senior Activity Center Receipts	\$ 54,521	\$ 46,198	\$ 47,239	\$ 49,503	\$ 54,307	\$ 59,306
Swimming Pools Receipts	95,385	103,788	97,851	108,565	99,862	92,037
Ice Program Receipts	50,456	52,876	83,050	76,679	98,986	126,268
General Recreation Program Receipts	69,056	71,849	76,648	77,122	63,873	61,098
Child Care/Summer Program Receipts	157,639	211,603	202,417	206,777	185,493	154,387
Sports Programs Receipts	204,718	224,013	222,546	223,602	218,709	167,484
(a) Community Center Programs Receipts	706,337	708,994	737,836	678,549	632,413	697,677
Cain Park Programs Receipts	419,008	583,553	732,301	666,202	602,292	459,432
Total Recreation Receipts	1,757,120	2,002,874	2,199,888	2,086,999	1,955,935	1,817,689
Community Development						
Annual Entitlement Grant Award	1,723,214	1,778,281	1,773,674	1,968,638	2,072,000	2,102,000
Program Income Received	409,675	373,184	440,590	498,877	479,534	461,804
Sanitation						
(b) Refuse Disposal Costs Per Year January thru December	n/a	n/a	n/a	634,747	642,686	693,349
(a) Community Center Renovation Completed	Several programs were moved to the new facility.					
(b) Beginning 2004, expenses were paid out of Department 6203	Prior to that expenses were paid out of Department 6204					
	Objects of expenditure were 2045.0 thru 2045.04					

Note: Information prior to 2003 is not available.

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Transportation/Streets						
Crackseal Coating Program (lbs.)	12,000	12,000	15,000	15,000	32,000	4,400
Street Repair (Curbs, aprons, berms, asphalt) (hours)	6,240	8,000	8,320	8,320	8,320	n/a
Line Striping (hours)	2,024	700	643	775	800	2,003
Street Sweeping (hours)	1,867	2,400	2,712	1,501	1,953	n/a
Cold Patch (hours)	3,120	3,916	4,160	4,160	4,160	n/a
Snow & Ice Removal-Regular Hours	7,840	5,107	3,456	2,900	2,300	n/a
Snow & Ice Removal-Overtime Hours	6,441	4,476	2,356	8,275	3,507	n/a
Landscaping Stump-Chipper Service (hours)	4,972	5,198	4,128	3,800	3,975	n/a
Leaf Collection-Fall (hours)	12,647	17,875	16,695	8,704	n/a	n/a
Equipment Repair/Body Shop (hours)	16,173	19,720	21,500	21,500	21,500	n/a
Number of Trees Planted Per Year	369	270	278	304	552	353
Tons of Snow Melting Salt Purchased	14,128	13,403	6,910	18,780	14,371	n/a
Cost of Salt/Calcium Chloride Purchased	\$ 492,377	\$ 438,970	\$ 221,946	\$ 586,406	\$ 455,917	\$ 524,151
Skunk Removals	-	165	101	134	421	1,770
Water Department						
Water Rates per 1,000 cu ft of Water Used	48.77	46.73	41.73	41.23	40.02	38.91
Average Number of Water Accounts Billed Monthly (cu ft)	15,876	15,920	15,915	15,970	15,980	15,583
Total Water Collections Annually (Including P & I)	\$ 9,621,815	\$ 9,429,481	\$ 8,802,440	\$ 7,995,432	\$ 7,283,991	\$ 7,973,477
Payments to Cleveland for Bulk Water Purchases	\$ 7,656,758	\$ 7,355,075	\$ 7,509,876	\$ 8,170,774	\$ 7,139,993	n/a
Wastewater Department						
Wastewater Rates per 1,000 Cu Ft of Water Used (Local)	10.05	10.05	10.05	10.05	7.05	7.05
Sewer & Sanitary Calls For Service	515	526	549	439	489	612

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government						
Council & Clerk						
Number of Ordinances Passed	72	42	45	62	65	69
Number of Resolutions Passed	111	116	98	106	123	115
Number of Planning Commission Docket Items	16	23	25	30	33	38
Number of Board of Zoning Appeals Docket Items	33	26	24	27	39	n/a
Finance Department						
Number of Checks/Accounts Payable						
Vouchers Issued	6,842	7,090	7,252	7,404	7,861	n/a
Amount of Checks Written	\$ 27,805,150	\$ 32,223,691	\$ 26,767,750	\$ 29,584,579	\$ 30,834,075	n/a
Interest Earnings for Fiscal Year						
(cash basis)	\$ 458,811	\$ 1,026,304	\$ 987,192	\$ 437,830	\$ 369,534	\$ 556,306
Number of Journal Entries Issued	335	371	278	302	305	n/a
Agency Ratings-Moody's Finance Services	Aa3	Aa3	Aa3	Aa3	Aa3	Aa2
Income Tax Department						
Number of Refund Checks/Vouchers Issued						
Number of Refund Checks/Vouchers Issued	1,100	1,247	1,332	1,229	1,304	n/a
Amount of Checks Written	\$ 384,020	\$ 362,176	\$ 307,635	\$ 367,483	\$ 392,189	\$ 292,108
Number of Individual Returns	15,660	17,797	18,569	19,112	17,161	n/a
Number of Business Returns	1,331	1,881	1,912	1,809	1,859	n/a
Number of Business Withholding Returns	10,343	1,386	1,760	1,691	1,628	n/a
Amount of Penalties and Interest						
Collected	\$ 49,630	\$ 91,867	\$ 271,651	\$ 99,467	\$ 181,190	n/a
Annual Number of Corporate Withholding						
Forms Processed	10,343	1,760	1,760	1,691	1,628	n/a
Annual Number of Balance Due						
Statements Processed	48,909	58,087	58,087	79,710	78,217	n/a
Annual Number of Estimated Payment						
Forms Processed	48,909	58,087	58,087	79,710	78,217	n/a
Annual Number of Reconciliations of						
Withholdings Processed	1,495	1,348	1,837	1,683	1,617	n/a

City of Cleveland Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Building Department Indicators (a)						
Construction Permits Issued-Residential	1,307	1,741	1,499	1,893	1,932	n/a
Construction Permits Issued-Commercial	110	171	137	178	175	n/a
Estimated Value of						
Construction-Residential (Millions)	\$ 9.392	\$ 12.902	\$ 15.055	\$ 16.065	\$ 13.479	n/a
Estimated Value of						
Construction-Commercial (Millions)	\$ 8.490	\$ 27.378	\$ 18.528	\$ 36.806	\$ 16.682	n/a
Number of Permits Issued	3,813	4,563	4,103	5,109	5,307	n/a
Amount of Revenue Generated						
From Permits	\$ 227,462	\$ 309,977	\$ 426,412	\$ 522,638	\$ 331,876	n/a
Amount of Revenue Generated						
From Fees/Licenses	\$ 348,592	\$ 568,550	\$ 426,650	\$ 547,318	\$ 403,715	n/a
Number of Contractor Registrations Issued	1,078	1,269	1,187	1,311	1,222	n/a
Number of Inspections Performed	7,385	9,150	9,458	9,018	8,501	n/a

(a) Source: Building Department's Annual Report

Note: Information prior to 2003 is not available

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program

Last Six Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government						
Square Footage Occupied	68,000	68,000	68,000	68,000	68,000	68,000
Administrative Vehicles	22	16	17	18	18	11
Inspection Vehicles	18	18	17	17	17	19
Municipal Court Vehicles	2	2	2	2	2	2
Lands and Buildings Vehicles	16	16	22	23	19	20
Police						
Stations	1	1	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877	18,877	18,877
Vehicles	153	118	107	119	127	113
Fire						
Stations	2	2	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068	24,068	24,068
Vehicles	20	19	20	20	23	20
Recreation						
Number of Parks	6	6	6	6	6	6
Number of Pools	1	2	2	2	2	2
Number of Ice Rinks	2	2	2	2	2	2
Number of Tennis Courts	18	18	18	18	18	18
Number of Skateboarding Areas	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9
Number of Basketball Courts	5	5	5	5	5	5
Square Footage of Community Center	150,000	150,000	150,000	150,000	150,000	150,000
Vehicles	34	13	17	20	21	21

City of Cleveland Heights, Ohio

Capital Assets Statistics by Function/ Program (continued)

Last Six Years

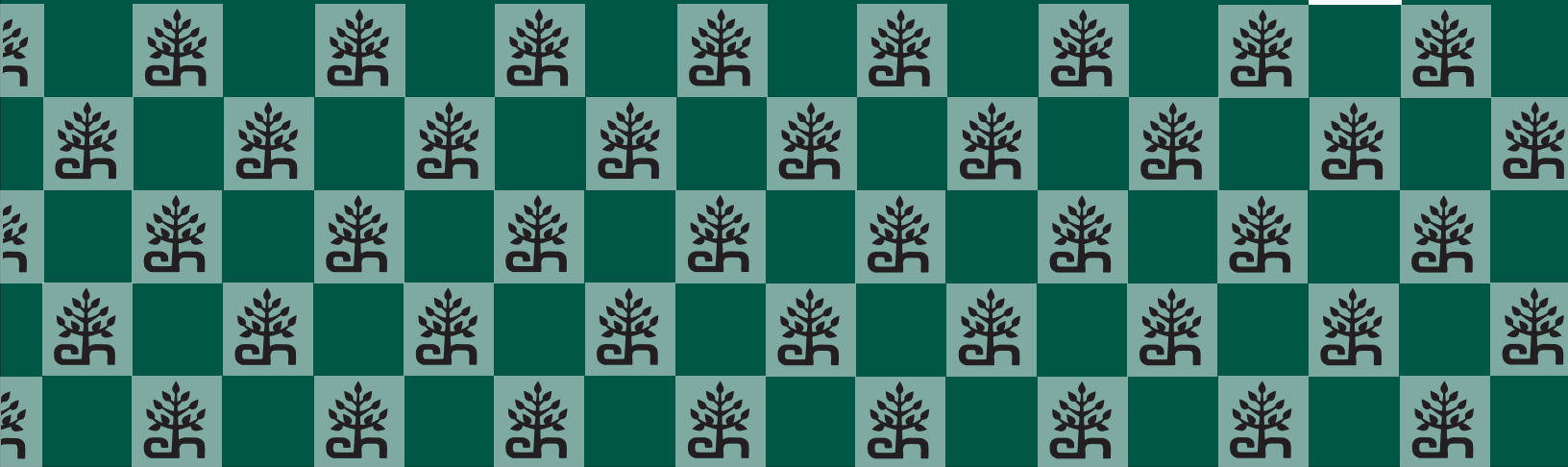
	2008	2007	2006	2005	2004	2003
Other Public Works						
Streets (miles)	137	137	137	137	137	137
Curbs (miles)	249	249	249	249	249	249
Square Footage of						
Garage/Transfer Station	42,244	42,244	42,244	42,244	42,244	42,244
Service Vehicles	153	145	117	90	101	92
Wasterwater						
Sanitary Sewers (miles)	150	150	150	150	150	150
Storm Sewers (miles)	150	150	150	150	150	150

Source:

- 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

Note: Information prior to 2003 is not available

CLEVELAND HEIGHTS, OHIO





Mary Taylor, CPA
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
JANUARY 19, 2010**