

The City of

Fairview Park, Ohio

a great place to grow



**Comprehensive Annual
Financial Report**

For the year ended December 31, 2012



Dave Yost • Auditor of State

Honorable Mayor and Members of City 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, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 27, 2013

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City of Fairview Park, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2012

Prepared by:

Lisa M. Rocco, Finance Director
and Department of Finance

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Introductory Section

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City of Fairview Park, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012
Table of Contents

I. Introductory Section	Page
Title Page	i
Table of Contents	ii
Letter of Transmittal	vi
Organizational Chart	xii
List of Principal Officials.....	xiii
GFOA Certificate of Achievement	xiv
II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual:	
General Fund	22
Recreation Fund	23
Statement of Fund Net Position - Proprietary Funds.....	24
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	25
Statement of Cash Flows - Proprietary Funds.....	26

City of Fairview Park, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012
Table of Contents

Statement of Fiduciary Assets and Liabilities – Agency Funds	28
Notes to the Basic Financial Statements	29
Combining and Individual Fund Statements and Schedules:	
Combining Statements - Nonmajor Funds:	
Fund Descriptions.....	59
Combining Balance Sheet - Nonmajor Governmental Funds.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	63
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	68
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	73
Combining Statement - Fiduciary Funds:	
Fund Descriptions.....	74
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	75
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	78
Recreation Fund	80
Sewer Fund.....	81
Nonmajor Funds:	
Street Construction, Maintenance and Repair Fund.....	82
State Highway Fund	83
Police and Fire Pension Fund.....	84
Street Lighting Fund.....	85
Fire Operating Levy Fund	86
Waterline Repair Fund.....	87
Bain Park Restoration Fund	88
Law Enforcement Trust Fund.....	89

City of Fairview Park, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012
Table of Contents

D.U.I. Education Fund	90
Police on Patrol Arresting Speeders Fund.....	91
Cable TV Franchise Fee Fund.....	92
D.A.R.E. Fund	93
Emergency Medical System Fund.....	94
Recreation Construction Fund.....	95
Permanent Improvement Fund	96
Lorain Road Revitalization Fund	97
Capital Improvements Fund	98
Health Insurance Reserve Fund.....	99

III. Statistical Section

Contents.....	S1
Net Position by Component - Last Ten Years	S2
Changes in Net Position - Last Ten Years	S4
Fund Balances, Governmental Funds - Last Ten Years	S8
Changes in Fund Balances, Governmental Funds - Last Ten Years	S10
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years	S12
Property Tax Rates – Direct and Overlapping Governments - Last Ten Years	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Principal Real Property Taxpayers – 2012 and 2003.....	S18
Income Tax Revenue Base and Collections - Last Nine Years.....	S19
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita - Last Ten Years	S20
Legal Debt Margin – Last Six Years	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S23
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Years.....	S24
Principal Employers – 2012 and 2007	S25

City of Fairview Park, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012
Table of Contents

Demographic and Economic Statistics- Last Ten Years	S26
Capital Assets Statistics by Function/Program - Last Ten Years.....	S28
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Years.....	S30
Operating Indicators by Function/Program - Last Ten Years	S32



CITY OF FAIRVIEW PARK

20777 Lorain Road
Fairview Park, Ohio 44126-2018

– Established in 1910 –

Eileen Ann Patton, Mayor

June 26, 2013

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, 2012 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, 2012, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

This is the fifteenth 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 18 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 19 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 the 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 2012 population, according to 2010 Census data, is 16,798. The City's area is approximately 4.77 square miles, broken down by land use as follows:

	<u>Area</u>	<u>Percent of Assessed Valuation of Real Property</u>
Residential	54.5%	82.53%
Commercial/Industrial	9.7	16.27
Public Utility	0.1	1.20
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.

Despite continuing difficult economic times, the City of Fairview Park was able to successfully implement a balanced budget for fiscal year 2012. 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 2011, NASA relocated all of its contract employees, taking with it the final portion of the City's income tax revenue. More recently, the City has been working with the U. S. General Services Administration (GSA) to sell the property to a private entity for redevelopment. Recently, an agreement was reached and the property will be shortly transferred to a private investor group. The goal for the property is 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.

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 the land was sold to the North Coast Credit Union in 2012, with a groundbreaking in October, 2012. Total investment in Fairview Park is \$840,000 along with a \$590,000 per year payroll. The grand opening is scheduled for June, 2013.

Other redevelopment projects in process include the rezoning and construction of an office building at the Mandley-Vetrovsky Funeral Home site, the relocation and expansion of McDonald's to the Fairview Shopping Centre and the acquisition of the Murton's Day Care Center by a physician's group.

In 2012, the City updated its Master Plan. This team of 19 residents, representing neighborhoods, the business community, City council, schools and churches has 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 completed plan was published recently and represents a "blueprint" for future redevelopment and other improvements in the City.

CITY SERVICE

As revenue continued to be flat in 2012, 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.

Our annual Street Program completed its 24th year with a total cost of \$616,642 dollars worth of improvements. As part of our continuing efforts to reduce flooding, \$452,089 were expended on sewer projects. New cutters were installed at pumping stations, sewer manhole drip pans were installed in Ward 5 and parts of Ward 3 and our in-house Service Department cleaned 13,320 linear feet of storm and sanitary sewers City wide. The Service Department also oversaw the installation of the new boilers at city hall, purchased through a NOPEC grant.

Our residential outreach program in the Service Department included a new “drop-off” program designed for the first Monday of the month. In this program, residents come to city hall and drop off old computers and other electrical equipment, hazardous waste and phone books. We also hosted two document shredding days last year. Shredding days are made possible through a grant from Cuyahoga County Solid Waste District.

In May 2012, City council passed legislation in regards to our rubbish collection contract with Republic Waste. This new contract improves our recycling efforts with increased service for yard waste and reduction of costs per household. The program began in July of 2012 and includes every resident receiving a trash container and a recycling container that will be automated. Yard waste is picked up separately and goes to a yard waste recycling center. Our new contract is \$11.84 per household, versus the previous amount of \$14.40 per household. In 2011, the \$10.00 per household was extended for two years as this revenue helps off set our trash/recycling cost of almost \$1 million. Public meetings were held for resident education on the new program along with a brochure mailed to each homeowner.

Groundbreaking will also occur in June at the former Garnett School site for the construction of a 128-bed skilled nursing facility. At full capacity, this new project is expected to generate \$90,000 in annual income tax and \$450,000 in property tax. The City acquired this 7-acre parcel from the Fairview Park City School District and sold it to the developer for \$720,000. Total additional investment in this site will exceed \$20,000,000.

BUILDING

Building, rebuilding, and expansions to private homes and businesses proceeded at a steady pace in 2012 with the building of 6 new garages, 2 decks, and 65 major alterations overall. The Fairview Park Building Department issued 1,490 permits in 2012 for various items, a decrease of 87 permits from 2011.

The City’s Property Maintenance Program continued in 2012 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 10.03 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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, 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.

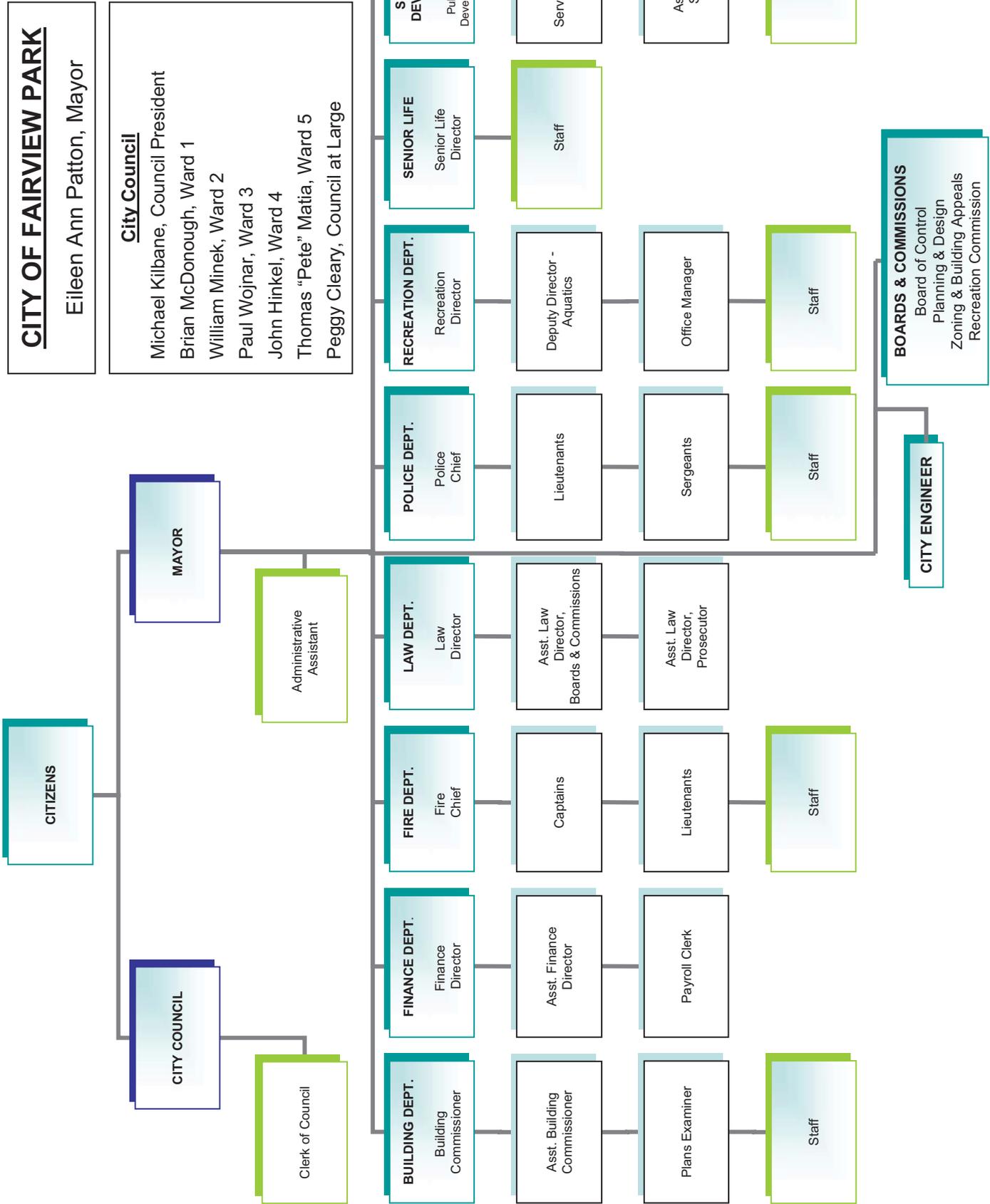
I would like to acknowledge the efforts of the entire staff of the Finance Department, for their contributions to this report. Special thanks are extended to Mayor Eileen A. Patton and Members of City Council for their enthusiastic support of this project, and for the guidance and assistance provided 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, 2011

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



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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Financial Section

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Independent Auditor's Report

Members of the City Council
Fairview Park, Ohio

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Members of the City Council
Fairview Park, Ohio

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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the basic financial statements, in 2012, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Members of the City Council
Fairview Park, Ohio

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013, 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* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cini & Panichi, Inc." The signature is written in black ink and is positioned above the typed name and date.

Cleveland, Ohio
June 26, 2013

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City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

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, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key Financial highlights for 2012 are as follows:

- The City continued to implement cost-cutting measures to keep expenses from exceeding revenues. These measures included reducing overtime, and increases in the employee share of health care costs, and reduced garbage collection costs as the result of the outsourcing of garbage collection.

- Revenues increased during 2012 primarily due to the garbage pickup fee extension.

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

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

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

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

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

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

The government-wide financial statements can be found starting on page 16 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.

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

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 2012?" The *statement of net position* and the *statement of activities* answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The *statement of net position* and the *statement of activities* are divided into the following categories:

- Assets and Deferred Outflows of Resources
- Liabilities and Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- 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 position* looks at the City as a whole. The following provides a summary of the City's net position for 2012 compared to 2011:

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

NET POSITION

TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Current and Other Assets	\$15,710,441	\$14,392,667	\$4,871,213	\$4,692,484	\$20,581,654	\$19,085,151
Capital Assets, Net	46,918,809	48,457,069	12,223,740	12,284,923	59,142,549	60,741,992
<i>Total Assets</i>	<u>62,629,250</u>	<u>62,849,736</u>	<u>17,094,953</u>	<u>16,977,407</u>	<u>79,724,203</u>	<u>79,827,143</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	2,090,947	0	0	0	2,090,947	0
Current and Other Liabilities	2,092,292	1,968,827	172,196	110,461	2,264,488	2,079,288
Long-Term Liabilities:						
Due within One Year	1,823,435	699,677	42,385	57,574	1,865,820	757,251
Due in More than One Year	26,045,797	25,506,119	65,829	121,173	26,111,626	25,627,292
<i>Total Liabilities</i>	<u>29,961,524</u>	<u>28,174,623</u>	<u>280,410</u>	<u>289,208</u>	<u>30,241,934</u>	<u>28,463,831</u>
Deferred Inflows of Resources						
Property Taxes	3,592,280	3,633,491	0	0	3,592,280	3,633,491
Net Investment in Capital Assets	22,797,010	24,176,155	12,142,014	12,167,063	34,939,024	36,343,218
Restricted for:						
Capital Projects	1,644,615	1,652,614	0	0	1,644,615	1,652,614
Debt Service	176	176	0	0	176	176
Street Construction, Maintenance and Repair	347,530	334,582	0	0	347,530	334,582
State Highway	116,483	117,282	0	0	116,483	117,282
Street Lighting	230,719	70,350	0	0	230,719	70,350
Police Programs	74,861	42,136	0	0	74,861	42,136
Other Purposes	107,061	126,683	0	0	107,061	126,683
Unrestricted	5,847,938	4,521,644	4,672,529	4,521,136	10,520,467	9,042,780
<i>Total Net Position</i>	<u>\$31,166,393</u>	<u>\$31,041,622</u>	<u>\$16,814,543</u>	<u>\$16,688,199</u>	<u>\$47,980,936</u>	<u>\$47,729,821</u>

Total assets decreased from 2011 primarily due to a decrease in capital assets. During 2012, the annual depreciation of governmental capital assets exceeded current year additions.

The reason for the increase of total liabilities was the issuance of \$20,590,000 in advance refunding bonds, that defeased \$18,360,000 of the City's 2005 various purpose general obligation bonds. Compensated absences and capital lease balances also increased in 2012.

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.

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

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 POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Revenues						
Program Revenues:						
Charges for Services and						
Operating Assessments	\$3,507,593	\$3,016,012	\$2,258,224	\$1,998,193	\$5,765,817	\$5,014,205
Operating Grants	868,634	709,728	0	0	868,634	709,728
Capital Grants	56,837	53,081	0	0	56,837	53,081
Total Program Revenues	4,433,064	3,778,821	2,258,224	1,998,193	6,691,288	5,777,014
General Revenues:						
Property Taxes	3,583,376	3,634,910	0	0	3,583,376	3,634,910
Income Taxes	8,268,657	8,060,847	0	0	8,268,657	8,060,847
Franchise Taxes	273,415	289,816	0	0	273,415	289,816
Grants and Entitlements	1,242,284	1,878,667	0	0	1,242,284	1,878,667
Investment Income	4,588	2,640	0	0	4,588	2,640
Gain on Sale of Capital Assets	0	21,857	0	0	0	21,857
Other	419,278	217,178	1,542	0	420,820	217,178
Total General Revenues	13,791,598	14,105,915	1,542	0	13,793,140	14,105,915
Total Revenues	18,224,662	17,884,736	2,259,766	1,998,193	20,484,428	19,882,929
Program Expenses						
General Government	2,692,957	2,597,783	0	0	2,692,957	2,597,783
Security of Persons and Property	6,658,780	7,267,524	0	0	6,658,780	7,267,524
Transportation	2,376,608	2,586,528	0	0	2,376,608	2,586,528
Community Environment	331,394	359,121	0	0	331,394	359,121
Basic Utility Services	1,137,831	1,129,614	0	0	1,137,831	1,129,614
Leisure Time Activities	3,660,823	3,555,596	0	0	3,660,823	3,555,596
Public Health Services	1,501	1,335	0	0	1,501	1,335
Interest and Fiscal Charges	1,263,516	1,070,312	0	0	1,263,516	1,070,312
Sewer	0	0	2,109,903	2,115,212	2,109,903	2,115,212
Gilles-Sweet	0	0	0	0	0	0
Total Program Expenses	18,123,410	18,567,813	2,109,903	2,115,212	20,233,313	20,683,025
<i>Increase/(Decrease) in Net Position</i>						
<i> Before Transfers</i>	\$101,252	(\$683,077)	\$149,863	(\$117,019)	\$251,115	(\$800,096)
Transfers	23,519	(56,823)	(23,519)	56,823	0	0
Change in Net Position	124,771	(739,900)	126,344	(60,196)	251,115	(800,096)
<i>Net Position Beginning of Year</i>						
<i> Restated (See Note 3)</i>	31,041,622	31,960,097	16,688,199	16,748,395	47,729,821	48,529,917
Net Position End of Year	\$31,166,393	\$31,041,622	\$16,814,543	\$16,688,199	\$47,980,936	\$47,729,821

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Governmental Activities

Governmental activities increased the City's net position by \$124,771 during 2012.

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 2012, 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 2012, 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 2012 showed only a slight decrease from 2011 as the economy continues to struggle to recover.

Charges for services revenue increased in 2012 as a result of a \$10/month garbage pickup fee imposed to City's residents in April 2010.

Grants and entitlements decreased in 2012, primarily due to a decrease in local government funding from the State.

The tables above reflect how the City funds its 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 2012 is security of persons and property. The program pays for basic police, fire and emergency medical services, pensions, and equipment. Expenses decreased in 2012 due to less costs for supplies and equipment.

The second largest program is leisure time activities expense which increased slightly during 2012, due to increased costs for the operation of the recreation center.

Transportation expenses decreased due to less costs for street construction, maintenance and repair costs in 2012.

Business-Type Activities

The business-type activities of the City had increased net position of \$126,344 in 2012. This is mainly due to additional revenues for sewer operations in 2012 compared to 2011, offset by 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.

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

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 18. These funds are accounted for by using the modified accrual basis of accounting.

Fund balances are the differences between assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 of Council. 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 \$6,357,094, which was an increase of \$870,148 from 2011. Of the total governmental fund balances, \$2,417,511 constitutes the general fund balance, a \$259,775 increase from 2011.

All governmental funds had total revenues of \$17,695,515 and expenditures of \$17,307,838, with revenues exceeding expenditures by \$387,677. 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 \$2,417,511 of which \$87,363 was nonspendable, \$1,338,411 was assigned, and \$991,737 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 10.64 percent of total general fund expenditures, while total fund balance represents 25.94 percent of that same amount.

During the current year, the fund balance of the City's general fund increased by \$259,775 due to expenditures decreasing at a larger rate compared to revenues.

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Recreation Fund

The recreation fund is another major fund for the City. At the end of the current year, the total fund balance was \$1,576,180, all of which was committed for financial reporting purposes. This was the fourth full year of operations for the Gemini Recreation Center. Income tax revenues increased compared to 2012, and debt related expenditures increased with the issuance of the \$20,590,000 refunding bonds. The increase in debt service expenditures offset the increase in income tax revenues and resulted in an overall increase in fund balance of \$319,304.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2012 the City amended its general fund budget on various occasions. 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 \$9,662,261. The final budgeted revenues were \$10,363,066 and actual revenues were the same. The \$700,805 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 \$9,486,696 and the final budgeted expenditures were \$9,754,123. Actual general fund expenditures were \$9,335,202 or \$418,921 less than final budget, which represents the City's proactive management and legislative action to control and reduce costs wherever practicable during 2012.

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31
(NET OF DEPRECIATION)

TABLE 3

	Governmental Activities		Business-Type Activities	
	2012	2011	2012	2011
Land	\$1,050,943	\$1,050,943	\$0	\$0
Buildings	17,630,377	17,975,888	163,125	168,182
Land Improvements	603,064	671,834	0	0
Equipment and Furniture	580,249	626,826	226,881	248,986
Vehicles	686,359	745,329	0	0
Infrastructure	26,367,817	27,386,249	11,833,734	11,867,755
Total	\$46,918,809	\$48,457,069	\$12,223,740	\$12,284,923

In 2012, 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 improvements to streets and sidewalks, a snow plow and a boiler for the City hall.

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. For additional information see Note 10 to the basic financial statements.

Debt

As of December 31, 2012, 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	
	2012	2011	2012	2011
General Obligation Bonds	\$24,060,599	\$22,289,346	\$0	\$0
Economic Development Notes	750,000	750,000	0	0
Lorain Road Revitalization Loan	120,134	155,263	0	0
OPWC Loan	688,312	713,342	81,726	117,860
Commercial Redevelopment Loans	130,821	219,893	0	0
Capital Leases	376,757	310,112	0	0
Intergovernmental Loan	216,944	277,241	0	0
Total	\$26,343,567	\$24,715,197	\$81,726	\$117,860

The City's overall legal debt margin was \$36,341,847 at December 31, 2012.

In 2012, the City issued \$20,590,000 to advance refund the 2005 various purpose general obligation bonds. The bonds are for a 19 year period and will be repaid from the recreation special revenue fund.

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.

City of Fairview Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Current Financial Related Activities

The City of Fairview Park received a Aa2 rating from Moody's Investors Service in 2012 and maintained a Standard and Poor's A- rating.

During 2012, the City refinanced the 2005 various purpose general obligation bonds. This resulted in a savings in future debt payments of \$1.2 million over the life of the bonds. The Administration and City Council continue the development of the Gemini Recreation Center, along with the 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 2012 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 Position

December 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,791,142	\$940,686	\$6,731,828
Materials and Supplies Inventory	91,984	0	91,984
Accounts Receivable	166,375	0	166,375
Intergovernmental Receivable	876,173	289,848	1,166,021
Prepaid Items	76,979	0	76,979
Municipal Income Taxes Receivable	3,436,145	0	3,436,145
Property Taxes Receivable	3,709,127	0	3,709,127
Special Assessments Receivable	535,759	0	535,759
Assets Held for Resale	1,026,757	0	1,026,757
Investment in Joint Venture	0	3,640,679	3,640,679
Nondepreciable Capital Assets	1,050,943	0	1,050,943
Depreciable Capital Assets, Net	45,867,866	12,223,740	58,091,606
<i>Total Assets</i>	<u>62,629,250</u>	<u>17,094,953</u>	<u>79,724,203</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	2,090,947	0	2,090,947
Liabilities			
Accounts Payable	412,451	78,255	490,706
Accrued Wages	318,445	6,250	324,695
Intergovernmental Payable	496,080	27,563	523,643
Vacation Benefits Payable	89,643	5,463	95,106
Matured Compensated Absences	0	54,665	54,665
Accrued Interest Payable	70,186	0	70,186
Unearned Revenue	660,000	0	660,000
Claims Payable	45,487	0	45,487
Long-Term Liabilities:			
Due Within One Year	1,823,435	42,385	1,865,820
Due In More Than One Year	26,045,797	65,829	26,111,626
<i>Total Liabilities</i>	<u>29,961,524</u>	<u>280,410</u>	<u>30,241,934</u>
Deferred Inflows of Resources			
Property Taxes	3,592,280	0	3,592,280
Net Position			
Net Investment in Capital Assets	22,797,010	12,142,014	34,939,024
Restricted for:			
Capital Projects	1,644,615	0	1,644,615
Debt Service	176	0	176
Street Construction, Maintenance and Repair	347,530	0	347,530
State Highway	116,483	0	116,483
Street Lighting	230,719	0	230,719
Police Programs	74,861	0	74,861
Other Purposes	107,061	0	107,061
Unrestricted	5,847,938	4,672,529	10,520,467
<i>Total Net Position</i>	<u>\$31,166,393</u>	<u>\$16,814,543</u>	<u>\$47,980,936</u>

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	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	\$2,692,957	\$307,861	\$0	\$56,837	(\$2,328,259)	\$0	(\$2,328,259)
Security of Persons and Property	6,658,780	1,571,539	74,568	0	(5,012,673)	0	(5,012,673)
Transportation	2,376,608	58,115	743,516	0	(1,574,977)	0	(1,574,977)
Community Environment	331,394	46,643	0	0	(284,751)	0	(284,751)
Basic Utility Services	1,137,831	178,946	0	0	(958,885)	0	(958,885)
Leisure Time Activities	3,660,823	1,344,253	50,550	0	(2,266,020)	0	(2,266,020)
Public Health Services	1,501	236	0	0	(1,265)	0	(1,265)
Interest and Fiscal Charges	1,263,516	0	0	0	(1,263,516)	0	(1,263,516)
<i>Total Governmental Activities</i>	18,123,410	3,507,593	868,634	56,837	(13,690,346)	0	(13,690,346)
Business-Type Activities							
Sewer	2,109,903	2,258,224	0	0	0	148,321	148,321
<i>Total</i>	\$20,233,313	\$5,765,817	\$868,634	\$56,837	(13,690,346)	148,321	(13,542,025)
General Revenues							
Property Taxes Levied for:							
General Purposes					2,569,710	0	2,569,710
Permanent Improvements					268,385	0	268,385
Recreation					308,489	0	308,489
Police and Fire Pension					187,029	0	187,029
Fire Operations					249,763	0	249,763
Municipal Income Taxes Levied for:							
General Purposes					5,198,639	0	5,198,639
Capital Improvements					1,024,375	0	1,024,375
Recreation					2,045,643	0	2,045,643
Franchise Taxes					273,415	0	273,415
Grants and Entitlements not Restricted to Specific Programs					1,242,284	0	1,242,284
Investment Earnings					4,588	0	4,588
Other					419,278	1,542	420,820
<i>Total General Revenues</i>					13,791,598	1,542	13,793,140
Transfers					23,519	(23,519)	0
<i>Total General Revenues and Transfers</i>					13,815,117	(21,977)	13,793,140
<i>Change in Net Position</i>					124,771	126,344	251,115
<i>Net Position Beginning of Year</i> <i>- Restated (See Note 3)</i>					31,041,622	16,688,199	47,729,821
<i>Net Position End of Year</i>					\$31,166,393	\$16,814,543	\$47,980,936

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio

Balance Sheet

Governmental Funds

December 31, 2012

	General	Recreation	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,947,943	\$1,582,481	\$1,866,973	\$5,397,397
Materials and Supplies Inventory	10,384	0	81,600	91,984
Accounts Receivable	1,698	0	164,677	166,375
Intergovernmental Receivable	429,673	25,580	420,920	876,173
Prepaid Items	76,979	0	0	76,979
Municipal Income Taxes Receivable	2,157,899	852,164	426,082	3,436,145
Property Taxes Receivable	2,655,880	318,833	734,414	3,709,127
Special Assessments Receivable	410,947	0	124,812	535,759
Assets Held for Resale	0	0	1,026,757	1,026,757
<i>Total Assets</i>	<u>\$7,691,403</u>	<u>\$2,779,058</u>	<u>\$4,846,235</u>	<u>\$15,316,696</u>
Liabilities				
Accounts Payable	\$94,020	\$246,551	\$71,880	\$412,451
Accrued Wages	228,585	41,352	48,508	318,445
Intergovernmental Payable	174,428	37,572	284,080	496,080
Unearned Revenue	0	0	660,000	660,000
<i>Total Liabilities</i>	<u>497,033</u>	<u>325,475</u>	<u>1,064,468</u>	<u>1,886,976</u>
Deferred Inflows of Resources				
Property Taxes	\$2,571,995	\$308,763	\$711,522	\$3,592,280
Unavailable Revenue	2,204,864	568,640	706,842	3,480,346
<i>Total Deferred Inflows of Resources</i>	<u>4,776,859</u>	<u>877,403</u>	<u>1,418,364</u>	<u>7,072,626</u>
Fund Balances				
Nonspendable	87,363	0	81,600	168,963
Restricted	0	0	1,895,191	1,895,191
Committed	0	1,576,180	605,105	2,181,285
Assigned	1,338,411	0	0	1,338,411
Unassigned (Deficit)	991,737	0	(218,493)	773,244
<i>Total Fund Balances</i>	<u>2,417,511</u>	<u>1,576,180</u>	<u>2,363,403</u>	<u>6,357,094</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$7,691,403</u>	<u>\$2,779,058</u>	<u>\$4,846,235</u>	<u>\$15,316,696</u>

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances	\$6,357,094
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	46,918,809
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Property Taxes	116,847
Municipal Income Taxes	2,159,445
Intergovernmental	668,295
Special Assessments	535,759
Total	3,480,346
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.	(89,643)
In the statement of activities, interest is accrued on outstanding liabilities, whereas in governmental funds, an interest expenditure is reported when due.	(70,186)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(24,060,599)
Deferred Charge on Refunding	2,090,947
Lorain Road Revitalization Loan	(120,134)
OPWC Loan	(688,312)
Intergovernmental Loan	(216,944)
Commercial Redevelopment Loans	(130,821)
Economic Development Notes	(750,000)
Compensated Absences Payable	(1,525,665)
Capital Lease Obligations	(376,757)
Total	(25,778,285)
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 position.	348,258
<i>Net Position of Governmental Activities</i>	\$31,166,393

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, 2012

	General	Recreation	Other Governmental Funds	Total Governmental Funds
Revenues				
Municipal Income Taxes	\$5,048,043	\$2,077,001	\$909,211	\$8,034,255
Property Taxes	2,653,575	318,557	727,495	3,699,627
Franchise Taxes	0	0	273,415	273,415
Charges for Services	710,088	1,125,883	396,929	2,232,900
Fines, Licenses and Permits	335,384	0	165,061	500,445
Intergovernmental	1,369,490	51,107	871,921	2,292,518
Special Assessments	0	0	238,489	238,489
Interest	4,487	0	101	4,588
Other	104,915	238,022	76,341	419,278
<i>Total Revenues</i>	<u>10,225,982</u>	<u>3,810,570</u>	<u>3,658,963</u>	<u>17,695,515</u>
Expenditures				
Current:				
General Government	1,957,320	0	0	1,957,320
Security of Persons and Property	4,645,940	0	1,861,671	6,507,611
Transportation	362,134	0	736,333	1,098,467
Community Environment	297,151	0	0	297,151
Basic Utility Services	1,136,269	0	0	1,136,269
Leisure Time Activities	873,388	2,336,504	7,030	3,216,922
Public Health Services	1,505	0	0	1,505
Capital Outlay	0	42,142	1,093,295	1,135,437
Debt Service:				
Principal Retirement	45,000	555,592	392,381	992,973
Interest and Fiscal Charges	0	561,648	125,071	686,719
Issuance Costs	0	277,464	0	277,464
<i>Total Expenditures</i>	<u>9,318,707</u>	<u>3,773,350</u>	<u>4,215,781</u>	<u>17,307,838</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>907,275</u>	<u>37,220</u>	<u>(556,818)</u>	<u>387,677</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	0	0	140,090	140,090
General Obligation Bonds Issued	0	20,590,000	0	20,590,000
Premium on Bonds	0	901,349	0	901,349
Payment to Refunded Bond Escrow Agent	0	(21,209,265)	0	(21,209,265)
Transfers In	0	0	722,797	722,797
Transfers Out	(647,500)	0	(15,000)	(662,500)
<i>Total Other Financing Sources (Uses)</i>	<u>(647,500)</u>	<u>282,084</u>	<u>847,887</u>	<u>482,471</u>
<i>Net Change in Fund Balances</i>	259,775	319,304	291,069	870,148
<i>Fund Balances Beginning of Year</i>	<u>2,157,736</u>	<u>1,256,876</u>	<u>2,072,334</u>	<u>5,486,946</u>
<i>Fund Balances End of Year</i>	<u>\$2,417,511</u>	<u>\$1,576,180</u>	<u>\$2,363,403</u>	<u>\$6,357,094</u>

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, 2012*

Net Change in Fund Balances - Total Governmental Funds \$870,148

*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	904,142	
Current Year Depreciation	(2,442,402)	
Total		(1,538,260)

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

Delinquent Property Taxes	(116,251)	
Municipal Income Taxes	234,402	
Intergovernmental	(124,763)	
Special Assessments	535,759	
Total		529,147

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	710,000	
OPWC Loan	25,030	
Lorain Road Revitalization Loan	35,129	
Intergovernmental Loan	60,297	
Commercial Redevelopment Loans	89,072	
Capital Lease Obligations	73,445	
Total		992,973

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	27,972	
Amortization of Deferred Charges	(219,083)	
Amortization of Accounting Loss	(122,997)	
Amortization of Bond Premium	14,775	
Total		(299,333)

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	(35,066)	
Vacation Benefits Payable	(7,564)	
Total		(42,630)

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. 34,900

Other financing sources and uses in the governmental funds increased long-term liabilities in the statement of net position.

General Obligation Bonds Issued	(20,590,000)	
Payment to Refunded Escrow Agent	21,209,265	
Capital Lease Proceeds	(140,090)	
Bond Premium	(901,349)	
Total		(422,174)

Change in Net Position of Governmental Activities \$124,771

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$4,604,000	\$4,988,652	\$4,988,652	\$0
Property Taxes	2,969,040	2,653,575	2,653,575	0
Charges for Services	732,800	772,153	772,153	0
Fines, Licenses and Permits	337,700	341,876	341,876	0
Intergovernmental	906,271	1,499,009	1,499,009	0
Interest	2,300	4,594	4,594	0
Other	110,150	103,207	103,207	0
<i>Total Revenues</i>	9,662,261	10,363,066	10,363,066	0
Expenditures				
Current:				
General Government	1,986,378	2,083,801	1,948,292	135,509
Security of Persons and Property	4,769,912	4,737,845	4,637,214	100,631
Transportation	382,747	403,153	379,918	23,235
Community Environment	302,082	304,135	296,698	7,437
Basic Utility Services	1,147,554	1,292,625	1,159,506	133,119
Leisure Time Activities	896,623	885,914	867,069	18,845
Public Health Services	1,400	1,650	1,505	145
Debt Service:				
Principal Retirement	0	45,000	45,000	0
<i>Total Expenditures</i>	9,486,696	9,754,123	9,335,202	418,921
<i>Excess of Revenues Over Expenditures</i>	175,565	608,943	1,027,864	418,921
Other Financing Uses				
Transfers Out	(703,000)	(703,000)	(647,500)	55,500
<i>Net Change in Fund Balance</i>	(527,435)	(94,057)	380,364	474,421
<i>Fund Balance Beginning of Year</i>	1,453,491	1,453,491	1,453,491	0
Prior Year Encumbrances Appropriated	20,464	20,464	20,464	0
<i>Fund Balance End of Year</i>	\$946,520	\$1,379,898	\$1,854,319	\$474,421

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,809,760	\$1,967,052	\$1,967,052	\$0
Property Taxes	356,428	318,557	318,557	0
Charges for Services	1,126,000	1,125,883	1,125,883	0
Intergovernmental	0	51,107	51,107	0
Other	39,500	372,231	238,022	(134,209)
<i>Total Revenues</i>	3,331,688	3,834,830	3,700,621	(134,209)
Expenditures				
Current:				
Leisure Time Activities	2,257,527	2,363,199	2,176,568	186,631
Debt Service:				
Principal Retirement	555,592	555,592	555,592	0
Interest and Fiscal Charges	695,857	695,857	561,648	134,209
Issuance Costs	277,464	277,464	277,464	0
<i>Total Expenditures</i>	3,786,440	3,892,112	3,571,272	320,840
<i>Excess of Revenues Over (Under) Expenditures</i>	(454,752)	(57,282)	129,349	186,631
Other Financing Sources (Uses)				
General Obligation Bonds Issued	20,590,000	20,590,000	20,590,000	0
Premium on Bonds	901,349	901,349	901,349	0
Payment to Refunded Bond Escrow Agent	(21,209,265)	(21,209,265)	(21,209,265)	0
<i>Total Other Financing Sources (Uses)</i>	282,084	282,084	282,084	0
<i>Net Change in Fund Balance</i>	(172,668)	224,802	411,433	186,631
<i>Fund Balance Beginning of Year</i>	1,119,494	1,119,494	1,119,494	0
Prior Year Encumbrances Appropriated	13,208	13,208	13,208	0
<i>Fund Balance End of Year</i>	\$960,034	\$1,357,504	\$1,544,135	\$186,631

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$940,330	\$356	\$940,686	\$393,745
Intergovernmental Receivable	289,848	0	289,848	0
<i>Total Current Assets</i>	<u>1,230,178</u>	<u>356</u>	<u>1,230,534</u>	<u>393,745</u>
<i>Non-Current Assets:</i>				
Investment in Joint Venture	3,640,679	0	3,640,679	0
Depreciable Capital Assets, Net	12,223,740	0	12,223,740	0
<i>Total Non-Current Assets</i>	<u>15,864,419</u>	<u>0</u>	<u>15,864,419</u>	<u>0</u>
<i>Total Assets</i>	<u>17,094,597</u>	<u>356</u>	<u>17,094,953</u>	<u>393,745</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	78,255	0	78,255	0
Accrued Wages	6,250	0	6,250	0
Intergovernmental Payable	27,563	0	27,563	0
Vacation Benefits Payable	5,463	0	5,463	0
Matured Compensated Absences Payable	54,665	0	54,665	0
Compensated Absences Payable	6,251	0	6,251	0
OPWC Loan Payable	36,134	0	36,134	0
Claims Payable	0	0	0	45,487
<i>Total Current Liabilities</i>	<u>214,581</u>	<u>0</u>	<u>214,581</u>	<u>45,487</u>
<i>Long-Term Liabilities (Net of Current Portion):</i>				
Compensated Absences Payable	20,237	0	20,237	0
OPWC Loan Payable	45,592	0	45,592	0
<i>Total Long-Term Liabilities</i>	<u>65,829</u>	<u>0</u>	<u>65,829</u>	<u>0</u>
<i>Total Liabilities</i>	<u>280,410</u>	<u>0</u>	<u>280,410</u>	<u>45,487</u>
Net Position				
Net Investment in Capital Assets	12,142,014	0	12,142,014	0
Unrestricted	4,672,173	356	4,672,529	348,258
<i>Total Net Position</i>	<u>\$16,814,187</u>	<u>\$356</u>	<u>\$16,814,543</u>	<u>\$348,258</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Operating Revenues				
Charges for Services	\$2,258,224	\$0	\$2,258,224	\$1,319,338
Other	1,542	0	1,542	0
<i>Total Operating Revenues</i>	<u>2,259,766</u>	<u>0</u>	<u>2,259,766</u>	<u>1,319,338</u>
Operating Expenses				
Personal Services	231,753	0	231,753	0
Materials and Supplies	85,531	0	85,531	0
Contractual Services	1,011,454	0	1,011,454	335,624
Claims	0	0	0	948,814
Depreciation	414,211	0	414,211	0
Other Operating Expense	107,484	0	107,484	0
<i>Total Operating Expenses</i>	<u>1,850,433</u>	<u>0</u>	<u>1,850,433</u>	<u>1,284,438</u>
<i>Operating Income</i>	409,333	0	409,333	34,900
Nonoperating Expenses				
Loss on Investment in Joint Venture	(259,470)	0	(259,470)	0
<i>Income Before Capital Contributions and Transfers</i>	149,863	0	149,863	34,900
Capital Contributions	36,778	0	36,778	0
Transfers Out	(60,297)	0	(60,297)	0
<i>Change in Net Position</i>	126,344	0	126,344	34,900
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>16,687,843</u>	<u>356</u>	<u>16,688,199</u>	<u>313,358</u>
<i>Net Position End of Year</i>	<u>\$16,814,187</u>	<u>\$356</u>	<u>\$16,814,543</u>	<u>\$348,258</u>

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, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
<i>Cash Flows from Operating Activities</i>				
Cash Received from Customers	\$2,205,825	\$0	\$2,205,825	\$1,319,338
Cash Payments for Goods and Services	(1,202,189)	0	(1,202,189)	(335,624)
Cash Payments for Employee Services and Benefits	(212,834)	0	(212,834)	0
Cash Payments for Claims	0	0	0	(935,709)
Other Operating Revenues	1,542	0	1,542	0
Other Operating Expenses	(107,484)	0	(107,484)	0
<i>Net Cash Provided by Operating Activities</i>	684,860	0	684,860	48,005
<i>Cash Flows from Capital and Related Financing Activities</i>				
Acquisition of Capital Assets	(316,250)	0	(316,250)	0
Principal Paid on OPWC Loan	(36,134)	0	(36,134)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	(352,384)	0	(352,384)	0
<i>Cash Flows from Noncapital Financing Activities</i>				
Transfer Out	(60,297)	0	(60,297)	0
<i>Net Increase in Cash and Cash Equivalents</i>	272,179	0	272,179	48,005
<i>Cash and Cash Equivalents Beginning of Year</i>	668,151	356	668,507	345,740
<i>Cash and Cash Equivalents End of Year</i>	\$940,330	\$356	\$940,686	\$393,745
See accompanying notes to the basic financial statements				(continued)

City of Fairview Park, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2012

	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				
<i>Operating Income</i>	\$409,333	\$0	\$409,333	\$34,900
Adjustments:				
Depreciation	414,211	0	414,211	0
Capital Contributions to Joint Venture	(113,621)	0	(113,621)	0
Increase in Intergovernmental Receivable	(52,399)	0	(52,399)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(9,650)	0	(9,650)	0
Accrued Wages	629	0	629	0
Vacation Benefits Payable	(2,182)	0	(2,182)	0
Intergovernmental Payable	18,273	0	18,273	0
Matured Compensated Absences	54,665	0	54,665	0
Compensated Absences Payable	(34,399)	0	(34,399)	0
Claims Payable	0	0	0	13,105
<i>Total Adjustments</i>	<u>275,527</u>	<u>0</u>	<u>275,527</u>	<u>13,105</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$684,860</u>	<u>\$0</u>	<u>\$684,860</u>	<u>\$48,005</u>

Noncash Capital Transaction

In 2012 the sewer fund received sewer improvements from government funds in the amount of \$36,778.

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2012

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$243,016</u></u>
Liabilities	
Intergovernmental Payable	\$1,517
Accounts Payable	31,012
Deposits Held and Due to Others	<u>210,487</u>
<i>Total Liabilities</i>	<u><u>\$243,016</u></u>

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 18).

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 19 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 more significant of the City's accounting policies are described below.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Basis of Presentation

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

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

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

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service 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 deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund The general fund accounts for and reports all financial resources 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.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following 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 position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own program. 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 position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net 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 outflows/inflows of resources 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, grants and entitlements and rentals.

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2012 was \$4,487 which includes \$3,206 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, 2012 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 position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. 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:

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

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.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the general fund.

Accrued Liabilities and Long-term Obligations

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

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

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes property acquired for resale, unless the use of the proceeds from the 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, the 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. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2013’s appropriated budget.

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 fund balance.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

Net Position

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is 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 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 received in the year the bonds are issued.

Deferred Charge on Refunding

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

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 and Restatement of Prior Year's Net Position

Changes in Accounting Principles

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

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

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

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

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

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the City's fiscal year 2012 financial statements; however, there was no effect on beginning net position/fund balance.

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

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Restatement of Prior Year's Net Position

In 2012, the City changed its capital asset threshold amount from \$1,000 to \$5,000. Also in 2012 it was discovered that income tax revenue was understated by \$238,119. This change increased governmental net position by \$59,544 from \$30,982,078 to \$31,041,622, and decreased business-type net position from \$16,694,758 to \$16,688,199.

Note 4 - Fund Deficit

The police and fire pension special revenue fund had deficit fund balance of \$218,493 at December 31, 2012. 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
<i>Nonspendable</i>				
Prepays	\$76,979	\$0	\$0	\$76,979
Inventory	10,384	0	81,600	91,984
<i>Total Nonspendable</i>	87,363	0	81,600	168,963
<i>Restricted for</i>				
Road Improvements	0	0	263,140	263,140
Law Enforcement	0	0	63,992	63,992
Construction and Improvement of City Facilities	0	0	1,185,517	1,185,517
Fire Operations	0	0	40,852	40,852
Drug and Alcohol Enforcement	0	0	20,796	20,796
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
<i>Total Restricted</i>	0	0	1,895,191	1,895,191
<i>Committed to</i>				
Recreation Programs	0	1,576,180	0	1,576,180
Emergency Medical Services	0	0	66,488	66,488
Other Purposes	0	0	538,617	538,617
<i>Total Committed</i>	\$0	\$1,576,180	\$605,105	\$2,181,285

(continued)

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Fund Balances	General	Recreation	Other Governmental Funds	Total
<i>Assigned to</i>				
Purchases on Order	\$53,626	\$0	\$0	\$53,626
2013 Appropriations	1,284,785	0	0	1,284,785
<i>Total Assigned</i>	1,338,411	0	0	1,338,411
<i>Unassigned (Deficit)</i>	991,737	0	(218,493)	773,244
<i>Total Fund Balances</i>	\$2,417,511	\$1,576,180	\$2,363,403	\$6,357,094

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	\$293,485	\$319,304
Net Adjustment for Revenue Accruals	137,441	(109,949)
Net Adjustment for Expenditure Accruals	45,776	240,424
Beginning Unrecorded Cash	(2,714)	0
Ending Unrecorded Cash	2,357	0
Encumbrances	(95,981)	(38,346)
Budget Basis	\$380,364	\$411,433

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, \$60,764 of the City's bank balance of \$1,925,821 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, 2012, the City had \$5,156,106 invested in STAR Ohio with an average maturity of 55 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.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 8 - Interfund Transfers

At December 31, 2012 interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>			<u>Total</u>
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Business-Type Activities</u>	
Nonmajor Funds:				
Police and Fire Pension	\$647,500	\$0	\$0	\$647,500
Lorain Road Revitalization	0	15,000	0	15,000
Capital Improvements	0	0	60,297	60,297
Total	<u>\$647,500</u>	<u>\$15,000</u>	<u>\$60,297</u>	<u>\$722,797</u>

The general fund transfer of \$647,500 to the nonmajor governmental funds was made to provide additional resources for current operations. The transfer from the other governmental funds of \$15,000 to the Lorain Road revitalization fund was to provide additional resources to cover debt principal payments. During 2012, the sewer enterprise fund transferred \$60,297 to the capital improvement capital projects fund to cover debt payments.

Note 9 - Receivables

Receivables at December 31, 2012, 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 2012 for real and public utility property represent the collection of 2011 taxes.

Real property taxes received in 2012 were levied after October 1, 2011, on the assessed values as of January 1, 2011, the lien date. Real property taxes which were levied in 2012 are collected in and intended to finance 2013. 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 2012 represent the collection of 2011 taxes. Public utility property taxes received in 2012 became a lien on December 31, 2010, were levied after October 1, 2011, 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.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The full tax rate for all City of Fairview Park operations for the year ended December 31, 2012, was \$11.80 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2012 property tax receipts were based are as follows:

Real Property	\$358,175,050
Public Utility Personal Property	<u>4,364,670</u>
Total	<u><u>\$362,539,720</u></u>

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, 2012, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies an income tax of 2 percent on all income earned within the City as well as income of residents earned outside the City. 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	
Homestead and Rollback	\$295,831
Local Government	175,363
Gasoline Excise Tax	168,691
Gasoline Tax	82,659
Permissive License Tax	53,379
Motor Vehicle Registration	48,177
Estate Tax	33,683
City of Rocky River	10,527
Fairview Park City School District	5,230
Utility Excise Tax	2,046
Commercial Activity Tax Reimbursemen	322
Public Utility Reimbursement	<u>265</u>
Total Governmental	876,173
Business-Type Activities	
City of Cleveland	<u>289,848</u>
Total Intergovernmental	<u><u>\$1,166,021</u></u>

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 10 - Capital Assets

A summary of changes in capital assets during 2012 follows:

	Restated Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,050,943	\$0	\$0	\$1,050,943
<i>Depreciable Capital Assets</i>				
Buildings	21,043,896	74,336	0	21,118,232
Land Improvements	1,630,039	0	0	1,630,039
Equipment and Furniture	1,737,713	42,087	0	1,779,800
Vehicles	4,143,803	96,060	(84,700)	4,155,163
Infrastructure:				
Roads, Sidewalks and Bridges	46,504,584	691,659	0	47,196,243
Fire Hydrants	1,543,167	0	0	1,543,167
Traffic Signals	3,104,676	0	0	3,104,676
<i>Total Depreciable Capital Assets</i>	<u>79,707,878</u>	<u>904,142</u>	<u>(84,700)</u>	<u>80,527,320</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(3,068,008)	(419,847)	0	(3,487,855)
Land Improvements	(958,205)	(68,770)	0	(1,026,975)
Equipment and Furniture	(1,110,887)	(88,664)	0	(1,199,551)
Vehicles	(3,398,474)	(155,030)	84,700	(3,468,804)
Infrastructure:	0			
Roads, Sidewalks and Bridges	(21,128,195)	(1,562,241)	0	(22,690,436)
Fire Hydrants	(824,237)	(25,998)	0	(850,235)
Traffic Signals	(1,813,746)	(121,852)	0	(1,935,598)
<i>Total Accumulated Depreciation</i>	<u>(32,301,752)</u>	<u>(2,442,402)</u>	<u>84,700</u>	<u>(34,659,454)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>47,406,126</u>	<u>(1,538,260)</u>	<u>0</u>	<u>45,867,866</u>
Total Governmental Activities <i>Capital Assets, Net</i>	<u>\$48,457,069</u>	<u>(\$1,538,260)</u>	<u>\$0</u>	<u>\$46,918,809</u>
	Restated Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Business-Type Activities				
<i>Depreciable Capital Assets</i>				
Buildings	\$252,877	\$0	\$0	\$252,877
Land Improvements	6,741	0	0	6,741
Equipment and Furniture	358,903	0	0	358,903
Infrastructure:				
Sanitary Sewer	14,290,133	348,028	0	14,638,161
Storm Sewer	8,524,007	5,000	0	8,529,007
<i>Total Depreciable Capital Assets</i>	<u>23,432,661</u>	<u>353,028</u>	<u>0</u>	<u>23,785,689</u>

(continued)

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	Restated Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Business-Type Activities (continued)				
Less Accumulated Depreciation:				
Buildings	(\$84,695)	(\$5,057)	\$0	(\$89,752)
Land Improvements	(6,741)	0	0	(6,741)
Equipment and Furniture	(109,917)	(22,105)	0	(132,022)
Infrastructure:				
Sanitary Sewer	(6,532,114)	(244,315)	0	(6,776,429)
Storm Sewer	(4,414,271)	(142,734)	0	(4,557,005)
<i>Total Accumulated Depreciation</i>	<u>(11,147,738)</u>	<u>(414,211)</u>	<u>0</u>	<u>(11,561,949)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>12,284,923</u>	<u>(61,183)</u>	<u>0</u>	<u>12,223,740</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$12,284,923</u>	<u>(\$61,183)</u>	<u>\$0</u>	<u>\$12,223,740</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$655,067
Security of Persons and Property	141,955
Transportation	1,197,837
Community Environment	32,725
Leisure Time Activities	414,818
Total	<u>\$2,442,402</u>

Note 11 - 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 12 - 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 has recorded an asset held for resale and unearned revenue. The balance at December 31, 2012 is \$660,000.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement increased to 12 percent and 12.6 percent, respectively. Members in the state and local divisions may participate in all three plans. For 2012, member and employer contribution rates were consistent across all three plans.

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

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$386,993, \$368,752, and \$333,743, respectively. For 2012, 89.10 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$21,715 made by the City and \$15,510 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

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 \$275,999 and \$352,073 for the year ended December 31, 2012, \$255,794 and \$355,146 for the year ended December 31, 2011, and \$274,939 and \$386,257 for the year ended December 31, 2010, respectively. For 2012, 73.76 percent for police and 74.07 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Note 14 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

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

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

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$154,797, \$147,501, and \$201,345, respectively. For 2012, 89.10 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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

Ohio Police and Fire Pension Fund

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

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

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

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

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$146,117 and \$137,768 for the year ended December 31, 2012, \$135,420 and \$138,970 for the year ended December 31, 2011, and \$145,556 and \$151,144 for the year ended December 31, 2010. For 2012, 73.76 percent has been contributed for police and 74.07 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Note 15 - 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 Argonaut Insurance Company for all their commercial insurance. The types of coverage and deductibles are as follows:

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$27,298,257	\$0
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
Excess Liability	5,000,000	0
Accounts Receivable	100,000	0
Building Ordinance	100,000	0
Communication Equipment	50,000	0
Computer Equipment	50,000	0
Detached Signs	5,000	0
Extra Expense and Business Income	500,000	1,000
Fine Arts	90,000	1,000
Parks & Recreation Equipment	50,000	250
Property in Transit	50,000	0
Personal Effect and Property of Others	50,000	0
Valuable Papers	100,000	0
Miscellaneous Equipment	265,063	250
Hired, Leased, Borrowed Equipment	25,000	250
Public Employee Dishonesty	25,000	500
Money and Securities	5,000	0

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 \$45,487 as estimated by the third-party administrator and reported in the internal service fund at December 31, 2012 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.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$93,862	\$956,881	\$1,018,361	\$32,382
2012	32,382	948,814	935,709	45,487

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
Refunding of Various Purpose Bonds	2012	2030	3.0-5.0	20,590,000
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	2011	2013	1.95	750,000
Business-Type Activities				
OPWC Loan - Sanitary Sewer Rehabilitation	2000	2015	0	542,014

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

	Balance 12/31/2011	Additions	Reductions	Balance 12/31/2012	Amounts Due In One Year
Business-Type Activities					
Long-Term Loan					
OPWC Loan- Sanitary Sewer Rehabilitation	\$117,860	\$0	\$36,134	\$81,726	\$36,134
Compensated Absences Payable	60,887	7,686	42,085	26,488	6,251
<i>Total Business-Type Activities</i>	<u>\$178,747</u>	<u>\$7,686</u>	<u>\$78,219</u>	<u>\$108,214</u>	<u>\$42,385</u>

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	Balance 12/31/2011	Additions	Reductions	Balance 12/31/2012	Amounts Due In One Year
Governmental Activities					
General Obligation Bonds					
Refunding of 1999 Bonds	\$1,935,000	\$0	\$210,000	\$1,725,000	\$220,000
Unamortized Premium	9,025	0	2,256	6,769	0
Total Refunding of 1999 Bonds	<u>1,944,025</u>	<u>0</u>	<u>212,256</u>	<u>1,731,769</u>	<u>220,000</u>
Various Purpose Bonds	19,650,000	0	18,550,000	1,100,000	300,000
Unamortized Premium	695,321	0	695,321	0	0
Total Various Purpose Bonds	<u>20,345,321</u>	<u>0</u>	<u>19,245,321</u>	<u>1,100,000</u>	<u>300,000</u>
Various Purpose Refunding Bonds	0	20,590,000	250,000	20,340,000	100,000
Unamortized Premium	0	901,349	12,519	888,830	0
Total Various Purpose Refunding Bonds	<u>0</u>	<u>21,491,349</u>	<u>262,519</u>	<u>21,228,830</u>	<u>100,000</u>
<i>Total General Obligation Bonds</i>	22,289,346	21,491,349	19,720,096	24,060,599	620,000
Lorain Road Revitalization Loan	155,263	0	35,129	120,134	37,480
OPWC Loan	713,342	0	25,030	688,312	25,030
Intergovernmental Loan	277,241	0	60,297	216,944	56,809
Commercial Redevelopment Loans	219,893	0	89,072	130,821	29,072
Economic Development Note	750,000	0	0	750,000	750,000
Compensated Absences Payable	1,490,599	51,892	16,826	1,525,665	256,515
Capital Leases	310,112	140,090	73,445	376,757	48,529
<i>Total Governmental Activities</i>	<u>\$26,205,796</u>	<u>\$21,683,331</u>	<u>\$20,019,895</u>	<u>\$27,869,232</u>	<u>\$1,823,435</u>

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

In 2012, the City issued general obligation bonds, in the amount of \$20,590,000, to partially refund bonds previously issued in 2005 for various purposes in the amount of \$18,300,000. The remaining \$2,290,000 will be used to pay the remaining interest and fiscal charges of the unrefunded bonds. The bonds were issued with interest rates varying from 3 percent to 5 percent. The bonds were issued for a 19 year period with final maturity during fiscal year 2030. The bonds will be retired through the recreation special revenue fund.

	2005 Various Purpose
Outstanding at December 31, 2011	\$19,650,000
Amount Refunded	(18,300,000)
Principal Payment on Non-Refunded Portion	<u>(250,000)</u>
Outstanding at December 31, 2012	<u>\$1,100,000</u>

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The bonds were sold at a premium of \$901,349. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2005 Various Purpose bonds. As a result, \$18,300,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements

Although the refunding will result in the recognition of an accounting loss of \$2,213,944, the City in effect decreased its aggregated debt service payments by \$1,328,672 over the next 19 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$1,187,286.

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, 2012 is \$216,944. 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 percent. 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's overall legal debt margin was \$36,341,847 at December 31, 2012. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2012, are as follows:

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Governmental Activities

Year	General Obligation Bonds		Lorain Road Revitalization Loan		OPWC Loan
	Serial Bonds				
	Principal	Interest	Principal	Interest	Principal
2013	\$620,000	\$782,601	\$37,480	\$7,304	\$25,030
2014	725,000	759,800	39,989	4,795	25,029
2015	730,000	732,800	42,665	1,405	25,029
2016	840,000	705,600	0	0	25,029
2017	945,000	674,606	0	0	25,029
2018-2022	5,530,000	2,855,366	0	0	125,149
2023-2027	7,915,000	1,643,411	0	0	125,149
2028-2032	5,860,000	357,000	0	0	125,149
2033-2037	0	0	0	0	125,149
2038-2040	0	0	0	0	62,570
Total	\$23,165,000	\$8,511,184	\$120,134	\$13,504	\$688,312

Year	Intergovernmental	Commercial	
	Loan	Redevelopment	Loans
	Principal	Principal	Interest
2013	\$56,809	\$29,072	\$7,195
2014	56,849	29,072	5,451
2015	56,896	29,072	3,706
2016	46,390	29,071	1,962
2017	0	14,534	327
Total	\$216,944	\$130,821	\$18,641

Business-Type Activities

Year	OPWC Loan
	Principal
2013	\$36,134
2014	36,134
2015	9,458
Total	\$81,726

Note 17 - Capital Leases

During 2012, the City entered into a new lease agreement for a truck.

In prior years, the City entered into lease agreements for a dump truck, street sweeper, fire engine pumper, conservation loan, and recreation equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2012:

	Governmental Activities
<i>Assets being depreciated:</i>	
Land Improvements	\$222,567
Equipment	277,600
Vehicles	890,992
<i>Total Assets being depreciated</i>	<u>1,391,159</u>
<i>Less Accumulated Depreciation:</i>	
Land Improvements	(133,540)
Equipment	(107,044)
Vehicles	(590,902)
<i>Total Accumulated Depreciation</i>	<u>(831,486)</u>
<i>Current Book Value</i>	<u>\$559,673</u>

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

Year Ending December 30,	Governmental Activities
2013	\$90,291
2014	60,520
2015	60,520
2016	60,520
2017	30,749
2018-2022	153,745
Total	456,345
Less: Amount Representing Interest	(79,588)
Present Value of Net Minimum Lease Payments	<u>\$376,757</u>

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 \$3,640,679 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.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 2012, 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 2012. 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 2012.

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 made a \$500 contribution to the Weshare in 2012.

City of Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 20 – Significant Commitments

Encumbrances

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

Governmental Funds	
General fund	\$95,981
Recreation	38,346
Other Governmental Funds	<u>290,961</u>
Total Governmental Funds	<u><u>\$425,288</u></u>
Proprietary Fund	
Sewer Fund	<u><u>\$67,714</u></u>

Note 21 – Subsequent Event

On March 20, 2013, the City issued Taxable Economic Development Notes in the amount of \$550,000 with a coupon interest rate of 1.72%. The proceeds of the note were used to pay the outstanding balance of the economic development note which matured on March 20, 2013. The notes will mature on March 15, 2016.

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 2012, 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 2012, 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)

Fund Descriptions - Nonmajor Governmental and Enterprise Funds (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 2012, 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 2012, 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. This fund did not have any budgetary activity in 2012, therefore, budgetary information is not provided.

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 revenues from recreation programs 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)

Fund Descriptions - Nonmajor Governmental and Enterprise Funds (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 2012, 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 2012, therefore, budgetary information is not provided

City of Fairview Park, Ohio

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$882,667	\$176	\$984,130	\$1,866,973
Materials and Supplies Inventory	81,600	0	0	81,600
Accounts Receivable	113,261	0	51,416	164,677
Intergovernmental Receivable	398,664	0	22,256	420,920
Municipal Income Taxes Receivable	0	0	426,082	426,082
Property Taxes Receivable	457,029	0	277,385	734,414
Special Assessments Receivable	124,812	0	0	124,812
Assets Held for Resale	0	0	1,026,757	1,026,757
<i>Total Assets</i>	<u>\$2,058,033</u>	<u>\$176</u>	<u>\$2,788,026</u>	<u>\$4,846,235</u>
Liabilities				
Accounts Payable	\$429	\$0	\$71,451	\$71,880
Accrued Wages	48,508	0	0	48,508
Intergovernmental Payable	271,565	0	12,515	284,080
Unearned Revenue	0	0	660,000	660,000
<i>Total Liabilities</i>	<u>320,502</u>	<u>0</u>	<u>743,966</u>	<u>1,064,468</u>
Deferred Inflows of Resources				
Property Taxes	442,898	0	268,624	711,522
Unavailable Revenue	409,331	0	297,511	706,842
<i>Total Deferred Inflows of Resources</i>	<u>852,229</u>	<u>0</u>	<u>566,135</u>	<u>1,418,364</u>
Fund Balances				
Nonspendable	81,600	0	0	81,600
Restricted	417,090	176	1,477,925	1,895,191
Committed	605,105	0	0	605,105
Unassigned (Deficit)	(218,493)	0	0	(218,493)
<i>Total Fund Balances</i>	<u>885,302</u>	<u>176</u>	<u>1,477,925</u>	<u>2,363,403</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$2,058,033</u>	<u>\$176</u>	<u>\$2,788,026</u>	<u>\$4,846,235</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$0	\$0	\$909,211	\$909,211
Property Taxes	450,351	0	277,144	727,495
Franchise Taxes	273,415	0	0	273,415
Charges for Services	328,298	0	68,631	396,929
Fines, Licenses and Permits	165,061	0	0	165,061
Intergovernmental	814,600	0	57,321	871,921
Special Assessments	238,489	0	0	238,489
Interest	101	0	0	101
Other	23,816	0	52,525	76,341
<i>Total Revenues</i>	<u>2,294,131</u>	<u>0</u>	<u>1,364,832</u>	<u>3,658,963</u>
Expenditures				
Current:				
Security of Persons and Property	1,861,671	0	0	1,861,671
Transportation	736,333	0	0	736,333
Leisure Time Activities	7,030	0	0	7,030
Capital Outlay	2,778	0	1,090,517	1,093,295
Debt Service:				
Principal Retirement	35,129	0	357,252	392,381
Interest and Fiscal Charges	24,522	0	100,549	125,071
<i>Total Expenditures</i>	<u>2,667,463</u>	<u>0</u>	<u>1,548,318</u>	<u>4,215,781</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(373,332)</u>	<u>0</u>	<u>(183,486)</u>	<u>(556,818)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	0	0	140,090	140,090
Transfers In	647,500	0	75,297	722,797
Transfers Out	0	0	(15,000)	(15,000)
<i>Total Other Financing Sources (Uses)</i>	<u>647,500</u>	<u>0</u>	<u>200,387</u>	<u>847,887</u>
<i>Net Change in Fund Balances</i>	274,168	0	16,901	291,069
<i>Fund Balances Beginning of Year</i>	<u>611,134</u>	<u>176</u>	<u>1,461,024</u>	<u>2,072,334</u>
<i>Fund Balances End of Year</i>	<u><u>\$885,302</u></u>	<u><u>\$176</u></u>	<u><u>\$1,477,925</u></u>	<u><u>\$2,363,403</u></u>

City of Fairview Park, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Street Construction, Maintenance and Repair	State Highway	Police and Fire Pension	S.A.V.E.
Assets				
Equity in Pooled Cash and Cash Equivalents	\$69,858	\$8,415	\$19,301	\$400
Materials and Supplies Inventory	0	81,600	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	326,438	26,468	15,348	0
Property Taxes Receivable	0	0	191,300	0
Special Assessment Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$396,296</u>	<u>\$116,483</u>	<u>\$225,949</u>	<u>\$400</u>
Liabilities				
Accounts Payable	\$120	\$0	\$0	\$0
Accrued Wages	22,656	0	0	0
Intergovernmental Payable	16,013	0	237,794	0
<i>Total Liabilities</i>	<u>38,789</u>	<u>0</u>	<u>237,794</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	185,258	0
Unavailable Revenue	217,520	17,637	21,390	0
<i>Total Deferred Inflows of Resources</i>	<u>217,520</u>	<u>17,637</u>	<u>206,648</u>	<u>0</u>
Fund Balances				
Nonspendable	0	81,600	0	0
Restricted	139,987	17,246	0	0
Committed	0	0	0	400
Unassigned (Deficit)	0	0	(218,493)	0
<i>Total Fund Balances (Deficit)</i>	<u>139,987</u>	<u>98,846</u>	<u>(218,493)</u>	<u>400</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$396,296</u>	<u>\$116,483</u>	<u>\$225,949</u>	<u>\$400</u>

Street Lighting	Fire Operating Levy	Waterline Repair	Fairview Park Sidewalk	Bain Park Restoration
\$107,073	\$57,386	\$25,667	\$4,924	\$16,496
0	0	0	0	0
0	0	0	0	0
0	19,883	0	0	0
0	265,729	0	0	0
124,812	0	0	0	0
<u>\$231,885</u>	<u>\$342,998</u>	<u>\$25,667</u>	<u>\$4,924</u>	<u>\$16,496</u>
\$39	\$45	\$0	\$0	\$0
0	9,529	0	0	0
1,127	6,960	45	0	0
<u>1,166</u>	<u>16,534</u>	<u>45</u>	<u>0</u>	<u>0</u>
0	257,640	0	0	0
124,812	27,972	0	0	0
<u>124,812</u>	<u>285,612</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0
105,907	40,852	25,622	0	0
0	0	0	4,924	16,496
0	0	0	0	0
<u>105,907</u>	<u>40,852</u>	<u>25,622</u>	<u>4,924</u>	<u>16,496</u>
<u>\$231,885</u>	<u>\$342,998</u>	<u>\$25,667</u>	<u>\$4,924</u>	<u>\$16,496</u>

(continued)

City of Fairview Park, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2012

	Law Enforcement Trust	D.U.I. Education	Police on Patrol Arresting Speeders	Civil Reimbursement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,037	\$19,293	\$54,981	\$2,688
Materials and Supplies Inventory	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	221	10,306	0
Property Taxes Receivable	0	0	0	0
Special Assessment Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$6,037</u>	<u>\$19,514</u>	<u>\$65,287</u>	<u>\$2,688</u>
Liabilities				
Accounts Payable	\$0	\$0	\$15	\$0
Accrued Wages	0	0	4,777	0
Intergovernmental Payable	0	0	2,559	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>7,351</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	6,037	19,514	57,936	2,688
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>6,037</u>	<u>19,514</u>	<u>57,936</u>	<u>2,688</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$6,037</u>	<u>\$19,514</u>	<u>\$65,287</u>	<u>\$2,688</u>

New Levy/ Project Account	Cable TV Franchise Fee	D.A.R.E.	Emergency Medical System	Total Nonmajor Special Revenue Funds
\$1	\$448,052	\$1,300	\$40,795	\$882,667
0	0	0	0	81,600
0	68,745	0	44,516	113,261
0	0	0	0	398,664
0	0	0	0	457,029
0	0	0	0	124,812
<u>\$1</u>	<u>\$516,797</u>	<u>\$1,300</u>	<u>\$85,311</u>	<u>\$2,058,033</u>
\$0	\$0	\$0	\$210	\$429
0	0	0	11,546	48,508
0	0	0	7,067	271,565
<u>0</u>	<u>0</u>	<u>0</u>	<u>18,823</u>	<u>320,502</u>
0	0	0	0	442,898
0	0	0	0	409,331
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>852,229</u>
0	0	0	0	81,600
1	0	1,300	0	417,090
0	516,797	0	66,488	605,105
0	0	0	0	(218,493)
<u>1</u>	<u>516,797</u>	<u>1,300</u>	<u>66,488</u>	<u>885,302</u>
<u>\$1</u>	<u>\$516,797</u>	<u>\$1,300</u>	<u>\$85,311</u>	<u>\$2,058,033</u>

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, 2012

	Street Construction, Maintenance and Repair	State Highway	Police and Fire Pension	S.A.V.E.
Revenues				
Property Taxes	\$0	\$0	\$193,070	\$0
Franchise Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	0	0
Intergovernmental	683,783	55,442	30,664	0
Special Assessments	0	0	0	0
Interest	91	10	0	0
Other	3,132	0	0	0
<i>Total Revenues</i>	<u>687,006</u>	<u>55,452</u>	<u>223,734</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	853,910	0
Transportation	679,760	56,573	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>679,760</u>	<u>56,573</u>	<u>853,910</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	7,246	(1,121)	(630,176)	0
Other Financing Sources				
Transfers In	0	0	647,500	0
<i>Net Change in Fund Balances</i>	7,246	(1,121)	17,324	0
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>132,741</u>	<u>99,967</u>	<u>(235,817)</u>	<u>400</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$139,987</u>	<u>\$98,846</u>	<u>(\$218,493)</u>	<u>\$400</u>

Street Lighting	Fire Operating Levy	Waterline Repair	Fairview Park Sidewalk	Bain Park Restoration
\$0	\$257,281	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	11,225
0	0	0	0	0
0	39,711	0	0	0
238,489	0	0	0	0
0	0	0	0	0
0	0	20,684	0	0
<u>238,489</u>	<u>296,992</u>	<u>20,684</u>	<u>0</u>	<u>11,225</u>
202,932	260,358	0	0	0
0	0	0	0	0
0	0	0	0	7,030
0	0	2,778	0	0
0	0	0	0	0
0	0	0	0	0
<u>202,932</u>	<u>260,358</u>	<u>2,778</u>	<u>0</u>	<u>7,030</u>
35,557	36,634	17,906	0	4,195
0	0	0	0	0
<u>35,557</u>	<u>36,634</u>	<u>17,906</u>	<u>0</u>	<u>4,195</u>
70,350	4,218	7,716	4,924	12,301
<u>\$105,907</u>	<u>\$40,852</u>	<u>\$25,622</u>	<u>\$4,924</u>	<u>\$16,496</u>

(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, 2012

	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	4,087	3,889	157,085	0
Intergovernmental	0	0	0	0
Special Assessments	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>4,087</u>	<u>3,889</u>	<u>157,085</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	0	4,881	175,481	0
Transportation	0	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>4,881</u>	<u>175,481</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	4,087	(992)	(18,396)	0
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	4,087	(992)	(18,396)	0
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>1,950</u>	<u>20,506</u>	<u>76,332</u>	<u>2,688</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,037</u>	<u>\$19,514</u>	<u>\$57,936</u>	<u>\$2,688</u>

New Levy/ Project Account	Cable TV Franchise Fee	D.A.R.E.	Emergency Medical System	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$450,351
0	273,415	0	0	273,415
0	0	0	317,073	328,298
0	0	0	0	165,061
0	0	0	5,000	814,600
0	0	0	0	238,489
0	0	0	0	101
0	0	0	0	23,816
0	273,415	0	322,073	2,294,131
0	0	515	363,594	1,861,671
0	0	0	0	736,333
0	0	0	0	7,030
0	0	0	0	2,778
0	35,129	0	0	35,129
0	24,522	0	0	24,522
0	59,651	515	363,594	2,667,463
0	213,764	(515)	(41,521)	(373,332)
0	0	0	0	647,500
0	213,764	(515)	(41,521)	274,168
1	303,033	1,815	108,009	611,134
\$1	\$516,797	\$1,300	\$66,488	\$885,302

City of Fairview Park, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	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	\$8,690	\$143,139	\$415	\$10,858	\$821,028	\$984,130
Accounts Receivable	0	51,416	0	0	0	51,416
Intergovernmental Receivable	0	22,256	0	0	0	22,256
Municipal Income Taxes Receivable	0	0	0	0	426,082	426,082
Property Taxes Receivable	0	277,385	0	0	0	277,385
Assets Held for Resale	720,000	0	306,757	0	0	1,026,757
<i>Total Assets</i>	<u>\$728,690</u>	<u>\$494,196</u>	<u>\$307,172</u>	<u>\$10,858</u>	<u>\$1,247,110</u>	<u>\$2,788,026</u>
Liabilities						
Accounts Payable	\$0	\$29,771	\$0	\$0	\$41,680	\$71,451
Intergovernmental Payable	0	0	0	0	12,515	12,515
Unearned Revenue	660,000	0	0	0	0	660,000
<i>Total Liabilities</i>	<u>660,000</u>	<u>29,771</u>	<u>0</u>	<u>0</u>	<u>54,195</u>	<u>743,966</u>
Deferred Inflows of Resources						
Property Taxes	0	268,624	0	0	0	268,624
Unavailable Revenue	0	31,017	0	0	266,494	297,511
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>299,641</u>	<u>0</u>	<u>0</u>	<u>266,494</u>	<u>566,135</u>
Fund Balances						
Restricted	68,690	164,784	307,172	10,858	926,421	1,477,925
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$728,690</u>	<u>\$494,196</u>	<u>\$307,172</u>	<u>\$10,858</u>	<u>\$1,247,110</u>	<u>\$2,788,026</u>

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, 2012

	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	\$909,211	\$909,211
Property Taxes	0	277,144	0	0	0	277,144
Charges for Services	68,631	0	0	0	0	68,631
Intergovernmental	0	44,462	0	0	12,859	57,321
Other	0	52,156	0	0	369	52,525
<i>Total Revenues</i>	<u>68,631</u>	<u>373,762</u>	<u>0</u>	<u>0</u>	<u>922,439</u>	<u>1,364,832</u>
Expenditures						
Capital Outlay	0	353,850	0	0	736,667	1,090,517
Debt Service:						
Principal Retirement	0	46,925	15,000	0	295,327	357,252
Interest and Fiscal Charges	0	21,836	0	0	78,713	100,549
<i>Total Expenditures</i>	<u>0</u>	<u>422,611</u>	<u>15,000</u>	<u>0</u>	<u>1,110,707</u>	<u>1,548,318</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>68,631</u>	<u>(48,849)</u>	<u>(15,000)</u>	<u>0</u>	<u>(188,268)</u>	<u>(183,486)</u>
Other Financing Sources (Uses)						
Inception of Capital Lease	0	140,090	0	0	0	140,090
Transfers In	0	0	15,000	0	60,297	75,297
Transfers Out	0	(15,000)	0	0	0	(15,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>125,090</u>	<u>15,000</u>	<u>0</u>	<u>60,297</u>	<u>200,387</u>
<i>Net Change in Fund Balances</i>	68,631	76,241	0	0	(127,971)	16,901
<i>Fund Balances Beginning of Year</i>	<u>59</u>	<u>88,543</u>	<u>307,172</u>	<u>10,858</u>	<u>1,054,392</u>	<u>1,461,024</u>
<i>Fund Balances End of Year</i>	<u>\$68,690</u>	<u>\$164,784</u>	<u>\$307,172</u>	<u>\$10,858</u>	<u>\$926,421</u>	<u>\$1,477,925</u>

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. 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, 2012

	Balance 12/31/11	Additions	Reductions	Balance 12/31/12
<i>Required Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$34,914	\$10,151	\$38,579	\$6,486
Liabilities				
Deposits Held and Due to Others	\$34,914	\$10,151	\$38,579	\$6,486
<i>Senior Life Donations</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$29,602	\$21,934	\$20,524	\$31,012
Liabilities				
Accounts Payable	\$29,602	\$21,934	\$20,524	\$31,012
<i>Building Assessment Fees</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,221	\$1,670	\$1,374	\$1,517
Liabilities				
Intergovernmental Payable	\$1,221	\$1,670	\$1,374	\$1,517
<i>Special Hold Account</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$116,432	\$117,466	\$37,803	\$196,095
Liabilities				
Deposits Held and Due to Others	\$116,432	\$117,466	\$37,803	\$196,095

(continued)

City of Fairview Park, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2012

	Balance 12/31/11	Additions	Reductions	Balance 12/31/12
<i>Employee Section M 125</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,796	\$26,073	\$24,862	\$3,007
Liabilities				
Deposits Held and Due to Others	\$1,796	\$26,073	\$24,862	\$3,007
<i>Survey/Sanitary and Storm Sewer</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,299	\$600	\$0	\$4,899
Liabilities				
Deposits Held and Due to Others	\$4,299	\$600	\$0	\$4,899
<i>Totals - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$188,264	\$177,894	\$123,142	\$243,016
Liabilities				
Intergovernmental Payable	\$1,221	\$1,670	\$1,374	\$1,517
Accounts Payable	29,602	21,934	20,524	31,012
Deposits Held and Due to Others	157,441	154,290	101,244	210,487
<i>Total Liabilities</i>	\$188,264	\$177,894	\$123,142	\$243,016

*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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$4,604,000	\$4,988,652	\$4,988,652	\$0
Property Taxes	2,969,040	2,653,575	2,653,575	0
Charges for Services	732,800	772,153	772,153	0
Fines, Licenses and Permits	337,700	341,876	341,876	0
Intergovernmental	906,271	1,499,009	1,499,009	0
Interest	2,300	4,594	4,594	0
Other	110,150	103,207	103,207	0
<i>Total Revenues</i>	<u>9,662,261</u>	<u>10,363,066</u>	<u>10,363,066</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Mayor's Office	175,883	183,773	180,988	2,785
Service Director	272,477	287,441	285,595	1,846
Finance Department	435,258	439,982	435,339	4,643
Legal Department	152,682	152,850	121,166	31,684
Engineering	34,770	34,770	34,768	2
Municipal Land and Building	369,834	364,451	333,088	31,363
Civil Service	5,853	886	843	43
County and State Fees	188,065	239,500	197,381	42,119
Legislative	126,050	145,420	141,418	4,002
Other Administrative	225,506	234,728	217,706	17,022
Total General Government	<u>1,986,378</u>	<u>2,083,801</u>	<u>1,948,292</u>	<u>135,509</u>
Security of Persons and Property:				
Police Department	2,713,980	2,706,482	2,658,614	47,868
Fire Department	1,907,932	1,903,363	1,850,942	52,421
Central Dispatch EMS	148,000	128,000	127,658	342
Total Security of Persons and Property	<u>4,769,912</u>	<u>4,737,845</u>	<u>4,637,214</u>	<u>100,631</u>
Transportation:				
Motor Vehicle Maintenance	185,768	186,266	172,936	13,330
Traffic Control	196,979	216,887	206,982	9,905
Total Transportation	<u>\$382,747</u>	<u>\$403,153</u>	<u>\$379,918</u>	<u>\$23,235</u>

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment:				
Planning and Designing	\$1,550	\$2,050	\$2,023	\$27
Building Department	300,532	302,085	294,675	7,410
Total Community Environment	302,082	304,135	296,698	7,437
Basic Utility Services:				
Recycling and Solid Waste Disposal	1,147,554	1,292,625	1,159,506	133,119
Leisure Time Activities:				
Bain Park	3,500	2,910	2,614	296
Parks and Property Maintenance	541,737	540,185	528,018	12,167
Senior Life Office	351,386	342,819	336,437	6,382
Total Leisure Time Activities	896,623	885,914	867,069	18,845
Public Health Services	1,400	1,650	1,505	145
Debt Service:				
Principal Retirement	0	45,000	45,000	0
<i>Total Expenditures</i>	9,486,696	9,754,123	9,335,202	418,921
<i>Excess of Revenues Over Expenditures</i>	175,565	608,943	1,027,864	418,921
Other Financing Uses				
Transfers Out	(703,000)	(703,000)	(647,500)	55,500
<i>Net Change in Fund Balance</i>	(527,435)	(94,057)	380,364	474,421
<i>Fund Balance Beginning of Year</i>	1,453,491	1,453,491	1,453,491	0
Prior Year Encumbrances Appropriated	20,464	20,464	20,464	0
<i>Fund Balance End of Year</i>	\$946,520	\$1,379,898	\$1,854,319	\$474,421

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,809,760	\$1,967,052	\$1,967,052	\$0
Property Taxes	356,428	318,557	318,557	0
Charges for Services	1,126,000	1,125,883	1,125,883	0
Intergovernmental	0	51,107	51,107	0
Other	39,500	372,231	238,022	(134,209)
<i>Total Revenues</i>	<u>3,331,688</u>	<u>3,834,830</u>	<u>3,700,621</u>	<u>(134,209)</u>
Expenditures				
Current:				
Leisure Time Activities				
Recreation:				
Leisure Time Activities	2,257,527	2,363,199	2,176,568	186,631
Debt Service:				
Principal Retirement	555,592	555,592	555,592	0
Interest and Fiscal Charges	695,857	695,857	561,648	134,209
Issuance Costs	277,464	277,464	277,464	0
<i>Total Debt Service</i>	<u>1,528,913</u>	<u>1,528,913</u>	<u>1,394,704</u>	<u>134,209</u>
<i>Total Expenditures</i>	<u>3,786,440</u>	<u>3,892,112</u>	<u>3,571,272</u>	<u>320,840</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(454,752)</u>	<u>(57,282)</u>	<u>129,349</u>	<u>186,631</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	20,590,000	20,590,000	20,590,000	0
Premium on General Obligation Bonds	901,349	901,349	901,349	0
Payment to Refunded Bond Escrow Agent	(21,209,265)	(21,209,265)	(21,209,265)	0
<i>Total Other Financing Sources (Uses)</i>	<u>282,084</u>	<u>282,084</u>	<u>282,084</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(172,668)	224,802	411,433	186,631
<i>Fund Balance Beginning of Year</i>	1,119,494	1,119,494	1,119,494	0
Prior Year Encumbrances Appropriated	13,208	13,208	13,208	0
<i>Fund Balance End of Year</i>	<u>\$960,034</u>	<u>\$1,357,504</u>	<u>\$1,544,135</u>	<u>\$186,631</u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,184,437	\$2,205,825	\$2,205,825	\$0
Other	0	1,542	1,542	0
<i>Total Revenues</i>	2,184,437	2,207,367	2,207,367	0
Expenses				
Capital Outlay:				
Sewer:				
Personal Services	257,957	221,687	212,879	8,808
Materials and Supplies	103,664	115,000	92,360	22,640
Contractual Services	1,257,353	1,343,061	1,106,877	236,184
Capital Outlay	489,885	479,638	376,416	103,222
Other	130,272	130,700	108,034	22,666
Debt Service:				
Principal Retirement	96,431	96,431	96,431	0
<i>Total Expenses</i>	2,335,562	2,386,517	1,992,997	393,520
<i>Net Change in Fund Equity</i>	(151,125)	(179,150)	214,370	393,520
<i>Fund Equity Beginning of Year</i>	640,666	640,666	640,666	0
Prior Year Encumbrances Appropriated	17,580	17,580	17,580	0
<i>Fund Equity End of Year</i>	\$507,121	\$479,096	\$872,616	\$393,520

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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$674,500	\$677,520	\$677,520	\$0
Interest	160	91	91	0
Other	0	3,132	3,132	0
<i>Total Revenues</i>	674,660	680,743	680,743	0
Expenditures				
Current:				
Transportation	689,653	681,811	673,624	8,187
<i>Net Change in Fund Balance</i>	(14,993)	(1,068)	7,119	8,187
<i>Fund Balance Beginning of Year</i>	62,619	62,619	62,619	0
<i>Fund Balance End of Year</i>	\$47,626	\$61,551	\$69,738	\$8,187

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$54,700	\$54,934	\$54,934	\$0
Interest	70	10	10	0
<i>Total Revenues</i>	54,770	54,944	54,944	0
Expenditures				
Current:				
Transportation	103,500	101,000	100,501	499
<i>Net Change in Fund Balance</i>	(48,730)	(46,056)	(45,557)	499
<i>Fund Balance Beginning of Year</i>	53,972	53,972	53,972	0
<i>Fund Balance End of Year</i>	<u>\$5,242</u>	<u>\$7,916</u>	<u>\$8,415</u>	<u>\$499</u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$213,858	\$193,070	\$193,070	\$0
Intergovernmental	0	30,664	30,664	0
<i>Total Revenues</i>	213,858	223,734	223,734	0
Expenditures				
Current:				
Security of Persons and Property	907,100	855,800	853,832	1,968
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(693,242)	(632,066)	(630,098)	1,968
Other Financing Sources				
Transfers In	693,200	647,500	647,500	0
<i>Net Change in Fund Balance</i>	(42)	15,434	17,402	1,968
<i>Fund Balance Beginning of Year</i>	1,899	1,899	1,899	0
<i>Fund Balance End of Year</i>	<u>\$1,857</u>	<u>\$17,333</u>	<u>\$19,301</u>	<u>\$1,968</u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$221,300	\$238,489	\$238,489	\$0
Other	10,000	0	0	0
<i>Total Revenues</i>	231,300	238,489	238,489	0
Expenditures				
Current:				
Security of Persons and Property	252,400	268,000	223,003	44,997
<i>Net Change in Fund Balance</i>	(21,100)	(29,511)	15,486	44,997
<i>Fund Balance Beginning of Year</i>	91,587	91,587	91,587	0
<i>Fund Balance End of Year</i>	<u>\$70,487</u>	<u>\$62,076</u>	<u>\$107,073</u>	<u>\$44,997</u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$286,936	\$257,281	\$257,281	\$0
Intergovernmental	0	39,711	39,711	0
<i>Total Revenues</i>	286,936	296,992	296,992	0
Expenditures				
Current:				
Security of Persons and Property	280,552	274,650	263,306	11,344
<i>Net Change in Fund Balance</i>	6,384	22,342	33,686	11,344
<i>Fund Balance Beginning of Year</i>	23,655	23,655	23,655	0
<i>Fund Balance End of Year</i>	<u>\$30,039</u>	<u>\$45,997</u>	<u>\$57,341</u>	<u>\$11,344</u>

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$25,000	\$20,684	\$20,684	\$0
Expenditures				
Current:				
Capital Outlay	<u>3,811</u>	<u>4,395</u>	<u>2,778</u>	<u>1,617</u>
<i>Net Change in Fund Balance</i>	21,189	16,289	17,906	1,617
<i>Fund Balance Beginning of Year</i>	<u>7,761</u>	<u>7,761</u>	<u>7,761</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,950</u></u>	<u><u>\$24,050</u></u>	<u><u>\$25,667</u></u>	<u><u>\$1,617</u></u>

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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$7,000	\$11,225	\$11,225	\$0
Expenditures				
Current:				
Leisure Time Activities	<u>7,200</u>	<u>7,200</u>	<u>7,030</u>	<u>170</u>
<i>Net Change in Fund Balance</i>	(200)	4,025	4,195	170
<i>Fund Balance Beginning of Year</i>	<u>12,301</u>	<u>12,301</u>	<u>12,301</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,101</u></u>	<u><u>\$16,326</u></u>	<u><u>\$16,496</u></u>	<u><u>\$170</u></u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$4,087	\$4,087	\$4,087	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,087	4,087	4,087	0
<i>Fund Balance Beginning of Year</i>	<u>1,950</u>	<u>1,950</u>	<u>1,950</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,037</u></u>	<u><u>\$6,037</u></u>	<u><u>\$6,037</u></u>	<u><u>\$0</u></u>

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$4,300	\$3,963	\$3,963	\$0
Expenditures				
Current:				
Security of Persons and Property	125	20,000	7,330	12,670
<i>Net Change in Fund Balance</i>	4,175	(16,037)	(3,367)	12,670
<i>Fund Balance Beginning of Year</i>	20,211	20,211	20,211	0
<i>Fund Balance End of Year</i>	<u>\$24,386</u>	<u>\$4,174</u>	<u>\$16,844</u>	<u>\$12,670</u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$165,000	\$158,006	\$158,006	\$0
Expenditures				
Current:				
Security of Persons and Property	170,509	187,600	175,194	12,406
<i>Net Change in Fund Balance</i>	(5,509)	(29,594)	(17,188)	12,406
<i>Fund Balance Beginning of Year</i>	72,154	72,154	72,154	0
<i>Fund Balance End of Year</i>	<u>\$66,645</u>	<u>\$42,560</u>	<u>\$54,966</u>	<u>\$12,406</u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Franchise Taxes	\$250,000	\$270,187	\$270,187	\$0
Expenditures				
Debt Service:				
Principal Retirement	55,630	35,345	35,129	216
Interest and Fiscal Charges	18,466	24,555	24,522	33
<i>Total Expenditures</i>	74,096	59,900	59,651	249
<i>Net Change in Fund Balance</i>	175,904	210,287	210,536	249
<i>Fund Balance Beginning of Year</i>	237,516	237,516	237,516	0
<i>Fund Balance End of Year</i>	\$413,420	\$447,803	\$448,052	\$249

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property	520	520	515	5
<i>Net Change in Fund Balance</i>	(520)	(520)	(515)	5
<i>Fund Balance Beginning of Year</i>	1,815	1,815	1,815	0
<i>Fund Balance End of Year</i>	\$1,295	\$1,295	\$1,300	\$5

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$345,000	\$325,257	\$325,257	\$0
Intergovernmental	0	5,000	5,000	0
<i>Total Revenues</i>	345,000	330,257	330,257	0
Expenditures				
Current:				
Security of Persons and Property	362,003	383,000	360,967	22,033
<i>Net Change in Fund Balance</i>	(17,003)	(52,743)	(30,710)	22,033
<i>Fund Balance Beginning of Year</i>	67,011	67,011	67,011	0
Prior Year Encumbrances Appropriated	1,834	1,834	1,834	0
<i>Fund Balance End of Year</i>	<u>\$51,842</u>	<u>\$16,102</u>	<u>\$38,135</u>	<u>\$22,033</u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$8,631	\$8,631	\$8,631	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	8,631	8,631	8,631	0
<i>Fund Balance Beginning of Year</i>	59	59	59	0
<i>Fund Balance End of Year</i>	<u>\$8,690</u>	<u>\$8,690</u>	<u>\$8,690</u>	<u>\$0</u>

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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$310,092	\$277,144	\$277,144	\$0
Intergovernmental	0	44,462	44,462	0
Other	0	740	740	0
<i>Total Revenues</i>	<u>310,092</u>	<u>322,346</u>	<u>322,346</u>	<u>0</u>
Expenditures				
Capital Outlay	272,523	294,631	223,803	70,828
Debt Service:				
Principal Retirement	47,853	47,853	46,925	928
Interest and Fiscal Charges	22,896	22,896	21,836	1,060
<i>Total Expenditures</i>	<u>343,272</u>	<u>365,380</u>	<u>292,564</u>	<u>72,816</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,180)	(43,034)	29,782	72,816
Other Financing Uses				
Transfers Out	(15,000)	(15,000)	(15,000)	0
<i>Net Change in Fund Balance</i>	(48,180)	(58,034)	14,782	72,816
<i>Fund Balance Beginning of Year</i>	<u>88,543</u>	<u>88,543</u>	<u>88,543</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$40,363</u></u>	<u><u>\$30,509</u></u>	<u><u>\$103,325</u></u>	<u><u>\$72,816</u></u>

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, 2012

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Principal Retirement	15,000	15,000	15,000	0
<i>Excess of Revenues Under Expenditures</i>	(15,000)	(15,000)	(15,000)	0
Other Financing Sources				
Transfers In	15,000	15,000	15,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	415	415	415	0
<i>Fund Balance End of Year</i>	\$415	\$415	\$415	\$0

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$891,244	\$983,526	\$983,526	\$0
Intergovernmental	11,652	12,859	12,859	0
Other	334	369	369	0
<i>Total Revenues</i>	903,230	996,754	996,754	0
Expenditures				
Capital Outlay	1,213,212	1,302,282	983,218	319,064
Debt Service:				
Principal Retirement	210,000	235,030	235,030	0
Interest and Fiscal Charges	80,000	80,000	78,713	1,287
<i>Total Expenditures</i>	1,503,212	1,617,312	1,296,961	320,351
<i>Net Change in Fund Balance</i>	(599,982)	(620,558)	(300,207)	320,351
<i>Fund Balance Beginning of Year</i>	652,818	652,818	652,818	0
Prior Year Encumbrances Appropriated	223,212	223,212	223,212	0
<i>Fund Balance End of Year</i>	\$276,048	\$255,472	\$575,823	\$320,351

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,673,408	\$1,319,338	\$1,319,338	\$0
Expenses				
Contractual Services	358,504	342,000	335,624	6,376
Claims	999,496	1,006,000	935,709	70,291
<i>Total Expenses</i>	<u>1,358,000</u>	<u>1,348,000</u>	<u>1,271,333</u>	<u>76,667</u>
<i>Net Change in Fund Equity</i>	315,408	(28,662)	48,005	76,667
<i>Fund Equity Beginning of Year</i>	<u>345,740</u>	<u>345,740</u>	<u>345,740</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$661,148</u></u>	<u><u>\$317,078</u></u>	<u><u>\$393,745</u></u>	<u><u>\$76,667</u></u>

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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)
<i>Financial Trends</i>	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.	
<i>Revenue Capacity</i>	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.	
<i>Debt Capacity</i>	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.	
<i>Economic and Demographic Information</i>	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.	
<i>Operating Information</i>	S28 - S35
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. 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 Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2012	2011	2010	2009
Governmental Activities				
Net Investment in Capital Assets	\$22,797,010	\$24,708,718	\$26,270,731	\$27,891,765
Restricted:				
Capital Projects	1,644,615	1,600,172	1,829,248	1,823,311
Unclaimed Monies	0	0	320,000	250,000
Debt Service	176	0	0	0
Street Construction, Maintenance and Repair	347,530	334,582	518,659	617,968
State Highway	116,483	117,282	132,053	214,680
Street Lighting	230,719	70,350	115,606	367,274
Police Programs	74,861	76,332	321,606	289,899
Other Purposes	107,061	503,529	489,387	300,213
Unrestricted	5,847,938	3,630,657	1,962,807	1,602,047
<i>Total Governmental Activities Net Position</i>	<u>\$31,166,393</u>	<u>\$31,041,622</u>	<u>\$31,960,097</u>	<u>\$33,357,157</u>
Business Type - Activities				
Net Investment in Capital Assets	\$12,142,014	\$12,167,063	\$12,409,791	\$12,674,769
Restricted:				
For Capital Projects	0	0	54,517	157,004
Unrestricted	4,672,529	4,521,136	4,290,646	4,075,831
<i>Total Business-Type Activities Net Position</i>	<u>\$16,814,543</u>	<u>\$16,688,199</u>	<u>\$16,754,954</u>	<u>\$16,907,604</u>
Primary Government				
Net Investment in Capital Assets	\$34,939,024	\$36,875,781	\$38,680,522	\$40,566,534
Restricted	2,521,445	2,702,247	3,781,076	4,020,349
Unrestricted	10,520,467	8,151,793	6,253,453	5,677,878
<i>Total Primary Government Net Position</i>	<u>\$47,980,936</u>	<u>\$47,729,821</u>	<u>\$48,715,051</u>	<u>\$50,264,761</u>

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

2008	2007	2006	2005	2004	2003
\$28,353,807	\$29,713,297	\$19,977,172	\$16,189,541	\$36,989,094	\$37,934,123
2,141,453	5,290,585	15,635,792	21,181,980	1,312,216	1,088,946
250,000	0	0	0	0	0
0	0	0	7,693	0	(109,849)
478,966	0	0	0	0	0
163,117	0	0	0	0	0
382,171	0	0	0	0	0
324,093	0	0	0	0	0
32,104	3,970,546	3,413,168	945,054	993,186	919,597
3,286,347	2,136,548	948,616	836,538	1,215,923	1,843,673
<u>\$35,412,058</u>	<u>\$41,110,976</u>	<u>\$39,974,748</u>	<u>\$39,160,806</u>	<u>\$40,510,419</u>	<u>\$41,676,490</u>
\$12,044,939	\$12,412,228	\$11,521,380	\$12,390,088	\$11,713,185	\$11,521,701
205,149	0	0	0	0	0
3,854,965	3,921,032	4,299,960	3,741,725	5,697,590	6,213,103
<u>\$16,105,053</u>	<u>\$16,333,260</u>	<u>\$15,821,340</u>	<u>\$16,131,813</u>	<u>\$17,410,775</u>	<u>\$17,734,804</u>
\$40,398,746	\$42,125,525	\$31,498,552	\$28,579,629	\$48,702,279	\$49,455,824
3,977,053	9,261,131	19,048,960	22,134,727	2,305,402	1,898,694
7,141,312	6,057,580	5,248,576	4,578,263	6,913,513	8,056,776
<u>\$51,517,111</u>	<u>\$57,444,236</u>	<u>\$55,796,088</u>	<u>\$55,292,619</u>	<u>\$57,921,194</u>	<u>\$59,411,294</u>

City of Fairview Park, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2012	2011	2010	2009	2008
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government	\$307,861	\$606,539	\$179,232	\$57,064	\$6,574
Security of Persons and Property	1,571,539	904,038	1,232,136	768,714	318,802
Transportation	58,115	39,215	10,288	22,419	0
Community Environment	46,643	34,313	25,319	8,941	252,958
Basic Utility Services	178,946	126,646	93,974	31,515	0
Leisure Time Activities	1,344,253	1,305,112	1,237,710	1,165,775	1,136,867
Public Health Services	236	149	0	0	0
Subtotal - Charges for Services	<u>3,507,593</u>	<u>3,016,012</u>	<u>2,778,659</u>	<u>2,054,428</u>	<u>1,715,201</u>
Operating Grants and Contributions:					
General Government	0	0	0	663	3,000
Security of Persons and Property	74,568	0	116,288	92,460	219,431
Transportation	743,516	709,728	747,139	726,985	746,222
Community Environment	0	0	0	104	0
Basic Utility Services	0	0	4,799	366	0
Leisure Time Activities	50,550	0	87,275	62,491	37,177
Subtotal - Operating Grants and Contributions	<u>868,634</u>	<u>709,728</u>	<u>955,501</u>	<u>883,069</u>	<u>1,005,830</u>
Capital Grants and Contributions:					
General Government	56,837	0	0	0	0
Transportation	0	53,081	169,922	56,203	516,189
Subtotal - Capital Grants and Contributions	<u>56,837</u>	<u>53,081</u>	<u>169,922</u>	<u>56,203</u>	<u>516,189</u>
<i>Total Governmental Activities Program Revenues</i>	4,433,064	3,778,821	3,904,082	2,993,700	3,237,220
Business-Type Activities:					
Charges for Services	2,258,224	1,998,193	1,795,677	1,562,718	1,735,435
<i>Total Primary Government Program Revenues</i>	<u>6,691,288</u>	<u>5,777,014</u>	<u>5,699,759</u>	<u>4,556,418</u>	<u>4,972,655</u>
Expenses					
Governmental Activities:					
General Government	2,692,957	2,776,358	2,782,550	2,564,768	2,953,774
Security of Persons and Property	6,658,780	7,267,524	7,854,479	7,118,625	7,562,285
Transportation	2,376,608	2,586,528	2,221,067	2,326,135	2,780,185
Community Environment	331,394	359,121	328,999	344,583	432,720
Basic Utility Services	1,137,831	1,129,614	1,013,896	1,005,866	1,383,619
Leisure Time Activities	3,660,823	3,555,596	3,303,008	4,200,804	6,515,743
Public Health Services	1,501	1,335	1,795	1,625	2,785
Interest and Fiscal Charges	1,263,516	1,070,312	1,101,108	1,236,834	1,156,874
<i>Total Governmental Activities Expenses</i>	<u>18,123,410</u>	<u>18,746,388</u>	<u>18,606,902</u>	<u>18,799,240</u>	<u>22,787,985</u>
Business-Type Activities:					
Sewer	2,109,903	2,115,212	2,063,857	1,951,784	1,903,636
Gilles-Sweet	0	0	53	0	0
<i>Total Business-Type Activities Expenses</i>	<u>2,109,903</u>	<u>2,115,212</u>	<u>2,063,910</u>	<u>1,951,784</u>	<u>1,903,636</u>
<i>Total Primary Government Expenses</i>	<u>20,233,313</u>	<u>20,861,600</u>	<u>20,670,812</u>	<u>20,751,024</u>	<u>24,691,621</u>
Net (Expense)/Revenue					
Governmental Activities	(13,690,346)	(14,967,567)	(14,702,820)	(15,805,540)	(19,550,765)
Business-Type Activities	148,321	(117,019)	(268,233)	(389,066)	(168,201)
<i>Total Primary Government Net Expense</i>	<u>(\$13,542,025)</u>	<u>(\$15,084,586)</u>	<u>(\$14,971,053)</u>	<u>(\$16,194,606)</u>	<u>(\$19,718,966)</u>

2007	2006	2005	2004	2003
\$190,627	\$209,604	\$185,603	\$0	\$0
781,176	715,704	729,453	735,337	772,993
177,223	0	0	90,796	0
216,091	169,834	121,869	210,654	321,661
0	0	0	0	0
249,051	181,899	188,425	169,992	159,100
0	0	0	0	0
<u>1,614,168</u>	<u>1,277,041</u>	<u>1,225,350</u>	<u>1,206,779</u>	<u>1,253,754</u>
0	12,320	101,036	1,343	0
0	22,347	21,056	0	20,903
793,031	709,395	781,025	1,403,603	517,759
0	0	0	0	0
0	0	0	0	0
44,142	27,156	8,655	3,027	0
<u>837,173</u>	<u>771,218</u>	<u>911,772</u>	<u>1,407,973</u>	<u>538,662</u>
0	0	0	0	0
0	0	75,502	0	0
<u>0</u>	<u>0</u>	<u>75,502</u>	<u>0</u>	<u>0</u>
2,451,341	2,048,259	2,212,624	2,614,752	1,792,416
1,702,798	1,736,787	1,721,031	1,823,533	1,830,953
<u>4,154,139</u>	<u>3,785,046</u>	<u>3,933,655</u>	<u>4,861,311</u>	<u>3,623,369</u>
2,537,880	2,249,139	2,279,103	2,596,622	2,632,827
6,291,888	6,617,530	6,697,803	6,092,682	6,003,528
3,454,757	3,263,865	3,643,981	3,170,834	1,980,401
139,717	1,741,880	1,877,840	1,755,129	1,760,877
1,247,756	0	0	0	0
2,024,273	1,645,018	985,749	864,474	693,544
4,395	2,405	72,513	57,305	49,447
1,364,203	1,216,334	779,562	269,468	275,893
<u>17,064,869</u>	<u>16,736,171</u>	<u>16,336,551</u>	<u>14,806,514</u>	<u>13,396,517</u>
1,508,864	2,049,290	2,335,183	2,431,051	1,787,656
0	0	0	0	0
<u>1,508,864</u>	<u>2,049,290</u>	<u>2,335,183</u>	<u>2,431,051</u>	<u>1,787,656</u>
18,573,733	18,785,461	18,671,734	17,237,565	15,184,173
(14,613,528)	(14,687,912)	(14,123,927)	(12,191,762)	(11,604,101)
193,934	(312,503)	(614,152)	(184,492)	43,297
<u>(\$14,419,594)</u>	<u>(\$15,000,415)</u>	<u>(\$14,738,079)</u>	<u>(\$12,376,254)</u>	<u>(\$11,560,804)</u>

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

	2012	2011	2010	2009	2008
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	\$2,569,710	\$2,587,238	\$2,721,242	\$3,021,265	\$2,651,543
Permanent Improvements	268,385	273,454	278,883	308,776	277,652
Recreation	308,489	314,313	290,671	357,372	270,515
Police and Fire Pension	187,029	204,675	156,744	245,019	174,434
Fire Operations	249,763	255,230	294,014	228,172	239,189
Other Purposes	0	0	0	0	0
Municipal Income Taxes Levied for:					
General Purposes	5,198,639	4,905,042	4,601,899	5,118,028	4,454,650
Capital Improvements	1,024,375	972,520	917,466	865,790	1,304,098
Recreation	2,045,643	1,945,166	1,834,786	1,993,806	1,708,786
Franchise Taxes	273,415	289,816	211,439	211,285	162,682
Grants and Entitlements not Restricted to					
Specific Programs	1,242,284	1,878,667	1,818,333	2,207,468	2,115,947
Unrestricted Contribution and Donations	0	0	98,176	0	0
Investment Income	4,588	2,640	4,553	16,985	242,022
Gain (Loss) on Sale of Capital Assets	0	21,857	5,400	0	0
Miscellaneous	419,278	217,178	185,800	366,060	174,594
Transfers	23,519	(56,823)	(113,646)	(1,189,387)	75,735
<i>Total Governmental Activities</i>	<u>13,815,117</u>	<u>13,810,973</u>	<u>13,305,760</u>	<u>13,750,639</u>	<u>13,851,847</u>
Business-Type Activities					
Investment Income	0	0	0	0	0
Miscellaneous	1,542	0	1,937	2,230	15,729
Transfers	(23,519)	56,823	113,646	1,189,387	(75,735)
<i>Total Business-Type Activities</i>	<u>(21,977)</u>	<u>56,823</u>	<u>115,583</u>	<u>1,191,617</u>	<u>(60,006)</u>
<i>Total Primary Government General Revenues and Transfers</i>	<u>13,793,140</u>	<u>13,867,796</u>	<u>13,421,343</u>	<u>14,942,256</u>	<u>13,791,841</u>
Change in Net Position					
Governmental Activities	124,771	(1,156,594)	(1,397,060)	(2,054,901)	(5,698,918)
Business-Type Activities	126,344	(60,196)	(152,650)	802,551	(228,207)
<i>Total Change in Net Position</i>	<u>\$251,115</u>	<u>(\$1,216,790)</u>	<u>(\$1,549,710)</u>	<u>(\$1,252,350)</u>	<u>(\$5,927,125)</u>

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

2007	2006	2005	2004	2003
\$4,171,960	\$3,467,149	\$3,435,214	\$2,865,170	\$2,784,101
356,878	294,107	309,361	812,014	309,054
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
964,081	806,608	831,450	295,221	774,070
4,447,994	4,236,452	3,510,427	3,624,868	4,366,087
1,384,877	1,395,586	2,300,824	1,214,792	1,456,036
2,742,810	2,518,921	0	0	0
0	0	0	0	0
1,117,705	1,196,593	1,704,562	1,992,936	2,596,571
0	0	0	0	0
887,307	1,162,601	526,847	75,626	63,432
0	0	2,000	(3,400)	
57,968	167,610	153,629	126,944	195,583
(314,866)	0	0	0	0
<u>15,816,714</u>	<u>15,245,627</u>	<u>12,774,314</u>	<u>11,004,171</u>	<u>12,544,934</u>
3,120	1,375	10,009	10,364	14,127
0	655	0	0	0
314,866	0	0	0	0
<u>317,986</u>	<u>2,030</u>	<u>10,009</u>	<u>10,364</u>	<u>14,127</u>
<u>16,134,700</u>	<u>15,247,657</u>	<u>12,784,323</u>	<u>11,014,535</u>	<u>12,559,061</u>
1,203,186	557,715	(1,349,613)	(1,187,591)	940,833
511,920	(310,473)	(604,143)	(174,128)	57,424
<u>\$1,715,106</u>	<u>\$247,242</u>	<u>(\$1,953,756)</u>	<u>(\$1,361,719)</u>	<u>\$998,257</u>

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

	2012	2011	2010	2009	2008
General Fund					
Reserved	\$0	\$0	\$330,898	\$259,790	\$259,476
Unreserved	0	0	2,045,925	1,572,506	2,199,327
Nonspendable	87,363	80,070	0	0	0
Assigned	1,338,411	24,301	0	0	0
Unassigned	991,737	2,053,365	0	0	0
Total General Fund	<u>2,417,511</u>	<u>2,157,736</u>	<u>2,376,823</u>	<u>1,832,296</u>	<u>2,458,803</u>
All Other Governmental Funds					
Reserved	0	0	483,733	449,893	151,362
Unreserved, Undesignated, Reported in:					
Special Revenue funds	0	0	1,863,047	2,126,018	2,758,074
Debt Service fund (Deficit)	0	0	176	8	0
Capital Projects funds	0	0	1,381,297	1,528,320	1,811,124
Nonspendable	81,600	40,260	0	0	0
Restricted	1,895,191	1,841,812	0	0	0
Committed	2,181,285	1,682,955	0	0	0
Unassigned (Deficit)	(218,493)	(235,817)	0	0	0
Total All Other Governmental Funds	<u>3,939,583</u>	<u>3,329,210</u>	<u>3,728,253</u>	<u>4,104,239</u>	<u>4,720,560</u>
Total Governmental Funds	<u>\$6,357,094</u>	<u>\$5,486,946</u>	<u>\$6,105,076</u>	<u>\$5,936,535</u>	<u>\$7,179,363</u>

2007	2006	2005	2004	2003
\$271,608	\$24,000	\$525,000	\$464,000	\$464,000
2,007,799	1,335,000	1,011,000	1,648,000	2,304,000
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>2,279,407</u>	<u>1,359,000</u>	<u>1,536,000</u>	<u>2,112,000</u>	<u>2,768,000</u>
4,125,692	8,878,000	263,000	359,000	887,000
2,777,831	591,000	510,000	729,000	715,000
(7,559)	(64,000)	105,000	(92,000)	(92,000)
1,187,882	8,953,000	20,476,000	683,000	(10,000)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>8,083,846</u>	<u>18,358,000</u>	<u>21,354,000</u>	<u>1,679,000</u>	<u>1,500,000</u>
<u>\$10,363,253</u>	<u>\$19,717,000</u>	<u>\$22,890,000</u>	<u>\$3,791,000</u>	<u>\$4,268,000</u>

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

	2012	2011	2010	2009	2008
Revenues					
Taxes (1)	n/a	n/a	n/a	n/a	n/a
Municipal Income Taxes	8,034,255	7,696,575	7,444,610	7,091,943	8,245,667
Property Taxes	3,699,627	3,699,559	3,702,107	4,094,073	3,625,281
Franchise Taxes	273,415	289,816	211,439	211,285	162,682
Charges for Services	2,232,900	2,291,794	2,035,758	1,425,433	1,356,368
Fees, Licenses and Permits	500,445	490,901	505,760	402,723	438,441
Intergovernmental	2,292,518	2,656,203	3,056,856	3,121,304	3,423,663
Special Assessments	238,489	233,317	237,141	233,052	268,887
Unrestricted Contributions and Donations	0	0	98,176	0	0
Interest	4,588	2,640	4,553	16,985	242,022
Rentals	0	0	0	0	12,470
Other	419,278	217,178	185,800	366,060	174,594
Total Revenues	17,695,515	17,577,983	17,482,200	16,962,858	17,950,075
Expenditures					
Current:					
General Government	1,957,320	1,926,354	1,928,797	1,810,825	1,967,282
Security of Persons and Property	6,507,611	7,364,669	7,238,353	6,956,305	7,241,799
Transportation	1,098,467	1,308,777	1,062,943	1,311,737	1,596,174
Community Environment	297,151	297,860	271,935	283,406	366,556
Basic Utility Services	1,136,269	1,144,672	1,011,700	1,006,478	1,384,836
Leisure Time Activities	3,216,922	3,114,531	2,827,571	3,851,156	6,286,903
Public Health Services	1,505	1,355	1,795	1,625	2,785
Capital Outlay	1,135,437	1,085,895	855,352	1,521,439	624,601
Debt Service:					
Principal Retirement	992,973	552,713	888,450	964,220	795,177
Interest and Fiscal Charges	686,719	1,096,822	1,118,517	1,202,639	1,263,587
Bond Issuance Costs	277,464	0	0	0	0
Total Expenditures	17,307,838	17,893,648	17,205,413	18,909,830	21,529,700
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>387,677</i>	<i>(315,665)</i>	<i>276,787</i>	<i>(1,946,972)</i>	<i>(3,579,625)</i>
Other Financing Sources (Uses)					
Bond Premium (Discount)	901,349	0	0	0	0
Bonds Issued	0	0	0	0	0
Refunding Bonds Issued	20,590,000	0	0	0	0
Payment to Refunded Bond Escrow Agent	(21,209,265)	0	0	0	0
Economic Development Notes Issued	0	750,000	0	1,100,000	0
Current Refunding	0	(1,100,000)	0	(1,100,000)	0
Sale of Capital Assets	0	21,857	5,400	0	0
OPWC Loan	0	0	0	750,887	0
Commercial Redevelopment Loans Issued	0	0	0	391,757	0
Inception of Capital Lease	140,090	82,501	0	0	320,000
Transfers In	722,797	1,043,240	1,148,300	1,112,010	1,140,658
Transfers Out	(662,500)	(1,100,063)	(1,261,946)	(1,550,510)	(1,064,923)
Total Other Financing Sources (Uses)	482,471	(302,465)	(108,246)	704,144	395,735
Net Change in Fund Balances	\$870,148	(\$618,130)	\$168,541	(\$1,242,828)	(\$3,183,890)
Debt Service as a Percentage of Noncapital Expenditures	11.9%	9.6%	11.8%	12.2%	9.9%

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

2007	2006	2005	2004	2003
\$13,685,944	\$12,665,853	\$10,265,881	\$8,666,743	\$8,816,411
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
697,267	630,322	567,845	503,833	541,180
478,917	404,212	372,744	383,864	422,376
1,827,018	2,014,888	2,417,416	3,403,709	3,164,482
280,487	251,996	247,661	230,950	230,971
0	0	0	0	0
902,878	1,163,633	534,113	75,626	63,432
11,005	10,429	13,587	0	0
175,679	164,709	160,907	151,442	195,583
18,059,195	17,306,042	14,580,154	13,416,167	13,434,435
1,825,369	1,575,760	1,570,617	1,846,775	1,871,902
6,606,229	6,541,135	6,423,904	5,989,043	5,760,650
2,285,613	2,096,611	2,395,523	931,146	932,973
150,868	1,735,926	1,717,840	1,606,713	1,593,359
1,239,329	0	0	0	0
1,785,080	1,673,816	967,810	838,805	713,599
4,395	2,405	72,513	57,305	49,447
11,019,177	4,718,525	3,422,025	1,982,089	2,064,837
892,753	2,094,705	430,536	1,720,760	230,074
1,221,322	1,241,148	612,535	263,080	274,521
0	0	278,104	0	0
27,030,135	21,680,031	17,891,407	15,235,716	13,491,362
(8,970,940)	(4,373,989)	(3,311,253)	(1,819,549)	(56,927)
0	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
0	0	0	0	0
0	0	2,000	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	162,287	505,126
1,166,028	862,634	707,123	2,733,782	1,082,074
(1,480,894)	(862,634)	(707,123)	(2,733,782)	(1,082,074)
(314,866)	1,200,000	22,724,601	1,362,287	505,126
(\$9,285,806)	(\$3,173,989)	\$19,413,348	(\$457,262)	\$448,199
10.5%	24.5%	10.1%	17.7%	4.6%

City of Fairview Park, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2012	\$299,182,420	\$58,992,630	\$1,023,357,286	\$4,364,670	\$4,959,852
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

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 taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). During 2012, the City did not include an assessed value for the general business tangible personal property. The 2012 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 billed. The 10 percent rollback for commercial/industrial property was eliminated in 2006.

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	\$362,539,720	\$1,028,317,138	35 %	\$11.80	
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	

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

	2012	2011	2010	2009	2008
Inside Millage					
Operating	\$3.33000	\$3.33000	\$3.33000	\$3.33000	\$3.33000
Fire Pension	0.30000	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000	0.30000
<i>Total Inside Millage</i>	<u>3.93000</u>	<u>3.93000</u>	<u>3.93000</u>	<u>3.93000</u>	<u>3.93000</u>
Charter Millage					
1976 Charter/Current Expense	5.00000	5.00000	5.00000	5.00000	5.00000
1994 Charter/Permanent Improvement	0.87000	0.87000	0.87000	0.87000	0.87000
1996 Charter/Fire	1.00000	1.00000	1.00000	1.00000	1.00000
1996 Charter/Recreational	1.00000	1.00000	1.00000	1.00000	1.00000
<i>Total Charter Millage</i>	<u>7.87000</u>	<u>7.87000</u>	<u>7.87000</u>	<u>7.87000</u>	<u>7.87000</u>
Total Charter Millage	<u><u>\$11.80000</u></u>	<u><u>\$11.80000</u></u>	<u><u>\$11.80000</u></u>	<u><u>\$11.80000</u></u>	<u><u>\$11.80000</u></u>
Overlapping Rates by Taxing District					
Fairview Park City School District					
Residential/Agricultural Real	\$58.2264	\$56.8256	\$56.7442	\$56.5150	\$51.9219
Commercial/Industrial and Public Utility Real	62.5649	61.5257	61.2140	60.9701	59.3262
General Business and Public Utility Personal	97.7000	97.6000	97.6000	97.4000	96.1000
Rocky River City School District					
Residential/Agricultural Real	49.3321	44.1296	43.9489	42.3267	40.8213
Commercial/Industrial and Public Utility Real	64.4748	58.5507	57.4008	55.1613	55.6700
General Business and Public Utility Personal	89.4500	84.3500	84.3000	82.7000	82.7000
Berea City School District					
Residential/Agricultural Real	44.8302	38.7028	38.5574	38.6449	35.9563
Commercial/Industrial and Public Utility Real	51.4777	45.3316	44.9615	45.1142	43.6675
General Business and Public Utility Personal	78.9000	75.0000	74.9000	75.0000	74.9000
Cuyahoga County Commissioners					
Residential/Agricultural Real	13.2200	13.1182	13.1866	13.1789	12.6607
Commercial/Industrial and Public Utility Real	12.9968	12.7845	12.8413	12.8457	12.8153
General Business and Public Utility Personal	13.2200	13.2200	13.3200	13.3200	13.3200
Special Taxing Districts (1)					
Residential/Agricultural Real	14.9634	14.7429	14.7006	14.2125	13.4074
Commercial/Industrial and Public Utility Real	15.0066	14.7148	14.5296	14.0203	14.0723
General Business and Public Utility Personal	16.0800	16.0800	16.0800	15.7800	15.7800

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.

2007	2006	2005	2004	2003
\$3.33000	\$3.33000	\$3.33000	\$3.33000	\$3.33000
0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000
3.93000	3.93000	3.93000	3.93000	3.93000
5.00000	5.00000	5.00000	5.00000	5.00000
0.87000	0.87000	0.87000	0.87000	0.87000
1.00000	1.00000	1.00000	1.00000	1.00000
1.00000	1.00000	1.00000	1.00000	1.00000
7.87000	7.87000	7.87000	7.87000	7.87000
<u>\$11.80000</u>	<u>\$11.80000</u>	<u>\$11.80000</u>	<u>\$11.80000</u>	<u>\$11.80000</u>

\$51.7745	\$51.3582	\$49.9227	\$45.0102	\$45.3387
58.1597	57.9899	55.4759	49.8963	52.1012
96.0000	95.6000	90.9000	86.0000	86.3000

35.1663	35.2625	37.8431	32.8459	32.7872
50.3371	51.2820	53.9213	45.6827	45.0509
77.1000	77.2000	77.0000	72.0000	72.0000

35.9965	36.0527	33.7047	33.9059	33.9233
4.5842	43.7691	41.5531	41.1544	41.2455
74.9000	74.9000	69.7000	69.8000	69.8000

11.8689	11.8655	11.7227	10.9754	10.9899
12.4536	12.4941	12.5881	11.9846	12.0433
13.4200	13.4200	13.5200	13.5200	13.5200

12.7052	12.7038	13.5382	13.5366	9.9678
13.4384	13.5665	14.2265	14.0729	10.8729
15.2800	15.2800	15.2800	15.2800	12.9800

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
2012	\$4,329,671	\$4,193,808	96.86 %	\$125,216
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

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.

<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (3)</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
\$4,319,024	99.75 %	\$116,847	2.70 %
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

City of Fairview Park, Ohio
Principal Real Property Taxpayers
 2012 and 2003

2012		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Westgate Mall , LLC	\$9,695,640	2.71 %
Z and Sons Limited	5,930,960	1.66
Fairview Shopping Center Corporation	3,580,990	1.00
Cleveland Electric Illuminating Company	3,087,620	0.86
Lawn Village Incorporated	2,404,290	0.67
200 West Apartments	1,765,680	0.49
West Valley Medical	1,764,950	0.49
Target Corporation	1,605,940	0.45
Stallard-Schrier Family Limited Partnership	917,560	0.26
MCGowan Real Estate	906,570	0.25
Total	\$31,660,200	8.84 %
Total Real Property Assessed Valuation	\$358,175,050	

2003		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Z and Sons Limited Partnership	\$6,688,680	1.88 %
Fairview Shopping Center Corporation	4,015,900	1.13
Lawn Village Incorporated	2,444,930	0.69
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
Stallard-Schrier Family Limited Partnership	951,940	0.27
Puzzitiello Rocco H Jr. Trust	919,840	0.26
North Solon Office	918,750	0.26
Fairview Reality Invest Limited	910,390	0.26
Total	\$22,974,320	6.44 %
Total Real Property Assessed Valuation	\$356,530,290	

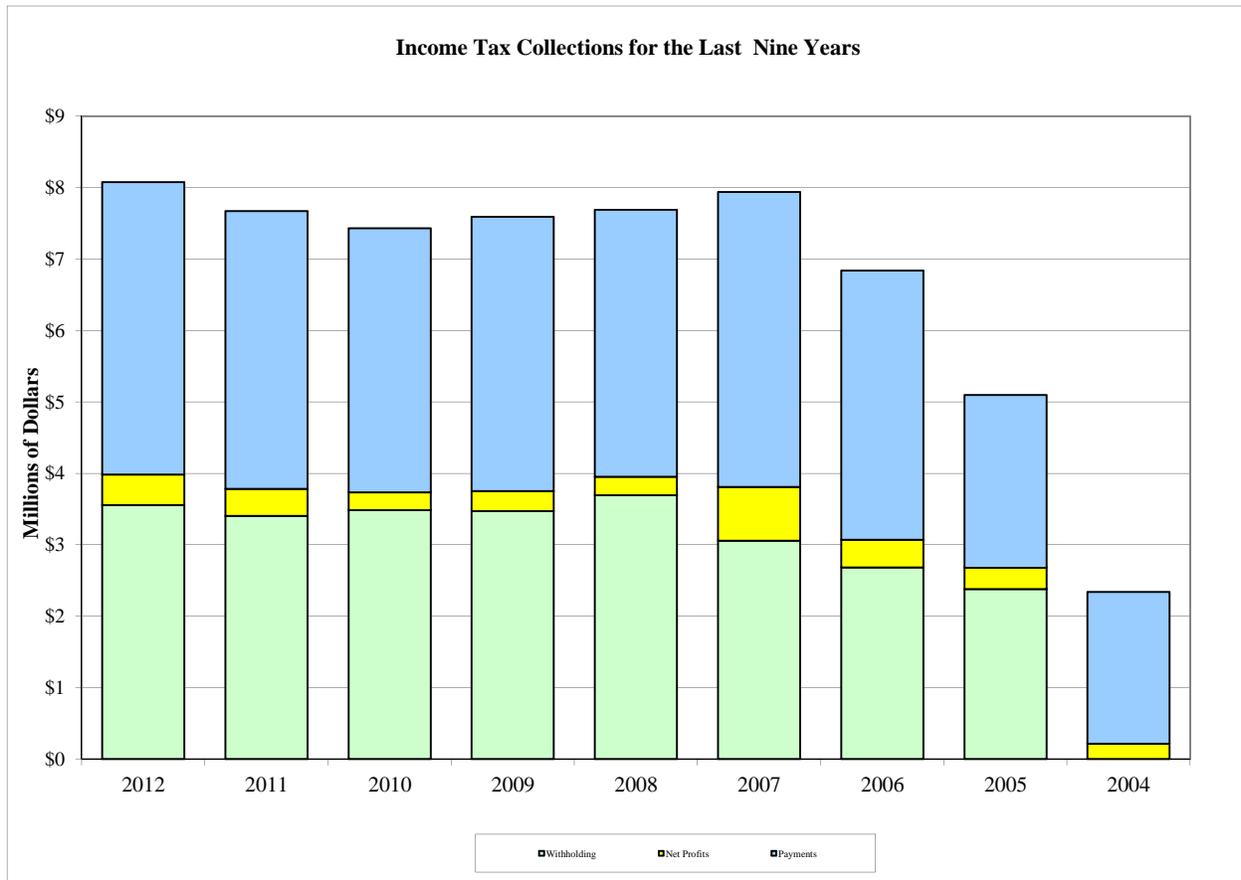
Source: Cuyahoga County Fiscal Officer

City of Fairview Park, Ohio
Income Tax Revenue Base and Collections
Last Nine 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
2012	2.00%	\$8,268,657	\$3,744,967	45.29%	\$426,256	5.16%	\$4,097,434	49.55%
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 2012 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*

Year	Governmental Activities						
	General Obligation Bonds	OPWC Loan	Lorain Road Revitalization Loan	Commercial Redevelopment Loans	Capital Leases	Intergovernmental Loan	Economic Development Note
2012	\$24,060,599	\$688,312	\$120,134	\$130,821	\$376,757	\$216,944	\$750,000
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

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
\$81,726	\$0	\$0	\$26,425,293	4.93%	\$1,573
117,860	0	0	24,833,057	4.76	1,478
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

City of Fairview Park, Ohio
Legal Debt Margin
Last Six Years (1)

	2012	2011	2010	2009	2008	2007
Total Assessed Property Value	<u>\$362,539,720</u>	<u>\$375,741,030</u>	<u>\$380,602,350</u>	<u>\$414,373,730</u>	<u>\$407,167,346</u>	<u>\$411,709,698</u>
General Bonded Debt Outstanding:						
General Obligation Bonds	\$23,165,000	\$21,585,000	\$21,935,000	\$22,430,000	\$22,965,000	\$23,490,000
Economic Development Note	750,000	750,000	1,100,000	1,100,000	1,200,000	1,200,000
Lorain Road Revitalization Loan	120,134	155,263	188,188	219,048	247,972	275,038
OPWC Loan	688,312	831,202	892,366	941,015	226,262	262,396
Commercial Redevelopment Loans	130,821	219,893	263,965	391,757	0	0
Intergovernmental Loan	216,944	277,241	334,025	390,821	447,637	504,461
Total Gross Indebtedness	25,071,211	23,818,599	24,713,544	25,472,641	25,086,871	25,731,895
Less:						
2005 Various Purpose Bonds	(21,440,000)	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)	(20,700,000)
Economic Development Note	(750,000)	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)	(1,200,000)
Lorain Road Revitalization Loan	(120,134)	(155,263)	(188,188)	(219,048)	(247,972)	(275,038)
Commercial Redevelopment Loans	(130,821)	(219,893)	(263,965)	(391,757)	0	0
Intergovernmental Loan	(216,944)	(277,241)	(334,025)	(390,821)	(447,637)	(504,461)
OPWC Loan	(688,312)	(831,202)	(892,366)	(941,015)	(226,262)	(262,396)
General Obligation Bond Retirement Fund Balance	(176)	(176)	(176)	(8)	0	0
Total Net Debt Applicable to Debt Limit	<u>1,724,824</u>	<u>1,934,824</u>	<u>2,134,824</u>	<u>2,329,992</u>	<u>2,565,000</u>	<u>2,790,000</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>38,066,671</u>	<u>39,452,808</u>	<u>39,963,247</u>	<u>43,509,242</u>	<u>42,752,571</u>	<u>43,229,518</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$36,341,847</u>	<u>\$37,517,984</u>	<u>\$37,828,423</u>	<u>\$41,179,250</u>	<u>\$40,187,571</u>	<u>\$40,439,518</u>
Legal Debt Margin as a Percentage of the Debt Limit	95.47%	95.10%	94.66%	94.64%	94.00%	93.55%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$19,939,685</u>	<u>\$20,665,757</u>	<u>\$20,933,129</u>	<u>\$22,790,555</u>	<u>\$22,394,204</u>	<u>\$22,644,033</u>
Total Gross Indebtedness	25,071,211	23,818,599	24,713,544	25,472,641	25,086,871	25,731,895
Less:						
2005 Various Purpose Bonds	(21,440,000)	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)	(20,700,000)
Economic Development Loan	(750,000)	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)	(1,200,000)
Lorain Road Revitalization Loan	(120,134)	(155,263)	(188,188)	(219,048)	(247,972)	(275,038)
Commercial Redevelopment Loans	(130,821)	(219,893)	(263,965)	(391,757)	0	0
Intergovernmental Loan	(216,944)	(277,241)	(334,025)	(390,821)	(447,637)	(504,461)
General Obligation Bond Retirement Fund Balance	(176)	(176)	(176)	(8)	0	0
Net Debt Within 5 ½ % Limitations	<u>2,413,136</u>	<u>2,766,026</u>	<u>3,027,190</u>	<u>3,271,007</u>	<u>2,791,262</u>	<u>3,052,396</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$17,526,549</u>	<u>\$17,899,731</u>	<u>\$17,905,939</u>	<u>\$19,519,548</u>	<u>\$19,602,942</u>	<u>\$19,591,637</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	87.90%	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, 2012

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	\$24,060,599	100.00 %	\$24,060,599
OPWC Loan	688,312	100.00	688,312
Capital Leases	376,757	100.00	376,757
Lorain Road Revitalization Loan	120,134	100.00	120,134
Commercial Redevelopment Loans	130,821	100.00	130,821
Economic Development Note	750,000	100.00	750,000
Intergovernmental Loan	216,944	100.00	216,944
<i>Total Direct Debt</i>	<u>26,343,567</u>		<u>26,343,567</u>
Overlapping Debt:			
Fairview Park City School District	25,980,773	100.00	25,980,773
Cuyahoga County			
General Obligation Bonds	352,896,785	1.28	4,517,079
Revenue Bonds	441,559,586	1.28	5,651,963
Loans	7,269,902	1.28	93,055
Notes	7,200,000	1.28	92,160
Greater Cleveland Regional Transit Authority	151,916,808	1.28	1,944,535
<i>Total Overlapping Debt</i>	<u>986,823,854</u>		<u>38,279,565</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$1,013,167,421</u>		<u>\$64,623,132</u>

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*

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Values of Taxable Property (2)</u>	<u>Bonded Debt</u>	<u>Ratio of Bonded Debt to Estimated Actual Values of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
2012	16,798	\$1,028,317,138	\$24,060,599	2.34 %	\$1,432.35
2011	16,798	1,066,600,649	22,289,346	2.09	1,326.90
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	1,167,643,457	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	1,071,209,018	3,795,000	0.35	215.97

Sources:

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

(2) Cuyahoga County Fiscal Officer

City of Fairview Park, Ohio

Principal Employers

2012 and 2007

2012

Employer	Employees	Percentage of Total City Employment
Fairview Park City School District	407	6.36%
Cleveland Metroparks	236	3.69
Cuyahoga County	184	2.87
ASRC Aerospace Corporation	139	2.17
Riser Foods	139	2.17
McGowan and Company	95	1.48
Cuyahoga County Board of Education	82	1.28
Cleveland Clinic Foundation	71	1.11
West Side Cardiology	61	0.95
Reserves Network	46	0.72
Total	<u>1,460</u>	<u>22.81%</u>
Total Employment within the City	<u>6,401</u>	

2007

Employer	Employees	Percentage of Total City Employment
Fairview Park City School District	454	7.28%
US Department of Interiors	306	4.91
Quadax	190	3.05
Analex Corporation	77	1.23
Cleveland Clinic Foundation	74	1.19
Total	<u>1,101</u>	<u>17.65%</u>
Total Employment within the City	<u>6,238</u>	

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

(1) Information prior to 2007 is not available

City of Fairview Park, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1a)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1a)</u>
2012	16,798	\$535,654,624	\$31,888	\$54,011	42.3
2011	16,798	521,796,274	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

(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

<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (6)</u>	<u>Average Sales Price of Residential Property (3)</u>	<u>Total Assessed Property Value (4)</u>
1,820	8.3%	\$139,972	\$362,539,720
1,748	8.0	153,200	375,741,030
1,763	8.6	128,979	380,602,350
1,605	9.0	137,899	414,373,730
1,666	7.1	153,564	407,167,346
1,699	6.1	151,009	411,709,698
1,711	5.5	151,749	382,199,851
1,758	5.9	156,985	395,053,219
1,771	6.3	157,998	394,164,578
1,787	6.2	148,057	374,457,849

City of Fairview Park, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2012	2011	2010	2009	2008
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	16	13
Fire					
Stations	1	1	1	1	1
Number of fire hydrants	866	866	866	866	866
Vehicles	7	7	7	7	7
Recreation					
Number of Parks	5	5	5	5	5
Number of Pools	2	2	2	2	2
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	7
Number of Soccer Fields	4	4	4	4	4
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	29	30	30	36	34
Wastewater					
Sanitary Sewers (miles)	52.90	52.90	52.90	52.90	52.90
Storm Sewers (miles)	52.90	52.90	52.90	52.90	52.90
Vehicles	1.00	1.00	1.00	0.00	0.00

Source: City of Fairview Park Departments
n/a: Information not available

2007	2006	2005	2004	2003
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
4	0	0	0	0
2	0	0	0	0
1	1	1	1	1
13	12	n/a	n/a	n/a
1	1	1	1	1
866	866	866	866	866
8	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	3	1	1	1
1	1	3	3	3
93,000	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

City of Fairview Park, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years (1)

Function/Program	2012	2011	2010	2009	2008
General Government					
Council	8.00	8.00	8.00	8.00	8.00
Finance	3.50	3.50	3.50	3.50	3.00
Administration	4.00	4.00	4.00	4.00	4.00
Planning Design	1.00	1.00	1.00	1.00	1.00
Payroll/Civil Service	1.00	1.00	1.00	1.00	1.00
Security of Persons and Property					
Police	25.00	24.00	27.00	27.00	27.00
Police - Auxiliary/Guards	14.00	14.00	16.00	16.00	12.00
Police - Dispatchers/Office/Other	1.50	1.50	1.50	1.50	1.00
Animal Wardens	1.00	1.00	1.00	1.00	1.00
Fire	25.00	24.00	28.00	28.00	28.00
Fire Secretary	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities					
Recreation	10.00	9.00	11.00	11.00	11.00
Senior Life	2.00	2.00	2.00	2.00	2.00
Community Development					
Building	4.00	4.00	4.00	4.00	4.00
Economic Development	3.00	2.00	2.00	2.00	2.00
Transportation					
Service	23.00	24.00	27.00	27.00	28.00
Totals:	<u>127.00</u>	<u>124.00</u>	<u>138.00</u>	<u>138.00</u>	<u>134.00</u>

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.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
8.00	8.00	8.00	8.00	8.00
3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
27.00	27.00	28.00	28.00	28.00
16.00	11.00	10.00	11.00	10.00
1.50	2.00	2.00	2.00	2.00
0.00	1.00	1.00	1.00	1.00
28.00	25.00	25.00	26.00	26.00
1.00	1.00	1.00	1.00	1.00
15.00	21.00	20.00	16.00	16.00
7.00	7.00	7.00	7.00	7.00
4.00	3.50	3.50	4.00	4.00
2.00	2.00	2.00	2.00	2.00
<u>25.00</u>	<u>28.00</u>	<u>38.00</u>	<u>37.00</u>	<u>41.00</u>
<u>143.50</u>	<u>145.50</u>	<u>154.50</u>	<u>152.00</u>	<u>155.00</u>

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

Function/Program	2012	2011	2010	2009	2008
General Government					
<i>Council and Clerk</i>					
Number of Ordinances Passed	51	68	47	85	76
Number of Resolutions Passed	23	27	24	17	25
Number of Planning Commission docket items	16	18	21	49	22
Zoning Board of Appeals docket items	11	2	13	11	12
<i>Finance Department</i>					
Number of payroll checks issued	1,667	1,817	1,898	2,223	0
Number of checks/vouchers issued	2,421	2,349	1,765	3,090	3,614
Amount of checks written	\$8,685,570	\$8,648,137	\$7,314,408	\$10,283,501	\$16,095,444
Interest earnings for fiscal year (cash basis)	\$4,695	\$2,597	\$4,489	\$16,985	\$525,500
Number of Receipts issued	1,857	1,920	1,673	2,230	30,096
Number of Budget Adjustments issued	2	1	1	3	0
Agency Ratings - Moody's Financial Services	A-	A-	A-	A-	A-
Health Insurance Costs vs. General Fund Expenditures %	0.00%	14.85%	14.85%	11.45%	12.29%
General Fund Receipts (cash basis in thousands)	\$10,363,066	\$10,297,802	\$10,753,175	\$10,319,406	\$10,016,188
General Fund Expenditures (cash basis in thousands)	\$9,982,702	\$9,897,753	\$9,849,428	\$10,814,112	\$10,517,415
General Fund Cash Balances (in thousands)	\$1,947,943	\$1,484,144	\$1,474,342	\$570,595	\$1,065,301
<i>Engineer Contracted Services</i>					
Dollar amount of Construction overseen by Engineer	\$1,068,732	\$776,992	\$83,083	\$1,633,623	\$1,276,825
<i>Civil Service</i>					
Number of police entry tests administered	0	1	0	0	0
Number of fire entry tests administered	0	0	1	0	1
Number of police promotional tests administered	0	0	0	0	0
Number of Police Officers hired	1	0	0	0	1
Number of Fire/Medics hired	1	2	1	1	0
<i>Building Department Indicators</i>					
New Construction Permits Issued	296	310	267	278	348
Estimated Value of Construction	\$6,520,419	\$5,679,573	\$4,512,702	\$6,770,889	\$10,236,541
Number of electrical/plumbing/remodeling permits issued	1,490	1,403	1,772	1,494	1,837
Amount of Revenue generated from permits	\$101,551	\$97,189	\$95,425	\$101,187	\$158,570
Number of contract registrations issued	473	523	534	422	429
Number of rental inspections performed	139	112	468	1,783	1,783
Annual Apartment/Rooming House License Fees	\$20,536	\$20,396	\$10,482	\$10,482	\$10,482
Security of Persons and Property					
<i>Police</i>					
Total Calls for Services	11,893	12,149	12,149	12,000	11,990
Number of traffic citations issued	4,859	5,716	5,716	4,561	5,420
Number of parking citations issued	1,621	1,460	1,460	1,373	1,521
Number of criminal arrests	172	136	136	115	105
Number of accident reports completed	244	222	222	217	259
Part I Offenses (major offenses)	73	51	51	62	65
Animal Warden service calls responded to per annual report	376	392	392	433	380
Police Dept. Auxiliary hours worked	3,486	1,672	1,672	1,981	1,699
DUI Arrests	55	48	48	52	60
Prisoners	517	498	498	491	502
Prisoner meal costs	4,369	3,770	3,770	4,133	7,388
Motor Vehicle Accidents	339	418	418	404	37
Property damage accidents	197	192	192	176	117
Fatalities from Motor Vehicle Accidents	0	0	0	1	1
Gasoline costs of fleet	55,086	42,098	42,098	31,140	55,649
Community Diversion Program Youths (2)	0	0	0	0	1,440
Community Diversion Program - community service hours	0	0	0	0	48
<i>Fire</i>					
EMS Calls	1,458	1,469	1,465	1,253	1,363
Ambulance Billing Collections (net)	\$325,256	\$345,936	\$273,070	\$262,020	\$282,167
Fire Calls	334	207	197	148	161
Fires with Loss	9	6	10	11	40
Fires with Losses exceeding \$10,000	5	2	8	6	6
Fire Losses \$	\$242,800	\$221,050	\$394,000	\$482,400	\$250,000
Fire Safety Inspections	697	362	663	578	721
Number of times Mutual Aid given to Fire and EMS	121	76	87	100	104
Number of times Mutual Aid received for Fire and EMS	54	31	50	63	80

2007	2006	2005	2004	2003
78	67	69	56	55
27	30	24	29	17
36	17	36	24	34
12	12	11	12	8
0	5,735	0	0	0
3,396	2,868	2,424	2,635	2,559
\$26,308,251	\$24,515,579	\$18,784,193	\$19,403,725	\$17,022,821
\$906,612	\$1,184,028	\$490,426	\$79,842	\$78,709
1,446	n/a	n/a	n/a	n/a
0	2	2	2	2
A-	A-	A-	A-	A-
0.00%	12.03%	12.78%	0.00%	12.10%
\$10,691,201	\$8,988,968	\$8,618,575	\$9,125,767	\$9,012,735
\$10,273,185	\$9,187,021	\$9,401,877	\$9,647,796	\$8,740,672
\$752,977	\$177,215	\$346,660	\$1,129,962	\$1,651,991
\$1,386,923	\$836,855	\$1,120,762	\$2,902,333	\$2,459,200
97	0	0	1	0
0	1	0	0	0
0	0	0	158	0
0	0	1	0	0
3	0	0	0	2
674	312	629	436	353
\$2,196,066	\$28,319,012	\$9,093,247	\$4,872,485	\$4,750,630
1,923	1,730	1,854	1,794	1,866
\$273,157	\$206,663	\$129,783	\$122,069	\$145,641
203	322	404	324	403
1,783	1,783	1,783	1,783	1,783
\$10,482	\$10,482	\$10,482	\$10,482	\$4,520
11,298	10,930	9,596	10,486	11,020
4,946	5,586	5,029	4,612	4,960
2,176	1,941	1,897	2,114	2,839
112	124	128	118	159
224	239	204	251	239
87	73	102	70	98
393	0	0	0	0
0	1,500	1,625	1,540	1,870
57	62	43	59	58
737	593	576	624	688
12,344	\$11,484	\$11,277	\$12,843	\$18,401
224	0	0	0	0
100	171	147	188	178
0	0	0	0	1
38,974	\$43,102	\$37,880	\$28,990	\$23,000
1,440	1,400	1,400	1,400	1,400
0	0	32	152	56
1,508	1,531	1,521	1,464	1,291
\$250,972	\$248,375	\$275,508	\$256,338	\$234,221
201	144	132	124	133
99	0	0	0	0
2	0	0	0	0
\$154,000	\$0	\$0	\$0	\$0
1,276	580	1,033	1,118	1,120
97	93	106	81	88
55	60	51	51	35

(continued)

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

Function/Program	2012	2011	2010	2009	2008
Leisure Time Activities					
<i>Recreation</i>					
Recreation Swimming pool receipts	\$102,639	\$94,102	\$69,341	\$53,386	\$28,518
Recreation Mens & Womens Leagues receipts	23,025	28,835	24,325	37,130	27,510
Recreation programs	175,496	192,058	185,689	147,768	163,173
Youth Soccer League	17,407	19,200	14,669	13,856	13,184
Youth Basketball League	20,805	19,410	15,723	13,100	19,407
Facilities rentals	99,608	82,648	93,011	103,471	72,897
Recreation center memberships	500,632	537,598	564,201	601,797	585,690
Miscellaneous	98,234	131,490	82,675	130,013	115,604
Total Recreation Department receipts	\$1,037,846	\$1,105,341	\$1,049,634	\$1,100,521	\$1,025,983
Community Development					
Grant amounts received due to Economic Development Dept.	\$0	\$0	\$0	\$90,527	\$95,000
Basic Utility Services					
Refuse disposal per year (in tons) January through December	6,229	8,440	8,137	8,203	8,511
Refuse disposal costs per year January through December	\$564,567	\$538,631	\$541,338	\$523,075	\$556,346
Percentage of waste recycled	28.00%	26.00%	26.50%	26.40%	26.90%
Annual recycling tonnage (excluding leaf and compost items)	1,121	826	915	1,070	1,057
Transportation					
Street Repair (Concrete, asphalt, crack sealing) (hours)	1,160	1,150	1,120	1,128	1,184
Mowing (hours)	1,950	1,944	1,944	1,944	1,776
Street Sweeper (hours)	320	320	320	320	320
Cold Patch (hours)	400	400	400	400	400
Snow & Ice Removal regular hours	1,500	1,000	1,900	1,808	1,888
Sewer and Sanitary calls for service	4,000	4,000	3,940	3,736	3,920
Fire hydrants (hours)	10	15	16	32	16
Catch basin (hours)	2,000	2,000	2,000	1,944	1,920
Leaf collection (hours)	2,500	2,000	2,816	2,800	2,784
Holiday lights setup (hours)	50	50	140	140	140
Burial Services (hours)	0	0	0	0	0
Equipment repair/body shop (hours)	5,000	4,160	7,060	7,040	7,024
Sign department (hours)	200	200	180	176	160
Paint striping (hours)	710	700	720	640	624
Building maintenance (hours)	9,011	9,011	9,011	9,016	9,152
Landscaping (hours)	2,280	2,280	2,280	2,280	1,704
Other (hours)	2,240	2,240	2,240	2,240	2,240
Tree Pruning and Care	1,210	1,200	1,211	1,216	1,216
Parks and main street garbage	2,000	2,000	2,000	2,000	1,704
Recycling crews	4,160	4,160	3,968	3,968	3,968
Traffic department (hours)	1,080	1,080	1,840	1,800	1,840
Summerfest	256	256	256	256	256
Wastewater Department					
Wastewater Rates per 1st 1000 Cu ft of water used	\$36.00	\$36.00	\$33.00	\$27.00	\$27.00
Total flow of wastewater treatment plant (Billions of Gallons)	5.10	6.59	4.39	4.42	5.03
Average daily flow (Millions of gallons per day)	13.97	18.07	12.03	12.10	13.74
Tons of dry sludge removed	1,659.12	1,983.08	1,666.30	1,660.10	1,757.60

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.

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

Members of the City Council
Fairview Park, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairview Park, Ohio (the "City"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2013, wherein we noted that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 63 and 65, as disclosed in Note 3.

Internal Control over Financial Reporting

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

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

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

Members of the City Council
Fairview Park, Ohio

Compliance and Other Matters

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

Purpose of this Report

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

Cini & Parichi, Inc.

Cleveland, Ohio
June 26, 2013



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
SEPTEMBER 10, 2013