The City of

Fairview Park, Ohio

a great place to grow

Comprehensive Annual Financial Report

For the year ended December 31, 2011

Dave Yost • Auditor of State

Members of Council
City of Fairview Park
20777 Lorain Road
Fairview Park, Ohio 44126

We have reviewed the *Independent Auditor's Report* of the City of Fairview Park, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2011 through December 31, 2011. 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 Fairview Park is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

August 8, 2012

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www.ohioauditor.gov

City of Fairview Park, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2011

Prepared by:

Lisa M. Rocco, Finance Director
and Department of Finance

Introductory Section

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City of Fairview Park, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2011
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CITY OF FAIRVIEW PARK

20777 Lorain Road
Fairview Park, Ohio 44126-2018
– Established in 1910 –

Eileen Ann Patton, Mayor

June 27, 2012

Honorable Eileen Ann Patton, Mayor, Members of City Council and
Citizens of Fairview Park
20777 Lorain Road
Fairview Park, OH 44126

It gives me great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Fairview Park. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end. Although not required by law, management of the City has decided to prepare this CAFR. It is intended to provide pertinent and necessary information to the citizens of Fairview Park.

The information contained in this report will assist City officials in making management decisions and will provide the taxpayers of the City of Fairview Park with comprehensive financial data in such a format as to enable them to gain a true understanding of the City's financial affairs. The general public, as well as investors, will be able to compare the financial position of the City of Fairview Park and the results of its operations with other governmental entities.

The Comprehensive Annual Financial Report of the City of Fairview Park, Ohio, for the year ended December 31, 2011 is submitted herewith. The City, and more specifically the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. The accuracy and completeness of the data, is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

State statutes require the City to be subjected to an annual examination either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Ciuni & Panichi, Inc. rendered an opinion on the City's financial statements as of December 31, 2011, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

This is the fourteenth Comprehensive Annual Financial Report issued by the City. The report is prepared in accordance with Generally Accepted Accounting Principles, as set forth by the Governmental Accounting Standards Board and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA).

REPORTING ENTITY

For financial purposes, the City includes all funds, agencies, boards, and commissions making up the City of Fairview Park and its potential component units in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity". The primary government comprises all activities and services, which are not legally separate for the City. The City provides various services including public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

The Rocky River Wastewater Treatment Plant is a joint venture that is discussed in Note 17 of the notes to the basic financial statements. The City is associated with the West Shore Council of Governments, Tri-City Park, S.A.F.E. Council of Governments, and West Shore Area Rescue Association, which are identified as jointly governed organizations. These organizations are presented in Note 18 of the notes to the basic financial statements.

A complete discussion of the City's reporting entity is provided in Note 1 of the notes to basic financial statements.

AN OVERVIEW OF THE CITY OF FAIRVIEW PARK

The City is located in Cuyahoga County in northeastern Ohio, approximately 10 miles west of the downtown area of the City of Cleveland. It was incorporated as the Village of Fairview in 1910 and became the City of Fairview Park in 1950. The City's 2011 population, according to 2010 Census data, is 16,826. The City's area is approximately 4.77 square miles, broken down by land use as follows:

	Area	Percent of Assessed Valuation of Real Property
Residential	54.5%	82.89%
Commercial/Industrial	9.7	16.04
Public Utility	0.1	1.07
Governmental (including parks) and Other Tax Exempt	34.3	(a)
Agricultural	0.0	0
Undeveloped	1.4	(b)

(a) Not applicable. Exempt from property taxation.
(b) Included in above categories.
Sources: Fairview Park Building Department and Cuyahoga County Fiscal Officer.

The City is served by diversified transportation facilities, including three State and U.S. highways and interstate highway I-480. The City is adjacent to areas served by Conrail and Amtrak, and is served by passenger air services at Cleveland Hopkins International Airport located within two and one-half miles of the City, and by Burke Lakefront Airport, located within thirteen miles of the City. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority (RTA).

Banking and financial services are provided to the City area by offices of local commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

The City is served by one daily newspaper, the Cleveland Plain Dealer, and two weekly newspapers, WestLife and the Sun Post-Herald. The City is within the broadcast area of seven television stations and 30 AM and FM radio stations. Multi-channel cable television service, including educational, governmental, and public access channels, is provided by Cox Cable Communications, Inc. and Wide Open West (WOW).

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These education institutions include Baldwin-Wallace College, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Ursuline College, Notre Dame College, Oberlin College, and The University of Akron.

City residents are served by five hospitals within a ten-mile radius of the City: Fairview General Hospital, Lakewood Hospital, MetroHealth Medical Center, Southwest General Hospital and St. John West Shore Hospital. The City is also served by numerous other hospitals in Cuyahoga County, including The Cleveland Clinic Foundation Hospital and University Hospitals of Cleveland, two tertiary care facilities.

The City is served by a variety of recreational facilities, including the Gemini Center, a 93,000 square feet recreation and community center located in Fairview Park. The City operates a system of parks that features 54.2 acres of parkland, playgrounds, baseball ball diamonds and other athletic fields, playing courts, nature and jogging trails, the Bain Park Community Cabin and picnic areas. The City's Recreation Department, in cooperation with the Fairview Park City School District, provides various recreational programs and activities for City residents in those parks as well as indoor swimming, tennis and skating facilities. The City also operates, in conjunctions with the cities of Rocky River and Westlake, the 14-acre Tri-City Park, which offers a baseball diamond, soccer field, basketball court, playground area, parking facility, and four tennis courts. Finally, a portion of the City lies within the Rocky River Reservation of the Cleveland Metropolitan Park District.

THE CITY'S FORM OF GOVERNMENT

The City of Fairview Park operates under and is governed by its Charter, first adopted by the voters in 1958, which has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities whether or not they exercise home rule. Under the Ohio Constitution, the City may exercise all powers of local self-government, as well as police powers to the extent they are not conflicting with applicable general laws. The Charter provides for a Council-Mayor form of government.

Legislative authority is vested in a seven-member Council. Two members are elected at-large and the remaining five are elected from wards, for four-year terms. The presiding officer is the President of Council, who is one of the Council members elected at-large. City Council sets compensation for City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The City Charter establishes certain administrative departments; City Council may establish divisions of those departments, and create additional departments.

The City's chief executive and administrative officer is the Mayor, who is elected directly by the voters for a four-year term. The Mayor appoints, subject to the approval of City Council, the directors of the City departments. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except City Council officers and employees. The Mayor may veto any legislation passed by the City Council. A veto may be overridden by a two-thirds vote of all members of City Council.

ECONOMIC DEVELOPMENT

Known today for its exceptional master-planned and progressive business development, new infrastructure projects, and outstanding adjacent parks system, the City of Fairview Park has become one of Cuyahoga County's most dynamic communities. Committed to ensuring high quality standards for development, the City of Fairview Park has distinguished itself as a place where residents desire to live, work, and play. Through its unique innovations and progressive planning, the Economic Department of Public Service and Development has helped to create the quality of life that has made Fairview Park the community it is today.

During 2011, eleven commercial occupancy permits were issued to new businesses including Menchies Frozen Yogurt, Financial Network, Anchor Home Health Care, Rival Gear, Cox Solutions, North Point Renovations, Guy's Pizza, Huntington Bank, NC Home Décor, and Earth Fare, the new specialty store at Westgate.

While the City greeted several new businesses during 2011, many existing businesses opted for self-improvement by taking advantage of the Storefront Renovation Program offered by the Cuyahoga County Department of Development. Participation was on an individual basis and resulted in more than $57,140 in improvement to business facilities throughout Fairview Park. Participating businesses included Fabric Showcase, Cyclones Pitas, Complete Automotive Repair Service and Financial Network of Cleveland.

Despite continuing difficult economic times, the City of Fairview Park was able to successfully implement a balanced budget for fiscal year 2011. However, projections of declining finances in the future, exacerbated by policy decisions made at the national and state levels of government, have prompted City officials to place a greater focus on growing the City's tax base and overall level of revenue through additional development efforts.

Perhaps the key development effort underway concerns the north campus of the NASA Glenn Research Center, former office space for NASA located on Brookpark Road. In 2010, NASA relocated all of its civil servants, taking with it a substantial portion of the City's income tax revenue. Since then, City officials have been working with Geis Construction, a development company; NASA; and the U.S. General Services Administration to broker a deal by which the property would be turned over to the City of Fairview Park. The goal for the property is for Geis to redevelop the land and bring in new tenants to fill the office space, thereby restoring revenue lost by NASA's relocation. Current projections are that the redevelopment of the property will result in the City of Fairview Park regaining the $400,000 in income tax revenue lost when NASA relocated its employees, plus the possibility of even greater income tax revenue. To facilitate the sale of this property, the City continues to work with Cleveland to lift the aeronautics use only deed restriction and is working with GSA to market the property.

A final piece of property in Fairview Park that the City Administration is developing is the former site of the Cleveland Motel, located at West 227 Street and Lorain Road. The Cleveland Motel was demolished in 2009 and was sold to the North Coast Credit Union in 2012, with a groundbreaking in May 2012. Total investment in Fairview Park is $840,000 along with a $590,000 per year payroll.

This past year found the City in the exciting process of "branding" the downtown area with the addition of a new owner, Lamar Companies, at the Fairview Shopping Center. Last year, through the passage of ordinances presented to City Council, this administration supported the sale of this shopping district with an easement agreement for utilities and a parking agreement with the new owner. This year, new,

positive changes will be happening at the center that will include the demolition of the 2 story building at the western end and a new façade, recently approved by the City planning commission, will be constructed on the front of the entire site.

In 2012, the City will again update its Master Plan. This team of 19 residents, representing neighborhoods, the business community, City council, schools and churches will help set a clear vision for the City that is reflective of the values of Fairview Park citizens. They will help "set the table" for future development and focus on strategic plans relevant to the needs of our community. The committee has hired a professional planner to assist the team through the process, which will conclude by years end. Funding for our 2012 Master Plan has been made possible through a grant from Cuyahoga County.

CITY SERVICE

As revenue continued to be flat in 2011, it fell to the City administration to ensure that the City operated within its fiscal limitations without compromising the quality of service delivery to its residents.

Despite its budget limitations, the City and its service department were able to complete a number of innovative and useful projects in 2011. Our City service department activities focused on getting things done with less. In many instances, this activity took the form of scaled back projects while seeking outside funding to get things done without City money. During the year, instead of the normal annual street program, which typically costs up to $900,000, the City selectively chose six streets, plus West 220th bridge fence replacement, various locations for full depth concrete repairs and joint/crack sealing for repairs and maintenance, for a total cost of $469,125.

In an effort to reduce costs, particularly overtime, Service Supervisor Jim Maat continued the 24 hour, three shift operations in the winter months which resulted in reduction of overtime for snow removal. Due to our mild winter, we used 1,213 tons of salt this winter, 605 tons less than the previous winter at a cost of $55,000.

In May 2012, City council passed legislation in regards to our rubbish collection contract with Republic Waste. This new contract will improve our recycling efforts with increased service for yard waste and reduction of costs per household. We anticipate rolling out this new automated program in July of this year and will include every resident receiving a trash container and a recycling container that will be automated. Yard waste will be picked up separately and will go to a yard waste recycling center. Our new contract will be $11.84 per household, versus the previous amount of $14.40 per household. Last year the $10.00 per household was extended for 2 years as this revenue helps off set our trash/recycling cost of almost $1 million. A public meeting has been set for resident education on the new program along with a brochure mailed to each homeowner.

In continuing our efforts toward a "greener" Fairview Park, along with keeping harmful waste from entering our land fills, we offered 2 special recycle/shredding days in 2011. Through the efforts of our residents, service department employees and our Fairview Park Green Team, we collected a total of 8 tons of shredded paper, 9 tons of computers and associated equipment, 3 tons of tires, and 5 tons of household hazardous waste. We collected 1,056 more tons than the previous year.

As we continue to seek out grant dollars, many of our City trees were diagnosed with Ash Tree Disease. 84 new trees were replaced with a grant from the Ohio Department of Natural Resources. We also received a $71,500 grant from NOPEC to replace our old City boiler that has been operating since the 1960's along with the $45,000 grant from Cuyahoga County for an Energy Audit of City facilities.

In 2011, the Service Department had 3 longstanding employees retire including a mechanic, our traffic technician and an all around experienced service worker. Our service department is now staffed with 21 full time employees and 1 part time employee. As this small, but hard-working department has shrunk in number of employees over the years, it is imperative that we budget for the necessary equipment they need to perform their jobs. In 2011 this included the purchase of a Ford F550 truck and a tractor at the cost of $56,985.

Our sewer projects during 2011 totaled $434,042 and they included a variety of projects. These included the cleaning, grouting, smoke testing of the sanitary lines on 6 streets. We also did manhole repairs on some of these streets. Additional projects included storm sewer outlet replacement on Deer Lane and the televising of sanitary lines and manhole repairs on three more streets.

This administration knows first hand how flooding of homes effects our residents. We are and will continue to be vigilant in continuing our efforts to address our aging infrastructure project by project.

As we continue to explore cost saving measures in all departments, Service Director Kennedy took the lead and initiated meeting with our fellow west shore cities. Periodic meetings have now taken place between the west shore service directors to identify areas of collaboration and cost savings. Beginning this summer, we will participate in a "first ever" joint sewer cleaning program that will increase productivity and allow us to clean more sewers with less manpower. This example of a "city to city" collaboration could be a model for all 59 communities in Cuyahoga County.

BUILDING

Building, rebuilding, and expansions to private homes and businesses proceeded at a steady pace in 2011 with the building of 5 new garages, 12 decks, and 39 major alterations overall. The Fairview Park Building Department issued 1,589 permits in 2011 for various items, a decrease of 183 permits from 2010.

The City's Summer Maintenance Program continued in 2011 to preserve maintenance standards in residential neighborhoods. A home is generally the most valuable investment an individual possesses and the building department helps ensure that the City's housing stock remains strong for years to come.

LONG-TERM FINANCIAL PLANNING

In order to make sound fiscal decisions now and in the future, the City has set Principles for Budget and Financial Management. These principles provide guidance for budget development, financial and debt management, and reserves. The City utilizes a multi-year financial forecast to project revenues, expenditures and fund balances.

The unassigned fund balance in the general fund is 20.25 percent of the total general fund revenues. One-time revenues are to be used for financing one-time expenditures such as major maintenance projects, capital improvements, debt service and reserves for current year contingencies. In addition, unassigned fund balances provide beginning of the year cash flow until current revenues are received.

RELEVANT FINANCIAL POLICIES

The City of Fairview Park is a Charter City. Therefore, the City Charter sets relevant financial policies that enable the City to set Principles for Budget and Financial Management. The City Charter is reviewed by a Mayor-appointed Charter Review Committee every ten years and recommends changes to the City Charter to be placed on the ballot for a Citywide vote.

AWARDS AND ACKNOWLEDGEMENTS

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 Fairview Park for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. 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, the City had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The publication of this CAFR displays the City's ability to provide significantly enhanced financial information and accountability to the citizens of the City of Fairview Park, its elected officials, City management, and investors.

The publication of this CAFR represents an important achievement in the ability of the City of Fairview Park to provide significantly enhanced financial information and accountability to the citizens of the City, its elected officials, City management, and investors. This report continues the aggressive program of the Finance Department to improve the City's overall financial accounting, management, and reporting capabilities.

I would like to acknowledge the efforts of the entire staff of the Finance Department, for their contributions to this report. Special thanks are extended to Mayor Eileen A. Patton and Members of City Council for their enthusiastic support of this project, and for the guidance and assistance provided by the Local Government Services section of the Dave Yost, Auditor of State's Office, who provided valuable assistance in a most professional manner.

I would also like to thank all of the department heads and staff for their assistance and cooperation with the preparation of this CAFR. I ask for their continued support of this project and of my efforts toward continuing the sound financial management for the City of Fairview Park.

Sincerely,

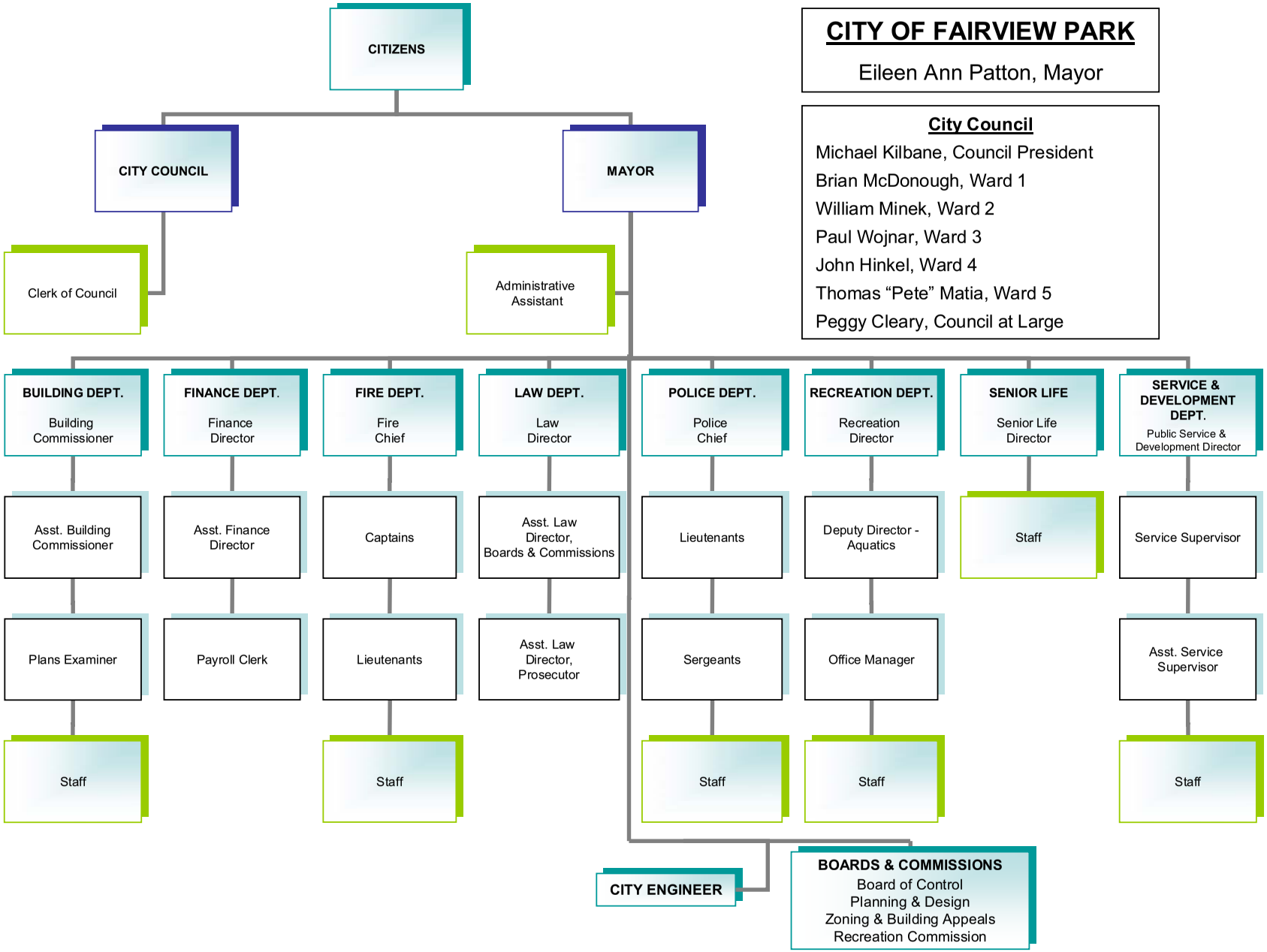
Lisa M. Rocco, Finance Director

CITY OF FAIRVIEW PARK

Eileen Ann Patton, Mayor

City Council

Michael Kilbane, Council President
Brian McDonough, Ward 1
William Minek, Ward 2
Paul Wojnar, Ward 3
John Hinkel, Ward 4
Thomas "Pete" Matia, Ward 5
Peggy Cleary, Council at Large



CITY OF FAIRVIEW PARK, OHIO

City Officials

Elected Officials

Mayor
Eileen Ann Patton

Council Members

President of Council	Michael Kilbane
Council - Ward I	Brian McDonough
Council- Ward II	William F. Minek
Council - Ward III	Paul Wojnar
Council - Ward IV	John Hinkel
Council - Ward V	Thomas “Pete” Matia
Council at Large	Peggy M. Cleary

Appointed Officials

Director of Law	Sara Fagnilli
Director of Finance	Lisa M. Rocco
Police Chief	Patrick Nealon
Fire Chief	Julian Williams
Director of Public Service	James M. Kennedy
Recreation Director	Kenneth Kaminski
Building Commissioner	Selwyn Kulcsar
Senior Life Director	Regina Sillasen

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairview Park
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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

President

Executive Director

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Financial Section

Ciuni & Panichi
CPAs and Business Advisors
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Independent Auditor's Report

Members of the City Council
Fairview Park, Ohio

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 Fairview Park, Ohio (the "City"), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

As described in Note 3 to the financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus.*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
C&P Wealth Management, LLC

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Independent Member of
Geneva Group International

Members of the City Council
Fairview Park, Ohio

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 27, 2012

The discussion and analysis of the City of Fairview Park's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key Financial highlights for 2011 are as follows:

- The City continued to implement cost-cutting measures to keep expenses from exceeding revenues. These measures included reducing overtime, increases in the employee share of health care costs, and no wage increases in 2011.

- Effective April 2010, the City imposed on its residents a $10/month garbage pickup fee with a sunset provision of December 31, 2011, to help generate more revenue in the general fund that supports the majority of activities in the City. Council voted to extend the fee through December 31, 2013

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Fairview Park that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and

charges (business-type activities). The governmental activities of the City of Fairview Park include general government, security of persons and property, public health services, transportation, community environment, basic utility services and leisure time activities. The business-type activities include the sewer and Gilles-Sweet funds.

The government-wide financial statements can be found starting on page 14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fairview Park, 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 Fairview Park can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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 recreation fund, which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer operations as it is considered a major fund, while the Gilles-Sweet enterprise fund is a nonmajor fund.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The *statement of net assets* and the *statement of activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The *statement of net 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 City of Fairview Park as a Whole

Recall that the *statement of net assets* looks at the City as a whole. The following provides a summary of the City's net assets for 2011 compared to 2010:

NET ASSETS
TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	$14,392,667	$14,118,283	$4,692,484	$4,435,980	$19,085,151	$18,554,263
Capital Assets, Net	48,635,644	50,283,430	12,291,482	12,618,302	60,927,126	62,901,732
Total Assets	63,028,311	64,401,713	16,983,966	17,054,282	80,012,277	81,455,995
Current and Other Liabilities	5,840,437	5,170,500	110,461	31,798	5,950,898	5,202,298
Long-Term Liabilities:						
Due within One Year	699,677	1,757,592	57,574	36,134	757,251	1,793,726
Due in More than One Year	25,506,119	25,513,524	121,173	231,396	25,627,292	25,744,920
Total Liabilities	32,046,233	32,441,616	289,208	299,328	32,335,441	32,740,944
Invested in Capital Assets, Net of Related Debt	24,887,293	26,270,731	12,173,622	12,409,791	37,060,915	38,680,522
Restricted for:						
Capital Projects	1,570,645	1,829,248	0	54,517	1,570,645	1,883,765
Unclaimed Monies	0	320,000	0	0	0	320,000
Street Construction, Maintenance and Repair	334,582	518,659	0	0	334,582	518,659
State Highway	117,282	132,053	0	0	117,282	132,053
Street Lighting	70,350	115,606	0	0	70,350	115,606
Police Programs	76,332	321,606	0	0	76,332	321,606
Recreation and Community Center Programs	1,782,410	1,222,433	0	0	1,782,410	1,222,433
Other Purposes	503,529	489,387	0	0	503,529	489,387
Unrestricted	1,639,655	740,374	4,521,136	4,290,646	6,160,791	5,031,020
Total Net Assets	$30,982,078	$31,960,097	$16,694,758	$16,754,954	$47,676,836	$48,715,051

Total assets decreased from 2011 primarily due to a decrease in capital assets. During 2011, the annual depreciation of governmental capital assets exceeded current year additions.

The reason for the decrease of total liabilities was the repayment of debt such as loans, capital leases, and general obligation bonds.

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

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:

CHANGES IN NET ASSETS

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services and Operating Assessments	$3,016,012	$2,778,659	$1,998,193	$1,795,677	$5,014,205	$4,574,336
Operating Grants	709,728	955,501	0	0	709,728	955,501
Capital Grants	53,081	169,922	0	0	53,081	169,922
Total Program Revenues	3,778,821	3,904,082	1,998,193	1,795,677	5,777,014	5,699,759
General Revenues:						
Property Taxes	3,634,910	3,741,554	0	0	3,634,910	3,741,554
Income Taxes	7,822,728	7,354,151	0	0	7,822,728	7,354,151
Franchise Taxes	289,816	211,439	0	0	289,816	211,439
Grants and Entitlements	1,878,667	1,818,333	0	0	1,878,667	1,818,333
Unrestricted Contribution and Donations	0	98,176	0	0	0	98,176
Investment Income	2,640	4,553	0	0	2,640	4,553
Gain on Sale of Capital Assets	21,857	5,400	0	0	21,857	5,400
Other	217,178	185,800	0	1,937	217,178	187,737
Total General Revenues	13,867,796	13,419,406	0	1,937	13,867,796	13,421,343
Total Revenues	17,646,617	17,323,488	1,998,193	1,797,614	19,644,810	19,121,102
Program Expenses						
General Government	2,597,783	2,782,550	0	0	2,597,783	2,782,550
Security of Persons and Property	7,267,524	7,854,479	0	0	7,267,524	7,854,479
Transportation	2,586,528	2,221,067	0	0	2,586,528	2,221,067
Community Environment	359,121	328,999	0	0	359,121	328,999
Basic Utility Services	1,129,614	1,013,896	0	0	1,129,614	1,013,896
Leisure Time Activities	3,555,596	3,303,008	0	0	3,555,596	3,303,008
Public Health Services	1,335	1,795	0	0	1,335	1,795
Interest and Fiscal Charges	1,070,312	1,101,108	0	0	1,070,312	1,101,108
Sewer	0	0	2,115,212	2,063,857	2,115,212	2,063,857
Gilles-Sweet	0	0	0	53	0	53
Total Program Expenses	18,567,813	18,606,902	2,115,212	2,063,910	20,683,025	20,670,812
Decrease in Net Assets Before Transfers	(921,196)	(1,283,414)	(117,019)	(266,296)	(1,038,215)	(1,549,710)
Transfers	(56,823)	(113,646)	56,823	113,646	0	0
Change in Net Assets	(978,019)	(1,397,060)	(60,196)	(152,650)	(1,038,215)	(1,549,710)
Net Assets Beginning of Year	31,960,097	33,357,157	16,754,954	16,907,604	48,715,051	50,264,761
Net Assets End of Year	$30,982,078	$31,960,097	$16,694,758	$16,754,954	$47,676,836	$48,715,051

Governmental Activities

Governmental activities decreased the City's net assets by $978,019 during 2011.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2 percent for 2011, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 75 percent credit up to 1.25 percent for those who pay income tax to another city. City Council could by ordinance, choose to vary that income tax credit and create additional revenues for the City.

The income tax revenue increased in 2011, as a result of several new businesses relocating to the City. General revenue from property taxes is also a significant source of revenue. Property tax revenue generated in 2011 decreased from 2010, due to the continued down economy.

Charges for services revenue increased in 2011 as a result of a fourth full year of operations at the Gemini Recreation Center, which fully opened in August, 2008 and the $10/month garbage pickup fee imposed to City's residents in April 2010. Capital grants includes a van donated to the City from the Senior Life Center valued at $53,081.

Investment earnings were much lower in 2011 due to lower interest rates and less cash available to invest.

Grants and entitlements slightly increased in 2011. Although local government funding from the State has decreased, the City received additional revenue from estate taxes.

The tables above reflect how the City funds it programs, either through program or general revenues. As can be seen above, all programs have a heavy reliance on general revenues.

The largest program function for the City for 2011 is security of persons and property. The program pays for basic police, fire and emergency medical services, pensions, and equipment. Expenses decreased in 2011 due to less costs for equipment.

The second largest program is leisure time activities expense which increased during 2011, due to increase costs for the operation of the recreation center.

General government expenses accounts for the basic operations of the City including council, mayor, finance, law, civil service, engineering, building maintenance, among other services. This category decreased mainly due to the City's cost-cutting measures.

Business-Type Activities

The business-type activities of the City had decreased net assets of $60,196 during 2011.

Program expenses exceeded program revenues in the amount of $117,019 for the sewer operations for 2011. This is mainly due to the loss on the investment in joint venture, a non-operating expense.

Financial Analysis of the Government's Funds

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

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An activity not required to be reported in a separate fund is included in the general fund. Governmental funds are used to account for tax-supported activities.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 16. These funds are accounted for by using the modified accrual basis of accounting.

Fund balances are the differences between assets and liabilities reported in a governmental fund. The restricted fund balance is that portion of a governmental fund's fund balance that has constraints on the use of the resources. Fund balances that are committed include amounts that can be used only for the specific purposes imposed by formal action. Assigned fund balances are intended to be used for specific purposes. Unassigned fund balances are amounts available for appropriation. Assigned fund balance reflects a government's self-imposed limitations on the use or otherwise available expendable financial resources in governmental funds.

As of the end of the current fiscal year, the City of Fairview Park's governmental funds reported combined ending fund balances of $5,486,946, which was a decrease of $618,130 from 2010. Of the total governmental fund balances, $2,157,736 constitutes the general fund balance, a $219,087 decrease from 2010.

All governmental funds had total revenues of $17,577,983 and expenditures of $17,893,648, with expenditures exceeding revenues by $315,665. Efforts are being made to reduce expenditures in all City departments, as spending down fund balance cannot continue indefinitely.

The City's Funds

General Fund

The general fund is the main operating fund of the City. At the end of the current year, total fund balance for the general fund was $2,157,736 of which $80,070 was unspendable, $24,301 was assigned, and $2,053,365 was unassigned for financial reporting purposes. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to annual fund expenditures. Unassigned general fund balance represents 20.96 percent of total general fund expenditures, while total fund balance represents 22.02 percent of that same amount.

During the current year, the fund balance of the City's general fund decreased by $219,087.

Recreation Fund

The recreation fund is another major fund for the City. At the end of the current year, total fund balance was $1,256,876, $2,588 of which was nonspendable and $1,254,288 of which was committed for financial reporting purposes. This was the third full year of operations for the Gemini Recreation Center. Charges for services increased compared to 2011, while debt related expenditures decreased. The combination of these two factors caused this fund to have an increase in fund balance of $454,091.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2011 the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (department level). The general fund supports many of our major activities such as our police department and fire department as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were $9,734,405. The final budgeted revenues were $10,297,802 and actual revenues were the same. The $563,397 variance between original budgeted revenues and final budgeted revenues is primarily due to more estate taxes received than expected. General fund original budgeted expenditures were $10,214,814 and the final budgeted expenditures were $10,214,714. Actual general fund expenditures were $9,897,753 or $316,961 less than final budget. The decrease in actual expenditures represents City's proactive management and legislative action to control and reduce costs wherever practicable during 2011.

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31
(NET OF DEPRECIATION)
TABLE 3

	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
Land	$1,050,943	$1,050,943	$0	$0
Buildings	17,984,258	18,332,547	168,182	173,239
Land Improvements	696,769	568,271	0	0
Equipment and Furniture	761,341	760,490	252,933	275,354
Vehicles	752,201	733,377	0	0
Infrastructure	27,390,132	28,837,802	11,870,367	12,169,709
Total	$48,635,644	$50,283,430	$12,291,482	$12,618,302

In 2011, the City's current year depreciation outpaced acquisitions of capital assets. As a cost-saving measure the City purchased minimal capital assets. Some of the items purchased included a service vehicle, three vehicles for the police department, main doors for the City hall, and a track replacement for the High School stadium.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. For additional information see Note 12 to the basic financial statements.

Debt

As of December 31, 2011, the City of Fairview Park had the following in bonds, notes, loans, and leases outstanding:

OUTSTANDING DEBT AT DECEMBER 31
TABLE 4

	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
General Obligation Bonds	$22,289,346	$22,678,198	$0	$0
Economic Development Notes	750,000	1,100,000	0	0
Lorain Road Revitalization Loan	155,263	188,188	0	0
OPWC Loan	713,342	738,372	117,860	153,994
Commercial Redevelopment Loans	219,893	263,965	0	0
Capital Leases	310,112	271,513	0	54,517
Intergovernmental Loan	277,241	334,025	0	0
Total	$24,715,197	$25,574,261	$117,860	$208,511

The City's overall legal debt margin was $37,517,984 at December 31, 2011.

In 2009, the City entered into a contractual agreement for a commercial redevelopment loan from Cuyahoga County for acquisition and improvements of a property located at 20520 Lorain Road, within the City. The loan will be repaid from the Lorain Road revitalization capital project fund.

The City also entered into a contractual agreement for a commercial redevelopment loan from Purvin, Incorporated in 2009, for acquisition and improvements of a property located at 22735 Lorain Road, within the City. The loan will be repaid over a seven-year schedule and will be paid out of the permanent improvement capital projects fund and with user charges in the sewer enterprise fund.

On December 29, 2009, the City issued a loan with Ohio Public Works Commission for sewer and various street projects around the City. The OPWC loan will be paid out of the capital improvements capital project fund and with user charges in the sewer enterprise fund.

Additional information concerning the City's debt can be found in Notes 16 and 17 to the basic financial statements.

Current Financial Related Activities

The City of Fairview Park maintained throughout 2011 a Moody's Investors Service (A1) and Standard and Poor's A- rating.

The Administration and City Council developed a major project for the construction of the Gemini Recreation Center, along with upgrading of City facilities. As a result, we have seen a remarkable increase in our capital assets over the past three years and the expansion of several City services. The year 2011 is no different as the City completed street improvements, sewer lines, and other infrastructure improvements.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information contact Director of Finance Lisa M. Rocco, City of Fairview Park, 20777 Lorain Road, Fairview Park, Ohio 44126-2018, telephone 440-356-4400, or email Lisa.Rocco@fairviewpark.org.

BASIC FINANCIAL STATEMENTS

City of Fairview Park, Ohio

Statement of Net Assets

December 31, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$4,741,737	$668,507	$5,410,244
Materials and Supplies Inventory	42,921	0	42,921
Accounts Receivable	180,282	0	180,282
Intergovernmental Receivable	1,131,171	237,449	1,368,620
Prepaid Items	77,409	0	77,409
Municipal Income Taxes Receivable	3,106,718	0	3,106,718
Property Taxes Receivable	3,866,589	0	3,866,589
Assets Held for Resale	1,026,757	0	1,026,757
Deferred Charges	219,083	0	219,083
Investment in Joint Venture	0	3,786,528	3,786,528
Nondepreciable Capital Assets	1,050,943	0	1,050,943
Depreciable Capital Assets, Net	47,584,701	12,291,482	59,876,183
Total Assets	63,028,311	16,983,966	80,012,277
Liabilities			
Accounts Payable	134,146	87,905	222,051
Accrued Wages	279,107	5,621	284,728
Contracts Payable	167,451	0	167,451
Intergovernmental Payable	455,504	9,290	464,794
Vacation Benefits Payable	82,079	7,645	89,724
Deferred Revenue	4,591,610	0	4,591,610
Accrued Interest Payable	98,158	0	98,158
Claims Payable	32,382	0	32,382
Long-Term Liabilities:			
Due Within One Year	699,677	57,574	757,251
Due In More Than One Year	25,506,119	121,173	25,627,292
Total Liabilities	32,046,233	289,208	32,335,441
Net Assets			
Invested in Capital Assets, Net of Related Debt	24,887,293	12,173,622	37,060,915
Restricted for:			
Capital Projects	1,570,645	0	1,570,645
Street Construction, Maintenance and Repair	334,582	0	334,582
State Highway	117,282	0	117,282
Street Lighting	70,350	0	70,350
Police Programs	76,332	0	76,332
Recreation and Community Center Programs	1,782,410	0	1,782,410
Other Purposes	503,529	0	503,529
Unrestricted	1,639,655	4,521,136	6,160,791
Total Net Assets	$30,982,078	$16,694,758	$47,676,836

See accompanying notes to the basic financial statements

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$2,597,783	$606,539	$0	$0	($1,991,244)	$0	($1,991,244)
Security of Persons and Property	7,267,524	904,038	0	0	(6,363,486)	0	(6,363,486)
Transportation	2,586,528	39,215	709,728	53,081	(1,784,504)	0	(1,784,504)
Community Environment	359,121	34,313	0	0	(324,808)	0	(324,808)
Basic Utility Services	1,129,614	126,646	0	0	(1,002,968)	0	(1,002,968)
Leisure Time Activities	3,555,596	1,305,112	0	0	(2,250,484)	0	(2,250,484)
Public Health Services	1,335	149	0	0	(1,186)	0	(1,186)
Interest and Fiscal Charges	1,070,312	0	0	0	(1,070,312)	0	(1,070,312)
Total Governmental Activities	18,567,813	3,016,012	709,728	53,081	(14,788,992)	0	(14,788,992)
Business-Type Activities							
Sewer	2,115,212	1,998,193	0	0	0	(117,019)	(117,019)
Total	$20,683,025	$5,014,205	$709,728	$53,081	(14,788,992)	(117,019)	(14,906,011)
		General Revenues					
		Property Taxes Levied for:					
		General Purposes			2,587,238	0	2,587,238
		Permanent Improvements			273,454	0	273,454
		Recreation			314,313	0	314,313
		Police and Fire Pension			204,675	0	204,675
		Fire Operations			255,230	0	255,230
		Municipal Income Taxes Levied for:					
		General Purposes			4,905,042	0	4,905,042
		Capital Improvements			972,520	0	972,520
		Recreation			1,945,166	0	1,945,166
		Franchise Taxes			289,816	0	289,816
		Grants and Entitlements not Restricted to Specific Programs			1,878,667	0	1,878,667
		Investment Earnings			2,640	0	2,640
		Gain on Sale of Capital Assets			21,857	0	21,857
		Other			217,178	0	217,178
		Total General Revenues			13,867,796	0	13,867,796
		Transfers			(56,823)	56,823	0
		Total General Revenues and Transfers			13,810,973	56,823	13,867,796
		Change in Net Assets			(978,019)	(60,196)	(1,038,215)
		Net Assets Beginning of Year			31,960,097	16,754,954	48,715,051
		Net Assets End of Year			$30,982,078	$16,694,758	$47,676,836

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio

Balance Sheet

Governmental Funds

December 31, 2011

	General	Recreation	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$1,481,430	$1,153,539	$1,761,028	$4,395,997
Materials and Supplies Inventory	5,249	0	37,672	42,921
Accounts Receivable	62,065	0	118,217	180,282
Intergovernmental Receivable	692,890	26,137	412,144	1,131,171
Prepaid Items	74,821	2,588	0	77,409
Municipal Income Taxes Receivable	1,947,912	773,573	385,233	3,106,718
Property Taxes Receivable	2,775,132	333,149	758,308	3,866,589
Assets Held for Resale	0	0	1,026,757	1,026,757
Total Assets	$7,039,499	$2,288,986	$4,499,359	$13,827,844
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$71,461	$40,311	$22,374	$134,146
Accrued Wages	199,105	33,290	46,712	279,107
Intergovernmental Payable	149,423	34,875	271,206	455,504
Contracts Payable	0	0	167,451	167,451
Deferred Revenue	4,461,774	923,634	1,919,282	7,304,690
Total Liabilities	4,881,763	1,032,110	2,427,025	8,340,898
Fund Balances				
Nonspendable	80,070	2,588	37,672	120,330
Restricted	0	0	1,841,812	1,841,812
Committed	0	1,254,288	428,667	1,682,955
Assigned	24,301	0	0	24,301
Unassigned (Deficit)	2,053,365	0	(235,817)	1,817,548
Total Fund Balances	2,157,736	1,256,876	2,072,334	5,486,946
Total Liabilities and Fund Balances	$7,039,499	$2,288,986	$4,499,359	$13,827,844

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2011

Total Governmental Fund Balances		$5,486,946
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.		48,635,644
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	233,098	
Municipal Income Taxes	1,686,924	
Intergovernmental	793,058	
Total		2,713,080
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.		219,083
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(82,079)
In the statement of activities, interest is accrued on outstanding liabilities, whereas in governmental funds, an interest expenditure is reported when due.		(98,158)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Compensated Absences Payable	(1,490,599)	
Capital Lease Obligations	(310,112)	
General Obligation Bonds	(22,289,346)	
Intergovernmental Loan	(277,241)	
Lorain Road Revitalization Loan	(155,263)	
Commercial Redevelopment Loans	(219,893)	
OPWC Loan	(713,342)	
Economic Development Notes	(750,000)	
Total		(26,205,796)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		313,358
Net Assets of Governmental Activities		$30,982,078

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2011

	General	Recreation	Other Governmental Funds	Total Governmental Funds
Revenues				
Municipal Income Taxes	$4,825,944	$1,827,560	$1,043,071	$7,696,575
Property Taxes	2,646,582	321,438	731,539	3,699,559
Franchise Taxes	0	0	289,816	289,816
Charges for Services	732,962	1,202,198	356,634	2,291,794
Fines, Licenses and Permits	318,907	0	171,994	490,901
Intergovernmental	1,687,554	52,739	915,910	2,656,203
Special Assessments	0	0	233,317	233,317
Interest	2,398	0	242	2,640
Other	105,497	67,110	44,571	217,178
Total Revenues	10,319,844	3,471,045	3,787,094	17,577,983
Expenditures				
Current:				
General Government	1,875,120	0	51,234	1,926,354
Security of Persons and Property	5,230,062	0	2,134,607	7,364,669
Transportation	381,356	0	927,421	1,308,777
Community Environment	297,860	0	0	297,860
Basic Utility Services	1,144,672	0	0	1,144,672
Leisure Time Activities	867,606	2,239,904	7,021	3,114,531
Public Health Services	1,355	0	0	1,355
Capital Outlay	0	0	1,085,895	1,085,895
Debt Service:				
Principal Retirement	0	176,910	375,803	552,713
Interest and Fiscal Charges	0	947,981	148,841	1,096,822
Total Expenditures	9,798,031	3,364,795	4,730,822	17,893,648
Excess of Revenues Over (Under) Expenditures	521,813	106,250	(943,728)	(315,665)
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	0	750,000	750,000
Current Refunding	0	0	(1,100,000)	(1,100,000)
Sale of Capital Assets	0	0	21,857	21,857
Inception of Capital Lease	0	82,501	0	82,501
Transfers In	0	265,340	777,900	1,043,240
Transfers Out	(740,900)	0	(359,163)	(1,100,063)
Total Other Financing Sources (Uses)	(740,900)	347,841	90,594	(302,465)
Net Change in Fund Balances	(219,087)	454,091	(853,134)	(618,130)
Fund Balances Beginning of Year	2,376,823	802,785	2,925,468	6,105,076
Fund Balances End of Year	$2,157,736	$1,256,876	$2,072,334	$5,486,946

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2011

Net Change in Fund Balances - Total Governmental Funds		($618,130)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Asset Additions	782,970	
Capital Contribution	53,081	
Current Year Depreciation	(2,483,837)	
Total		(1,647,786)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.		
Delinquent Property Taxes	(64,649)	
Municipal Income Taxes	126,153	
Intergovernmental	(67,808)	
Total		(6,304)
Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General Obligation Bonds	350,000	
Economic Development Note	1,100,000	
OPWC Loan	25,030	
Lorain Road Revitalization Loan	32,925	
Intergovernmental Loan	56,784	
Commercial Redevelopment Loans	44,072	
Capital Lease Obligations	43,902	
Total		1,652,713
In the statement of activities, interest accrued on outstanding bonds, bond premium and bond issuance costs are amortized over the terms of the bonds, whereas in the governmental funds, the expenditures are reported when due.		
Accrued Interest on Bonds	230	
Amortization of Deferred Charges	(12,572)	
Amortization of Bond Premium	38,852	
Total		26,510
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	206,256	
Vacation Benefits Payable	16,467	
Total		222,723
An internal service fund used by management to charge the costs of insurance to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.		224,756
Other financing sources in the governmental funds increased long-term liabilities in the statement of net assets.		
Economic Development Notes Issued	(750,000)	
Capital Lease Proceeds	(82,501)	
Total		(832,501)
Change in Net Assets of Governmental Activities		($978,019)

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$4,571,151	$4,826,176	$4,826,176	$0
Property Taxes	3,009,360	2,646,582	2,646,582	0
Charges for Services	400,000	730,467	730,467	0
Fines, Licenses and Permits	312,927	319,267	319,267	0
Intergovernmental	1,273,164	1,656,930	1,656,930	0
Interest	3,590	2,355	2,355	0
Other	164,213	116,025	116,025	0
Total Revenues	9,734,405	10,297,802	10,297,802	0
Expenditures				
Current:				
General Government	1,952,577	2,050,928	1,865,918	185,010
Security of Persons and Property	5,602,841	5,396,382	5,308,879	87,503
Transportation	387,300	416,304	398,665	17,639
Community Environment	290,180	297,000	292,339	4,661
Basic Utility Services	1,075,288	1,153,000	1,149,163	3,837
Leisure Time Activities	904,833	899,400	881,434	17,966
Public Health Services	1,795	1,700	1,355	345
Total Expenditures	10,214,814	10,214,714	9,897,753	316,961
Excess of Revenues Over (Under) Expenditures	(480,409)	83,088	400,049	316,961
Other Financing Sources (Uses)				
Transfers Out	(858,400)	(858,400)	(740,900)	117,500
Net Change in Fund Balance	(1,338,809)	(775,312)	(340,851)	434,461
Fund Balance Beginning of Year	1,781,327	1,781,327	1,781,327	0
Prior Year Encumbrances Appropriated	13,015	13,015	13,015	0
Fund Balance End of Year	$455,533	$1,019,030	$1,453,491	$434,461

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$1,800,397	$1,913,846	$1,913,846	$0
Property Taxes	361,267	321,438	321,438	0
Charges for Services	1,126,300	1,245,490	1,245,490	0
Intergovernmental	0	52,739	52,739	0
Interest	572	0	0	0
Other	25,000	67,110	67,110	0
Total Revenues	3,313,536	3,600,623	3,600,623	0
Expenditures				
Current:				
Leisure Time Activities	2,286,616	2,250,516	2,180,058	70,458
Debt Service:				
Principal Retirement	176,914	176,914	176,910	4
Interest and Fiscal Charges	947,981	947,981	947,981	0
Total Expenditures	3,411,511	3,375,411	3,304,949	70,462
Excess of Revenues Over (Under) Expenditures	(97,975)	225,212	295,674	70,462
Other Financing Sources				
Transfers In	265,340	265,340	265,340	0
Net Change in Fund Balance	167,365	490,552	561,014	70,462
Fund Balance Beginning of Year	544,369	544,369	544,369	0
Prior Year Encumbrances Appropriated	14,111	14,111	14,111	0
Fund Balance End of Year	$725,845	$1,049,032	$1,119,494	$70,462

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	$668,151	$356	$668,507	$345,740
Intergovernmental Receivable	237,449	0	237,449	0
Total Current Assets	905,600	356	905,956	345,740
Non-Current Assets:				
Investment in Joint Venture	3,786,528	0	3,786,528	0
Depreciable Capital Assets, Net	12,291,482	0	12,291,482	0
Total Non-Current Assets	16,078,010	0	16,078,010	0
Total Assets	16,983,610	356	16,983,966	345,740
Liabilities				
Current Liabilities:				
Accounts Payable	87,905	0	87,905	0
Accrued Wages	5,621	0	5,621	0
Intergovernmental Payable	9,290	0	9,290	0
Vacation Benefits Payable	7,645	0	7,645	0
Compensated Absences Payable	21,440	0	21,440	0
OPWC Loan Payable	36,134	0	36,134	0
Claims Payable	0	0	0	32,382
Total Current Liabilities	168,035	0	168,035	32,382
Long-Term Liabilities (Net of Current Portion):				
Compensated Absences Payable	39,447	0	39,447	0
OPWC Loan Payable	81,726	0	81,726	0
Total Long-Term Liabilities	121,173	0	121,173	0
Total Liabilities	289,208	0	289,208	32,382
Net Assets				
Invested in Capital Assets, Net of Related Debt	12,173,622	0	12,173,622	0
Unrestricted	4,520,780	356	4,521,136	313,358
Total Net Assets	$16,694,402	$356	$16,694,758	$313,358

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Operating Revenues				
Charges for Services	$1,998,193	$0	$1,998,193	$1,509,032
Operating Expenses				
Personal Services	338,042	0	338,042	0
Materials and Supplies	37,878	0	37,878	0
Contractual Services	1,053,744	0	1,053,744	327,395
Claims	0	0	0	956,881
Depreciation	410,199	0	410,199	0
Total Operating Expenses	1,839,863	0	1,839,863	1,284,276
Operating Income	158,330	0	158,330	224,756
Non-Operating Expenses				
Interest and Fiscal Charges	(2,306)	0	(2,306)	0
Loss on Investment in Joint Venture	(273,043)	0	(273,043)	0
Total Non-Operating Expenses	(275,349)	0	(275,349)	0
Income (Loss) Before Transfers	(117,019)	0	(117,019)	224,756
Transfers In	56,823	0	56,823	0
Change in Net Assets	(60,196)	0	(60,196)	224,756
Net Assets Beginning of Year	16,754,598	356	16,754,954	88,602
Net Assets End of Year	$16,694,402	$356	$16,694,758	$313,358

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	$2,041,530	$0	$2,041,530	$1,509,032
Cash Payments for Goods and Services	(1,007,218)	0	(1,007,218)	(327,395)
Cash Payments for Employee Services and Benefits	(341,915)	0	(341,915)	0
Cash Payments for Claims	0	0	0	(1,018,361)
Net Cash Provided by Operating Activities	692,397	0	692,397	163,276
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(83,379)	0	(83,379)	0
Principal Paid on Capital Lease	(54,517)	0	(54,517)	0
Principal Paid on OPWC Loan	(36,134)	0	(36,134)	0
Interest Paid on Capital Lease	(2,306)	0	(2,306)	0
Net Cash Used for Capital and Related Financing Activities	(176,336)	0	(176,336)	0
Cash Flows from Non-capital Financing Activities				
Transfer In	56,823	0	56,823	0
Cash Flows from Investing Activities				
Capital Contributions to Joint Venture	(113,621)	0	(113,621)	0
Net Increase in Cash and Cash Equivalents	459,263	0	459,263	163,276
Cash and Cash Equivalents Beginning of Year	208,888	356	209,244	182,464
Cash and Cash Equivalents End of Year	$668,151	$356	$668,507	$345,740

(continued)

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	$158,330	$0	$158,330	$224,756
Adjustments:				
Depreciation	410,199	0	410,199	0
Decrease in Intergovernmental Receivable	43,337	0	43,337	0
Increase (Decrease) in Liabilities:				
Accounts Payable	84,404	0	84,404	0
Accrued Wages	749	0	749	0
Vacation Benefits Payable	790	0	790	0
Intergovernmental Payable	(7,280)	0	(7,280)	0
Compensated Absences Payable	1,868	0	1,868	0
Claims Payable	0	0	0	(61,480)
Total Adjustments	534,067	0	534,067	(61,480)
Net Cash Provided by Operating Activities	$692,397	$0	$692,397	$163,276

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2011

Assets	
Equity in Pooled Cash and Cash Equivalents	$188,264
Liabilities	
Intergovernmental Payable	$1,221
Accounts Payable	29,602
Deposits Held and Due to Others	157,441
Total Liabilities	$188,264

See accompanying notes to the basic financial statements

Note 1 - Reporting Entity

The City of Fairview Park is a home rule municipal corporation established under the laws of the state of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted on November 4, 1958.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. This definition of reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity".

The City of Fairview Park's primary government consists of all funds, departments, boards and commissions that are not legally separate from the City. They include public safety (police and fire), highway and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services.

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

The Rocky River Wastewater Treatment Plant is a joint venture, owned and operated by the cities of Fairview Park, Westlake, Rocky River, and Bay Village. The mayors of each city serve during their term in office as members of the Management Committee of the Rocky River Wastewater Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 17).

The City is associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, S.A.F.E. Council of Governments, and West Shore Area Rescue Association. These organizations are presented in Note 18 to the basic financial statements.

The City's management believes these financial statements present all activities for which the City is financially accountable.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

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

Recreation Fund The recreation fund accounts for and reports the portion of income tax collections of the City committed for recreation and community center, revenues from recreation programs, recreation millage, and recreation expenditures.

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

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

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

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

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a self-insurance fund that accounts for medical, dental, vision and prescription drug claims of City employees.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own program. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for performance bonds which are deposits made by citizens, contractors or vendors to ensure compliance with City ordinances, donations to the Senior Life Program from residents to be used in whatever way the seniors determine, collection of fees that are remitted to the state for commercial and industrial building, and monies from employees for their medical expenses.

Measurement Focus

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

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

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

Basis of Accounting

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

Revenues – Exchange and Nonexchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

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

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

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

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

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

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

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

Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level in the general fund and at the object level for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. Budgetary statements are presented beyond that legal level of control for information purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amount on the amended certificate of estimated resources in effect at the time the original and final appropriations were enacted by Council. Prior to December 31, Council requested and received an amended certificate in which estimated revenue closely reflects actual revenue for the fiscal year.

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

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 the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 was $2,398 which includes $1,703 assigned from other City funds.

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

Prepaid Items

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

Inventory

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

Assets Held for Resale

Assets held for resale represents land purchased by the City which will be sold for development purposes.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using a straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	50 years	50 years
Land Improvements	20 years	20 years
Equipment and Furniture	5-20 years	15 years
Vehicles	8 years	8 years
Infrastructure	10-75 years	50 years

The City's infrastructure consists of roads and sidewalks, sanitary and storm sewers, fire hydrants, traffic signals and pedestrian bridges.

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all full-time employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's vesting policy. The City records a liability for accumulated unused sick leave for employees after ten years of current service with the City.

Accrued Liabilities and Long-term Obligations

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

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

Fund Balance

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

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

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

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

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

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

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

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

Net Assets

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

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

Interfund Activity

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

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

Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the recreation center general obligation and refunding bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method. On the governmental financial statements, issuance costs are reported as an expenditure in the year in which the bonds are issued. Bond issuance costs are generally paid from bond proceeds.

As permitted by State Statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued.

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.

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.

Note 3 - Changes in Accounting Principles

Changes in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" and GASB Statement No. 59, "*Financial Instruments Omnibus*".

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in a change in total fund balance but only the classification of fund balance on the City's financial statements.

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

Note 4 - Fund Deficit

The police and fire pension special revenue fund had deficit fund balance of $235,817 at December 31, 2011. The deficit is the result of adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides transfers when cash is required, rather than when accruals occur.

Note 5 - Fund Balances

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

Fund Balances	General	Recreation	Other Governmental Funds	Total
Nonspendable				
Prepaids	$74,821	$2,588	$0	$77,409
Inventory	5,249	0	37,672	42,921
Total Nonspendable	80,070	2,588	37,672	120,330
Restricted for				
Road Improvements	0	0	195,036	195,036
Law Enforcement	0	0	78,283	78,283
Construction and Improvement of City Faciities	0	0	1,221,060	1,221,060
Fire Operations	0	0	4,218	4,218
Drug and Alcohol Enforcement	0	0	22,321	22,321
Civil Service Testing	0	0	2,688	2,688
Lorain Road Revitalization	0	0	307,172	307,172
Senior Center Construction	0	0	10,858	10,858
Debt Service Payments	0	0	176	176
Total Restricted	0	0	1,841,812	1,841,812
Committed to				
Recreation Programs	0	1,254,288	0	1,254,288
Emergency Medical Services	0	0	108,009	108,009
Other Purposes	0	0	320,658	320,658
Total Committed	0	1,254,288	428,667	1,682,955
Assigned to				
Other Purposes	24,301	0	0	24,301
Unassigned (Deficit)	2,053,365	0	(235,817)	1,817,548
Total Fund Balances	$2,157,736	$1,256,876	$2,072,334	$5,486,946

Note 6 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statements of revenues, expenditures, and changes in fund balance – budget (non-GAAP basis) and actual presented for the general fund and the recreation major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).

(b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP basis).

(c) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP basis).

(d) Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

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

	General	Recreation
GAAP Basis	($219,087)	$454,091
Net Adjustment for Revenue Accruals	(22,765)	47,077
Net Adjustment for Expenditure Accruals	(69,069)	93,891
Beginning Unrecorded Cash	(1,991)	0
Ending Unrecorded Cash	2,714	0
Encumbrances	(30,653)	(34,045)
Budget Basis	($340,851)	$561,014

Note 7 - Deposits and Investments

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

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

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

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

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

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

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association,

Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the state of Ohio;

5. Time certificates of deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) repurchase agreements secured by such obligations, provided that investments in securities described in the division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio); and

8. Certain banker's acceptance and commercial paper notes for a period not to exceed 180 days from the purchase date in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

1. Bonds of the state of Ohio;

2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest, or coupons; and

3. Obligations of the City.

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

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

Deposits

Custodial Credit Risk Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, $67,677 of the City's bank balance of $1,942,847 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of the money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial credit risk beyond the requirements of State Statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

At December 31, 2011, the City had $3,765,368 invested in STAR Ohio with an average maturity of 57 days.

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

Credit Risk STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Note 8 - Interfund Transfers

At December 31, 2011 interfund transfers were as follows:

	Transfers From		
Transfers To	General	Other Governmental Funds	Total
Major Funds:			
Recreation	$0	$265,340	$265,340
Nonmajor Funds:			
Police and Fire Pension	680,900	0	680,900
Fire Operating Levy	60,000	0	60,000
Lorain Road Revitalization	0	37,000	37,000
Total Nonmajor Funds	740,900	37,000	777,900
Total Governmental Funds	740,900	302,340	1,043,240
Enterprise Fund:			
Sewer	0	56,823	56,823
Total Transfers	$740,900	$359,163	$1,100,063

The general fund transfer of $740,900 to the nonmajor governmental funds was made to provide additional resources for current operations. The transfers from the other governmental funds of $302,340 to the recreation and Lorain Road revitalization funds were to provide additional resources to cover debt principal payments. During 2011, the capital improvement capital projects fund transferred $56,823 to the sewer enterprise fund to cover debt payments.

Note 9 - Receivables

Receivables at December 31, 2011, consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes. All receivables except for property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City of Fairview Park. Property tax revenues received in 2011 for real and public utility property represent the collection of 2010 taxes.

Real property taxes received in 2011 were levied after October 1, 2010, on the assessed values as of January 1, 2010, the lien date. Real property taxes which were levied in 2011 are collected in and intended to finance 2012. Assessed values for real property taxes are established by state statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2011 represent the collection of 2010 taxes. Public utility property taxes received in 2011 became a lien on December 31, 2009, were levied after October 1, 2010, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The full tax rate for all City of Fairview Park operations for the year ended December 31, 2011, was $11.80 per $1,000 of assessed value. The assessed values of real and public utility property upon which 2011 property tax receipts were based are as follows:

Real Property	$371,704,980
Public Utility Personal Property	4,036,050
Total	$375,741,030

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

Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

Income Taxes

The City levies an income tax of 2 percent on all income earned within the City as well as income of residents earned outside the City. In the latter case, the City allows a credit of 75 percent of the tax on the income earned outside the City and paid to another municipality to a maximum of the total amount assessed with a limit to the credit of 1.25 percent. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	$324,003
Homestead and Rollback	297,167
Gasoline Excise Tax	167,564
Estate Tax	137,888
Gasoline Tax	85,178
Permissive License Tax	58,485
Motor Vehicle Registration	30,617
City of Rocky River	18,015
Personal Property Loss Reimbursement	5,461
Public Utility Reimbursement	3,610
Utility Excise Tax	3,183
Total Governmental	1,131,171
Business Type Activities	
City of Cleveland	237,449
Total Intergovernmental	$1,368,620

Note 10 - Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. An employee becomes eligible for vacation leave on his/her anniversary date and vacation leave should be taken by the employee within 12 months thereafter. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four-and-sixth-tenths hours for every 80 hours worked. A maximum of 1,307 hours may be accumulated by each employee. Each employee with ten or more years of service with the City is paid for one-half of the employee's earned unused sick leave upon termination with the City, transfer to another governmental agency, or retirement.

Note 11 - Assets Held for Resale

Assets held for resale represent 2.5 acres of land for acquisition and improvements of properties located at 20520 Lorain Road and 20770 Lorain Road purchased by the City which will be sold for development purposes.

In 2011, the City entered an agreement with the Fairview Park City School District to purchase property located at 20770 Lorain Road. In exchange for payment of the property, the City will forego the annual rental of the recreation center charged to the School District of $60,000 for the next 12 years for a total of $720,000. The City recorded an asset held for resale and deferred revenue.

Note 12 - Capital Assets

A summary of changes in capital assets during 2011 follows:

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Governmental Activities				
Nondepreciable Capital Assets				
Land	$1,050,943	$0	$0	$1,050,943
Depreciable Capital Assets				
Buildings	20,989,771	71,778	0	21,061,549
Land Improvements	1,529,154	191,864	0	1,721,018
Equipment and Furniture	2,251,600	132,515	0	2,384,115
Vehicles	4,004,199	189,034	(26,000)	4,167,233
Infrastructure:				
Roads, Sidewalks and Bridges	46,267,231	250,860	0	46,518,091
Fire Hydrants	1,543,167	0	0	1,543,167
Traffic Signals	3,107,823	0	0	3,107,823
Total Depreciable Capital Assets	79,692,945	836,051	(26,000)	80,502,996
Less Accumulated Depreciation:				
Buildings	(2,657,224)	(420,067)	0	(3,077,291)
Land Improvements	(960,883)	(63,366)	0	(1,024,249)
Equipment and Furniture	(1,491,110)	(131,664)	0	(1,622,774)
Vehicles	(3,270,822)	(170,210)	26,000	(3,415,032)
Infrastructure:				
Roads, Sidewalks and Bridges	(19,587,338)	(1,553,392)	0	(21,140,730)
Fire Hydrants	(798,239)	(25,998)	0	(824,237)
Traffic Signals	(1,694,842)	(119,140)	0	(1,813,982)
Total Accumulated Depreciation	(30,460,458)	(2,483,837)	26,000	(32,918,295)
Total Depreciable Capital Assets, Net	49,232,487	(1,647,786)	0	47,584,701
Total Governmental Activities Capital Assets, Net	$50,283,430	($1,647,786)	$0	$48,635,644

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Business-Type Activities				
Depreciable Capital Assets				
Buildings	$252,877	$0	$0	$252,877
Land Improvements	10,296	0	0	10,296
Equipment and Furniture	383,040	0	0	383,040
Infrastructure:				
Sanitary Sewer	14,206,754	83,379	0	14,290,133
Storm Sewer	8,526,709	0	0	8,526,709
Total Depreciable Capital Assets	23,379,676	83,379	0	23,463,055
Less Accumulated Depreciation:				
Buildings	(79,638)	(5,057)	0	(84,695)
Land Improvements	(10,296)	0	0	(10,296)
Equipment and Furniture	(107,686)	(22,421)	0	(130,107)
Infrastructure:				
Sanitary Sewer	(6,292,113)	(240,001)	0	(6,532,114)
Storm Sewer	(4,271,641)	(142,720)	0	(4,414,361)
Total Accumulated Depreciation	(10,761,374)	(410,199)	0	(11,171,573)
Total Business-Type Activities Capital Assets, Net	$12,618,302	($326,820)	$0	$12,291,482

Depreciation expense was charged to governmental functions as follows:

General Government	$653,463
Security of Persons and Property	160,915
Transportation	1,181,755
Community Environment	52,788
Leisure Time Activities	434,916
Total	$2,483,837

Note 13 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

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

The City's 2011 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were $368,752, $333,743, and $313,510, respectively. For 2011, 89.50 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were $21,558 made by the City and $15,399 made by plan members.

Ohio Police and Fire Pension Fund

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

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

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were $255,794 and $355,146 for the year ended December 31, 2011, $274,939 and $386,257 for the year ended December 31, 2010, and $265,070 and $354,160 for the year ended December 31, 2009, respectively. For 2011, 72.19 percent for police and 73.91 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

Note 14 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

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

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

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

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were $147,501, $201,345, and $252,830, respectively. For 2011, 89.50 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were $135,420 and $138,970 for the year ended December 31, 2011, $145,556 and $151,144 for the year ended December 31, 2010, and $140,331 and $138,584 for the year ended December 31, 2009. For 2011, 72.19 percent has been contributed for police and 73.91 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009

Note 15 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with McGowan and Company for all their commercial insurance. The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	$26,366,712	$1,000
General Liability	1,000,000/2,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000/2,000,000	5,000
Police Professional Liability	1,000,000/2,000,000	5,000
Employment Practice Liability	1,000,000/2,000,000	5,000
Legal Liability	100,000	0
Ohio Stop Gap Liability	1,000,000	0
Computer - Hardware	150,000	1,250
Miscellaneous Equipment	265,063	250
Extra Expense and Business Income	1,000,000	1,000
Valuable Papers	100,000	500
Expediting Expense	100,000	1,000
Hazardous Substance	100,000	1,000
Public Employee Dishonesty	25,000	500
Money and Securities	5,000	1,000

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

Employee Health Benefits

The City is self-insured for medical, dental, vision and prescription drug insurance. The City has elected to provide employee medical, prescription, dental and vision insurance benefits through Medical Mutual of Ohio. The City established the health insurance internal service fund to account for and finance the cost of the self insurance program.

Medical Mutual of Ohio reviews and processes claims which are then paid by the City. The City purchased stop loss coverage of $101,000 annually. The medical self-insurance fund provides coverage for up to a maximum of $50,000 for each individual.

The claims liability of $32,382 as estimated by the third-party administrator and reported in the internal service fund at December 31, 2011 for employee insurance coverage, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

Changes in the fund claims liability amount in 2011 and 2010 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	$121,090	$1,252,308	$1,279,536	$93,862
2011	93,862	956,881	1,018,361	32,382

Workers' compensation coverage is provided by the state of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 16 - Long-Term Obligations

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bonds				
Refunding of 1999 Bonds	2005	2019	3.6 %	$2,380,000
Various Purpose Bonds	2005	2030	3.0-5.0	21,800,000
Loans:				
Lorain Road Revitalization Loan	2001	2015	6.59	367,545
OPWC Loan	2009	2040	0	750,887
Intergovernmental Loan	1994	2016	4.12	1,135,647
Commercial Redevelopment Loans	2009	2017, 2015	n/a	391,757
Long-Term Notes				
Economic Development Note	2009	2011	2.15	1,100,000
Economic Development Note	2011	2013	1.95	750,000
Business-Type Activites				
OPWC Loan - Sanitary Sewer Rehabilitation	2000	2015	0	542,014

Changes in long-term obligations during the year ended December 31, 2011, consisted of the following:

	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011	Amounts Due In One Year
Governmental Activities					
General Obligation Bonds					
Refunding of 1999 Bonds	$2,135,000	$0	$200,000	$1,935,000	$210,000
Unamortized Premium	11,281	0	2,256	9,025	0
Total Refunding of 1999 Bonds	2,146,281	0	202,256	1,944,025	210,000
Various Purpose Bonds	19,800,000	0	150,000	19,650,000	250,000
Unamortized Premium	731,917	0	36,596	695,321	0
Total Various Purpose Bonds	20,531,917	0	186,596	20,345,321	250,000
Total General Obligation Bonds	22,678,198	0	388,852	22,289,346	460,000
Lorain Road Revitalization Loan	188,188	0	32,925	155,263	35,129
OPWC Loan	738,372	0	25,030	713,342	25,030
Intergovernmental Loan - Capital Charge Agreement	334,025	0	56,784	277,241	56,776
Commercial Redevelopment Loans	263,965	0	44,072	219,893	44,072
Economic Development Note	1,100,000	750,000	1,100,000	750,000	0
Compensated Absences Payable	1,696,855	76,285	282,541	1,490,599	32,494
Capital Leases	271,513	82,501	43,902	310,112	46,176
Total Governmental Activities	$27,271,116	$908,786	$1,974,106	$26,205,796	$699,677

	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011	Due In One Year
Business-Type Activities					
Long-Term Loan					
OPWC Loan- Sanitary Sewer Rehabilitation	$153,994	$0	$36,134	$117,860	$36,134
Compensated Absences Payable	59,019	23,308	21,440	60,887	21,440
Capital Lease	54,517	0	54,517	0	0
Total Business-Type Activities	$267,530	$23,308	$112,091	$178,747	$57,574

The general obligation bonds and the Lorain Road revitalization loan were paid from the recreation fund and cable tv franchise fee fund respectively.

In 2011, the City received proceeds of an economic development note. The note will be paid from the cable franchise fee special revenue fund and matures on March 21, 2013. The proceeds of the note were used to pay the outstanding balance of the economic development note which matured on March 21, 2011.

In 1994, the City of Fairview Park entered into a contractual agreement with the City of North Olmsted for the construction and future maintenance of a wastewater treatment plant that is in North Olmsted and that Fairview Park residents will be able to tap into. The project was financed mainly by OWDA debt issued in 1994 by the City of North Olmsted. All proceeds were received by the City of North Olmsted and the City of North Olmsted is responsible for the debt retirement and maintenance. The plant will be a capital asset of the City of North Olmsted. The total amount owed to the City of North Olmsted as of December 31, 2010 is $277,241. This amount has been recorded on Fairview Park's books as a long-term liability. The annual interest rate of the obligation is 4.12%. The capital charge agreement is paid from the capital improvements capital project fund.

During 2009, the City entered into a contractual agreement for a commercial redevelopment loan from Cuyahoga County for acquisition and improvements of a property located at 20520 Lorain Road, within the City. The loan is paid from Lorain Road revitalization capital project fund.

The City also entered into a contractual agreement during 2009 for a commercial redevelopment loan from Purvin, Incorporated for acquisition and improvements of a property located at 22735 Lorain Road, within the City. The loan is to be repaid over a seven-year schedule and is paid from permanent improvement capital project fund.

On December 29, 2009, the City issued a loan with the Ohio Public Works Commission for sewer and various street projects around the City. The OPWC loan is paid from the capital improvements capital project fund and with user charges in the sewer enterprise fund.

Other long-term obligations Compensated absences will be paid from the general fund, recreation and street maintenance and repair special revenue funds. Capital leases will be paid from the recreation fund, permanent improvement fund and sewer enterprise fund. The City paid off the sewer capital lease in 2011.

The City's overall legal debt margin was $37,517,984 at December 31, 2011. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2011, are as follows:

Governmental Activities

	General Obligation Bonds Serial Bonds		Lorain Road Revitalization Loan		OPWC Loan
Year	Principal	Interest	Principal	Interest	Principal
2012	$460,000	$1,017,088	$35,129	$9,655	$25,030
2013	520,000	998,688	37,480	7,304	25,029
2014	625,000	977,887	39,989	4,795	25,029
2015	630,000	952,887	42,665	1,405	25,029
2016	755,000	927,687	0	0	25,029
2017-2021	4,795,000	4,096,000	0	0	125,149
2022-2026	6,500,000	2,850,000	0	0	125,149
2027-2031	7,300,000	942,500	0	0	125,149
2032-2036	0	0	0	0	125,149
2037-2040	0	0	0	0	87,600
Total	$21,585,000	$12,762,737	$155,263	$23,159	$713,342

	Intergovernmental Loan	Commercial Redevelopment Loans	
Year	Principal	Principal	Interest
2012	$56,776	$44,072	$8,940
2013	56,808	44,072	7,195
2014	56,849	44,072	5,451
2015	56,896	44,072	3,706
2016	49,912	29,071	1,962
2017	0	14,534	327
Total	$277,241	$219,893	$27,581

Business-Type Activities

Year	OPWC Loan Principal
2012	$36,134
2013	36,134
2014	36,134
2015	9,458
Total	$117,860

Note 17 - Capital Leases

In prior years, the City entered into lease agreements for a dump truck, street sweeper, fire engine pumper, conservation loan, and recreation equipment. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2011:

	Governmental Activities
Assets being depreciated:	
Land Improvements	$222,567
Equipment	277,600
Vehicles	750,902
Total Assets being depreciated	1,251,069
Less Accumulated Depreciation:	
Land Improvements	(127,976)
Equipment	(95,281)
Vehicles	(577,547)
Total Accumulated Depreciation	(800,804)
Current Book Value	$450,265

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2011:

Year Ending December 30,	Governmental Activities
2012	$61,265
2013	58,722
2014	30,749
2015	30,749
2016	30,749
2017-2021	153,745
2022-2026	30,749
Total	396,728
Less: Amount Representing Interest	(86,616)
Present Value of Net Minimum Lease Payments	$310,112

Note 18 - Joint Venture – Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the "Plant") is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a Management Committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The Management Committee has authority over all aspects of the Plant's operation; however, all employees are employees of the City of Rocky River. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City's continued participation, and the City as an equity interest in the Plant. The City's equity interest is $3,786,528 which represents 17.87 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

Note 19 - Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2011, the City contributed $31,960 to this organization. Complete financial information statements can be obtained from the City of Rocky River, P.O. Box 16088, Rocky River, Ohio 44116-0088.

The council has established two subsidiary organizations, the West Shore Hazardous Materials Committee ("HAZMAT") which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team.

Tri-City Park

The Tri-City Park provides a recreational park to the cities of Fairview Park, Westlake, and Rocky River. The park is governed by a board consisting of the elected mayors of the three cities. The Board exercises total control over the operation of the park including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park did not make any contributions to Tri-City Park in 2011. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

S.A.F.E. Council of Governments

The S.A.F.E. Council of Governments was formed between municipalities to oppose changes to Cleveland Hopkins International Airport air traffic pattern. The Cities of Fairview Park, Bay Village, Rocky River and Westlake govern by a board consisting of the elected mayors. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park did not make any contributions to the S.A.F.E. in 2011.

West Shore Area Rescue Association

The West Shore Area Rescue Association (Weshare) helps foster cooperation between municipalities and hospitals to provide optimum emergency medical services. The Board is comprised of one member from each of the nine participating entities. The Board exercises total control over the operation of Weshare including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park did not make any contributions to the Weshare in 2011.

Combining Statements and Individual Fund Schedules

Fund Descriptions - Nonmajor Governmental and Enterprise Funds

Nonmajor Special Revenue Funds

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

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

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

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

S.A.V.E. Fund - To account for and report Stop a Vandal Easily funds committed from general fund, to be used for reward for information in regards to solving crimes. This fund did not have any budgetary activity in 2011, therefore, budgetary information is not provided.

Street Lighting Fund - To account for and report the revenues of restricted special assessment monies levied for the providing of street lighting of City roads.

Fire Operating Levy Fund - To account for and report the property taxes collected restricted to pay salaries and fringe benefits of the fire department.

Waterline Repair Fund - To account for and report costs and subsequent reimbursements restricted for street repairs made by the City as a result of waterline repairs made by the City of Cleveland.

Fairview Park Sidewalk Fund - To account for and report the transfer of general fund monies committed to be used in the improvement of City sidewalks. This fund did not have any budgetary activity in 2011, therefore, budgetary information is not provided.

Bain Park Restoration Fund - To account for and report rental income and donations committed to be used in Bain Cabin.

Law Enforcement Trust Fund - To account for and report funds seized in the commitment of a felony and awarded to the City of Fairview Park restricted for purchases of capital equipment for use in the Police Department.

D.U.I. Education Fund - To account for and report grants received from Federal Government, State of Ohio, or Cuyahoga County, and restricted for Driving Under Influence (D.U.I.) education and equipment used in D.U.I. enforcement.

(continued)

Nonmajor Special Revenue Funds (continued)

Police on Patrol Arresting Speeders Fund - To account for and report monies received from traffic violations issued by Auxiliary Police and impound fees from motor vehicles. These funds are to be restricted for the purchases of police equipment and other police related expenditures.

Civil Reimbursement Fund - To account for and report revenue received from the Civil Service Department and restricted for expenditures for civil service testing. This fund did not have any budgetary activity in 2011, therefore, budgetary information is not provided.

New Levy/Project Account Fund - To account for and report property taxes restricted for a specific project. This fund did not have any budgetary activity in 2011, therefore, budgetary information is not provided.

Cable TV Franchise Fee Fund - To account for and report franchise fee received from the cable franchises committed to and record those expenditures allowed by City Council.

D.A.R.E. Fund - To account for and report donations and Federal Grants received and expenditures restricted for drug education.

Emergency Medical System Fund - To account for and report ambulance service fees committed for Fire Department equipment.

Nonmajor Debt Service Fund

Debt Service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund - To account for and report property taxes restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Nonmajor Capital Projects Funds

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

Recreation Construction Fund – To account for and report bond proceeds restricted for constructing and furnishing the new recreation center and facility.

Permanent Improvement Fund - To account for and report the receipt of property taxes and borrowing restricted for capital equipment.

(continued)

Lorain Road Revitalization Fund - To account for and report loan proceeds restricted for the purchase of property in the revitalization project.

Senior Center Construction Fund - To account for bond proceeds restricted for the construction of a new senior center. This fund did not have any budgetary activity in 2011, therefore, budgetary information is not provided

Capital Improvements Fund - To account for and report a portion of the income tax collection, restricted for street construction projects within the City and repayment on related bonded debt.

Nonmajor Enterprise Fund

Gilles-Sweet Fund - The Gilles-Sweet fund accounts for and reports the receipts and expenditures of the Gilles-Sweet building which was leased from the Fairview Park City School District for Senior Center activities. The lease expired and the Senior Center relocated in July 2000. This fund is now used to pay residual expenses for the past activities. This fund did not have any budgetary activity in 2011, therefore, budgetary information is not provided

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$668,611	$176	$1,092,241	$1,761,028
Materials and Supplies Inventory	37,672	0	0	37,672
Accounts Receivable	118,217	0	0	118,217
Intergovernmental Receivable	389,404	0	22,740	412,144
Municipal Income Taxes Receivable	0	0	385,233	385,233
Property Taxes Receivable	468,469	0	289,839	758,308
Assets Held for Resale	0	0	1,026,757	1,026,757
Total Assets	$1,682,373	$176	$2,816,810	$4,499,359
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$17,948	$0	$4,426	$22,374
Accrued Wages	46,712	0	0	46,712
Intergovernmental Payable	271,206	0	0	271,206
Contracts Payable	0	0	167,451	167,451
Deferred Revenue	735,373	0	1,183,909	1,919,282
Total Liabilities	1,071,239	0	1,355,786	2,427,025
Fund Balances				
Nonspendable	37,672	0	0	37,672
Restricted	380,612	176	1,461,024	1,841,812
Committed	428,667	0	0	428,667
Unassigned (Deficit)	(235,817)	0	0	(235,817)
Total Fund Balances	611,134	176	1,461,024	2,072,334
Total Liabilities and Fund Balances	$1,682,373	$176	$2,816,810	$4,499,359

City of Fairview Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	$0	$0	$1,043,071	$1,043,071
Property Taxes	451,888	0	279,651	731,539
Franchise Taxes	289,816	0	0	289,816
Charges for Services	356,634	0	0	356,634
Fines, Licenses and Permits	171,994	0	0	171,994
Intergovernmental	791,836	0	124,074	915,910
Special Assessments	233,317	0	0	233,317
Interest	242	0	0	242
Other	42,671	0	1,900	44,571
Total Revenues	2,338,398	0	1,448,696	3,787,094
Expenditures				
Current:				
General Government	51,234	0	0	51,234
Security of Persons and Property	2,134,607	0	0	2,134,607
Transportation	927,421	0	0	927,421
Leisure Time Activities	7,021	0	0	7,021
Capital Outlay	0	0	1,085,895	1,085,895
Debt Service:				
Principal Retirement	32,925	0	342,878	375,803
Interest and Fiscal Charges	37,687	0	111,154	148,841
Total Expenditures	3,190,895	0	1,539,927	4,730,822
Excess of Revenues Under Expenditures	(852,497)	0	(91,231)	(943,728)
Other Financing Sources (Uses)				
Economic Development Notes Issued	750,000	0	0	750,000
Current Refunding	(1,100,000)	0	0	(1,100,000)
Sale of Capital Assets	0	0	21,857	21,857
Transfers In	740,900	0	37,000	777,900
Transfers Out	0	0	(359,163)	(359,163)
Total Other Financing Sources (Uses)	390,900	0	(300,306)	90,594
Net Change in Fund Balances	(461,597)	0	(391,537)	(853,134)
Fund Balances Beginning of Year	1,072,731	176	1,852,561	2,925,468
Fund Balances End of Year	$611,134	$176	$1,461,024	$2,072,334

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

	Street Construction, Maintenance and Repair	State Highway	Police and Fire Pension	S.A.V.E.
Assets				
Equity in Pooled Cash and Cash Equivalents	$62,619	$53,972	$1,899	$400
Materials and Supplies Inventory	0	37,672	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	316,206	25,638	15,677	0
Property Taxes Receivable	0	0	199,891	0
Total Assets	$378,825	$117,282	$217,467	$400
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$0	$0	$0	$0
Accrued Wages	17,193	0	0	0
Intergovernmental Payable	15,340	0	237,716	0
Deferred Revenue	213,551	17,315	215,568	0
Total Liabilities	246,084	17,315	453,284	0
Fund Balances				
Nonspendable	0	37,672	0	0
Restricted	132,741	62,295	0	0
Committed	0	0	0	400
Unassigned (Deficit)	0	0	(235,817)	0
Total Fund Balances (Deficit)	132,741	99,967	(235,817)	400
Total Liabilities and Fund Balances	$378,825	$117,282	$217,467	$400

Street Lighting	Fire Operating Levy	Waterline Repair	Fairview Park Sidewalk	Bain Park Restoration
$91,587	$23,655	$7,761	$4,924	$12,301
0	0	0	0	0
0	0	0	0	0
0	20,361	0	0	0
0	268,578	0	0	0
$91,587	$312,594	$7,761	$4,924	$12,301
$17,314	$0	$0	$0	$0
1,894	12,559	0	0	0
2,029	6,878	45	0	0
0	288,939	0	0	0
21,237	308,376	45	0	0
0	0	0	0	0
70,350	4,218	7,716	0	0
0	0	0	4,924	12,301
0	0	0	0	0
70,350	4,218	7,716	4,924	12,301
$91,587	$312,594	$7,761	$4,924	$12,301

(continued)

City of Fairview Park, Ohio

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

December 31, 2011

	Law Enforcement Trust	D.U.I. Education	Police on Patrol Arresting Speeders	Civil Reimbursement
Assets				
Equity in Pooled Cash and Cash Equivalents	$1,950	$20,211	$72,154	$2,688
Materials and Supplies Inventory	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	295	11,227	0
Property Taxes Receivable	0	0	0	0
Total Assets	$1,950	$20,506	$83,381	$2,688
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$0	$0	$0	$0
Accrued Wages	0	0	4,681	0
Intergovernmental Payable	0	0	2,368	0
Deferred Revenue	0	0	0	0
Total Liabilities	0	0	7,049	0
Fund Balances				
Nonspendable	0	0	0	0
Restricted	1,950	20,506	76,332	2,688
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	1,950	20,506	76,332	2,688
Total Liabilities and Fund Balances	$1,950	$20,506	$83,381	$2,688

New Levy/ Project Account	Cable TV Franchise Fee	D.A.R.E.	Emergency Medical System	Total Nonmajor Special Revenue Funds
$1	$237,516	$1,815	$73,158	$668,611
0	0	0	0	37,672
0	65,517	0	52,700	118,217
0	0	0	0	389,404
0	0	0	0	468,469
$1	$303,033	$1,815	$125,858	$1,682,373
$0	$0	$0	$634	$17,948
0	0	0	10,385	46,712
0	0	0	6,830	271,206
0	0	0	0	735,373
0	0	0	17,849	1,071,239
0	0	0	0	37,672
1	0	1,815	0	380,612
0	303,033	0	108,009	428,667
0	0	0	0	(235,817)
1	303,033	1,815	108,009	611,134
$1	$303,033	$1,815	$125,858	$1,682,373

City of Fairview Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2011

	Street Construction, Maintenance and Repair	State Highway	Police and Fire Pension	S.A.V.E.
Revenues				
Property Taxes	$0	$0	$193,273	$0
Franchise Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	0	0
Intergovernmental	665,476	53,956	31,217	0
Special Assessments	0	0	0	0
Interest	170	72	0	0
Other	0	0	0	0
Total Revenues	665,646	54,028	224,490	0
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	890,457	0
Transportation	821,477	105,944	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	821,477	105,944	890,457	0
Excess of Revenues Over (Under) Expenditures	(155,831)	(51,916)	(665,967)	0
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	0	0	0
Current Refunding	0	0	0	0
Transfers In	0	0	680,900	0
Total Other Financing Sources (Uses)	0	0	680,900	0
Net Change in Fund Balances	(155,831)	(51,916)	14,933	0
Fund Balances (Deficit) Beginning of Year	288,572	151,883	(250,750)	400
Fund Balances (Deficit) End of Year	$132,741	$99,967	($235,817)	$400

Street Lighting	Fire Operating Levy	Waterline Repair	Fairview Park Sidewalk	Bain Park Restoration
$0	$258,615	$0	$0	$0
0	0	0	0	0
0	0	0	0	6,475
0	0	0	0	0
0	41,187	0	0	0
233,317	0	0	0	0
0	0	0	0	0
18,419	0	24,252	0	0
251,736	299,802	24,252	0	6,475
0	0	47,859	0	0
296,992	375,140	0	0	0
0	0	0	0	0
0	0	0	0	7,021
0	0	0	0	0
0	0	0	0	0
296,992	375,140	47,859	0	7,021
(45,256)	(75,338)	(23,607)	0	(546)
0	0	0	0	0
0	0	0	0	0
0	60,000	0	0	0
0	60,000	0	0	0
(45,256)	(15,338)	(23,607)	0	(546)
115,606	19,556	31,323	4,924	12,847
$70,350	$4,218	$7,716	$4,924	$12,301

(continued)

City of Fairview Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds (continued)

For the Year Ended December 31, 2011

	Law Enforcement Trust	D.U.I. Education	Police on Patrol Arresting Speeders	Civil Reimbursement
Revenues				
Property Taxes	$0	$0	$0	$0
Franchise Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	1,950	4,339	165,705	0
Intergovernmental	0	0	0	0
Special Assessments	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	0
Total Revenues	1,950	4,339	165,705	0
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	124	172,270	0
Transportation	0	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	0	124	172,270	0
Excess of Revenues Over (Under) Expenditures	1,950	4,215	(6,565)	0
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	0	0	0
Current Refunding	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	1,950	4,215	(6,565)	0
Fund Balances (Deficit) Beginning of Year	0	16,291	82,897	2,688
Fund Balances (Deficit) End of Year	$1,950	$20,506	$76,332	$2,688

New Levy/ Project Account	Cable TV Franchise Fee	D.A.R.E.	Emergency Medical System	Total Nonmajor Special Revenue Funds
$0	$0	$0	$0	$451,888
0	289,816	0	0	289,816
0	0	9,759	340,400	356,634
0	0	0	0	171,994
0	0	0	0	791,836
0	0	0	0	233,317
0	0	0	0	242
0	0	0	0	42,671
0	289,816	9,759	340,400	2,338,398
0	3,375	0	0	51,234
0	0	7,944	391,680	2,134,607
0	0	0	0	927,421
0	0	0	0	7,021
0	32,925	0	0	32,925
0	37,687	0	0	37,687
0	73,987	7,944	391,680	3,190,895
0	215,829	1,815	(51,280)	(852,497)
0	750,000	0	0	750,000
0	(1,100,000)	0	0	(1,100,000)
0	0	0	0	740,900
0	(350,000)	0	0	390,900
0	(134,171)	1,815	(51,280)	(461,597)
1	437,204	0	159,289	1,072,731
$1	$303,033	$1,815	$108,009	$611,134

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

	Recreation Construction	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Capital Improvements	Total Nonmajor Capital Projects Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$59	$88,543	$415	$10,858	$992,366	$1,092,241
Intergovernmental Receivable	0	22,740	0	0	0	22,740
Municipal Income Taxes Receivable	0	0	0	0	385,233	385,233
Property Taxes Receivable	0	289,839	0	0	0	289,839
Assets Held for Resale	720,000	0	306,757	0	0	1,026,757
Total Assets	$720,059	$401,122	$307,172	$10,858	$1,377,599	$2,816,810
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	$0	$0	$0	$0	$4,426	$4,426
Contracts Payable	0	0	0	0	167,451	167,451
Deferred Revenue	720,000	312,579	0	0	151,330	1,183,909
Total Liabilities	720,000	312,579	0	0	323,207	1,355,786
Fund Balances						
Restricted	59	88,543	307,172	10,858	1,054,392	1,461,024
Total Liabilities and Fund Balances	$720,059	$401,122	$307,172	$10,858	$1,377,599	$2,816,810

City of Fairview Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2011

	Recreation Construction	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues						
Municipal Income Taxes	$0	$0	$0	$0	$1,043,071	$1,043,071
Property Taxes	0	279,651	0	0	0	279,651
Intergovernmental	0	112,374	0	0	11,700	124,074
Other	0	0	0	0	1,900	1,900
Total Revenues	0	392,025	0	0	1,056,671	1,448,696
Expenditures						
Capital Outlay	7,642	260,015	0	0	818,238	1,085,895
Debt Service:						
Principal Retirement	0	231,992	29,072	0	81,814	342,878
Interest and Fiscal Charges	0	100,470	10,684	0	0	111,154
Total Expenditures	7,642	592,477	39,756	0	900,052	1,539,927
Excess of Revenues Over (Under) Expenditures	(7,642)	(200,452)	(39,756)	0	156,619	(91,231)
Other Financing Sources (Uses)						
Sale of Capital Assets	0	21,857	0	0	0	21,857
Transfers In	0	0	37,000	0	0	37,000
Transfers Out	(265,340)	(17,000)	0	0	(76,823)	(359,163)
Total Other Financing Sources (Uses)	(265,340)	4,857	37,000	0	(76,823)	(300,306)
Net Change in Fund Balances	(272,982)	(195,595)	(2,756)	0	79,796	(391,537)
Fund Balances Beginning of Year	273,041	284,138	309,928	10,858	974,596	1,852,561
Fund Balances End of Year	$59	$88,543	$307,172	$10,858	$1,054,392	$1,461,024

Fiduciary Funds

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

Agency Funds

Required Deposits Fund **-** This fund accounts for deposits made by citizens, contractors or vendors held by the City to ensure compliance with various City ordinances.

Senior Life Donations Fund **-** This fund accounts for donations to Senior Life Program from residents who utilize the senior center.

Building Assessment Fees Fund **-** This fund was established in accordance with Senate Bill 359 that states that all political subdivisions that collect fees for acceptance and approval of plans for commercial and industrial building must collect and remit monthly 3 percent of building permit fees collected each month to the State on behalf of the Ohio Board of Building Standards.

Special Hold Account Fund **–** This fund accounts for monies from Senior Life center, building department that is held by the City for specific purpose and to ensure compliance with City ordinances.

Employee Section M 125 Fund – This fund reflects resources that belong to the City employees to be used for medical expenses.

Survey/Sanitary and Storm Sewer Fund – This fund accounts for construction deposits associated with sanitary and storm sewer.

City of Fairview Park, Ohio

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2011

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
Required Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	$34,593	$7,340	$7,019	$34,914
Liabilities				
Deposits Held and Due to Others	$34,593	$7,340	$7,019	$34,914
Senior Life Donations				
Assets				
Equity in Pooled Cash and Cash Equivalents	$31,786	$49,581	$51,765	$29,602
Liabilities				
Accounts Payable	$31,786	$49,581	$51,765	$29,602
Building Assessment Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	$1,022	$1,730	$1,531	$1,221
Liabilities				
Intergovernmental Payable	$1,022	$1,730	$1,531	$1,221
Special Hold Account				
Assets				
Equity in Pooled Cash and Cash Equivalents	$92,631	$85,018	$61,217	$116,432
Liabilities				
Deposits Held and Due to Others	$92,631	$85,018	$61,217	$116,432

(continued)

City of Fairview Park, Ohio

Combining Statement of Changes in Assets and Liabilities

Agency Funds (continued)

For the Year Ended December 31, 2011

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
Employee Section M 125				
Assets				
Equity in Pooled Cash and Cash Equivalents	$5,627	$42,978	$46,809	$1,796
Liabilities				
Deposits Held and Due to Others	$5,627	$42,978	$46,809	$1,796
Survey/Sanitary and Storm Sewer				
Assets				
Equity in Pooled Cash and Cash Equivalents	$4,299	$0	$0	$4,299
Liabilities				
Deposits Held and Due to Others	$4,299	$0	$0	$4,299
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	$169,958	$186,647	$168,341	$188,264
Liabilities				
Intergovernmental Payable	$1,022	$1,730	$1,531	$1,221
Accounts Payable	31,786	49,581	51,765	29,602
Deposits Held and Due to Others	137,150	135,336	115,045	157,441
Total Liabilities	$169,958	$186,647	$168,341	$188,264

Individual Fund Schedules of Revenues, Expenditures/Expenses

and Changes in Fund Balances/Fund Equity

Budget (Non-GAAP Basis) and Actual

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$4,571,151	$4,826,176	$4,826,176	$0
Property Taxes	3,009,360	2,646,582	2,646,582	0
Charges for Services	400,000	730,467	730,467	0
Fines, Licenses and Permits	312,927	319,267	319,267	0
Intergovernmental	1,273,164	1,656,930	1,656,930	0
Interest	3,590	2,355	2,355	0
Other	164,213	116,025	116,025	0
Total Revenues	9,734,405	10,297,802	10,297,802	0
Expenditures				
Current:				
General Government:				
Board of Appeals	147	100	47	53
Mayor's Office	191,580	181,500	175,196	6,304
Service Director	257,635	267,700	264,068	3,632
Finance Department	435,460	445,500	436,039	9,461
Legal Department	129,853	166,600	147,448	19,152
Engineering	34,423	34,500	34,423	77
Municipal Land and Building	221,927	331,313	284,812	46,501
Civil Service	6,407	12,900	10,865	2,035
County and State Fees	229,056	198,500	184,719	13,781
Legislative	131,574	132,800	126,104	6,696
Other Administrative	314,515	279,515	202,197	77,318
Total General Government	1,952,577	2,050,928	1,865,918	185,010
Security of Persons and Property:				
Police Department	2,849,244	2,935,009	2,884,034	50,975
Fire Department	2,587,730	2,295,573	2,275,524	20,049
Central Dispatch EMS	165,867	165,800	149,321	16,479
Total Security of Persons and Property	5,602,841	5,396,382	5,308,879	87,503
Transportation:				
Motor Vehicle Maintenance	110,308	193,034	189,945	3,089
Traffic Control	276,992	223,270	208,720	14,550
Total Transportation	$387,300	$416,304	$398,665	$17,639

(continued)

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Community Environment:				
Planning and Designing	$2,484	$1,500	$1,492	$8
Building Department	287,696	295,500	290,847	4,653
Total Community Environment	290,180	297,000	292,339	4,661
Basic Utility Services:				
Recycling and Solid Waste Disposal	1,075,288	1,153,000	1,149,163	3,837
Leisure Time Activities:				
Bain Park	3,202	3,700	3,529	171
Parks and Property Maintenance	576,326	550,000	539,557	10,443
Senior Life Office	325,305	345,700	338,348	7,352
Total Leisure Time Activities	904,833	899,400	881,434	17,966
Public Health Services	1,795	1,700	1,355	345
Total Expenditures	10,214,814	10,214,714	9,897,753	316,961
Excess of Revenues Over (Under) Expenditures	(480,409)	83,088	400,049	316,961
Other Financing Uses				
Transfers Out	(858,400)	(858,400)	(740,900)	117,500
Net Change in Fund Balance	(1,338,809)	(775,312)	(340,851)	434,461
Fund Balance Beginning of Year	1,781,327	1,781,327	1,781,327	0
Prior Year Encumbrances Appropriated	13,015	13,015	13,015	0
Fund Balance End of Year	$455,533	$1,019,030	$1,453,491	$434,461

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$1,800,397	$1,913,846	$1,913,846	$0
Property Taxes	361,267	321,438	321,438	0
Charges for Services	1,126,300	1,245,490	1,245,490	0
Intergovernmental	0	52,739	52,739	0
Interest	572	0	0	0
Other	25,000	67,110	67,110	0
Total Revenues	3,313,536	3,600,623	3,600,623	0
Expenditures				
Current:				
Leisure Time Activities	2,286,616	2,250,516	2,180,058	70,458
Debt Service:				
Principal Retirement	176,914	176,914	176,910	4
Interest and Fiscal Charges	947,981	947,981	947,981	0
Total Expenditures	3,411,511	3,375,411	3,304,949	70,462
Excess of Revenues Over (Under) Expenditures	(97,975)	225,212	295,674	70,462
Other Financing Sources				
Transfers In	265,340	265,340	265,340	0
Net Change in Fund Balance	167,365	490,552	561,014	70,462
Fund Balance Beginning of Year	544,369	544,369	544,369	0
Prior Year Encumbrances Appropriated	14,111	14,111	14,111	0
Fund Balance End of Year	$725,845	$1,049,032	$1,119,494	$70,462

City of Fairview Park, Ohio

Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$1,917,000	$2,041,530	$2,041,530	$0
Expenses				
Capital Outlay:				
Sewer:				
Personal Services	467,784	400,000	341,915	58,085
Materials and Supplies	47,120	47,120	37,878	9,242
Contractual Services	1,164,953	1,168,466	1,087,732	80,734
Capital Outlay	149,400	149,400	106,093	43,307
Debt Service:				
Principal Retirement	36,134	36,134	36,134	0
Total Expenses	1,865,391	1,801,120	1,609,752	191,368
Net Change in Fund Equity	51,609	240,410	431,778	191,368
Fund Equity Beginning of Year	207,768	207,768	207,768	0
Prior Year Encumbrances Appropriated	1,120	1,120	1,120	0
Fund Equity End of Year	$260,497	$449,298	$640,666	$191,368

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$675,000	$674,450	$674,450	$0
Interest	0	170	170	0
Other	500	0	0	0
Total Revenues	675,500	674,620	674,620	0
Expenditures				
Current:				
Transportation	829,265	858,000	829,493	28,507
Net Change in Fund Balance	(153,765)	(183,380)	(154,873)	28,507
Fund Balance Beginning of Year	217,492	217,492	217,492	0
Fund Balance End of Year	$63,727	$34,112	$62,619	$28,507

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$55,000	$54,685	$54,685	$0
Interest	300	72	72	0
Total Revenues	55,300	54,757	54,757	0
Expenditures				
Current:				
Transportation	123,550	178,000	128,893	49,107
Net Change in Fund Balance	(68,250)	(123,243)	(74,136)	49,107
Fund Balance Beginning of Year	125,108	125,108	125,108	0
Prior Year Encumbrances Appropriated	3,000	3,000	3,000	0
Fund Balance End of Year	$59,858	$4,865	$53,972	$49,107

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$187,014	$193,273	$193,273	$0
Intergovernmental	29,747	31,217	31,217	0
Total Revenues	216,761	224,490	224,490	0
Expenditures				
Current:				
Security of Persons and Property	919,388	906,000	905,878	122
Excess of Revenues Under Expenditures	(702,627)	(681,510)	(681,388)	122
Other Financing Sources				
Transfers In	732,000	680,900	680,900	0
Net Change in Fund Balance	29,373	(610)	(488)	122
Fund Balance Beginning of Year	2,387	2,387	2,387	0
Fund Balance End of Year	$31,760	$1,777	$1,899	$122

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$237,000	$233,317	$233,317	$0
Other	0	18,419	18,419	0
Total Revenues	237,000	251,736	251,736	0
Expenditures				
Current:				
Security of Persons and Property	338,568	318,313	307,059	11,254
Net Change in Fund Balance	(101,568)	(66,577)	(55,323)	11,254
Fund Balance Beginning of Year	139,597	139,597	139,597	0
Prior Year Encumbrances Appropriated	7,313	7,313	7,313	0
Fund Balance End of Year	$45,342	$80,333	$91,587	$11,254

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Operating Levy Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$290,416	$258,615	$258,615	$0
Intergovernmental	0	41,187	41,187	0
Total Revenues	290,416	299,802	299,802	0
Expenditures				
Current:				
Security of Persons and Property	324,823	385,100	371,424	13,676
Excess of Revenues Under Expenditures	(34,407)	(85,298)	(71,622)	13,676
Other Financing Sources				
Transfers In	0	60,000	60,000	0
Net Change in Fund Balance	(34,407)	(25,298)	(11,622)	13,676
Fund Balance Beginning of Year	35,277	35,277	35,277	0
Fund Balance End of Year	$870	$9,979	$23,655	$13,676

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Waterline Repair Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Other	$25,000	$24,252	$24,252	$0
Expenditures				
Current:				
General Government	50,000	56,500	48,907	7,593
Net Change in Fund Balance	(25,000)	(32,248)	(24,655)	7,593
Fund Balance Beginning of Year	32,416	32,416	32,416	0
Fund Balance End of Year	$7,416	$168	$7,761	$7,593

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bain Park Restoration Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$7,000	$6,475	$6,475	$0
Expenditures				
Current:				
Leisure Time Activities	11,000	11,000	7,126	3,874
Net Change in Fund Balance	(4,000)	(4,525)	(651)	3,874
Fund Balance Beginning of Year	12,952	12,952	12,952	0
Fund Balance End of Year	$8,952	$8,427	$12,301	$3,874

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses and Permits	$1,950	$1,950	$1,950	$0
Expenditures	0	0	0	0
Net Change in Fund Balance	1,950	1,950	1,950	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	$1,950	$1,950	$1,950	$0

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.U.I. Education Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses and Permits	$4,500	$4,168	$4,168	$0
Expenditures				
Current:				
Security of Persons and Property	46	196	124	72
Net Change in Fund Balance	4,454	3,972	4,044	72
Fund Balance Beginning of Year	16,121	16,121	16,121	0
Prior Year Encumbrances Appropriated	46	46	46	0
Fund Balance End of Year	$20,621	$20,139	$20,211	$72

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police on Patrol Arresting Speeders Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses and Permits	$190,000	$164,830	$164,830	$0
Expenditures				
Current:				
Security of Persons and Property	165,857	180,000	174,289	5,711
Net Change in Fund Balance	24,143	(15,170)	(9,459)	5,711
Fund Balance Beginning of Year	80,013	80,013	80,013	0
Prior Year Encumbrances Appropriated	1,600	1,600	1,600	0
Fund Balance End of Year	$105,756	$66,443	$72,154	$5,711

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cable TV Franchise Fee Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Franchise Taxes	$200,000	$251,659	$251,659	$0
Expenditures				
Current:				
General Government	446,042	3,375	3,375	0
Debt Service:				
Principal Retirement	0	1,166,625	1,132,925	33,700
Interest and Fiscal Charges	0	30,000	37,687	(7,687)
Total Expenditures	446,042	1,200,000	1,173,987	26,013
Excess of Revenues Under Expenditures	(246,042)	(948,341)	(922,328)	26,013
Other Financing Sources				
General Obligation Notes Issued	0	750,000	750,000	0
Net Change in Fund Balance	(246,042)	(198,341)	(172,328)	26,013
Fund Balance Beginning of Year	409,844	409,844	409,844	0
Fund Balance End of Year	$163,802	$211,503	$237,516	$26,013

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.A.R.E. Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$9,759	$9,759	$9,759	$0
Expenditures				
Current:				
Security of Persons and Property	8,000	8,000	7,944	56
Net Change in Fund Balance	1,759	1,759	1,815	56
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	$1,759	$1,759	$1,815	$56

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical System Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$293,000	$345,936	$345,936	$0
Expenditures				
Current:				
Security of Persons and Property	323,105	409,650	398,163	11,487
Net Change in Fund Balance	(30,105)	(63,714)	(52,227)	11,487
Fund Balance Beginning of Year	117,588	117,588	117,588	0
Prior Year Encumbrances Appropriated	1,650	1,650	1,650	0
Fund Balance End of Year	$89,133	$55,524	$67,011	$11,487

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Debt Service:				
Principal Retirement	408,632	0	0	0
Excess of Revenues Under Expenditures	(408,632)	0	0	0
Other Financing Sources				
Transfers In	408,500	0	0	0
Net Change in Fund Balance	(132)	0	0	0
Fund Balance Beginning of Year	176	176	176	0
Fund Balance End of Year	$44	$176	$176	$0

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Capital Outlay:				
Recreation Construction:				
Capital Outlay	194,564	194,564	194,506	58
Excess of Revenues Under Expenditures	(194,564)	(194,564)	(194,506)	58
Other Financing Uses				
Transfers Out	(265,340)	(265,340)	(265,340)	0
Net Change in Fund Balance	(459,904)	(459,904)	(459,846)	58
Fund Balance Beginning of Year	265,341	265,341	265,341	0
Prior Year Encumbrances Appropriated	194,564	194,564	194,564	0
Fund Balance End of Year	$1	$1	$59	$58

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$314,304	$279,651	$279,651	$0
Intergovernmental	66,000	112,374	112,374	0
Total Revenues	380,304	392,025	392,025	0
Expenditures				
Capital Outlay	156,840	310,168	291,674	18,494
Debt Service:				
Principal Retirement	216,992	231,992	231,992	0
Interest and Fiscal Charges	113,757	113,757	100,470	13,287
Total Expenditures	487,589	655,917	624,136	31,781
Excess of Revenues Under Expenditures	(107,285)	(263,892)	(232,111)	31,781
Other Financing Sources (Uses)				
Sale of Capital Assets	0	148,712	148,712	0
Transfers Out	(17,000)	(17,000)	(17,000)	0
Total Other Financing Sources (Uses)	(17,000)	131,712	131,712	0
Net Change in Fund Balance	(124,285)	(132,180)	(100,399)	31,781
Fund Balance Beginning of Year	131,025	131,025	131,025	0
Prior Year Encumbrances Appropriated	57,917	57,917	57,917	0
Fund Balance End of Year	$64,657	$56,762	$88,543	$31,781

City of Fairview Park, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Lorain Road Revitalization Fund
For the Year Ended December 31, 2011

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Debt Service:				
Principal Retirement	23,665	29,200	29,072	128
Interest and Fiscal Charges	0	10,800	10,684	116
Total Expenditures	23,665	40,000	39,756	244
Excess of Revenues Under Expenditures	(23,665)	(40,000)	(39,756)	244
Other Financing Sources				
Transfers In	20,500	37,000	37,000	0
Net Change in Fund Balance	(3,165)	(3,000)	(2,756)	244
Fund Balance Beginning of Year	3,171	3,171	3,171	0
Fund Balance End of Year	$6	$171	$415	$244

City of Fairview Park, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	$886,599	$956,923	$956,923	$0
Intergovernmental	11,700	11,700	11,700	0
Other	1,900	1,900	1,900	0
Total Revenues	900,199	970,523	970,523	0
Expenditures				
Capital Outlay	423,788	1,086,057	986,150	99,907
Debt Service:				
Principal Retirement	136,331	136,331	136,331	0
Interest and Fiscal Charges	2,306	2,306	2,306	0
Total Expenditures	562,425	1,224,694	1,124,787	99,907
Excess of Revenues Over (Under) Expenditures	337,774	(254,171)	(154,264)	99,907
Other Financing Uses				
Transfers Out	(20,000)	(20,000)	(20,000)	0
Net Change in Fund Balance	317,774	(274,171)	(174,264)	99,907
Fund Balance Beginning of Year	823,388	823,388	823,388	0
Prior Year Encumbrances Appropriated	3,694	3,694	3,694	0
Fund Balance End of Year	$1,144,856	$552,911	$652,818	$99,907

City of Fairview Park, Ohio

Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Health Insurance Reserve Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$1,867,792	$1,509,032	$1,509,032	$0
Expenses				
Contractual Services	375,769	340,000	327,395	12,605
Claims	1,492,023	1,350,000	1,018,361	331,639
Total Expenses	1,867,792	1,690,000	1,345,756	344,244
Net Change in Fund Equity	0	(180,968)	163,276	344,244
Fund Equity Beginning of Year	182,464	182,464	182,464	0
Fund Equity End of Year	$182,464	$1,496	$345,740	$344,244

Statistical Section

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Statistical Section

This Part of the City of Fairview Park, 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)**

Financial Trends ..... S2 – S11

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... S12 – S19

These schedules contain information to help the reader assess the City's most significant local revenues, the property tax and the municipal income tax.

Debt Capacity ..... S20 - S24

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information ..... S25 – S27

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... S28 - S34

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 Fairview Park, Ohio

Net Assets By Component

Last Nine Years

(Accrual Basis of Accounting)

	2011	2010	2009	2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	$24,887,293	$26,270,731	$27,891,765	$28,353,807
Restricted:				
Capital Projects	1,570,645	1,829,248	1,823,311	2,141,453
Unclaimed Monies	0	320,000	250,000	250,000
Debt Service	0	0	0	0
Street Construction, Maintenance and Repair	334,582	518,659	617,968	478,966
State Highway	117,282	132,053	214,680	163,117
Street Lighting	70,350	115,606	367,274	382,171
Police Programs	76,332	321,606	289,899	324,093
Recreation and Community Center Programs	1,782,410	1,222,433	1,290,375	1,875,408
Other Purposes	503,529	489,387	300,213	32,104
Unrestricted	1,639,655	740,374	311,672	1,410,939
Total Governmental Activities Net Assets	$30,982,078	$31,960,097	$33,357,157	$35,412,058
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	$12,173,622	$12,409,791	$12,674,769	$12,044,939
Restricted:				
For Capital Projects	0	54,517	157,004	205,149
Unrestricted	4,521,136	4,290,646	4,075,831	3,854,965
Total Business-Type Activities Net Assets	$16,694,758	$16,754,954	$16,907,604	$16,105,053
Primary Government				
Invested in Capital Assets, Net of Related Debt	$37,060,915	$38,680,522	$40,566,534	$40,398,746
Restricted	4,455,130	5,003,509	5,310,724	5,852,461
Unrestricted	6,160,791	5,031,020	4,387,503	5,265,904
Total Primary Government Net Assets	$47,676,836	$48,715,051	$50,264,761	$51,517,111

Note: Net Assets restricted for other purposes were not broken out into categories until 2008.

2007	2006	2005	2004	2003
$29,713,297	$19,977,172	$16,189,541	$36,989,094	$37,934,123
5,290,585	15,635,792	21,181,980	1,312,216	1,088,946
0	0	0	0	0
0	0	7,693	0	(109,849)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
3,970,546	3,413,168	945,054	993,186	919,597
2,136,548	948,616	836,538	1,215,923	1,843,673
$41,110,976	$39,974,748	$39,160,806	$40,510,419	$41,676,490
$12,412,228	$11,521,380	$12,390,088	$11,713,185	$11,521,701
0	0	0	0	0
3,921,032	4,299,960	3,741,725	5,697,590	6,213,103
$16,333,260	$15,821,340	$16,131,813	$17,410,775	$17,734,804
$42,125,525	$31,498,552	$28,579,629	$48,702,279	$49,455,824
9,261,131	19,048,960	22,134,727	2,305,402	1,898,694
6,057,580	5,248,576	4,578,263	6,913,513	8,056,776
$57,444,236	$55,796,088	$55,292,619	$57,921,194	$59,411,294

City of Fairview Park, Ohio

Changes in Net Assets

Last Nine Years

(Accrual Basis of Accounting)

	2011	2010	2009	2008	2007
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government	$606,539	$179,232	$57,064	$6,574	$190,627
Security of Persons and Property	904,038	1,232,136	768,714	318,802	781,176
Transportation	39,215	10,288	22,419	0	177,223
Community Environment	34,313	25,319	8,941	252,958	216,091
Basic Utility Services	126,646	93,974	31,515	0	0
Leisure Time Activities	1,305,112	1,237,710	1,165,775	1,136,867	249,051
Public Health Services	149	0	0	0	0
Subtotal - Charges for Services	3,016,012	2,778,659	2,054,428	1,715,201	1,614,168
Operating Grants and Contributions:					
General Government	0	0	663	3,000	0
Security of Persons and Property	0	116,288	92,460	219,431	0
Transportation	709,728	747,139	726,985	746,222	793,031
Community Environment	0	0	104	0	0
Basic Utility Services	0	4,799	366	0	0
Leisure Time Activities	0	87,275	62,491	37,177	44,142
Subtotal - Operating Grants and Contributions	709,728	955,501	883,069	1,005,830	837,173
Capital Grants and Contributions:					
Transportation	53,081	169,922	56,203	516,189	0
Total Governmental Activities Program Revenues	3,778,821	3,904,082	2,993,700	3,237,220	2,451,341
Business-Type Activities:					
Charges for Services	1,998,193	1,795,677	1,562,718	1,735,435	1,702,798
Total Primary Government Program Revenues	5,777,014	5,699,759	4,556,418	4,972,655	4,154,139
Expenses					
Governmental Activities:					
General Government	2,597,783	2,782,550	2,564,768	2,953,774	2,537,880
Security of Persons and Property	7,267,524	7,854,479	7,118,625	7,562,285	6,291,888
Transportation	2,586,528	2,221,067	2,326,135	2,780,185	3,454,757
Community Environment	359,121	328,999	344,583	432,720	139,717
Basic Utility Services	1,129,614	1,013,896	1,005,866	1,383,619	1,247,756
Leisure Time Activities	3,555,596	3,303,008	4,200,804	6,515,743	2,024,273
Public Health Services	1,335	1,795	1,625	2,785	4,395
Interest and Fiscal Charges	1,070,312	1,101,108	1,236,834	1,156,874	1,364,203
Total Governmental Activities Expenses	18,567,813	18,606,902	18,799,240	22,787,985	17,064,869
Business-Type Activities:					
Sewer	2,115,212	2,063,857	1,951,784	1,903,636	1,508,864
Gilles-Sweet	0	53	0	0	0
Total Business-Type Activities Expenses	2,115,212	2,063,910	1,951,784	1,903,636	1,508,864
Total Primary Government Expenses	20,683,025	20,670,812	20,751,024	24,691,621	18,573,733
Net (Expense)/Revenue					
Governmental Activities	(14,788,992)	(14,702,820)	(15,805,540)	(19,550,765)	(14,613,528)
Business-Type Activities	(117,019)	(268,233)	(389,066)	(168,201)	193,934
Total Primary Government Net Expense	($14,906,011)	($14,971,053)	($16,194,606)	($19,718,966)	($14,419,594)

2006	2005	2004	2003
$209,604	$185,603	$0	$0
715,704	729,453	735,337	772,993
0	0	90,796	0
169,834	121,869	210,654	321,661
0	0	0	0
181,899	188,425	169,992	159,100
0	0	0	0
1,277,041	1,225,350	1,206,779	1,253,754
12,320	101,036	1,343	0
22,347	21,056	0	20,903
709,395	781,025	1,403,603	517,759
0	0	0	0
0	0	0	0
27,156	8,655	3,027	0
771,218	911,772	1,407,973	538,662
0	75,502	0	0
2,048,259	2,212,624	2,614,752	1,792,416
1,736,787	1,721,031	1,823,533	1,830,953
3,785,046	3,933,655	4,861,311	3,623,369
2,249,139	2,279,103	2,596,622	2,632,827
6,617,530	6,697,803	6,092,682	6,003,528
3,263,865	3,643,981	3,170,834	1,980,401
1,741,880	1,877,840	1,755,129	1,760,877
0	0	0	0
1,645,018	985,749	864,474	693,544
2,405	72,513	57,305	49,447
1,216,334	779,562	269,468	275,893
16,736,171	16,336,551	14,806,514	13,396,517
2,049,290	2,335,183	2,431,051	1,787,656
0	0	0	0
2,049,290	2,335,183	2,431,051	1,787,656
18,785,461	18,671,734	17,237,565	15,184,173
(14,687,912)	(14,123,927)	(12,191,762)	(11,604,101)
(312,503)	(614,152)	(184,492)	43,297
($15,000,415)	($14,738,079)	($12,376,254)	($11,560,804)

(continued)

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

	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	$2,587,238	$2,721,242	$3,021,265	$2,651,543	$4,171,960
Permanent Improvements	273,454	278,883	308,776	277,652	356,878
Recreation	314,313	290,671	357,372	270,515	0
Police and Fire Pension	204,675	156,744	245,019	174,434	0
Fire Operations	255,230	294,014	228,172	239,189	0
Other Purposes	0	0	0	0	964,081
Municipal Income Taxes Levied for:					
General Purposes	4,905,042	4,601,899	5,118,028	4,454,650	4,447,994
Capital Improvements	972,520	917,466	865,790	1,304,098	1,384,877
Recreation	1,945,166	1,834,786	1,993,806	1,708,786	2,742,810
Franchise Taxes	289,816	211,439	211,285	162,682	0
Grants and Entitlements not Restricted to Specific Programs	1,878,667	1,818,333	2,207,468	2,115,947	1,117,705
Unrestricted Contribution and Donations	0	98,176	0	0	0
Investment Income	2,640	4,553	16,985	242,022	887,307
Gain (Loss) on Sale of Capital Assets	21,857	5,400	0	0	0
Miscellaneous	217,178	185,800	366,060	174,594	57,968
Transfers	(56,823)	(113,646)	(1,189,387)	75,735	(314,866)
Total Governmental Activities	13,810,973	13,305,760	13,750,639	13,851,847	15,816,714
Business-Type Activities					
Investment Income	0	0	0	0	3,120
Miscellaneous	0	1,937	2,230	15,729	0
Transfers	56,823	113,646	1,189,387	(75,735)	314,866
Total Business-Type Activities	56,823	115,583	1,191,617	(60,006)	317,986
Total Primary Government General Revenues and Transfers	13,867,796	13,421,343	14,942,256	13,791,841	16,134,700
Change in Net Assets					
Governmental Activities	(978,019)	(1,397,060)	(2,054,901)	(5,698,918)	1,203,186
Business-Type Activities	(60,196)	(152,650)	802,551	(228,207)	511,920
Total Change in Net Assets	($1,038,215)	($1,549,710)	($1,252,350)	($5,927,125)	$1,715,106

Note: Property Taxes Levied for Other Purposes were not broken out into categories until 2008.

2006	2005	2004	2003
$3,467,149	$3,435,214	$2,865,170	$2,784,101
294,107	309,361	812,014	309,054
0	0	0	0
0	0	0	0
0	0	0	0
806,608	831,450	295,221	774,070
4,236,452	3,510,427	3,624,868	4,366,087
1,395,586	2,300,824	1,214,792	1,456,036
2,518,921	0	0	0
0	0	0	0
1,196,593	1,704,562	1,992,936	2,596,571
0	0	0	0
1,162,601	526,847	75,626	63,432
0	2,000	(3,400)	
167,610	153,629	126,944	195,583
0	0	0	0
15,245,627	12,774,314	11,004,171	12,544,934
1,375	10,009	10,364	14,127
655	0	0	0
0	0	0	0
2,030	10,009	10,364	14,127
15,247,657	12,784,323	11,014,535	12,559,061
557,715	(1,349,613)	(1,187,591)	940,833
(310,473)	(604,143)	(174,128)	57,424
$247,242	($1,953,756)	($1,361,719)	$998,257

City of Fairview Park, Ohio

Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007
General Fund					
Reserved	$0	$330,898	$259,790	$259,476	$271,608
Unreserved	0	2,045,925	1,572,506	2,199,327	2,007,799
Nonspendable	80,070	0	0	0	0
Assigned	24,301	0	0	0	0
Unassigned	2,053,365	0	0	0	0
Total General Fund	2,157,736	2,376,823	1,832,296	2,458,803	2,279,407
All Other Governmental Funds					
Reserved	0	483,733	449,893	151,362	4,125,692
Unreserved, Undesignated, Reported in:					
Special Revenue funds	0	1,863,047	2,126,018	2,758,074	2,777,831
Debt Service fund (Deficit)	0	176	8	0	(7,559)
Capital Projects funds	0	1,381,297	1,528,320	1,811,124	1,187,882
Nonspendable	40,260	0	0	0	0
Restricted	1,841,812	0	0	0	0
Committed	1,682,955	0	0	0	0
Unassigned (Deficit)	(235,817)	0	0	0	0
Total All Other Governmental Funds	3,329,210	3,728,253	4,104,239	4,720,560	8,083,846
Total Governmental Funds	$5,486,946	$6,105,076	$5,936,535	$7,179,363	$10,363,253

2006	2005	2004	2003	2002
$24,000	$525,000	$464,000	$464,000	$499,241
1,335,000	1,011,000	1,648,000	2,304,000	1,840,151
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1,359,000	1,536,000	2,112,000	2,768,000	2,339,392
8,878,000	263,000	359,000	887,000	213,155
591,000	510,000	729,000	715,000	962,894
(64,000)	105,000	(92,000)	(92,000)	(91,812)
8,953,000	20,476,000	683,000	(10,000)	694,287
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
18,358,000	21,354,000	1,679,000	1,500,000	1,778,524
$19,717,000	$22,890,000	$3,791,000	$4,268,000	$4,117,916

City of Fairview Park, Ohio

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007
Revenues					
Taxes (1)	n/a	n/a	n/a	n/a	$13,685,944
Municipal Income Taxes	7,696,575	7,444,610	7,091,943	8,245,667	n/a
Property Taxes	3,699,559	3,702,107	4,094,073	3,625,281	n/a
Franchise Taxes	289,816	211,439	211,285	162,682	n/a
Charges for Services	2,291,794	2,035,758	1,425,433	1,356,368	697,267
Fees, Licenses and Permits	490,901	505,760	402,723	438,441	478,917
Intergovernmental	2,656,203	3,056,856	3,121,304	3,423,663	1,827,018
Special Assessments	233,317	237,141	233,052	268,887	280,487
Unrestricted Contributions and Donations	0	98,176	0	0	0
Interest	2,640	4,553	16,985	242,022	902,878
Rentals	0	0	0	12,470	11,005
Other	217,178	185,800	366,060	174,594	175,679
Total Revenues	17,577,983	17,482,200	16,962,858	17,950,075	18,059,195
Expenditures					
Current:					
General Government	1,926,354	1,928,797	1,810,825	1,967,282	1,825,369
Security of Persons and Property	7,364,669	7,238,353	6,956,305	7,241,799	6,606,229
Transportation	1,308,777	1,062,943	1,311,737	1,596,174	2,285,613
Community Environment	297,860	271,935	283,406	366,556	150,868
Basic Utility Services	1,144,672	1,011,700	1,006,478	1,384,836	1,239,329
Leisure Time Activities	3,114,531	2,827,571	3,851,156	6,286,903	1,785,080
Public Health Services	1,355	1,795	1,625	2,785	4,395
Capital Outlay	1,085,895	855,352	1,521,439	624,601	11,019,177
Debt Service:					
Principal Retirement	552,713	888,450	964,220	795,177	892,753
Interest and Fiscal Charges	1,096,822	1,118,517	1,202,639	1,263,587	1,221,322
Bond Issuance Costs	0	0	0	0	0
Total Expenditures	17,893,648	17,205,413	18,909,830	21,529,700	27,030,135
Excess of Revenues Over (Under) Expenditures	(315,665)	276,787	(1,946,972)	(3,579,625)	(8,970,940)
Other Financing Sources (Uses)					
Bond Premium (Discount)	0	0	0	0	0
Bonds Issued	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Economic Development Notes Issued	750,000	0	1,100,000	0	0
Current Refunding	(1,100,000)	0	(1,100,000)	0	0
Sale of Capital Assets	21,857	5,400	0	0	0
OPWC Loan	0	0	750,887	0	0
Commercial Redevelopment Loans Issued	0	0	391,757	0	0
Inception of Capital Lease	82,501	0	0	320,000	0
Transfers In	1,043,240	1,148,300	1,112,010	1,140,658	1,166,028
Transfers Out	(1,100,063)	(1,261,946)	(1,550,510)	(1,064,923)	(1,480,894)
Total Other Financing Sources (Uses)	(302,465)	(108,246)	704,144	395,735	(314,866)
Net Change in Fund Balances	($618,130)	$168,541	($1,242,828)	($3,183,890)	($9,285,806)
Debt Service as a Percentage of Noncapital Expenditures	9.6%	11.8%	12.2%	9.9%	10.5%

(1) 2008 was the first year that taxes were split between property and municipal income.

2006	2005	2004	2003	2002
$12,665,853	$10,265,881	$8,666,743	$8,816,411	$8,698,630
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
630,322	567,845	503,833	541,180	453,623
404,212	372,744	383,864	422,376	486,249
2,014,888	2,417,416	3,403,709	3,164,482	2,428,288
251,996	247,661	230,950	230,971	229,563
0	0	0	0	0
1,163,633	534,113	75,626	63,432	96,807
10,429	13,587	0	0	10,859
164,709	160,907	151,442	195,583	51,888
17,306,042	14,580,154	13,416,167	13,434,435	12,455,907
1,575,760	1,570,617	1,846,775	1,871,902	1,843,234
6,541,135	6,423,904	5,989,043	5,760,650	5,573,697
2,096,611	2,395,523	931,146	932,973	764,149
1,735,926	1,717,840	1,606,713	1,593,359	1,594,380
0	0	0	0	0
1,673,816	967,810	838,805	713,599	737,912
2,405	72,513	57,305	49,447	58,352
4,718,525	3,422,025	1,982,089	2,064,837	1,893,058
2,094,705	430,536	1,720,760	230,074	1,793,126
1,241,148	612,535	263,080	274,521	297,091
0	278,104	0	0	0
21,680,031	17,891,407	15,235,716	13,491,362	14,554,999
(4,373,989)	(3,311,253)	(1,819,549)	(56,927)	(2,099,092)
0	914,896	0	0	0
0	21,800,000	0	0	0
0	2,380,000	0	0	0
0	(2,372,295)	0	0	0
1,200,000	0	1,200,000	0	1,400,000
0	0	0	0	0
0	2,000	0	0	420,086
0	0	0	0	0
0	0	0	0	0
0	0	162,287	505,126	0
862,634	707,123	2,733,782	1,082,074	2,896,744
(862,634)	(707,123)	(2,733,782)	(1,082,074)	(2,896,744)
1,200,000	22,724,601	1,362,287	505,126	1,820,086
($3,173,989)	$19,413,348	($457,262)	$448,199	($279,006)
24.5%	10.1%	17.7%	4.6%	19.9%

City of Fairview Park, Ohio

Assessed Valuation and Estimated True Values of Taxable Property

Last Ten Years

	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
Collection Year	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2011	$311,446,240	$60,258,740	$1,062,014,229	$4,036,050	$4,586,420
2010	312,052,360	64,654,730	1,076,305,971	3,895,260	4,426,432
2009	342,011,590	66,153,650	1,166,186,400	3,565,490	4,051,693
2008	341,934,910	59,863,300	1,147,994,885	3,395,360	3,858,364
2007	342,374,940	59,112,380	1,147,106,628	5,431,180	6,171,795
2006	312,301,780	56,857,330	1,054,740,314	5,600,560	6,364,273
2005	312,162,030	69,401,060	1,090,180,257	6,431,890	7,308,966
2004	312,124,730	66,986,010	1,083,173,543	6,316,660	7,178,023
2003	291,556,870	64,973,420	1,018,657,970	6,690,510	7,602,852
2002	291,815,910	67,423,310	1,026,397,771	6,685,310	7,596,943

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

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

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

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

Tangible Personal Property					
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Tax Rate
$0	$0	$375,741,030	$1,066,600,649	35 %	$11.80
0	0	380,602,350	1,080,732,403	35	11.80
2,643,000	42,288,000	414,373,730	1,212,526,093	34	11.80
1,973,776	15,790,208	407,167,346	1,167,643,457	35	11.80
4,791,198	25,553,056	411,709,698	1,178,831,479	35	11.80
7,440,181	29,760,724	382,199,851	1,090,865,311	35	11.80
7,058,239	28,232,956	395,053,219	1,125,722,179	35	11.80
8,737,178	34,948,712	394,164,578	1,125,300,278	35	11.80
11,237,049	44,948,196	374,457,849	1,071,209,018	35	11.80
12,416,078	49,664,312	378,340,608	1,083,659,026	35	11.80

City of Fairview Park, Ohio

Property Tax Rates - Direct and Overlapping Governments

(Per $1,000 of Assessed Valuation)

Last Ten Years

	2011	2010	2009	2008	2007	2006
Inside Millage						
Operating	$3.33000	$3.33000	$3.33000	$3.33000	$3.33000	$3.33000
Fire Pension	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
Total Inside Millage	3.93000	3.93000	3.93000	3.93000	3.93000	3.93000
Charter Millage						
1976 Charter/Current Expense	5.00000	5.00000	5.00000	5.00000	5.00000	5.00000
1994 Charter/Permanent Improvement	0.87000	0.87000	0.87000	0.87000	0.87000	0.87000
1996 Charter/Fire	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
1996 Charter/Recreational	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Total Charter Millage	7.87000	7.87000	7.87000	7.87000	7.87000	7.87000
Total Charter Millage	$11.80000	$11.80000	$11.80000	$11.80000	$11.80000	$11.80000
Overlapping Rates by Taxing District						
Fairview Park City School District						
Residential/Agricultural Real	$56.8256	$56.7442	$56.5150	$51.9219	$51.7745	$51.3582
Commercial/Industrial and Public Utility Real	61.5257	61.2140	60.9701	59.3262	58.1597	57.9899
General Business and Public Utility Personal	97.6000	97.6000	97.4000	96.1000	96.0000	95.6000
Rocky River City School District						
Residential/Agricultural Real	44.1296	43.9489	42.3267	40.8213	35.1663	35.2625
Commercial/Industrial and Public Utility Real	58.5507	57.4008	55.1613	55.6700	50.3371	51.2820
General Business and Public Utility Personal	84.3500	84.3000	82.7000	82.7000	77.1000	77.2000
Berea City School District						
Residential/Agricultural Real	38.7028	38.5574	38.6449	35.9563	35.9965	36.0527
Commercial/Industrial and Public Utility Real	45.3316	44.9615	45.1142	43.6675	4.5842	43.7691
General Business and Public Utility Personal	75.0000	74.9000	75.0000	74.9000	74.9000	74.9000
Cuyahoga County Commissioners						
Residential/Agricultural Real	13.1182	13.1866	13.1789	12.6607	11.8689	11.8655
Commercial/Industrial and Public Utility Real	12.7845	12.8413	12.8457	12.8153	12.4536	12.4941
General Business and Public Utility Personal	13.2200	13.3200	13.3200	13.3200	13.4200	13.4200
Special Taxing Districts (1)						
Residential/Agricultural Real	14.7429	14.7006	14.2125	13.4074	12.7052	12.7038
Commercial/Industrial and Public Utility Real	14.7148	14.5296	14.0203	14.0723	13.4384	13.5665
General Business and Public Utility Personal	16.0800	16.0800	15.7800	15.7800	15.2800	15.2800

Source: Cuyahoga County Fiscal Officer

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

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

Overlapping rates are those of local and county governments that apply to property owners within the City. Real property tax rates are reduced so that inflationary increases in value do not generate additional revenue.

The City has 13 mills (including inside millage) of charter millage authorized; through 2011 only 11.8 mills has been levied. The 11.8 mills includes 3.93 mills of inside millage.

(1) 2002 included the Metro Parks, Cuyahoga County Library, Rocky River Library, and Polaris Joint Vocational School District.
2003 - 2011 Port Authority, and Cuyahoga Community College added.

2005	2004	2003	2002
$3.33000	$3.33000	$3.33000	$3.33000
0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000
3.93000	3.93000	3.93000	3.93000
5.00000	5.00000	5.00000	5.00000
0.87000	0.87000	0.87000	0.87000
1.00000	1.00000	1.00000	1.00000
1.00000	1.00000	1.00000	1.00000
7.87000	7.87000	7.87000	7.87000
$11.80000	$11.80000	$11.80000	$11.80000
$49.9227	$45.0102	$45.3387	$39.5344
55.4759	49.8963	52.1012	45.8944
90.9000	86.0000	86.3000	78.4000
37.8431	32.8459	32.7872	35.5579
53.9213	45.6827	45.0509	46.5077
77.0000	72.0000	72.0000	72.4000
33.7047	33.9059	33.9233	36.4265
41.5531	41.1544	41.2455	42.6575
69.7000	69.8000	69.8000	69.8000
11.7227	10.9754	10.9899	12.4609
12.5881	11.9846	12.0433	12.8764
13.5200	13.5200	13.5200	14.6500
13.5382	13.5366	9.9678	10.9500
14.2265	14.0729	10.8729	11.2744
15.2800	15.2800	12.9800	10.0500

City of Fairview Park, Ohio

Property Tax Levies And Collections (1)

Last Ten Years

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections
2011	$4,417,972	$4,191,060	94.86 %	$103,228
2010	4,399,219	4,175,733	94.92	108,449
2009	4,754,307	4,527,554	95.23	97,095
2008	4,713,003	4,567,342	96.91	116,079
2007	4,799,649	4,644,801	96.77	131,447
2006	4,397,790	4,216,264	95.87	141,801
2005	4,564,717	4,436,646	97.19	114,872
2004	4,555,398	4,351,892	95.53	155,483
2003	4,529,692	4,230,491	93.39	113,473
2002	4,387,656	4,259,623	97.08	100,539

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Information for Real and Personal Property only.
(2) State reimbursement of rollback and homestead exemptions are included.
(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Note: The County does not maintain delinquency information by tax year.

Total Tax Collections (1)	Percent of Total Tax Collections to Current Tax Levy	Accumulated Outstanding Delinquent Taxes (3)	Percentage of Delinquent Taxes to Total Tax Levy
$4,294,288	97.20 %	$233,098	5.28 %
4,284,182	97.39	315,560	7.17
4,624,649	97.27	246,225	5.18
4,683,421	99.37	178,625	3.79
4,776,248	99.51	183,200	3.82
4,358,065	99.10	202,607	4.61
4,551,518	99.71	156,144	3.42
4,507,375	98.95	206,958	4.54
4,343,964	95.90	159,953	3.53
4,360,162	99.37	178,189	4.06

City of Fairview Park, Ohio

Principal Real Property Taxpayers

2011 and 2002

2011

Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Westgate Mall , LLC	$8,395,660	2.26 %
Z and Sons Limited	5,950,000	1.60
Fairview Shopping Center Corporation	3,588,940	0.97
Cleveland Electric Illuminating Company	2,818,880	0.76
Lawn Village Incorporated	2,439,220	0.66
200 West Apartments	1,855,000	0.50
West Valley Medical	1,751,550	0.47
Target Corporation	1,605,940	0.43
MCGowan Real Estate	1,136,250	0.31
Center Ridge Equities	832,030	0.21
Total	$30,373,470	8.17 %
Total Real Property Assessed Valuation	$371,704,980	

2002

Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Westgate Joint Venture	$14,770,810	4.11 %
Z and Sons Limited Partnership	6,688,680	1.86
Fairview Shopping Center Corporation	4,015,900	1.12
Dillards Department Stores	2,508,070	0.70
Lawn Village Incorporated	2,444,930	0.68
Cleveland Electric Illuminating Company	2,152,780	0.60
200 West Apartments	2,005,890	0.56
Ohio Bell Telephone Company	1,965,220	0.55
Center Ridge Equities	991,870	0.28
Stallard-Schrier FAM LTD PA	951,940	0.26
Total	$38,496,090	10.72 %
Total Real Property Assessed Valuation	$359,239,220	

Source: Cuyahoga County Fiscal Officer

City of Fairview Park, Ohio

Income Tax Revenue Base and Collections

Last Eight Years (1)

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2011	2.00%	$7,822,728	$3,555,014	45.44%	$379,285	4.85%	$3,888,429	49.71%
2010	2.00	7,354,151	3,404,124	46.29	251,612	3.42	3,698,415	50.29
2009	2.00	7,977,624	3,483,223	43.66	280,339	3.51	3,839,383	48.13
2008	2.00	7,467,534	3,471,710	46.49	257,259	3.45	3,738,565	50.06
2007	2.00	8,575,681	3,692,373	43.06	753,961	8.79	4,129,347	48.15
2006	2.00	7,312,059	3,054,047	41.77	391,453	5.35	3,766,939	51.52
2005	2.00	5,427,291	2,679,923	49.38	299,053	5.51	2,423,038	44.65
2004	2.00	4,792,476	2,376,802	49.59	212,993	4.44	2,125,312	44.35

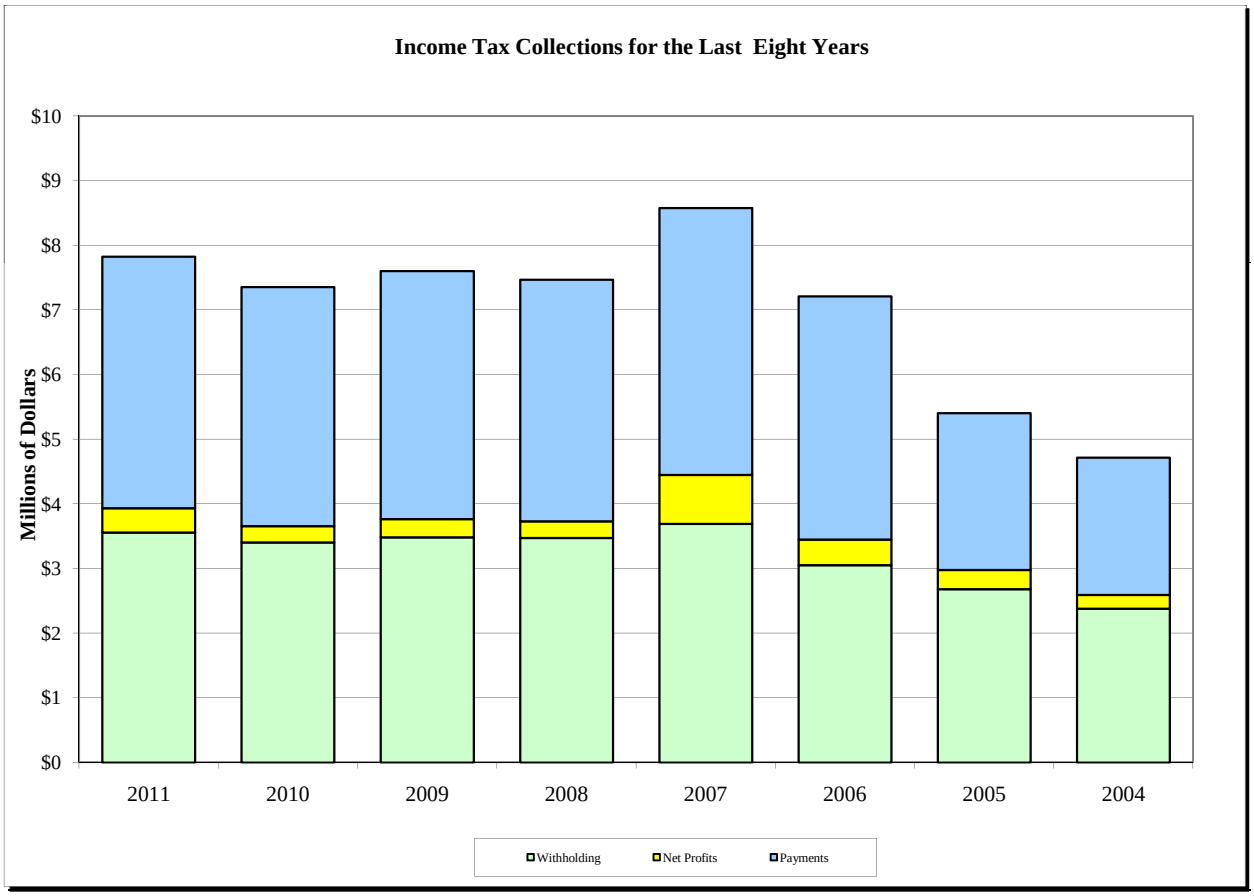
Source: Regional Income Tax Agency (RITA)

(1) - Information is not available prior to 2004

(2) - 2007 through 2011 are on an Accrual Basis and 2004 through 2006 are on a Modified Accrual Basis

(3) - The City is statutorily prohibited from presenting individual taxpayer information

(4) - The City's basic income tax rate may only be increased by a majority vote of the City's residents



City of Fairview Park, Ohio

Ratio of Outstanding Debt to

Total Personal Income and Debt Per Capita

Last Ten Years

	Governmental Activities						
Year	General Obligation Bonds	OPWC Loan	Lorain Road Revitalization Loan	Commercial Redevelopment Loans	Capital Leases	Intergovernmental Loan	Economic Development Note
2011	$22,289,346	$713,342	$155,263	$219,893	$310,112	$277,241	$750,000
2010	22,678,198	738,372	188,188	263,965	271,513	334,025	1,100,000
2009	23,212,050	750,887	219,048	391,757	437,000	390,821	1,100,000
2008	23,805,757	0	247,972	0	605,480	447,637	1,200,000
2007	24,370,511	0	275,038	0	466,767	504,461	1,200,000
2006	25,065,000	280,000	300,000	0	363,000	561,000	1,200,000
2005	25,977,000	317,000	324,000	0	489,000	628,000	1,200,000
2004	3,470,000	371,000	346,000	0	717,000	716,000	1,200,000
2003	3,795,000	407,000	367,000	0	645,000	74,000	1,400,000
2002	4,115,000	443,000	367,000	0	165,000	116,000	1,400,000

Note: Population and Personal Income data are presented on page S26

Business-Type Activities					
OPWC Loan	General Obligation Bonds	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
$117,860	$0	$0	$24,833,057	4.75%	$1,476
153,994	0	54,517	25,782,772	5.67	1,532
190,128	0	157,004	26,848,695	5.52	1,528
226,262	0	205,149	26,738,257	5.50	1,522
262,396	0	0	27,079,173	5.60	1,541
280,464	0	0	28,049,464	5.80	1,596
316,598	115,000	0	29,366,598	6.07	1,671
370,799	230,000	0	7,420,799	1.54	422
406,933	345,000	0	7,439,933	1.54	423
443,067	460,000	0	7,509,067	1.55	427

City of Fairview Park, Ohio

Legal Debt Margin

Last Five Years (1)

	2011	2010	2009	2008	2007
Total Assessed Property Value	$375,741,030	$380,602,350	$414,373,730	$407,167,346	$411,709,698
General Bonded Debt Outstanding:					
General Obligation Bonds	$21,585,000	$21,935,000	$22,430,000	$22,965,000	$23,490,000
Economic Development Note	750,000	1,100,000	1,100,000	1,200,000	1,200,000
Lorain Road Revitalization Loan	155,263	188,188	219,048	247,972	275,038
OPWC Loan	831,202	892,366	941,015	226,262	262,396
Commercial Redevelopment Loans	219,893	263,965	391,757	0	0
Intergovernmental Loan	277,241	334,025	390,821	447,637	504,461
Total Gross Indebtedness	23,818,599	24,713,544	25,472,641	25,086,871	25,731,895
Less:					
2005 Various Purpose Bonds	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)	(20,700,000)
Economic Development Note	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)	(1,200,000)
Lorain Road Revitalization Loan	(155,263)	(188,188)	(219,048)	(247,972)	(275,038)
Commercial Redevelopment Loans	(219,893)	(263,965)	(391,757)	0	0
Intergovernmental Loan	(277,241)	(334,025)	(390,821)	(447,637)	(504,461)
OPWC Loan	(831,202)	(892,366)	(941,015)	(226,262)	(262,396)
General Obligation Bond Retirement Fund Balance	(176)	(176)	(8)	0	0
Total Net Debt Applicable to Debt Limit	1,934,824	2,134,824	2,329,992	2,565,000	2,790,000
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	39,452,808	39,963,247	43,509,242	42,752,571	43,229,518
Legal Debt Margin Within 10 ½ % Limitations	$37,517,984	$37,828,423	$41,179,250	$40,187,571	$40,439,518
Legal Debt Margin as a Percentage of the Debt Limit	95.10%	94.66%	94.64%	94.00%	93.55%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	$20,665,757	$20,933,129	$22,790,555	$22,394,204	$22,644,033
Total Gross Indebtedness	23,818,599	24,713,544	25,472,641	25,086,871	25,731,895
Less:					
2005 Various Purpose Bonds	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)	(20,700,000)
Economic Development Loan	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)	(1,200,000)
Lorain Road Revitalization Loan	(155,263)	(188,188)	(219,048)	(247,972)	(275,038)
Commercial Redevelopment Loans	(219,893)	(263,965)	(391,757)	0	0
Intergovernmental Loan	(277,241)	(334,025)	(390,821)	(447,637)	(504,461)
General Obligation Bond Retirement Fund Balance	(176)	(176)	(8)	0	0
Net Debt Within 5 ½ % Limitations	2,766,026	3,027,190	3,271,007	2,791,262	3,052,396
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$17,899,731	$17,905,939	$19,519,548	$19,602,942	$19,591,637
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	86.62%	85.54%	85.65%	87.54%	86.52%

Source: City Financial Records

(1) Information prior to 2007 is not available

City of Fairview Park, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2011

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Fairview Park
Direct Debt:			
City of Fairview Park			
General Obligation Bonds	$22,289,346	100.00 %	$22,289,346
OPWC Loan	713,342	100.00	713,342
Capital Leases	310,112	100.00	310,112
Lorain Road Revitalization Loan	155,263	100.00	155,263
Commercial Redevelopment Loans	219,893	100.00	219,893
Economic Development Note	750,000	100.00	750,000
Intergovernmental Loan	277,241	100.00	277,241
Total Direct Debt	24,715,197		24,715,197
Overlapping Debt:			
Fairview Park City School District	28,683,343	100.00	28,683,343
Cuyahoga County			
General Obligation Bonds	298,113,842	1.28	3,815,857
Capital Leases	20,851,000	1.28	266,893
Revenue Bonds	166,580,000	1.28	2,132,224
Loans	8,310,000	1.28	106,368
Greater Cleveland Regional			
Transit Authority	166,047,138	1.28	2,125,403
Total Overlapping Debt	688,585,323		37,130,088
Total Direct and Overlapping Debt	$713,300,520		$61,845,285

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Fairview Park, Ohio

Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita

Last Ten Years

Year	Population (1)	Estimated Actual Values of Taxable Property (2)	Bonded Debt	Ratio of Bonded Debt to Estimated Actual Values of Taxable Property	Bonded Debt Per Capita
2011	16,826	$1,066,600,649	$22,289,346	2.09 %	$1,324.70
2010	16,826	1,080,732,403	22,678,198	2.10	1,347.81
2009	17,572	1,212,526,093	23,212,050	1.91	1,320.97
2008	17,572	1,167,643,456	23,805,757	2.04	1,354.76
2007	17,572	1,178,831,479	24,370,511	2.07	1,386.89
2006	17,572	1,090,865,311	25,065,000	2.30	1,426.42
2005	17,572	1,125,722,179	25,977,000	2.31	1,478.32
2004	17,572	1,125,300,278	3,470,000	0.31	197.47
2003	17,572	1,071,209,019	3,795,000	0.35	215.97
2002	17,572	1,083,659,027	4,115,000	0.38	234.18

Sources:

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

(2) Cuyahoga County Fiscal Officer

City of Fairview Park, Ohio
Principal Employers
2011 and 2007

2011

Employer	Employees	Percentage of Total City Employment
Fairview Park City School District	426	6.66%
Target Corporation	334	5.22
Cleveland Metroparks	241	3.77
Kohl's	218	3.41
Cuyahoga County	188	2.94
Analex Corporation	149	2.33
Riser Foods	139	2.17
Cuyahoga County BOE	95	1.48
McGowan and Company	87	1.36
West Side Cardiology	54	0.83
Total	1,931	30.17%
Total Employment within the City	6,401	

2007

Employer	Employees	Percentage of Total City Employment
US Department of Interiors	306	4.91%
Fairview Park City School District	454	7.28
Quadax	190	3.05
ASRC Aerospace Corporation	0	0.00
Cleveland Metroparks	0	0.00
McGowan and Company	0	0.00
Cuyahoga County Auditors	0	0.00
Analex Corporation	77	1.23
Cleveland Clinic Foundation	74	1.19
Total	1,101	17.65%
Total Employment within the City	6,238	

Source: Number of employees obtained from the W2's from RITA

City of Fairview Park, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1a)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1a)
2011	16,826	$522,666,038	$31,063	$52,982	41.5
2010	16,826	454,991,866	27,041	51,425	42.3
2009	17,572	486,076,664	27,662	50,487	40.9
2008	17,572	486,076,664	27,662	50,487	40.9
2007	17,572	483,423,292	27,511	50,436	40.8
2006	17,572	483,423,292	27,511	50,436	40.8
2005	17,572	483,423,292	27,511	38,377	40.8
2004	17,572	483,423,292	27,511	38,377	40.8
2003	17,572	483,423,292	27,511	38,377	40.8
2002	17,572	483,423,292	27,511	38,377	40.8

(1) Source U. S. Census and Census estimates
(a) U.S. Census Bureau, 2006-2010 American Community Survey
Year 2010: 2010 U.S. Census Bureau
(2) Source: Fairview Park City School District website
(3) Cuyahoga County Planning Commission
(4) Source: Cuyahoga County Fiscal Officer
(5) Total Personal Income is computed by multiplying Personal Income per Capita by Population
(6) Cuyahoga County Jobs and Family Services

School Enrollment (2)	Cuyahoga County Unemployment Rate (6)	Average Sales Price of Residential Property (3)	Total Assessed Property Value (4)
1,748	7.1%	$153,200	$375,741,030
1,763	8.6	128,979	380,602,350
1,605	7.4	137,899	414,373,730
1,666	5.2	153,564	407,167,346
1,699	5.7	151,009	411,709,698
1,711	5.7	151,749	382,199,851
1,758	5.7	156,985	395,053,219
1,771	6.2	157,998	394,164,578
1,787	6.4	148,057	374,457,849
1,803	6.7	145,971	378,340,608

City of Fairview Park, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2011	2010	2009	2008	2007
General Government					
City Hall and Police Station (square footage occupied)	40,489	40,489	40,489	40,489	40,489
Senior Center(square feet)	9,600	9,600	9,600	9,600	9,600
City Service Garage - Front (square feet)	4,000	4,000	4,000	4,000	4,000
City Service Garage - Rear (square feet)	4,000	4,000	4,000	4,000	4,000
Nelson Russ Center (square feet)	2,400	2,400	2,400	2,400	2,400
Bain Cabin	3,880	3,880	3,880	3,880	3,880
Administrative Vehicles	4	4	4	4	4
Inspection Vehicles	2	2	2	2	2
Police					
Stations	1	1	1	1	1
Vehicles	16	16	16	13	13
Fire					
Stations	1	1	1	1	1
Number of fire hydrants	866	866	866	866	866
Vehicles	7	7	7	7	8
Recreation					
Number of Parks	5	5	5	5	5
Number of Pools	2	2	2	2	0
Number of Golf Courses	0	0	0	0	0
Number of Tennis Courts	6	6	6	6	6
Number of Baseball Diamonds	7	7	7	7	8
Number of Soccer Fields	4	4	4	4	3
Number of Stadiums	1	1	1	1	1
Square Footage of Recreation Center	93,000	93,000	93,000	93,000	93,000
Other Public Works					
Streets (miles)	52.90	52.90	52.90	52.90	52.90
Number of street lights (per light bill)	1,262	1,262	1,262	1,262	1,262
Service Department Large Vehicles/Trucks	30	30	36	34	34
Wastewater					
Sanitary Sewers (miles)	52.90	52.90	52.90	52.90	50.10
Storm Sewers (miles)	52.90	52.90	52.90	52.90	50.10
Vehicles	1.00	1.00	0.00	0.00	1.00

Source: City of Fairview Park Departments

n/a: Information not available

2006	2005	2004	2003	2002
40,489	40,489	40,489	40,489	40,489
9,600	9,600	9,600	9,600	9,600
4,000	4,000	4,000	4,000	4,000
4,000	4,000	4,000	4,000	4,000
2,400	2,400	2,400	2,400	2,400
3,880	3,880	3,880	3,880	3,880
0	0	0	0	0
0	0	0	0	0
1	1	1	1	1
12	n/a	n/a	n/a	n/a
1	1	1	1	1
866	866	866	866	866
n/a	n/a	n/a	n/a	n/a
5	5	5	5	5
0	0	0	0	0
0	0	0	0	0
6	6	6	6	6
8	8	8	8	8
3	1	1	1	0
1	3	3	3	0
0	0	0	0	0
52.90	52.90	52.90	52.90	52.90
1,262	1,262	1,262	1,262	1,262
34	34	34	34	34
50.10	50.10	50.10	50.10	50.10
50.10	50.10	50.10	50.10	50.10
1.00	1.00	1.00	1.00	1.00

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City of Fairview Park, Ohio

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Years (1)

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Council	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Finance	3.50	3.50	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Planning Design	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Payroll/Civil Service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Security of Persons and Property										
Police	24.00	27.00	27.00	27.00	27.00	27.00	28.00	28.00	28.00	28.00
Police - Auxiliary/Guards	14.00	16.00	16.00	12.00	16.00	11.00	10.00	11.00	10.00	10.00
Police - Dispatchers/Office/Other	1.50	1.50	1.50	1.00	1.50	2.00	2.00	2.00	2.00	2.00
Animal Wardens	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Fire	24.00	28.00	28.00	28.00	28.00	25.00	25.00	26.00	26.00	26.00
Fire Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities										
Recreation	9.00	11.00	11.00	11.00	15.00	21.00	20.00	16.00	16.00	16.00
Senior Life	2.00	2.00	2.00	2.00	7.00	7.00	7.00	7.00	7.00	7.00
Community Development										
Building	4.00	4.00	4.00	4.00	4.00	3.50	3.50	4.00	4.00	4.00
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Transportation										
Service	24.00	27.00	27.00	28.00	25.00	28.00	38.00	37.00	41.00	40.00
Totals:	124.00	138.00	138.00	134.00	143.50	145.50	154.50	152.00	155.00	154.00

Source: City of Fairview Park, Department of Finance

Method: Using 1.0 for each full-time employee and 0.50 for each part-time employee at December 31. Seasonal employees are not included.

City of Fairview Park, Ohio
Operating Indicators by Function/Program
Last Ten Years (1)

Function/Program	2011	2010	2009	2008	2007
General Government					
Council and Clerk					
Number of Ordinances Passed	68	47	85	76	78
Number of Resolutions Passed	27	24	17	25	27
Number of Planning Commission docket items	18	21	49	22	36
Zoning Board of Appeals docket items	2	13	11	12	12
Finance Department					
Number of payroll checks issued	1,817	1,898	2,223	0	0
Number of checks/vouchers issued	2,349	1,765	3,090	3,614	3,396
Amount of checks written	$8,648,137	$7,314,408	$10,283,501	$16,095,444	$26,308,251
Interest earnings for fiscal year (cash basis)	$2,597	$4,489	$16,985	$525,500	$906,612
Number of Receipts issued	1,920	1,673	2,230	30,096	1,446
Number of Budget Adjustments issued	1	1	3	0	0
Agency Ratings - Moody's Financial Services	A-	A-	A-	A-	A-
Health Insurance Costs vs. General Fund Expenditures %	14.85%	14.85%	11.45%	12.29%	0.00%
General Fund Receipts (cash basis in thousands)	$10,297,802	$10,753,175	$10,319,406	$10,016,188	$10,691,201
General Fund Expenditures (cash basis in thousands)	$9,897,753	$9,849,428	$10,814,112	$10,517,415	$10,273,185
General Fund Cash Balances (in thousands)	$1,484,144	$1,474,342	$570,595	$1,065,301	$752,977
Engineer Contracted Services					
Dollar amount of Construction overseen by Engineer	$776,992	$83,083	$1,633,623	$1,276,825	$1,386,923
Civil Service					
Number of police entry tests administered	1	0	0	0	97
Number of fire entry tests administered	0	1	0	1	0
Number of police promotional tests administered	0	0	0	0	0
Number of Police Officers hired	0	0	0	1	0
Number of Fire/Medics hired	2	1	1	0	3
Building Department Indicators					
New Construction Permits Issued	310	267	278	348	674
Estimated Value of Construction	$5,679,573	$4,512,702	$6,770,889	$10,236,541	$2,196,066
Number of electrical/plumbing/remodeling permits issued	1,403	1,772	1,494	1,837	1,923
Amount of Revenue generated from permits	$97,189	$95,425	$101,187	$158,570	$273,157
Number of contract registrations issued	523	534	422	429	203
Number of rental inspections performed	112	468	1,783	1,783	1,783
Annual Apartment/Rooming House License Fees	$20,396	$10,482	$10,482	$10,482	$10,482
Security of Persons and Property					
Police					
Total Calls for Services	12,149	12,149	12,000	11,990	11,298
Number of traffic citations issued	5,716	5,716	4,561	5,420	4,946
Number of parking citations issued	1,460	1,460	1,373	1,521	2,176
Number of criminal arrests	136	136	115	105	112
Number of accident reports completed	222	222	217	259	224
Part 1 Offenses (major offenses)	51	51	62	65	87
Animal Warden service calls responded to per annual report	392	392	433	380	393
Police Dept. Auxiliary hours worked	1,672	1,672	1,981	1,699	0
DUI Arrests	48	48	52	60	57
Prisoners	498	498	491	502	737
Prisoner meal costs	3,770	3,770	4,133	7,388	12,344
Motor Vehicle Accidents	418	418	404	37	224
Property damage accidents	192	192	176	117	100
Fatalities from Motor Vehicle Accidents	0	0	1	1	0
Gasoline costs of fleet	42,098	42,098	31,140	55,649	38,974
Community Diversion Program Youths (2)	0	0	0	1,440	1,440
Community Diversion Program - community service hours	0	0	0	48	0
Fire					
EMS Calls	1,469	1,465	1,253	1,363	1,508
Ambulance Billing Collections (net)	$345,936	$273,070	$262,020	$282,167	$250,972
Fire Calls	207	197	148	161	201
Fires with Loss	6	10	11	40	99
Fires with Losses exceeding $10,000	2	8	6	6	2
Fire Losses $	$221,050	$394,000	$482,400	$250,000	$154,000
Fire Safety Inspections	362	663	578	721	1,276
Number of times Mutual Aid given to Fire and EMS	76	87	100	104	97
Number of times Mutual Aid received for Fire and EMS	31	50	63	80	55

2006	2005	2004	2003	2002
67	69	56	55	67
30	24	29	17	27
17	36	24	34	52
12	11	12	8	20
5,735	0	0	0	0
2,868	2,424	2,635	2,559	2,347
$24,515,579	$18,784,193	$19,403,725	$17,022,821	$11,395,977
$1,184,028	$490,426	$79,842	$78,709	$123,304
n/a	n/a	n/a	n/a	n/a
2	2	2	2	2
A-	A-	A-	A-	A-
12.03%	12.78%	0.00%	12.10%	10.85%
$8,988,968	$8,618,575	$9,125,767	$9,012,735	$8,732,098
$9,187,021	$9,401,877	$9,647,796	$8,740,672	$8,756,001
$177,215	$346,660	$1,129,962	$1,651,991	$1,380,288
$836,855	$1,120,762	$2,902,333	$2,459,200	$824,104
0	0	1	0	0
1	0	0	0	0
0	0	158	0	0
0	1	0	0	0
0	0	0	2	1
312	629	436	353	410
$28,319,012	$9,093,247	$4,872,485	$4,750,630	$9,273,481
1,730	1,854	1,794	1,866	1,879
$206,663	$129,783	$122,069	$145,641	$157,267
322	404	324	403	380
1,783	1,783	1,783	1,783	1,787
$10,482	$10,482	$10,482	$4,520	$4,516
10,930	9,596	10,486	11,020	10,991
5,586	5,029	4,612	4,960	5,699
1,941	1,897	2,114	2,839	1,523
124	128	118	159	144
239	204	251	239	240
73	102	70	98	76
0	0	0	0	0
1,500	1,625	1,540	1,870	1,830
62	43	59	58	78
593	576	624	688	694
$11,484	$11,277	$12,843	$18,401	$0
0	0	0	0	0
171	147	188	178	173
0	0	0	1	0
$43,102	$37,880	$28,990	$23,000	$0
1,400	1,400	1,400	1,400	1,400
0	32	152	56	264
1,531	1,521	1,464	1,291	1,293
$248,375	$275,508	$256,338	$234,221	$221,296
144	132	124	133	156
0	0	0	0	0
0	0	0	0	0
$0	$0	$0	$0	$0
580	1,033	1,118	1,120	1,190
93	106	81	88	84
60	51	51	35	42

(continued)

City of Fairview Park, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years (1)

Function/Program	2011	2010	2009	2008	2007
Leisure Time Activities					
Recreation					
Recreation Swimming pool receipts	$94,102	$69,341	$53,386	$28,518	$0
Recreation Mens & Womens Leagues receipts	28,835	24,325	37,130	27,510	24,330
Recreation programs	192,058	185,689	147,768	163,173	48,164
Youth Soccer League	19,200	14,669	13,856	13,184	15,974
Youth Basketball League	19,410	15,723	13,100	19,407	34,852
Facilities rentals	82,648	93,011	103,471	72,897	9,034
Recreation center memberships	537,598	564,201	601,797	585,690	71,651
Miscellaneous	131,490	82,675	130,013	115,604	63,004
Total Recreation Department receipts	$1,105,341	$1,049,634	$1,100,521	$1,025,983	$267,009
Community Development					
Grant amounts received due to Economic Development Dept.	$0	$0	$90,527	$95,000	$102,023
Basic Utility Services					
Refuse disposal per year (in tons) January through December	8,440	8,137	8,203	8,511	8,412
Refuse disposal costs per year January through December	$538,631	$541,338	$523,075	$556,346	$282,482
Percentage of waste recycled	26.00%	26.50%	26.40%	26.90%	26.34%
Annual recycling tonnage (excluding leaf and compost items)	826	915	1,070	1,057	1,121
Transportation					
Street Repair (Concrete,asphalt,crack sealing) (hours)	1,150	1,120	1,128	1,184	2,152
Mowing (hours)	1,944	1,944	1,944	1,776	1,856
Street Sweeper (hours)	320	320	320	320	328
Cold Patch (hours)	400	400	400	400	32
Snow & Ice Removal regular hours	1,000	1,900	1,808	1,888	1,768
Sewer and Sanitary calls for service	4,000	3,940	3,736	3,920	3,636
Fire hydrants (hours)	15	16	32	16	40
Catch basin (hours)	2,000	2,000	1,944	1,920	632
Leaf collection (hours)	2,000	2,816	2,800	2,784	3,320
Holiday lights setup (hours)	50	140	140	140	147
Burial Services (hours)	0	0	0	0	16
Equipment repair/body shop (hours)	4,160	7,060	7,040	7,024	8,344
Sign department (hours)	200	180	176	160	516
Paint striping (hours)	700	720	640	624	n/a
Building maintenance (hours)	9,011	9,011	9,016	9,152	9,086
Landscaping (hours)	2,280	2,280	2,280	1,704	2,648
Other (hours)	2,240	2,240	2,240	2,240	8,832
Tree Pruning and Care	1,200	1,211	1,216	1,216	n/a
Parks and main street garbage	2,000	2,000	2,000	1,704	n/a
Recycling crews	4,160	3,968	3,968	3,968	n/a
Traffic department (hours)	1,080	1,840	1,800	1,840	n/a
Summerfest	256	256	256	256	n/a
Wastewater Department					
Wastewater Rates per 1st 1000 Cu ft of water used	$36.00	$33.00	$27.00	$27.00	n/a
Total flow of wastewater treatment plant (Billions of Gallons)	6.59	4.39	4.42	5.03	4.73
Average daily flow (Millions of gallons per day)	18.07	12.03	12.10	13.74	12.94
Tons of dry sludge removed	1,983.08	1,666.30	1,660.10	1,757.60	1,978.69

Source: City of Fairview Park Departments

(1) Information prior to 2002 is not available

(2) In 2009, this program was discontinued due to budget cuts.

2006	2005	2004	2003	2002
$16,934	$0	$0	$0	$942
24,414	25,460	19,755	28,246	19,790
49,537	46,143	43,383	36,319	46,043
16,095	17,273	19,428	11,993	13,891
36,681	37,907	39,470	40,428	41,389
3,830	5,846	8,761	5,407	5,735
0	0	0	0	0
35,405	45,381	41,692	35,394	40,599
$182,896	$178,010	$172,489	$157,787	$168,389
$50,000	$0	$0	$106,285	$423,026
8,432	8,682	8,313	8,745	8,100
$261,923	$230,673	$229,877	$243,532	$241,501
36.51%	35.56%	36.32%	35.91%	29.51%
1,184	1,015	1,155	1,239	1,159
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
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n/a	n/a	n/a	n/a	n/a
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n/a	n/a	n/a	n/a	n/a
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n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
4.20	4.53	4.43	4.71	4.14
11.51	12.42	12.11	12.91	11.34
1,924.31	1,832.82	1,735.72	1,708.46	1,810.45

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

Members of the City Council
Fairview Park, Ohio

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 Fairview Park, Ohio (the "City"), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2012 wherein we noted the City adopted *GASB Statement Nos. 54 and 59* as disclosed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

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Fairview Park, Ohio

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 27, 2012.

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

Cuni & Paricki, Inc.

Cleveland, Ohio
June 27, 2012

Dave Yost • Auditor of State

CITY OF FAIRVIEW PARK

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 21, 2012

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
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Members of the City Council
Fairview Park, Ohio

We have audited the financial statements of the City of Fairview Park, Ohio (the "City") in accordance with *Government Auditing Standards*, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 27, 2012.

Government Auditing Standards require us to report significant internal control deficiencies and material weaknesses, fraud, and illegal acts (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated June 27, 2012, for the year ended December 31, 2011.

We are also submitting the following comments for your consideration regarding the City's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. These comments reflect matters that do not require inclusion in the report *Government Auditing Standards* require. Nevertheless, these comments represent matters for which we believe improvements in compliance, internal controls, or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist your government. If you have questions or concerns regarding these comments please do not hesitate to contact us. The comments denoted with an asterisk (*) were previously brought to management's attention for which no corrective action has been taken.

<u>Immaterial Non-Compliance</u>

Personal Information Policy*

The Ohio Revised Code Section 1347.05 requires that every state and local agency that maintains personal information systems shall:

- Appoint one individual to be directly responsible for the system;
- Adopt and implement rules that provide for the operation of the system;
- Inform each of its responsible employees of all rules adopted in accordance with this section;
- Specify disciplinary measures for authorized use of information contained in the system;
- Inform persons supplying personal information if it is legally required, or if they may refuse;
- Develop procedures for purposes of monitoring the accuracy, relevance, timeliness and completeness of the personal information system;
- Take reasonable precautions to protect personal information in the system from unauthorized modification, destruction, use, or disclosure; and

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Immaterial Non-Compliance (continued)

Personal Information Policy* (continued)

- Collect and maintain and use only personal information that is necessary and relevant to the functions that the agency is required or authorized to perform, and eliminate personal information from the system when it is no longer necessary and relevant to those functions.

We noted that the City has not adopted a formal policy addressing the collection of personal information by the City. The lack of a formal policy regarding personal information could lead to inappropriate access of the personal information or to personal information being used for improper purposes.

We recommend the City establish a formal personal information policy in accordance with the Ohio Revised Code.

Internal Control Recommendations

Various Policies*

The City provides certain employees with the use of City credit cards and purchasing cards, but does not have formal policies in place governing their use. The use of these items should be specified in a policy adopted by the City's legislative body. These policies should at a minimum, identify authorized users, guidelines for allowable use/purchases, method of reimbursement, specific unallowable uses, reporting, monitoring of use by appropriate levels of management, and other guidelines the legislative body deems appropriate.

The City's current travel policy does not specifically address the use of "frequent flyer" mileage earned on official travel for personal use.

Ohio Ethics Commission Advisory Opinion No. 91-010 indicates that a state official or employee (Ohio Rev. Code 102.03(D) and (E)) and a state officer or employee (Ohio Rev. Code 2921.42 (A) (4) and 2921.43(A)) is prohibited from accepting, soliciting, or using the authority or influence of his position to secure, for personal travel, a discounted or free "frequent flyers" airline ticket or other benefit from an airline if he has obtained the ticket or other benefit from the purchase of airline tickets, for use in official travel, by the department, division, agency, institution, or other entity with which he serves, or by which he is employed or connected.

Lack of formal policies regarding the above mentioned items could result in unauthorized usage or reimbursement for items not considered to be for a proper public purpose.

We recommend the City Council establish formal policies regarding the use of City credit cards and purchasing cards. We also recommend the City amend its current travel policy to address frequent flyer and other benefits that could potentially be earned on City travel.

Cuni & Paniki, Inc.

Cleveland, Ohio
June 27, 2012